



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

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DATE: 30 November 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 14 DECEMBER 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 5 - 18)

a) To confirm the Minutes of the meeting held on 16<sup>th</sup> November 2011, excluding exempt information;

b) Matters arising report

### 4 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING

In accordance with the Council's Constitution, questions to this Committee must be received in writing 4 working days before the date of the meeting. Therefore please ensure questions are received by the Democratic Services Team by 5pm on Thursday 8<sup>th</sup> December 2011.

### 5 ANNUAL AUDIT LETTER (Pages 19 - 32)

This report will also be going to the Audit Sub-Committee meeting on 15<sup>th</sup> December 2011.

- 6 **BUDGET MONITORING 2011/12** (Pages 33 - 64)
- 7 **COMMUNITY INFRASTRUCTURE LEVY - DCLG CONSULTATION ON DETAILED PROPOSALS AND DRAFT REGULATIONS FOR REFORM** (Pages 65 - 72)
- 8 **INTRODUCTION OF TRIAL OF REVISED GREEN GARDEN WASTE COLLECTION SERVICE AND TEXTILE COLLECTIONS** (Pages 73 - 100)
- 9 **RELEASE OF GOVERNMENT FUNDING TO SUPPORT THE STEP UP TO SOCIAL WORK PROGRAMME** (Pages 101 - 106)
- 10 **PROCUREMENT ARRANGEMENTS FOR DOMICILIARY CARE SERVICES** (Pages 107 - 110)
- 11 **SUPPORT FOR THE VOLUNTARY SECTOR - COMMUNITY LINKS BROMLEY** (Pages 111 - 118)
- 12 **GATEWAY REVIEW - DAY OPPORTUNITIES FOR OLDER PEOPLE** (Pages 119 - 124)
- 13 **FUNDING ARRANGEMENTS FOR INFORMATION, ADVICE AND GUIDANCE SERVICES**  
(*To follow*)
- 14 **BROMLEY MUSEUM AT THE PRIORY, ORPINGTON** (Pages 125 - 132)
- 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 16TH NOVEMBER 2011** (Pages 133 - 136)

- |           |  |   |
|-----------|--|---|
| <b>18</b> | <b>SUPPORT FOR THE VOLUNTARY SECTOR - COMMUNITY LINKS BROMLEY FINANCIAL INFORMATION</b> (Pages 137 - 140)  | Information relating to the financial or business affairs of any particular person (including the authority holding that information) |
| <b>19</b> | <b>FUNDING ARRANGEMENTS FOR INFORMATION, ADVICE AND GUIDANCE SERVICES - FINANCIAL INFORMATION</b><br><i>(To follow)</i>                                  | Information relating to the financial or business affairs of any particular person (including the authority holding that information) |
| <b>20</b> | <b>STREET ENVIRONMENT CONTRACT 2012-2017/19; STREET CLEANSING; GRAFFITI REMOVAL; PUBLIC CONVENIENCES AND HIGHWAY DRAINAGE CLEANING</b> (Pages 141 - 156) | Information relating to the financial or business affairs of any particular person (including the authority holding that information) |
| <b>21</b> | <b>OPPORTUNITY SITE G - BROMLEY TOWN CENTRE</b> (Pages 157 - 160)  | Information relating to the financial or business affairs of any particular person (including the authority holding that information) |
| <b>22</b> | <b>FORMER BROMLEY TOWN HALL AND SOUTH STREET CAR PARK, BROMLEY (OPPORTUNITY SITE C)</b> (Pages 161 - 164)  | Information relating to the financial or business affairs of any particular person (including the authority holding that information) |

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## EXECUTIVE

Minutes of the meeting held on 16 November 2011 starting at 7.00 pm

### Present:

Colin Smith (Deputy Leader, in the Chair)  
Councillors Graham Arthur, Robert Evans, Peter Morgan,  
Ernest Noad and Tim Stevens

### Also Present:

Councillor Eric Bosshard, Councillor Peter Fookes,  
Councillor Russell Mellor and Councillor Stephen Wells

## 88 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Steven Carr.

## 89 DECLARATIONS OF INTEREST

There were no declarations of interest reported.

## 90 CONFIRMATION OF MINUTES

### A) Minutes of the meeting held on 19<sup>th</sup> October 2011

**RESOLVED** that the minutes of the meeting held on 19<sup>th</sup> October 2011, excluding exempt information, be confirmed as a correct record.

### B) Matters Arising Report LDCS11130

**RESOLVED** that the report be noted.

## 91 QUESTIONS FROM COUNCILLORS AND MEMBERS OF THE PUBLIC ATTENDING THE MEETING

Councillor Getgood had submitted two written questions and full details with the answers are set out in the appendix to these minutes.

## 92 CAPITAL PROGRAMME 2011/12

Report RES11126

Members received a report summarising the current position on capital expenditure and receipts following a more detailed monitoring exercise carried

out after the second quarter 2011/12 and seeking support for approval of a revised Capital Programme. In response to the views expressed at the July Executive meeting (Minute 38 – 20.007.11 refers) concerning the major level of slippage on schemes a more robust approach had been taken with the introduction of challenge and review. The Resources Portfolio Holder was pleased to see that a re-examination of the monitoring procedures had been undertaken and commended the additional challenges to the rephrasing of schemes. He raised queries in respect of expenditure for Christmas lights for Beckenham Town Centre and the possible use of future uncommitted Section 106 monies. The Portfolio Holder for Renewal & Recreation advised that the cost of Christmas lighting in Bromley, Orpington and Penge Town Centres was being paid for out of grants from the Mayor's Outer London Fund. Unfortunately the bid for Beckenham had been unsuccessful but traders had been told that Bromley would provide match funding in respect of monies raised by local businesses and he was confident arrangements were in hand for a display of lights in Beckenham. The Finance Director responded concerning the future use of Section 106 contributions and advised that monitoring reports were submitted every 6 months to the Executive and Resources PDS Committee on the allocations and that comments raised could be reflected in the next monitoring report. Comments raised included future use of funding towards Extra Care Housing at Bromley Common and possible new community facilities. The Finance Director agreed to deal with queries raised by Councillor Evans on Appendix C of the report.

**RESOLVED that approval be given for the following amendments to the Capital Programme:**

- (i) the addition of £521k for the expansion of the Composting For All service, funded by grant from the London Waste & Recycling Board as detailed in paragraph 3.2 of the report;**
- (ii) the addition of £226k in respect of GLA Outer London Fund support for Christmas lights in town centres as detailed in paragraph 3.3 of the report;**
- (iii) the addition of £140k in 2011/12 in respect of a revenue contribution to The Highway Primary School rebuild scheme as detailed in paragraph 3.4 of the report;**
- (iv) the deletion of residual budgets no longer required, totalling £382k, as detailed in paragraph 3.5 of the report;**
- (v) funding arrangements for capital scheme overspends in 2010/11 – revenue contributions totalling £83k in 2011/12 and capital scheme virements totalling £60k in 2011/12 as detailed in paragraph 3.6 of the report; and**
- (vi) in the CYP Capital Programme – various virements to allocate funding to individual schemes to match actual expenditure as detailed in paragraph 3.7 of the report.**

**93 TRANSFORMING COMMUNITY EQUIPMENT SERVICES**

This item was withdrawn from the agenda.

**94 FORMAL CONSULTATION ON OUTLINE SERVICE PROPOSALS AND PROCUREMENT STRATEGY - INSPECTION OF STREET WORKS CONTRACT**

Report ES11112

The current contract for the inspection of street works expired on 31<sup>st</sup> March 2013 and as it fell within the EU Procurement regulations options for the future of the service needed to be considered. The Director of Environmental Services advised that the contract was for the inspection of all street works done by utilities across the borough and the income generated was in excess of £1m a year which far exceeded the cost of the contract. In response to a query on the tender evaluation process the Head of Highway Network Management confirmed that this would be based on a 60% financial submission and 40% on the quality of the bid which was the standard split for such contracts. It was a question of balance but if submissions were received that were of poor quality they would not be considered further.

The report had been pre-scrutinised by both the Environment and Executive & Resources PDS Committees who had supported the proposals. However, the Environment PDS Committee had specifically commented on the term of the contract and favoured an initial three year period with the option of extending for two years along with a further option to extend for another two years depending on the commercial advantages.

**RESOLVED that the proposal for a new contract to be entered into for the inspection of streetworks from 1<sup>st</sup> April 2013, following a competitive tendering process based on the arrangements outlined in the report and for a term of 3 years with possible extensions of two and then a further two years, be endorsed.**

**95 FORMAL CONSULTATION ON OUTLINE SERVICE PROPOSALS AND PROCUREMENT STRATEGY - STREET LIGHTING MAINTENANCE AND IMPROVEMENTS CONTRACT**

Report ES11111

Consideration was given to a report proposing options for the future contract arrangements of the Street Lighting service, the current contract for which expired on 31<sup>st</sup> March 2013. As the Contract fell within the EU procurement regulations it was necessary to consider the arrangements well in advance. The proposals would allow the Council to take advantage of two options i.e. a straightforward retender for a new Contract for the Borough and to also use the new London Highways Alliance Contract which was a pan London

contract lead by Transport for London which would be available from April 2013 for a range of highway related works, including street lighting. That Contract would be for four areas and Bromley could be included in the South Area Contract. This would allow Bromley to choose the most advantageous submission from both tendering processes.

Both the Environment and Executive & Resources PDS Committees had pre-scrutinised the report and supported the proposals.

**RESOLVED that the proposal for a new contract to be entered into for the maintenance and improvements of street lighting from 1<sup>st</sup> April 2013, following a competitive tendering process and comparison with the London Highways Alliance Contract, be endorsed.**

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

There were no other issues to be reported from the Executive and Resources PDS Committee meeting on 14<sup>th</sup> November 2011.

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

**RESOLVED 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**

**98            EXTENSION OF WASTE MANAGEMENT CONTRACT**

Consideration was given to a report proposing the extension of the current Waste Management Contract with Veolia Environmental Services which was approved by the Executive.

**99            PURCHASE OF RESIDENTIAL PROPERTIES**

Following the recommendation by the Executive (Minute 61 – 07.09.11 refers) and subsequent approval by Council on 24<sup>th</sup> October 2011 to the establishment of two Investment Funds, the Executive agreed certain arrangements for the purchase of properties in respect of the Investment and Regeneration Fund.



**100 CAPITAL RECEIPTS**

The Executive considered a schedule of anticipated capital receipts.

Chairman

The Meeting ended at 7.50 pm

**EXECUTIVE MEETING**

**16<sup>th</sup> November 2011**

**WRITTEN QUESTIONS BY MEMBERS OF THE COUNCIL**

**From Councillor John Getgood of the Chairman of the Executive**

**1) Swimming Pool**

Total Swimming would like to install a heated pool to Royston School in Penge for one term next year to introduce more of the children to swimming.

In London more than 20% of all children cannot swim and if they come from an area of higher deprivation or from a BME group then they are twice as likely again not to be able to swim. The programme's aim is to teach 1000 people in the local area to swim. The £100,000 cost of the temporary installation of the pool and supporting programme is pre-funded by the Olympic legacy fund, the Mayor of London's office, the GLA, the Variety Club and the Amateur Swimming Association amongst others.

The local partners, usually the Local Authority, need to find just £18,000 to bring the Make A Splash pool and programme to Bromley. Bromley MyTime has refused to contribute. Will the council provide the funding to join other London Boroughs and the Mayor of London in making this project possible?

**Reply:**

No I'm afraid it won't.

As nice as it might be, there is no statutory obligation to spend money in this manner nor discretionary spend available to support such an initiative.

**2) Crystal Palace Park**

What rental income does Crystal Palace Park earn annually from events?

What rental is earned from and what are the lease agreements for the following Crystal Palace Park activities:

The		café?
The	Caravan	Park?
The		NSC?
Capel Manor?		

**Reply:**

Annual events:

2011/12 - taken so far this year **£15,620**

2010/11 total **£21,214**

Rental from the following lease agreements:

a) Crystal Palace Park Café

Let to the Executors of Mr A, who are holding over on a secure business lease. The current rent is £30,000 pa and the Council is responsible for external repairs.

b) The Caravan Park

Let to the Caravan Club until 2109. The rent varies from year to year as it depends upon the tenant's gross pitch income. The rent for 2010 was £31,620.10. The tenant is responsible for repairs.

c) The National Sports Centre

Let to the London Development Agency until 2131 at a peppercorn rent. The tenant is responsible for repairs.

d) Crystal Palace Park Farm (Capel Manor)

Let to the London Development Agency until 2131 at a peppercorn rent. The tenant is responsible for repairs. The property is sub-let to Capel Manor.

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PART 1 - PUBLIC

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**Decision Maker:** EXECUTIVE

**Date:** 14<sup>th</sup> December 2011

**Decision Type:**

**Title:** MATTERS ARISING FROM PREVIOUS MEETINGS

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

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

**Ward:** N/A

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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.

1.1 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

<u>Minute Number/Title</u>	<u>Executive Decision</u>	<u>Update</u>	<u>Action by</u>	<u>Completion Date</u>
<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.	See report at item 14 on this agenda.	Colin Brand, Asst. Dir. 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 Mayor's levy proposals.	The Leader, together with the Chairman of the Development Control Committee wrote to the Mayor as requested. The DC 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 and the Public Examination is taking place during November 2011. See also report on this agenda.	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.	Report on outcome of consultations to be submitted to Development Control Committee on 17.11.11	Chief Planner	Consultation period ended 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	Executive & Resources PDS Committee on 14 <sup>th</sup> November 2011 noted progress on the recommendations.	Chief Executive/ Cllr William Harmer	Autumn 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.	Report to Executive & Resources PDS Committee meeting on 14 <sup>th</sup> November 2011 and the Resources Portfolio Holder subsequently agreed to accept the offer received.	Director of Renewal and Recreation	
<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.	Report Updating on the latest situation with the Library Services going to Renewal & Recreation PDS Committee on 13 <sup>th</sup> December 2011.	Director of Renewal and Recreation	



<u>Minute Number/Title</u>	<u>Executive Decision</u>	<u>Update</u>	<u>Action by</u>	<u>Completion Date</u>
<b>20<sup>th</sup> July 2011</b>				
<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. Further reports to January 2012 Executive.	Democratic Services	Jan/Feb 2012
<b>19<sup>th</sup> October 2011</b>				
<b>81 Proposed Governance of Crystal Palace Park</b>	Recommendations agreed for the establishment of the Crystal Palace Park Management Board		Director of Renewal & Recreation	Updating report to Executive in April 2012 following Community Conference
<b>19<sup>th</sup> October 2011</b>				
<b>82 Treasury Management and Annual Investment Strategy - Mid Year Review 2011/12</b>	Agreed to recommend Council to approve the proposed increase in the investment limit for the part-nationalised banks, subject to being implemented after 3 months.	Council agreed on 24 <sup>th</sup> October 2011: "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, subject to this being potentially implemented after 3 months time and a report back to the Executive."	Finance Director	January/February 2012
<b>16<sup>th</sup> November 2011</b>				
<b>98/1 Extension of Waste Management Contract</b>	Agreed recommendations. Further report on possible savings in the Waste Service to be submitted back to the Executive.		Director of Environment	

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# Agenda Item 5

Report No.  
CEO 1188

London Borough of Bromley

Agenda  
Item No.

## PART 1 - PUBLIC

<Please select>

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**Decision Maker:**

**Executive  
Audit Sub Committee**

**Date:**

**14th December 2011  
15<sup>th</sup> December 2011**

**Decision Type:**

Non-Urgent                      Non-Executive                      Non-Key

**Title:**

**ANNUAL AUDIT LETTER 2010/11**

**Contact Officer:**

Mark Gibson, Chief Internal Auditor  
Tel: 020 8313 4295 E-mail: mark.gibson@bromley.gov.uk

**Chief Officer:**

Doug Patterson, Chief Executive

**Ward:**

All

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1. Reason for report

The purpose of this letter is to provide a high level summary of the results of the 2010/11 audit work that the external auditor has undertaken.

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2. **RECOMMENDATION(S)**

a. **Note the report**

### Corporate Policy

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

### Financial

1. Cost of proposal: N/A
  2. Ongoing costs: Recurring cost.
  3. Budget head/performance centre: Audit
  4. Total current budget for this head: £376,660.
  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: Statutory requirement. Audit Commission Act 1998
  2. Call-in: Call-in is not 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: None

### **3. COMMENTARY**

**3.1** The purpose of the attached letter is to provide a high level summary of the results of the 2010/11 audit work that the external auditor has undertaken. PWC have already reported the detailed findings from their audit work to those charged with governance in the following reports:

- London Borough of Bromley 2010/11 Audit Plan.
- London Borough of Bromley Pension Fund 2010/11 Audit Plan.
- London Borough of Bromley ISA 260 Report to those charged with Governance.
- London Borough of Bromley Pension Fund ISA 260 Report to those charged with Governance.
- Audit opinion on the London Borough of Bromley 2010/11 financial statements, including Value for Money Conclusion.
- Audit opinion on the London Borough of Bromley Pension Fund.
- Internal Control Recommendations report to management.

**3.2** It is pleasing to note that there were not any significant recommendations raised in the ISA 260 reports on the audit of the Authority's financial statement or pension fund and that the internal control report recommendations notified separately to the Finance Director along with action plans have been agreed with officers. The areas where recommendations for improvement have been identified include:

- Developing a formal process to consider the potential valuation movements of all Land & Building assets.
- Ensuring that the value of all Investment Properties are considered on an annual basis.
- Undertake a review the closedown process to ensure that the procedures for ensuring that expenditure is recorded in the right financial year are appropriate.
- Further testing of disaster recovery plans and system access and monitoring.

### **4. FINANCIAL IMPLICATIONS**

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

### **5. LEGAL IMPLICATIONS**

**5.1** Auditors' responsibilities are set out in the [Audit Commission Act 1998 \(external link\)](#). There is a [Code of Audit Practice for local government bodies](#). These Codes prescribe how auditors carry out their functions under the Act and are approved by Parliament at least once every five years, giving them statutory effect.

### **6. PERSONNEL IMPLICATIONS**

**6.1** None.

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*Government and Public Sector*  
***London Borough of  
Bromley***

**Annual Audit Letter**

2010/11

November 2011





7 More London Riverside,  
London,  
SE1 2RT

The Members  
London Borough of Bromley  
Civic Centre  
Stockwell Close  
Bromley  
BR1 3UH

24 November 2011

Ladies and Gentleman

We are pleased to present our Annual Audit Letter summarising the results of our 2010/11 audit.

Yours faithfully

PricewaterhouseCoopers LLP

***Code of Audit Practice and Statement of Responsibilities of Auditors and of Audited Bodies***

*In March 2010 the Audit Commission issued a revised version of the 'Statement of Responsibilities of Auditors and of Audited Bodies'. It is available from the Chief Executive of each audited body. The purpose of the statement is to assist auditors and audited bodies by explaining where the responsibilities of auditors begin and end and what is to be expected of the audited body in certain areas. Our reports and management letters are prepared in the context of this Statement. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the audited body and no responsibility is taken by auditors to any member or officer in their individual capacity or to any third party.*

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<i><b>Summary of Recommendations</b></i>	<b>9</b>



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# Introduction

## The purpose of this letter

The purpose of this letter is to provide a high level summary of the results of the 2010/11 audit work we have undertaken at London Borough of Bromley that is accessible for the Authority and other interested stakeholders.

We have already reported the detailed findings from our audit work to those charged with governance in the following reports:

- London Borough of Bromley 2010/11 Audit Plan.
- London Borough of Bromley Pension Fund 2010/11 Audit Plan.
- London Borough of Bromley ISA 260 Report to those charged with Governance.
- London Borough of Bromley Pension Fund ISA 260 Report to those charged with Governance.
- Audit opinion on the London Borough of Bromley 2010/11 financial statements, including Value for Money Conclusion.
- Audit opinion on the London Borough of Bromley Pension Fund.
- Internal Control Recommendations report to management.

The matters reported here are those that we consider are most significant for the Authority.

## Scope of work

Our audit work is conducted in accordance with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission.

The Authority is responsible for preparing and publishing its Statement of Accounts, accompanied by the Annual Governance Statement. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

As auditors we are responsible for:

- forming an opinion on the financial statements;
- reviewing the Annual Governance Statement;
- forming a conclusion on the arrangements that the Authority has in place to secure economy, efficiency and effectiveness in its use of resources; and
- undertaking any other work specified by the Audit Commission.

Our 2010/11 audit work has been undertaken in accordance with the Audit Plan that we issued in March 2011.

# Audit Findings

## Accounts

We audited the Authority's Statement of Accounts in line with approved Auditing Standards and issued an unqualified audit report on 29 September 2011.

We would like to thank officers and their teams for their assistance with the 2010/11 audit process.

We identified the following key matters from our audit of accounts:

- Implementation of International Financial Reporting Standards
- Valuation of Property, Plant & Equipment
- Valuation of Investment Properties.

### Implementation of International Financial Reporting Standards (IFRS)

Under the Code of Practice on Local Authority Accounting the Authority was required to prepare the 2010/11 financial statements under International Financial Reporting Standards (IFRS). This also required the restatement of the 2009/10 financial statements and the balance sheet as at 1 April 2009.

The Authority has worked through the guidance issued to produce IFRS compliant financial statements. The finance team worked hard to produce a first draft of the financial statements in July 2011 which were of a high standard.

A number of key areas of focus were identified during the IFRS restatement process and are summarised below:

- **Accounting for leases**  
Under IFRS the Authority was required to consider the nature of the leases which it has in place, to identify whether the lease represents an operating lease or a finance lease. The Authority worked to consider the significant leases which it held and whether these should be accounted for as operating leases or finance leases.
- **Component accounting**  
Under IFRS the Authority was required to identify the individual components within Property Plant and Equipment assets, apply a value to each component and depreciate those over their individual useful economic lives. Management considered componentisation across the Land & Buildings assets with a value in excess of £1.0m that have been revalued in year (see below) and applied componentisation to those assets. The impact on the overall depreciation charge was an increase of £25,000 across this asset population, extrapolated to £143,000 for the entire Land & Buildings population.
- **Holiday pay accrual**  
The Authority calculated the holiday pay accrual that existed at 31 March 2011. This represented the holiday entitlement that has been earned and not taken at the balance sheet date. The Authority reflected an accrual of £7.8 million on the balance sheet as at 31 March 2011.

### Valuation of Property, Plant and Equipment

In line with its accounting policy the Authority revalued 20% of its Land & Buildings in year as at 31 March 2011. The value of these revalued assets totalled £277.6 million. Valuation gains of £23.7 million and impairment losses of £12.4 million were recorded on Land & Buildings in year, resulting in an overall valuation gain of £11.3 million.

We asked management to consider formally the impact of the valuation movements identified by the 20% land and buildings across the remaining population of assets not revalued in years. We also requested management consider any potential impairment of classes of assets which were revalued in year. Management completed both of these exercises and overall we were satisfied with the valuation exercise undertaken during 2010/11.

However, as noted in previous years and reported to those charged with Governance, the Authority would benefit from a more formal process for monitoring valuation movements in year to ensure that the balance sheet at the 31 March accurately reflects the value of the asset base. We will work with management in the coming months to document a formal process in this area.

### **Valuation of Investment Properties**

Under International Financial Reporting Standards the Authority is required to consider the valuation of all Investment Properties on an annual basis. In 2010/11 the Authority revalued £35.5 million of the Investment Properties of £49.1 million. Gains on revaluation of £0.1 million were recorded in the financial statements. The Authority has considered the valuation of the non-valued assets and believes there are no indicators of impairment in this area.

Overall we were satisfied that as a result of the valuation exercise undertaken during 2010/11 that the asset value is materially accurate. Going forward the Authority should ensure that the valuation of all Investment Properties is considered on an annual basis to ensure the balance sheet values accurately reflect the value of the Investment Properties held.

### ***Economy, efficiency and effectiveness***

Our Use of Resources Code responsibility required us to carry out sufficient and relevant work in order to conclude on whether the Authority has put in place proper arrangements to secure economy, efficiency and effectiveness in the use of resources.

In accordance with guidance issued by the Audit Commission, in 2010/11 our conclusion was based on two criteria:

- the organisation has proper arrangements in place for securing financial resilience; and
- the organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness.

Unlike in previous years, we were not required to reach a scored judgment in relation to these criteria and the Audit Commission has not developed 'key lines of enquiry' for each criteria. Instead, we have determined a local programme of audit work based on our audit risk assessment, informed by these criteria and our statutory responsibilities.

We are pleased to confirm that we have issued an unqualified value for money conclusion.

### ***Annual Governance Statement***

Local authorities are required to produce an Annual Governance Statement (AGS) that is consistent with guidance issued by CIPFA/SOLACE. The AGS accompanies the Statement of Accounts.

We reviewed the AGS to consider whether it complied with the CIPFA/SOLACE guidance and whether it might be misleading or inconsistent with other information known to us from our audit work. We found no areas of concern to report in this context.

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## *Summary of recommendations*

There were not significant recommendations raised in our ISA 260 reports on the audit of the Authority's financial statement or pension fund.

We report internal control recommendations separately to the Finance Director and action plans have been agreed with officers.

Our Internal Control Report, issued in October 2011, has been approved and officers are working actively to address the recommendations raised. The areas where recommendations for improvement have been identified include:

- Develop a formal process to consider the potential valuation movements of all Land & Building assets.
- Ensure that the value of all Investment Properties are considered on an annual basis.
- Some low value expenditure items were found to be recorded in the wrong financial period. Therefore it would be beneficial to undertake a review the closedown process to ensure that the procedures for ensuring that expenditure is recorded in the right financial year are appropriate.
- IT controls, including testing of disaster recovery plans and system access and monitoring.

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Report No.  
RES11142

London Borough of Bromley

Agenda  
Item No.

## PART 1 - PUBLIC

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**Decision Maker:** Executive

**Date:** 14<sup>th</sup> December 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 fourth budget monitoring position for 2011/12 based on expenditure and activity levels up to October 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 £3,470k is forecast based on information as at October 2011. This consists of a £967k underspend on services, additional grant income of £319k, £700k improved forecast for recovery of Heritable Bank investment, £300k increased interest earnings and a projected underspend on the Central Contingency provision of £1,184k;

(c) note a projected reduction to the General Fund balance of £981k after allowing for the underspends detailed in (b) above, offset by a contribution to the Severance Fund of £3,500k and carry forwards of £951k funded from underspends in 2010/11;

(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) agree to release £100k for fuel costs from the Central Contingency as detailed in section 3.5.2 of the report;

- (f) identify any issues that should be referred to individual Portfolio Holders for further action;
- (g) note the early warnings detailed in para. 3.12 and in particular uncertainty relating to the top slicing of funding for Academies.
- (h) Members are asked to note that there are reports elsewhere on the agenda requesting approval to utilise in year underspends and grant funding which have not been reflected within this report pending Executive approval. These are as detailed in section 3.2;

### 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 October 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	86,189	85,815	-374
Children & Young People	31,531	31,579	31,799	220
Environmental Services	36,199	35,924	35,769	-155
Public Protection	3,446	3,446	3,446	0
Renewal & Recreation	9,953	10,081	9,901	-180
Resources	34,120	35,027	34,549	-478
<b>Total Controllable Budgets</b>	<b>201,025</b>	<b>202,246</b>	<b>201,279</b>	<b>-967</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>249,291</b>	<b>248,324</b>	<b>-967</b>
Contingency Provision	3,617	3,989	2,805	-1,184
Interest on Balances	-2,691	-2,691	-3,691	-1,000
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>-116,174</b>	<b>-118,677</b>	<b>-2,503</b>
<b>Total Variation (see also 3.2.1)</b>	<b>132,166</b>	<b>133,117</b>	<b>129,647</b>	<b>-3,470</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 £30k. After allowing for carry forwards of £951k, funded from underspends in 2010/11, the net impact on General Fund balances is a reduction of £981k 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.

3.2.3 A report will be submitted to a future meeting of the Executive to request that Members consider setting up an earmarked reserve of £150k funded by the underspend in Renewal and Recreation to be used as a contribution towards the costs of a special project in 2012/13.

3.2.4 There is a report elsewhere on the agenda requesting approval to utilise £140k of the projected underspend within the Environment Portfolio to part fund the introduction of a trial revised green garden waste collection service. This has been excluded from the above table pending approval.

3.2.5 There is a further report elsewhere on the agenda requesting the release of government funding to support the Step Up to Social Work Programme. This is fully funded by a grant from the Children's Workforce Development Council. This has not been reflected within this report pending approval by the Executive.

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

- 3.3.1 The £220k overspend on the CYP budget arises largely from the continuing increase in numbers and costs of placements for children with disabilities and for looked after children. Controls are limited given the statutory obligations and limited options, especially for residential provision. Exercises continue to scrutinise costs and commitments of all placements. Due to the cost for each individual placement the pressure on the CYP budget is immense.
- 3.3.2 The Director CYP and Head of Finance CYP introduced a framework of measures earlier in the financial year to contain the cost of spend within the Department to offset the service pressures. This included: a moratorium on spending, a 'freeze' on all vacant posts other than for essential posts, with costs of cover for vacancies minimised. Rigorous management action is achieving compensatory savings. These measures will continue for the remainder of the year with the aim of bringing the in year overspending to zero. Actions were reported in detail in previous budget monitoring reports.
- 3.3.3 Whilst the Director CYP is aiming to contain the projected overspend in 2011/12, the solution is only short term. The full year cost in 2012/13 of children with disabilities placements is estimated at £645k and for social care placements £263k. Given the projected service volumes and associated costs arising from the escalation in numbers of children requiring placements, these budget pressures will continue in 2012/13. The department are seeking ways to manage the full year effect in the medium term.

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

- 3.4.1 Although forecasts based on the latest activity available show a full year overspend of £204k on placements and domiciliary care for older people and people with physical disabilities, it is anticipated that this budget will be brought into balance by successful management action from maximising income, continuing to review care packages and delivering reablement savings.
- 3.4.2 Pressure on temporary accommodation continues and options for temporary use of empty council owned properties and other initiatives 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. The Director of Environmental Services requests the release of £100k to cover electricity costs relating to street lighting.
- 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 A late notification of £219k grant funding to support improvements in children and families social work was transferred to the Contingency provision. The Executive, on 19<sup>th</sup> October 2011, agreed to the release of £190k to support improvement in front line child protection and that the CYP Portfolio Holder be delegated authority to utilise the balance of £29k as appropriate. The Portfolio Holder agreed the utilisation of the £29k on 7<sup>th</sup> November and this has been allocated from the Central Contingency.
- 3.5.7 The original Contingency provision included £93k for unallocated inflation and £84k for other items. Latest projections indicate that these provisions are no longer required resulting in a £177k underspend on the Central Contingency.
- 3.5.8 The 2011/12 Central Contingency contains various other 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.

### **3.6 Interest on Balances**

- 3.6.1 At this stage, an overall surplus of £300k is forecast on interest earnings arising from the day-to-day investment of cash and balances. This is mainly due to an improvement of around £20m in the estimated average balance of investments for the whole year. The 2011/12 budget assumed an average balance of investments of £165m, but the continuing positive cashflow position of the Council has resulted in this increasing to £184.4m at the latest forecast. It is estimated that this will generate an additional £300k in 2011/12.
- 3.6.2 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. The latest estimate given by the administrators, Ernst & Young, 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.

### 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 £981k to £28,800k 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)	(3,470)
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>(28,800)</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 was approved at Council on 24<sup>th</sup> October 2011 and is therefore reflected in the above table.

### 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
Adult & Community Services Portfolio:		
Residential & Domiciliary Care		
- Older People & People with Physical Disabilities	21,024	204
- Learning Disabilities	24,844	363
- Mental Health	2,889	-167
Housing Needs – Temporary Accommodation	229	500
		<b>900</b>
Children & Young People Portfolio:		
Children's Placement Projections	9,535	263
SEN Children's Disability Team Placements	1,559	645
		<b>908</b>
Environment Portfolio:		
Parking Income	-5,354	50
Waste Services – Reduction in Tonnage	16,697	-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 People's 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 The Glades / Queens Gardens Restaurant Project, is estimated to cost £5.7 million. The planning application was due 4<sup>th</sup> November 2011. Construction is expected to commence August 2012 with opening in Spring / Summer 2013. Bromley would have to pay 15% of the project costs, say £0.9m. Funding options such as setting up an Earmarked Fund are being explored.

- 3.12.4 There is a potential liability arising from the impact of ongoing litigation, further details are included in appendix 5, which is included as a part 2 item on this agenda.

- 3.12.5 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)	Update on Council's Financial Strategy 2012/13 to 2015/16 – Executive 7 <sup>th</sup> September 2011. Budget Monitoring 2011/12 – Executive 20 <sup>th</sup> July 2011, 7 <sup>th</sup> September 2011 and 19 <sup>th</sup> October. Provisional Final Accounts 2010/11 – Executive 22 <sup>nd</sup> June 2011. 2011/12 Council Tax report – Executive 14 <sup>th</sup> February 2011. The Local Government Finance Settlement 2011/12 to 2012/13 and Related Budget Issues – Executive 12 <sup>th</sup> January 2011. 2011/12 Budget Monitoring file - Technical and Control Finance Section.

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Portfolio	APPENDIX 1						
	2011/12 Original Budget	Budget Variations allocated in year #	2011/12 Latest Approved Budget	2011/12 Projected Outturn	Variation	Variation previously reported to Exec 19.10.11	
	£'000	£'000	£'000	£'000	£'000	£'000	
Adult and Community Services	85,776	413	86,189	85,815	Cr 374	Cr 322	
Children and Young People (incl. Schools' Budget)	31,531	48	31,579	31,799	220	349	
Environment	36,199	Cr 275	35,924	35,769	Cr 155	Cr 164	
Public Protection & Safety	3,446	0	3,446	3,446	0	0	
Renewal and Recreation	9,953	128	10,081	9,901	Cr 180	0	
Resources	34,120	907	35,027	34,549	Cr 478	Cr 264	
<b>Total Controllable Budgets</b>	<b>201,025</b>	<b>1,221</b>	<b>202,246</b>	<b>201,279</b>	<b>Cr 967</b>	<b>Cr 401</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>31,671</b>	<b>249,291</b>	<b>248,324</b>	<b>Cr 967</b>	<b>Cr 401</b>	
<b>Central Items:</b>							
<b>Interest on General Fund Balances</b>	Cr 2,691	0	Cr 2,691	Cr 3,691	Cr 1,000	Cr 700	
<b>Contingency Provision (see Appendix 3)</b>	3,617	372	3,989	2,805	Cr 1,184	Cr 1,007	
<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 30,720</b>	<b>Cr 44,800</b>	<b>Cr 47,060</b>	<b>Cr 2,260</b>	<b>Cr 1,783</b>	
<b>Bromley's Requirement before balances</b>	203,540	951	204,491	201,264	Cr 3,227	Cr 2,184	
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	10,000	
Invest to Save Fund (Exec. 7th Sep'11)	0	0	0	14,000	14,000	14,000	
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 24,981	Cr 24,981	Cr 26,024	
	203,540	0	203,540	203,783	243	243	
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>	<b>132,166</b>	<b>0</b>	<b>132,166</b>	<b>132,166</b>	<b>0</b>	<b>0</b>	
GLA Precept	41,308	0	41,308	41,308	0	0	
<b>Council Tax Requirement</b>	<b>173,474</b>	<b>0</b>	<b>173,474</b>	<b>173,474</b>	<b>0</b>	<b>0</b>	

- # Budget Variations allocated to portfolios in year consists of:
- |  |               |
|--|---------------|
|  | £'000         |
| 1) Allocations from the central contingency provision (see Appendix 3)       | Cr 372        |
| 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>31,671</u> |

#### 1) NOTES

Portfolio Latest Approved Budgets analysed over Departments as follows:

	2011/12 Original Budget	Budget Variations allocated in year #	2011/12 Latest Approved Budget	2010/11 Projected Outturn	Variation	Variation previously reported to Executive
	£'000	£'000	£'000	£'000	£'000	£'000
Adult and Community Services	96,371	5,897	102,268	101,891	Cr 377	Cr 325
Children and Young People	48,078	18,798	66,876	67,090	214	343
Environmental Services	41,576	5,556	47,132	46,989	Cr 143	Cr 149
Renewal and Recreation	16,469	622	17,091	16,458	Cr 633	Cr 126
Corporate Services	15,126	798	15,924	15,896	Cr 28	Cr 144
	<u>217,620</u>	<u>31,671</u>	<u>249,291</u>	<u>248,324</u>	<u>Cr 967</u>	<u>Cr 401</u>

#### 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	(40)	0
31,031	Assessment and Care Management	32,124	34,022	34,230	208	2	539	204
7,892	Direct Services	5,321	3,315	3,469	154	3	7	0
2,056	Learning Disabilities Care Management	2,230	2,230	2,369	139	4	31	192
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>43,115</b>	<b>43,576</b>	<b>461</b>		<b>537</b>	<b>396</b>
	<b>Commissioning and Partnerships - ACS Portfolio</b>							
2,729	Commissioning and Partnerships	2,435	2,633	2,624	(9)	5	(9)	0
275	Drugs and Alcohol	256	256	251	(5)		0	0
14,841	Learning Disabilities Services	16,194	16,187	16,049	(138)	4	(29)	171
4,547	Mental Health Services	5,124	5,076	4,801	(275)	6	(258)	(167)
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	(678)	0
<b>27,659</b>		<b>29,194</b>	<b>29,201</b>	<b>28,096</b>	<b>(1,105)</b>		<b>(974)</b>	<b>4</b>
	<b>Housing and Residential Services</b>							
(5)	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	1,996	2,323	327	8	150	500
111	Housing Strategy & Development	92	753	767	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>3,183</b>	<b>354</b>		<b>177</b>	<b>500</b>
	<b>Strategic Support Services</b>							
8,574	Concessionary Fares	8,777	8,777	8,766	(11)	9	(9)	0
728	Customer Services	542	520	513	(7)	9	(44)	0
1,300	Performance & Information	1,543	1,556	1,485	(71)	9	(9)	0
197	Quality Assurance	199	191	196	5		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>10,960</b>	<b>(84)</b>		<b>(62)</b>	<b>0</b>
<b>84,194</b>	<b>TOTAL CONTROLLABLE FOR ADULT AND COMMUNITY SERVICES</b>	<b>85,776</b>	<b>86,189</b>	<b>85,815</b>	<b>(374)</b>		<b>(322)</b>	<b>900</b>
11,165	<b>TOTAL NON CONTROLLABLE</b>	1,381	6,857	6,854	(3)	10	(3)	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>102,268</b>	<b>101,891</b>	<b>(377)</b>		<b>(325)</b>	<b>900</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 - Dr £208k**

The variation can be analysed as follows:-

	August £'000	June £'000
a) Domiciliary care & direct payments for older people	309	357
b) Residential/Nursing care and respite for older people	(134)	182
c) Residential and domiciliary care for people with physical disabilities	33	0
	<b>208</b>	<b>539</b>

- (a) Although there has been a reduction in the forecast based on activity to date, 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 been projected on July data, so the effects of the revised direct payment rates and the new charging policy effective from 16 May are now starting to be reflected.

- (b) The budgets for residential, nursing and respite care for older people are forecast to underspend by £134k based on activity to date.
- (c) The variation comprises a projected overspend of £61k on residential and nursing care, which is partially offset by an underspend of £28k on domiciliary care. This is based on activity to the end of October, however costs can change significantly if complex cases arise.

### **3. Direct Services - Dr £154k**

An overspend of £147k is forecast on the Admissions Avoidance team. Bromley PCT had agreed to make a contribution to the service, but due to increased spend on emergency acute activity this year they are unable to so. The service is 100% funded by this income, and the amount represents the full year costs of the service.

The meals service is now fully operated by our provider, so we no longer receive net income from the service. This has resulted in a small overspend of £7k.

### **4. Learning Disabilities Services - Dr £139k / Cr £138k**

The budget for domiciliary care and direct payments is held by the Care Services division and is projected to overspend by £117k and staffing by £22k.

This is off-set by an anticipated underspend of £87k on residential placements and supported living and £51k on staff vacancies and other expenses within the Commissioning side of the learning disabilities service.

Despite the pressure being contained in-year, the full year effect of the current activity is forecast to be an overspend of £363k for residential, supported living and domiciliary care and managers are working on ways to reduce this.

## **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
<b><u>Commissioning &amp; Partnerships</u></b>		
Efficiency targets for all suppliers	(22)	
Non-achievement of staff turnover element in budget	<u>13</u>	(9)
<b><u>Procurement &amp; Contract Compliance</u></b>		
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 £275k**

The underspend has increased since August and 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 Dr £13k / Housing Strategy & Development Dr £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 - Dr £327k**

The budget is now forecast to overspend by £327k, based on the latest information, as client numbers and unit costs continue to increase above earlier forecasts. It is becoming more evident and the trend is set to continue throughout this year and the next. The projections are based on the assumption that numbers will increase and will continue into 2011/12, with a full year effect of £500k.

## **9. Strategic Support Services Cr £84k**

The net underspend of £71k on Performance and Information is as a result of the vacant director's post.

The Post Office contract for the issue of Freedom Passes is expected to underspend by £11k and minor variations on Customer Services and Quality Assurance amount to Cr £2k.

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

For information here, the variations relate to a net shortfall within property rental income budgets across the division. The Property division within the Resources Portfolio are accountable for these variations.

## **Waiver of Financial Regulations**

Since the last report to the Executive there was a waiver to allow for the continuation of the Citizens Advice Bureau - General and Housing services contract (£116k) till the end of the financial year.

## **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.

Funding temporary member of staff in Mental Health team	£'000
To - Mental Health staffing	9
From - Mental Health - Contribution to health	(9)

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>Education Division</b>							
1,466	Access	2,261	2,261	2,171	(90)	1	(101)	0
6,821	SEN and Inclusion	7,651	7,651	8,288	637	2	915	645
0	Commissioning and Business Services	1,082	1,062	898	(164)	3	(14)	0
660	Standards and Achievement Services	2,305	2,305	2,250	(55)	4	(105)	0
n/a	Early Intervention Grant	(10,999)	(10,999)	(10,999)	0		0	0
<b>8,947</b>		<b>2,300</b>	<b>2,280</b>	<b>2,608</b>	<b>328</b>		<b>695</b>	<b>645</b>
	<b>Safeguarding and Social Care</b>							
13,425	Care and Resources	12,934	12,897	13,450	553	5i	298	263
2,454	Safeguarding and Quality Assurance	2,091	2,188	2,081	(107)	5i	(125)	0
2,335	Safeguarding and Care Planning	2,565	2,505	2,515	10	5i	0	0
2,316	Referral and Assessment	7,312	7,312	7,004	(308)	5i & 5ii	(154)	0
3,589	Bromley Youth Support Programme	3,324	3,324	3,144	(180)	5iii	(180)	0
<b>24,119</b>		<b>28,226</b>	<b>28,226</b>	<b>28,194</b>	<b>(32)</b>		<b>(161)</b>	<b>263</b>
	<b>Strategy and Performance</b>							
580	Research and Statistics	580	580	513	(67)		0	0
450	Strategic Planning and Commissioning	425	493	484	(9)		15	0
<b>1,030</b>		<b>1,005</b>	<b>1,073</b>	<b>997</b>	<b>(76)</b>	6	<b>15</b>	<b>0</b>
	<b>MORATORIUM SAVINGS included above</b>						<b>(200)</b>	<b>0</b>
<b>34,096</b>	<b>TOTAL CONTROLLABLE BUDGETS</b>	<b>31,531</b>	<b>31,579</b>	<b>31,799</b>	<b>220</b>		<b>349</b>	<b>908</b>
40,835	<b>TOTAL NON CONTROLLABLE</b>	10,375	29,125	29,119	(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>66,876</b>	<b>67,090</b>	<b>214</b>		<b>343</b>	<b>908</b>
459	<b>TOTAL SCHOOLS BUDGET</b>	0	0	0	0	7	0	0
<b>82,724</b>	<b>PORTFOLIO TOTAL</b>	<b>48,078</b>	<b>66,876</b>	<b>67,090</b>	<b>214</b>		<b>343</b>	<b>908</b>

## **REASONS FOR VARIATIONS**

### **1. Access - Cr £90k**

£'000

#### 1. Education Welfare Service - Cr 33k

i. 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. The £16k overspending is the balance after adding an approved virement for £49k. to the budget.

16

ii. Additional income from sold services and savings in supplies and services more than offsets the above

(49)

(33)

#### 2. Early Years Cr 57k.

Savings are being made by holding some posts vacant.

(57)

(90)

### **2. SEN and Inclusion - Dr £637k**

£'000

#### SEN Transport Contracts, Non-Schools' Budget component - Dr £66k

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.

66

#### Children With Disabilities - Dr £577k

There are additional high cost placements required for looked after children. The forecast now includes provision for cases that are likely to manifest 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 (Education 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.

577

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

Other minor savings

(6)

637

### **3. Education Commissioning & Business Services - Cr £164k**

£'000

Possible shortfall in sold services income

200

Savings from consolidating former Sure Start Grant funded services into Commissioned Services

(200)

Under spend on Employees from delayed appointment of vacancies

(50)

Savings from restrictions on supplies and services spending

(114)

(164)



#### 4. Standards & Achievement - Cr £55k

Savings from delayed appointments to vacant posts.  
Savings from restrictions on supplies and services spending

£'000

(35)

(20)

(55)

#### 5. Safeguarding and Social Care Division - Cr £32k

##### 5 i Children's Social Care Dr £378k

£'000    £'000    £'000

##### Salaries overspending across Social Care - Dr £50k

Safeguarding and Social Care has exceeded the 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 so the £50k overspend is lower than planned. Every effort will be made to further reduce spending on locum social workers. 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.

50

##### Care and Resources - Dr £518k (excluding salaries)

Children's' Placements	overspend	608
Housing Benefit for Care Leavers:		
Under 18s	underspend	(56)
Over 18s - Under recovery of rent	overspend	15
Freezing of Saxon Centre Supplies & Services Budgets		(25)
Freezing of posts with in Fostering Service		(24)

518

##### Safeguarding and Quality Assurance - Cr £107k (excluding salaries)

Savings have been identified to help offset the overspend on Placements.

Savings on the Training budget

(25)

Savings in staff advertising

(29)

Savings on supplies & services

(10)

A £14k contribution will be made from the Child Death Overview Process budget to support QA

(14)

Additional income from the CWDC

(29)

(107)

##### Safeguarding and Care Planning - Cr £10k (excluding salaries)

£10k underspend on Section 17 budgets.

(10)

##### Referral and Assessment - Cr £73k (excluding salaries)

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.

15

This overspend will be met from an underspend on S17 budgets

(19)

A post in the Teenage and Parent Support Service Team will be held vacant for the remainder of the year

(27)

Saving in salaries from the new Triage Team

(25)

Underspending in CAMHS grant

(17)

(73)

378

##### 5 ii Bromley Children Project within Referral and Assessment Service - Cr 230k.

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

-125

-35

Savings in the commissioning budget

-70

(230)

##### 5 iii. Bromley Youth Support Programme - Cr £180k

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

(150)

Youth Offending Team - 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.

(30)

(180)

(32)

## **6. Strategy & Performance Division - Cr 76k**

Additional income from services sold to schools

(46)

Additional IT maintenance costs

13

Posts being held vacant

(43)

(76)

## **7. 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, management have restricted the numbers of pupils who will be present at any one time. This will reduce the income from charges to schools that can be recovered. The loss of Respite capacity will also put an 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.

#### **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 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 last report to the Executive there have been 8 contracts exceeding £50,000 but less than £100,000, and 8 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, the following virements have been actioned.

To Education welfare Officers Salaries (Access Service)

£'000

49

From Pupil Benefits (Access Service)

(49)

Reason: The budget cuts assumed a full year of saving from management reductions, but for the first year only a part year saving has been possible

To Planning & Commissioning salaries

20

From Standards & Achievement salaries

(20)

Reason: to make good the difference between what a redeployee is actually being paid on preserved conditions and the available budget.

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>	(5,366)	(5,354)	(5,424)	(70)	1,2,3	(77)	50
1,605	Parking	1,554	1,528	1,528	0		0	0
(3,910)	Support Services	(3,812)	(3,826)	(3,896)	(70)		(77)	50
112	<b>Public Protection - ES</b>	114	114	114	0		0	0
112	Emergency Planning	114	114	114	0		0	0
5,803	<b>Street Scene &amp; Green Space</b>	5,975	5,971	5,971	0		0	0
2,165	Area Management/Street Cleansing	0	1,937	1,931	(6)	4		
(65)	Highways	(47)	(21)	(7)	14	5	24	0
6,225	Markets	6,153	6,137	6,191	54	6	33	0
567	Parks and Green Space	519	549	579	30	7	30	0
16,091	Street Regulation	16,892	16,697	16,647	(50)	8	(70)	(50)
30,786	Waste Services	29,492	31,270	31,312	42		17	(50)
7,277	<b>Transport &amp; Highways</b>	9,236	7,272	7,172	(100)	9	(77)	0
147	Highways incl London permit Scheme	144	169	169	0		0	0
843	Highways Planning	790	690	663	(27)	10	(27)	0
216	Traffic & Road Safety	235	235	235	0		0	0
216	Transport Strategy	235	235	235	0		0	0
8,483		10,405	8,366	8,239	(127)		(104)	0
35,471	<b>TOTAL CONTROLLABLE</b>	36,199	35,924	35,769	(155)		(164)	0
7,151	<b>TOTAL NON CONTROLLABLE</b>	(692)	5,186	5,198	12	11	15	0
2,596	<b>TOTAL EXCLUDED RECHARGES</b>	2,348	2,301	2,301	0		0	0
45,218	<b>PORTFOLIO TOTAL</b>	37,855	43,411	43,268	(143)		(149)	0

## **REASONS FOR VARIATIONS**

### **1. Bus Lane Enforcement Cr £15k**

There is a projected net surplus of £15k as follows:

- 2011/12 projected extra income of £10k due to an increase in contravention numbers after allowing for the suspension of the Cray Avenue bus lane.
- Anticipated increase in income from PCNs issued in prior years of £5k

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 Cr £15k**

Off-street car parking income is projected to be £85k 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 £61k below budget for April -October, 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 £40k**

There is currently projected to be a surplus of £40k from on-street car parking income. £11k is from the Beckenham area, and £29k from elsewhere across the borough. This will be used to balance the shortfall of off street parking income for 2012/13.

### **4. Highways (SS&GS) Cr £6k**

There is currently a small surplus of £6k projected from Street Traders' Licences due to more businesses applying for licences.

### **5. Markets Dr £14k**

There is a projected shortfall in income of £24k 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 £14k.

### **6. Parks & Green Space Dr £54k**

There is an overspend on staffing of £60k due to the 2011/12 budget savings relating to the ranger service review of £156k not being fully met in year. This has increased from the previously reported figure of £39k due to delays in implementing the restructure, and a previously unanticipated maternity cover. This overspend 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 £50k**

Prices for trade waste collections were increased by 15% in April 2011 and 13% in April 2010. For 2010/11 the fall-out of commercial customers equated to 7.2% and in 2011/12 this percentage has risen to 11.22%. 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 6.22% has meant that

income is currently projected to be £90k 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 £48k disposal costs due to a further projected reduction of 600 tonnes.

There is a small surplus of £7k from the income received within the Schools Recycling Service. This has arisen due to more schools taking up the service than originally anticipated.

There is a small surplus across the collection contract (other than trade waste) of £14k.

All variations are summarised in the table below : -

<b>Summary of Variations:-</b>	<b>£'000</b>
Shortfall of trade waste collection income due to reduction in customers	90
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)	(48)
Surplus within collection contract (other than trade waste)	(14)
Additional income due to increase in customers within Schools Recycling Service	(7)
<b>Total variation for waste management</b>	<b>(50)</b>

### **9. Highways Cr £100k**

There is a projected underspend on salaries of £40k through a combination of vacancies and reduced hours following an early retirement.

There is a projected surplus of NR&SWA income from Section 74 notices of £60k.

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.

Following the information received from Thames Water, the income budget for defect notices was reduced by £385k for 2011/12. The Executive have agreed to transfer the unexpected income of £260k projected for defect notices back to the central contingency for 2011/12 and the budget has been adjusted accordingly.

### **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 £12k**

For information here, the variations relate to a net shortfall within property rental income budgets across the division. Resources Portfolio are accountable for these variations.

### **Waiver of Financial Regulations**

There are no waivers to report as at the end of October 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 £'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	503	(21)	1	0		0
336	Mortuary & Coroners Service	344	334	334	0		0		0
2,891	Public Protection	2,586	2,588	2,609	21	2	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. Community Safety Cr £21k**

There is a projected underspend of £21k within Community Safety as a result of savings on the Senior Crime Analyst post due to it being filled part way through the year. This is being used to cover the net income deficit of £21k within Public Protection.

### **2. Public Protection Dr £21k**

There is currently a deficit projected within licence fee income of £21k, and £6k from other income. This is being partly 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. The net deficit of £21k is being met by a projected underspend within Community Safety as a result of savings on the Senior Crime Analyst post.

The budget for Stray Dogs is projected to be balanced 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 October 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 £	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	1,091	138	3	193	0
1,401	Renewal	1,371	1,471	1,352	(119)	4	(109)	0
<b>2,230</b>		<b>2,044</b>	<b>2,118</b>	<b>2,137</b>	<b>19</b>		<b>84</b>	<b>0</b>
2,892	<b>Recreation</b> Culture	2,644	2,644	2,503	(141)	5	(6)	0
5,251	Libraries and Museums	5,327	5,327	5,297	(30)	6	(50)	0
373	Town Centre Management & Business Support	339	393	365	(28)	7	(28)	0
<b>8,516</b>		<b>8,310</b>	<b>8,364</b>	<b>8,165</b>	<b>(199)</b>		<b>(84)</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>9,901</b>	<b>(180)</b>		<b>0</b>	<b>0</b>
5,310	<b>TOTAL NON CONTROLLABLE</b>	6,777	7,008	7,007	(1)		(1)	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>19,446</b>	<b>19,265</b>	<b>(181)</b>		<b>(1)</b>	<b>0</b>



## **REASONS FOR VARIATIONS**

### **1. Building Control £0k**

A shortfall of income of £201k is projected due to the recession and is being offset by savings of £201k 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 £102k. 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 £138k**

Income from non-major planning applications seem to be decreasing compared to 2010/11, £326k has been received in the seven months to 31st October compared to £383k received for the same period in 2010/11. The income is therefore expected to be at least £390k lower than the budget, (an early warning is that this could be as high as £500k).

Income received from major applications in the seven months to 31st October is £108k compared to £83k received in the same period in 2010/11. Officers have given details of potential income totalling £139k for the remainder of the financial year, which would give total income of £247k 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 8 fte posts vacant and reducing spend on running expenses totalling Cr £304k.

<b>Summary of Planning variations</b>	<b>Variation £'000</b>
Effect of holding 8 FTE's vacant within Planning	(226)
Shortfall of income from planning fees	450
Miscellaneous income	(8)
Underspends on transport and supplies, services from Management action within Planning	(78)
<b>Total variation</b>	<b>138</b>

### **4. Renewal Cr £119k**

The £119k underspend on Renewal relates to staffing due to part year effect of early retirement of £57k, portfolio holder initiatives of £51k and other expenditure budgets of £11k. This is being used to offset the net shortfall of income from planning applications.

## **5. Culture Cr £141k**

There is a minor £9k overspend on running expenses which is being offset by the underspend from libraries.

There is a £150k underspend on grant funding received for the Field Studies Centre, which is the result of a sundry creditor of £78k for the repayment of the 2010/11 grant not having to be repaid, a provision to repay grant for travel allowances was not fully required resulting in a £66k underspend and a surplus of £6k on the grant received in 2011/12 not being fully spent.

A report will be submitted to a future meeting of the Executive to request that Members consider setting up an earmarked reserve of £150k which can be used as a contribution towards the costs of a special project in 2012/13.

## **6. Libraries & Museums Cr £30k**

The £30k underspend on Libraries relates to part year vacancies.

## **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 October 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	971	(22)		(1)	0
124	Comms	117	117	117	0		3	0
392	Organisation & Improvement	328	378	365	(13)		(13)	0
98	Policy & Partnership	85	0	0	0		0	0
	<b>Human Resources</b>							
272	Health & Safety	239	239	242	3		3	0
357	HR Management	322	274	289	15		(2)	0
561	HR Strategy and L & D	518	518	517	(1)		(20)	0
703	Operational HR	723	758	709	(49)		(32)	0
877	Management and Other (C.Exec)	734	769	750	(19)		(14)	0
4,079	Sub Total - Chief Executive's Department	4,059	4,046	3,960	(86)		(76)	0
	<b>RESOURCES DEPARTMENT</b>							
	<b>Financial Services &amp; Procurement</b>							
1,401	Exchequer - Payments & Income	1,338	1,392	1,384	(8)		(3)	0
6,067	Exchequer - Revenue & Benefits	5,558	5,565	5,515	(50)	1	(16)	0
3,105	Financial Management	2,483	2,508	2,519	11		21	0
429	Procurement	412	412	412	0		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)		(1)	0
885	Contact Centre	868	965	964	(1)		1	0
	<b>Democratic, Electoral &amp; Registrar's</b>							
145	Customer Service Development	93	93	103	10		10	0
1,718	Democratic Services	1,656	1,656	1,676	20	2	39	0
883	Electoral	366	366	349	(17)		(16)	0
(26)	Registrars	(39)	(34)	(33)	1		(1)	0
	<b>Legal Service &amp; Facilities Support</b>							
1,981	Admin. Buildings	1,968	1,921	1,915	(6)		(6)	0
651	Facilities & Support	487	543	524	(19)	3	(37)	0
1,807	Legal Services	1,672	1,672	1,672	0		0	0
368	Management and Other	134	162	161	(1)		(1)	0
25,888	Sub Total - Resources Department	22,103	22,328	22,267	(61)		(10)	0
	<b>RENEWAL &amp; RECREATION DEPARTMENT</b>							
2,328	Property Services (excl. Investment Property)	1,366	1,589	1,470	(119)	4	8	0
3,356	Repairs & Maintenance (All LBB)	3,967	4,492	4,492	0		0	0
(638)	Other Rental Income	(647)	(720)	(718)	2		5	0
5,046	Sub Total	4,686	5,361	5,244	(117)		13	0
(3,533)	Investment & Non Operational Property Rental Income	(3,693)	(3,620)	(3,834)	(214)	5	(128)	0
1,513	Sub Total Renewal & Recreation Department	993	1,741	1,410	(331)		(115)	0
31,480	<b>Total Controllable Departmental Budgets</b>	27,155	28,115	27,637	(478)		(201)	0
(60,152)	<b>Total Non Controllable</b>	1,984	1,984	1,984	0		0	0
(23,717)	<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)	(2,957)	(2,957)	0		0	0
634	<b>Less: Rent allocated across other Depts</b>	647	720	718	(2)		(5)	0
(53,530)	<b>Net Departmental Budgets</b>	5,543	6,657	6,177	(480)		(206)	0
	<b>CENTRAL ITEMS (Controllable Budgets)</b>							
9,509	<b>CDC &amp; Non Distributed Costs (Past Deficit etc.)</b>	6,965	6,912	6,912	0		(63)	0
(44,021)	<b>Total Corporate Services/Resources Portfolio</b>	12,508	13,569	13,089	(480)		(269)	0

## **REASONS FOR VARIATIONS**

### **1. Exchequer Services Cr £50k**

The underspend relates to savings on staffing costs due to posts being held vacant to fund future efficiency savings.

### **2. Democratic Services Dr £20k**

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 cannot be found within the division, however, the overspend will be managed across the department as a whole.

### **3. Facilities & Support Cr £19k**

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

### **4. Property Services - excl. Investment Property Cr £119k**

This relates to additional staffing costs (mainly relief caretakers), offset by additional income of £200k mainly relating to additional services for schools and project income.

### **5. Investment & Non Operational Property Rental Income Cr £214k**

Additional rent income is anticipated, mainly due to a short term lease of the Old Town Hall to Liberata prior to sale (Cr £150k) and The Walnuts Rent Share (Cr £54k). Bromley receives a 10% rent share for The walnuts. The agreement specifies that our share is based on the actual net rent in the previous calendar year. The rent share for the 2010 calendar year was agreed in August 2011 and this suggests that LBB will receive approx £230k in 2011/12 which is £54k more than the budget of £176k

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

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

## **EARLY WARNINGS**

### **1 Property Division**

The Glades / Queens Gardens Restaurant Project, is estimated to cost £5.7 million. The planning application was due 4<sup>th</sup> November 2011. Construction is expected to commence August 2012 with opening in Spring / Summer 2013. Bromley would have to pay 15% of the project costs, say £0.9m. Funding options such as setting up an Earmarked Fund are being explored.

### **2 Legal Services**

Two cases having recently been instructed against the Council which could mean significant costs would be incurred by the authority in counsel fees. If incurred it would be unlikely these costs could be contained within budget.

### **Waiver of Financial Regulations**

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

#### Approved by Director under Delegated Powers

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		100,000	250,000	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			0	0	(8) Cr 93,000
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 180,000		Cr 70,000	Cr 250,000	(9) 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			0	0	(8) Cr 84,000
<b>Total General Items</b>	<b>3,617,000</b>	<b>Cr 440,000</b>	<b>100,000</b>	<b>2,773,000</b>	<b>2,433,000</b>	<b>Cr 1,184,000</b>
<b>Grants included within Central Contingency Sum</b>						
NHS Funding to Support Social Care						
Grant related expenditure	2,176,000	584,610		1,591,390	2,176,000	(3) 0
Grant related income	Cr 2,176,000	Cr 584,610		Cr 1,591,390	Cr 2,176,000	0
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
School Work Improvement Fund and Munro Fund						
Grant related expenditure		218,713			218,713	218,713
Grant related income		Cr 218,713			Cr 218,713	(5) Cr 218,713
<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 472,000</b>	<b>100,000</b>	<b>2,805,000</b>	<b>2,433,000</b>	<b>Cr 1,184,000</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 and 19th October 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. £190k Approved by Executive 19th October the remaining balance of £29k was approved by the CYP Portfolio Holder on 7th November 2011
- (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) Latest projections indicate that these provisions will not be required in 2011/12
- (9) Approved by the Executive 16th November 2011

Description	2011/12 Latest Approved Budget £'000	Variation To 2011/12 Budget £'000	Potential Impact in 2012/13
Residential and Domiciliary care - Older People	21,024	175	<p>The full year effect of the net overspend in domiciliary and residential care is forecast to be £118k in 2012/13. The ability to reduce this overspend relies on further increases in reablement activity and the resulting reduction in the number and level of packages required.</p> <p>The Management Team 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 and Domiciliary care - Physical Disabilities	4,127	33	<p>The full year effect of the 2011/12 overspend is forecast to be £86k based on the latest activity. Management action will be taken to reduce this by reviewing packages and PCT contributions to complex cases.</p>
Residential & Domiciliary Care - Learning Disabilities	24,844	60	<p>Although there is an underspend on residential and supported living in the current year, a full year overspend of £171k is forecast for 2012/13 based on activity to the end of October. The projection takes account of provision of £265k for growth as a result of additional placements during 2011/12.</p> <p>This is offset by the projected full year saving on mental health placements (see below).</p> <p>The overspend on Domiciliary care is offset by in-year savings on residential placements and other running expenses, however it is forecast that the full year pressure will be £192k in 2012/13, which will be contained by management action to find more cost effective packages.</p>
Residential Care - Mental Health	2,889	(275)	<p>The full year effect of the 2011/12 underspend is forecast to be Cr £167k, which will contribute towards pressures within the Commissioning &amp; Partnerships division.</p>
Housing Needs - Temporary Accommodation (net of HB)	229	327	<p>The full year effect of the overspend is forecast to be £500k in 2012/13. It is anticipated that this can be reduced by a number of initiatives being worked on and included in a report to the ACS PDS on 30th November.</p>

SEN Transport	3,357	66	SEN Transport is currently projected to be £66k 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	608	Total full year effect projection £763k Less sums already included in financial forecast £500k Net full year effect projection £263k 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	577	Total full year effect projection £645k. 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)	(5,354)	(70)	Extra income projected on enforcement is mainly due to additional income from previous years and therefore will not affect 2012/13.  2011/12 deficit of £85k 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 by £40k 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)	16,697	(50)	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	19	Income from planning applications has reduced due to the economic climate and a shortfall of £450k 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.

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# Agenda Item 7

Report No.  
DRR11/132.

London Borough of Bromley

PART 1 - PUBLIC

<Please select>

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**Decision Maker:**      **Executive Committee**

**Date:**                      **14<sup>th</sup> December 2011**

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

**Title:**                      **COMMUNITY INFRASTRUCTURE LEVY - DCLG  
CONSULTATION ON DETAILED PROPOSALS AND DRAFT  
REGULATIONS FOR REFORM**

**Contact Officer:**      Terri Holding, Planning Officer  
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**Chief Officer:**              Chief Planner Bob McQuillan

**Ward:**                      All

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## 1. Reason for report

1.1 This report seeks Members agreement to a Council response to the Government's consultation on the detailed proposals and draft regulations for reforms to the Community Infrastructure Levy (CIL). The consultation began on the 10<sup>th</sup> October and closes on the 30<sup>th</sup> December 2011. The proposed reforms are the result of changes to the levy proposed by the Localism Bill, now the Localism Act following Royal Assent in November. The issues covered by the consultation are broader than just planning and they open up a discussion on the possible inclusion of affordable housing within CIL.

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

2.1 That the Executive:

- 1) Agree the response to the current consultation as outlined in Appendix 1.
- 2) Note that the preparation of a Bromley CIL is linked to the plan making process and will be brought to the Executive in due course.

### Corporate Policy

1. Policy Status: N/A.
  2. BBB Priority: Excellent Council. Quality Environment,Vibrant Thriving Town Centres
- 

### Financial

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

### Staff

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

### Legal

1. Legal Requirement: Statutory requirement. Planning Act 2008 Part11
  2. Call-in: Call-in is not applicable. information item
- 

### Customer Impact

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

### Ward Councillor Views

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

### **3. COMMENTARY**

#### **3.1 Background.**

The Planning Act 2008 (Dec) enabled a planning charge to be collected locally, known as the Community Infrastructure Levy (CIL). Local Authorities have been empowered since April 2010, to levy this charge on most types of residential, commercial and industrial development that involve an increase in floor space. Residential developments under 100 square metres in area will not pay the levy (small domestic extensions). But development that involves the creation of a new residential unit will pay the charge, even if it is below 100 square metres in area.

**3.2** Local Authorities, as 'charging' authorities, will need to utilise CIL if they choose, alongside other funding streams to deliver infrastructure plans locally but it cannot be used to remedy existing deficiencies locally. CIL is designed to help fund gaps that are identified when compiling an Infrastructure Delivery Plan (IDP) which is fundamental to the delivery of a vision for the area, required by PPS12 as part of the Local Plan/Core Strategy process. Any authority wishing to charge a CIL must produce a charging schedule setting out the levy rates; the rate should be set at a level that ensures the viability of development in an area is not put at risk. Therefore the introduction of a Bromley CIL requires the preparation of an Infrastructure Delivery Plan (IDP) and a CIL viability assessment. Preparatory work on the IDP is underway, however detail can only be developed as the Core Strategy or Local Plan (as envisaged under the government's proposed planning reforms) emerges. The LDF Advisory Panel is overseeing this process.

**3.3** Pooling contributions for infrastructure under section 106 agreements will be significantly restricted after April 2014 or earlier if CIL is adopted locally. For contributions for anything that is not considered to be infrastructure, charging authorities are not restricted, but must have regard to the wider policies set out in Circular 5/05 Planning Obligations and legal tests in the Community Infrastructure Levy Regulations (Reg 122 April 2010).

**3.4** Development Control Committee has previously had reports outlining the Government's CIL proposals as they relate to planning. An information item regarding the current consultation was considered by DCC 17<sup>th</sup> November advising of the Executive report seeking agreement to a Council response. The Executive has been kept advised of the Mayor's CIL proposals. Most recently DCC confirmed continuing objection to the Mayoral CIL and the Chief Planner will be expressing these objections again at the Mayoral CIL Examination in Public which is currently taking place.

#### **3.5 Current Consultation**

The Government set out proposals to reform the Community Infrastructure Levy regulations in the 2010 Localism Bill, now the Localism Act. The aim of the consultation is to seek views on matters relating to the detailed implementation of the Government's proposals.

These include:

- The implementation of neighbourhood funds – to give local authorities and their communities the means and flexibility to manage the impacts of development; the local authority will retain the CIL funds and engage with communities in determining how to spend those receipts. Neighbourhoods will be able to spend the funds on the infrastructure that they want, for example open space provision, playgrounds and cycle paths, or by contributing to larger projects funded by other bodies e.g. the Council. Neighbourhood spending cannot be used to remedy pre-existing deficiencies in infrastructure provision, except to the extent that they will be aggravated by new development, as with the Council CIL spending.

- Allowing receipts to be used to provide affordable housing -the Planning Act 2008 allows for affordable housing to be included as a type of infrastructure, but the current CIL regulations prevent receipts being used for this purpose. The Government seeks views on providing local authorities with an option to use the CIL to deliver affordable housing (alongside other forms of infrastructure) where there is robust evidence that doing so would demonstrably better support its provision and offer better value for money. The purpose of the consultation is to consider whether allowing this flexibility would allow for not only more efficient provision of affordable housing but better support delivery of local policies, including off-site provision.
- Requiring charging authorities to report more openly and regularly on receipts and expenditure to improve transparency and understanding of the contribution that developers are making and how those funds are used the Levy reporting requirements are set out in current levy regulation where the levy receipts and expenditure in relation to the previous financial year are reported through the Planning Annual Monitoring Report. The Government want charging authorities to be required to make information on levy receipts and expenditure available to communities in 'real time'.
- Adding new Development Orders to the list of developments that may be liable to a CIL charge – the Localism Bill introduces new provision to allow for planning permission to be granted through Neighbourhood Development Orders, including Community Right to Build Orders.
- Providing transitional provisions to allow fair operation of the levy in Mayoral Development Corporation (MDC) areas. The Government's Localism Bill includes proposed provisions for the designation of Mayoral development areas, and the creation of Mayoral development corporations (MDCs) to drive regeneration in those areas. To assist them in pursuing this purpose, all MDCs would have powers relating to: infrastructure; regeneration, development and other land-related activities; acquisition of land, including by compulsory purchase; streets; the creation of businesses, subsidiaries and other companies; and offering financial assistance. For example in the Mayor is developing an MDC known as Olympic Park Legacy Corporation in East London and the Mayor proposes that, in order to meet his objectives, the Corporation should assume the full range of planning powers and responsibilities permitted by the Localism Bill, and therefore become the planning authority for that specific regeneration area (in collaboration with the four neighbouring boroughs who will be represented on the Corporations planning committee) for the purposes of both plan-making and development control, and for setting and collecting the Community Infrastructure Levy for that regeneration area.

**3.6** DCLG has also published draft regulations alongside the consultation document. The consultation explains the effect of the draft regulations and the key questions where consultees' views will help to shape the policy as it is finalised. Views were requested corporately before the questionnaire at Appendix 1 was compiled.

**3.7** The suggested response to the questionnaire emphasises that local authorities as locally elected bodies have both the accountability, detailed knowledge and understanding of an area to be best placed to decide how our CIL is spent locally, including the type of infrastructure. The response therefore seeks maximum decision making and discretion at local level. The Council is not yet in a position to make decisions regarding how it might apply the CIL regulations locally and this will be for the Executive to decide in due course.

**3.8** Following the closure of the consultation at the end of December, and the passage of the Localism Bill through its final stages, the Government will consider responses to this consultation before finalising the CIL regulations, which will then be laid before Parliament.

#### 4. POLICY IMPLICATIONS

The Community Infrastructure Levy is designed to be a charge to help fund infrastructure which is fundamental to the delivery of a vision for the area, as identified through the Infrastructure Delivery Plan (IDP) which is part of the Core Strategy/Local Plan process. Council's have a choice to develop a CIL in their area at a level that will not effect the economic viability of development.

#### 5. FINANCIAL IMPLICATIONS

Any financial implications arising from this consultation, will be reported to committee at a later date.

<b>Non-Applicable Sections:</b>	Legal and Personnel at this stage.
Background Documents: (Access via Contact Officer)	Planning Act 2008 DCC report 20 <sup>th</sup> October 2009 -Community Infrastructure Levy (CIL). SPD Planning Obligations December 2010 DCC and Executive report 8 <sup>th</sup> & 14 <sup>th</sup> Feb 2011- Consultation on Mayoral Community Infrastructure Levy. CLG - Community Infrastructure Levy Regulation- April 2010 CLG - Community Infrastructure Levy Regulation- April 2011 DC report 17 <sup>th</sup> November 2011

## DCLG Questionnaire

### Chapter 1: Neighbourhood funds

**1. Should the duty to pass on a meaningful proportion of levy receipts only apply where there is a parish or community council for the area where those receipts were raised?**

*Yes- for London Boroughs, where there is no lower elected, responsible body, the duty should not apply.*

**2. Do you agree that, for areas not covered by a parish or community council, statutory guidance should set out that charging authorities should engage with their residents and businesses in determining how to spend a meaningful proportion of the funds?**

*Yes – set out that they should but not how. It is for the charging authority to decide the best way to engage with the community given its local knowledge and expertise. Any statutory guidance should be limited to the requirement for engagement. Details of how engage how to spend a meaningful proportion of funds should not be the subject of statutory guidance/*

**3. What proportion of receipts should be passed to parish or community councils?**

*As this is not currently relevant to this Borough there is no comment.*

**4. At what level should the cap be set, per council tax dwelling?**

*As this is not currently relevant to this Borough there is no comment.*

**5. Do you agree that the proposed reporting requirements on parish or community councils strike the right balance between transparency and administrative burden?**

*As this is not currently relevant to this Borough there is no comment.*

**6. Draft regulation 19 (new regulation 62A(3)(a)) requires that the report is to be published on the councils website, however we recognise that not all parish or community councils will have a website and we would welcome views on appropriate alternatives.**

*As this is not currently relevant to this Borough there is no comment.*

**7. Do you agree with our proposals to exclude parish or community councils' expenditure from limiting the matters that may be funded through planning obligations?**

*As this is not currently relevant to this Borough there is no comment.*

**8. Do you agree with our proposals to remove the cap on the amount of levy funding that charging authorities may apply to administrative expenses?**

*Yes – Costs of administration are difficult to estimate in advance of introduction and if 4 of the 5% is to be spent on collection 1% would not be sufficient. Charging authorities should be able to recoup all relevant administration charges.*

### Chapter 2: Affordable housing

**9. Do you consider that local authorities should be given the choice to be able if they wish to use levy receipts for affordable housing?**

*Yes – this should be a local matter.*

**10. Do you consider that local authorities should be given the choice to be able if they wish to use both the levy and planning obligations to deliver local affordable housing priorities?**

*Yes there should be a local choice –inevitably using both would mean affordable housing benefiting from CIL whilst its development is exempt from paying CIL. Having affordable housing on the local CIL infrastructure list to be funded locally would potentially mean more funding towards affordable housing from market residential, commercial and industrial build, however depending on local priorities against other types of infrastructure to be provided by CIL in any one year, there could be a risk to affordable housing delivery because of that reliance on that expected income stream. Additionally developers may feel they are funding affordable housing twice.*

**11. If local authorities are to be permitted to use both instruments, what should they be required to do to ensure that the choices being made are transparent and fair?**

*Local authorities should provide detail as part of the published CIL annual reporting arrangements but would also have to have levy details available (open book) for developers to access when submitting a proposal to avoid the risk of appeals if developers felt they are being double –charged.*

**12. If the levy can be used for affordable housing, should affordable housing be excluded from the regulation that limits pooling of planning obligations, or should the same limits apply?**

*Yes- affordable housing should be excluded from the current regulation limiting pooling, the current operation of affordable housing and expenditure of Payment in lieu (PiL) through s106, contributes towards housing need in the Borough and any limitation or inhibiting of the process only acts as a brake thus preventing the delivery of affordable housing priorities. It is unclear how, if at all, the CIL proposals as set out will improve upon the existing planning policy approach.*

**Chapter 3: Mayoral Development Corporations**

**13. Do the proposed changes represent fair operation of the levy in Mayoral Development Corporation areas?**

*It remains to be seen how this will operate in practice.*

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# Agenda Item 8

Report No.  
ES11108

London Borough of Bromley

PART 1 - PUBLIC

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**Decision Maker:** 1. Environment Portfolio Holder

2. Executive

**For pre-decision scrutiny by  
Environment PDS Committee on 15th November and  
Executive & Resources PDS on 6th December 2011**

**Date:** 14<sup>th</sup> December 2011 for Executive

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

**Title:** INTRODUCTION OF TRIAL OF REVISED GREEN GARDEN  
WASTE COLLECTION SERVICE AND TEXTILE COLLECTIONS

**Contact Officer:** John Woodruff, Head of Waste Services  
Tel: 020 8313 4910 E-mail: john.woodruff@bromley.gov.uk

**Chief Officer:** Nigel Davies, Director of Environmental Services

**Ward:** All

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1. Reason for report

- a. This report asks for approval for the introduction of a trial scheme which supplements the current Green Garden Waste Sticker Service with a chargeable wheelie-bin based system.
- b. The Portfolio Holder gave approval on April 11 2011 for Veolia and other potential contractors to explore the options for textile collections in the borough. This report asks for approval to finalise these negotiations and appoint a contractor.

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2. **RECOMMENDATIONS**

That the Environment Portfolio Holder: -

2.1 Approves the introduction of a trial of a fixed price fortnightly wheelie bin collection service for Green garden Waste in specified geographical areas.

2.2 Decides which of the following options to adopt for the new service relating to the length and price of the service provided: -

Option 1 - 12 month service at a price of £65 per property

Or

Option 2 - 9 month service at a price of £55 per property

- 2.3 Refer the proposal to the Executive as an 'Invest to Save' scheme to part fund the wheelie bin containers at a cost of £220k using £140k of the current projected underspend for the Environment portfolio with a contribution from the Invest to Save fund, estimated to be £80k.
- 2.4 That the Environment Portfolio Holder approves the replacement of current arrangements for the provision of and collection from textile banks in the borough as set out in paras 3.13 – 3.17.

That the Executive:-

- 2.5 Approve the utilisation of the current projected underspend for the Environment Portfolio to part fund the wheelie bin containers to facilitate the introduction of this trial service, with the balance being met from the Invest to Save fund.

### Corporate Policy

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

### Financial

1. Cost of proposal: Estimated cost Initial one-off cost of £220k with estimated additional net income of between £178k and £182k per annum from Garden waste, plus income of between £75k and £135k from the sale of bring bank textiles
  2. Ongoing costs: Recurring cost. net additional income of between £253k and £317k depending on volume of customers/tonnage
  3. Budget head/performance centre: Waste Services
  4. Total current budget for this head: £17.75 m
  5. Source of funding: Corporate 'Invest to Save' fund and existing revenue budget for 2011/12
- 

### Staff

1. Number of staff (current and additional): 2 additional FTE, funded by income from the scheme
  2. If from existing staff resources, number of staff hours: na
- 

### Legal

1. Legal Requirement: Non-statutory - Government guidance. Environmental Protection Act 1990 & Controlled Waste Regulations 1992
  2. Call-in: Call-in is applicable
- 

### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Initially 10,000 residents in the initial trial area, with the aim of a borough-wide service in the longer-term
- 

### Ward Councillor Views

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

### 3. COMMENTARY

#### Garden Waste Collection Service

- 3.1 Following the Comprehensive Spending Review, all departments were asked to consider efficiency savings in the way services were delivered. The majority of Waste Services operations are statutory duties, limiting the opportunities for change. However, the collection of green garden waste is not a statutory duty, and the council is allowed to charge for the collection element of any service provided.
- 3.2 At present, we provide 3 options for residents to dispose of their green garden waste (GGW).
- a chargeable collection (via a sticker system)
  - the Household Waste Recycling Centres at Waldo Road and Churchfields
  - the 5 Green Garden Waste Satellite Sites
- 3.3 *The chargeable collection service.* The Controlled Waste Regulations (1992) allow local authorities to levy a charge for the collection of GGW (although we are not allowed to charge for the cost of its subsequent disposal). Residents purchase stickers from the council (by post, at the Civic Centre or at libraries) at a cost of £1.60 per sticker. Residents then book a collection directly with Veolia, either by calling a free-phone number or through an e-mail system. Veolia provide the resident with a collection date, and are able to confirm the probable number of sacks to be collected. The resident simply leaves the stickered sacks at edge of curtilage on the agreed collection day.
- 3.4 Veolia operate the collection service, covering the whole borough over a 2 week period. As residents book their collection, they are allocated a date for their collection, allowing Veolia to allocate appropriate resources. The cost of the service is £1.59 per sack collected for 2011/12. This means that the service effectively breaks even from the council's perspective. Sticker sales for 2010/11 were 58,000.
- 3.5 *Household Waste Recycling Centres.* The Environmental Protection Act 1990 requires authorities to provide a facility where residents can deliver their household waste free of charge. This requirement includes GGW. Both Waldo Road and Churchfields Road Household Waste Recycling centres have extensive facilities for the acceptance of GGW. However, at certain times, particularly Easter and other Bank Holidays, the number of residents wishing to use the sites is such that congestion develops, which can spread into the surrounding roads, leading to complaints both from site users and local residents. The Waldo Road Webcam has assisted with this issue, allowing residents to check whether there is a queue before setting off to the site. However, the major initiative which resolved the congestion was the introduction of the Green Garden Waste Satellite Sites (GGWSS).
- 3.6 *The GGW Satellite Sites* were introduced in 2005, with the aim of reducing the extreme congestion at Waldo Road and Churchfields HWRCs, and also dealing with the high level of complaints regarding the collection service (which was equally overwhelmed at times of high demand). The 5 sites have undergone changes of location for practical and operational reasons, but continue to be extremely popular with the public. In 2010, there were 62,000 customer visits, with 2,000 tonnes of GGW delivered. Veolia provide appropriate vehicles and staffing for the sites, with all material delivered back to Waldo Road. The service is available every weekend from March to November and the budget for this service currently stands at £307k per annum.
- 3.7 This report proposes the introduction of a trial for an alternative scheme, where residents would have the option of replacing the GGW Sticker Service with a wheelie-bin based system in specified geographical areas. Residents would pay an annual charge covering both the fortnightly collection service and a specified container.

- 3.8 Dependant on customer demand, a further option for residents who find it more convenient to use re-useable bags will be considered, with the same annual price providing for the fortnightly collection of up to 3 re-useable 60 litre sacks for garden waste.
- 3.9 Research has shown that other authorities operating a chargeable collection service using this methodology have achieved an average customer base of 20% of residents in accessible properties (generally excluding flats). Bromley has approximately 119,000 street level properties and for the purposes of this trial it has been assumed that 10,000 customers would participate.
- 3.10 Officers have spoken with and visited authorities who have introduced similar schemes. A table of other authority's prices and customer numbers is attached as Appendix A. A paper prepared by the government sponsored Improvement & Efficiency South East team (iESE) summarising local authority experiences in introducing such schemes is also attached as Appendix B.
- 3.11 Using the current Contract schedules of rates, and a projected customer base of 10,000 properties, a costings scenario has been developed, identifying the potential costs and income as shown in 5.4.
- 3.12 Based on latest estimates, it is proposed to use a contribution from the current projected underspend for the Environment Portfolio of £140k to purchase some of the containers with the balance of £80k being funded from a bid to the Executive to use the 'Invest To Save' monies. It is estimated that the fund will be repaid during year 1 of the trial.
- 3.13 Should the scheme be successful in attracting the required number of customers, the on-going net income could be used to offset financial pressures facing the Council in future years.

## **Textile Collections**

- 3.13 As described in Report ES 11049, at present, all textile banks in Bromley are operated by charity groups. Tonnages from textile and shoe banks average 25 tonnes per month.
- 3.14 Initial negotiations with potential contractors indicate that payments ranging from £250 - £450 per tonne can be obtained from this material, representing a potential income of between £75k and £135k per annum. This pricing incorporates the provision of replacement textile banks at all council sites (ie the Bring bank sites). This potential additional income per annum can be used to bridge the gap between the estimated and actual budget savings achieved following successful negotiations with Veolia as described in ES11128 elsewhere on this agenda.
- 3.15 For negotiations to progress, notice will need to be given to the current operators (Scope and Green World Recycling operate the general textile banks, whilst The European Recycling Company operate the dedicated shoe banks). Current government guidelines suggest that a minimum of 3 months notice should be provided to third sector operations.
- 3.16 This will allow officers to finalise negotiations (in partnership with Veolia, as the new operators will work as sub-contractors to Veolia) for the transfer of this service to a new operator, or to reach an arrangement with the current operator which involves payment to the council for the materials collected.
- 3.17 These negotiations will also incorporate options for a monthly kerbside collection of textiles.

## **4. POLICY IMPLICATIONS**

- 4.1 There are no explicit policies which would be affected by the introduction of a revised methodology and costing structure for the collection of green garden waste, or for a change in the contractor supplying and emptying textile banks.

## **5. FINANCIAL IMPLICATIONS**

5.1 It is estimated that the introduction of the alternative Green Garden Waste collection service could generate surplus income of between £178k and £182k per annum depending on which Option is agreed. However, this assumes that at least 10,000 paying customers in a specified geographical area choose to utilise the scheme. Both the number of customers and the size of the geographical area covered are critical in terms of ensuring that the two vehicles are fully utilised but not over extended. It should thus be noted that the level of surplus income is dependent on the number of customers requiring the service.

5.2 It is proposed that the service will be provided by 2 vehicles, each with a driver and 2 loaders, emptying an average of 500 GGW bins per day. Once the service is operating these assumptions will be challenged based on the operational efficiencies that might be realised.

5.3 Examination of the current Green Garden Waste Sticker collection service for the last two years shows that only between 7% and 11% of garden waste is collected during the three month period December to February and therefore based on this evidence (Appendix C), Members are asked to consider an alternative option of providing the service for a period of 9 months as well the annual option. The two Options are summarised below: -

Option 1 A service run over a period of 12 months at a price of £65 per household

Option 2 A service run over a period of 9 months at a price of £55 per household

5.4 The estimated costs and income are shown in the table below for each of the Options.

**Summary of expenditure and Income for the two Options**

	Option 1 £65 12 Month Service £'000	Option 2 £55 9 Month Service £'000
Proposed price per property		
One-Off costs of containers (purchase & delivery)	220	220
<b>On-going revenue income &amp; expenditure</b>		
Collection service	373	280
Disposal costs	49	38
Additional staffing costs	50	50
Total estimated costs	<u>472</u>	<u>368</u>
Income (assuming 10,000 customers)	<u>(650)</u>	<u>(550)</u>
<b>Net estimated annual surplus</b>	<u><b>(178)</b></u>	<u><b>(182)</b></u>

5.5 It should be noted that the service breaks even with 7,300 customers under Option 1 and 6,700 customers under Option 2. However, at this lower level of customers, Officers would explore whether or not the service could be run with only one vehicle and crew.

5.6 This net surplus incorporates the cost of 2 FTEs, with one managing and monitoring the service, and one administering the database including the issuing of invoices and reconciliation of customer payments.

5.7 To enable the service, 10,000 240 litre wheeled bins would need to be purchased and delivered to participating residents. At a cost of £22 per bin (£18 purchase, £4 delivery) this represents a one-off cost of £220k.

5.8 It is proposed to request the Executive to agree that Officers can use a contribution from the current projected underspend for the Environment Portfolio of £140k to part fund the

containers and that the Executive consider whether to use part of the 'Invest to Save' monies to fund the balance of £80k. The aim would be to repay this amount during 2012/13.

- 5.9 Another proposal of this report is to enter into a contract with Veolia to sell the textiles collected from the bring banks at a price of between £250 to £450 per tonne. Based on an average of 300 tonnes per annum, this could generate income of between £75k and £135k per annum.

## 6. LEGAL IMPLICATIONS

- 6.1 None. These proposals are compliant with both the Environmental Protection Act 1990 & the Controlled Waste Regulations 1992, which specify the council's statutory and non-statutory duties with regard to household waste, including the options for levying collection charges.

## 7. PERSONNEL IMPLICATIONS

- 7.1 The operational management of the trial will require an additional dedicated Waste Advisor. The administration of the charging structure will require an additional dedicated finance administrative support officer who will also be responsible for the customer database and the issuing and reconciliation of invoices and cash received.

<b>Non-Applicable Sections:</b>	None
Background Documents: (Access via Contact Officer)	None

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APPENDIX A

LBB Waste Services - Garden Waste Service analysis

LOCAL AUTHORITY	LA TYPE	MATERIAL	CONTAINER SIZE	PURCHASED / HIRED	COST	SERVICE COST PA	CONCESSION PRICE	COLLECTION FREQUENCY	CUSTOMER BASE	TOTAL PROPERTIES	YEAR INTRODUCED	% POPULATION SERVED	Notes
Gloucester City Council	WCA	Green Waste	240L	all-in cost		£36.00	£18.00	fortnightly (50 weeks)	14000	52157	2005	27%	
Charmwood	WCA	Green Waste	240L	leased		£26.00	£15.00	fortnightly (50 weeks)	25324	68288	2004	37%	£15 per year if by DD
Test Valley BC	WCA	Green Waste	reusable sack (20kg limit)	purchased	£1.00	£24.00	£13.50	fortnightly	10,000	48080	2004	21%	They have a long list of concessions and each extra sack is at the concession price
Shepway DC	WCA	Green Waste	180L	hired one-off	£20.00	£35.00	-	fortnightly	11323	48495	2008	23%	
Thanet DC	WCA	Green Waste	240L	hired one-off	£27.50	£35.00	-	fortnightly	4000	65453	2008	6%	Residents are entitled to a £5.00 discount for renewing their subscription early / pro-rata charge depending on when you join the scheme in the year
Cheltenham BC	WCA	Green Waste	240L	all-in cost		£36.00		fortnightly	10500	52619	2011	20%	initial service was reusable bags which started in 2005
Woking BC	WCA	Green Waste	240L	all-in cost		£37.00	£21.00	weekly (50 weeks)	11000	40373	2009	27%	additional containers @ £15 (£10 concession price)
Ashfield DC	WCA	Green Waste	240L	all-in cost		£20.00	-	fortnightly (40 weeks)	6000	51529	2008	12%	initial pilot service was in 2005 to 6500 properties w/ 15% participation
Mid Suffolk DC	WCA	Green Waste	240L	all-in cost		£40.00	-	fortnightly (50 weeks)	12000	40754	2008	29%	2007 introduced a pilot, chargeable garden waste service to 680 households
East Hampshire DC	WCA	Green Waste	reusable sack (25kg)	purchased	£5.00	£25.00	£9.00	fortnightly	unknown	48282	2004	#VALUE!	£12.50 for subsequent licences
Rushcliffe BC	WCA	Green Waste	240L	all-in cost		£25.00	-	fortnightly (50 weeks)	unknown	46794	2011	#VALUE!	£10 per extra container / charged for in 2011
Cotswold DC	WCA	Green Waste	240L / bag*	all-in cost		£30.00	£15.00	weekly (50 weeks)	18500	39154	2008	47%	can choose wheeled bin or brown paper garden bags @ £1 per bag
Exeter City Council	WCA	Green Waste	240L	hired		£35.00	-	fortnightly	6000	50380	2004	12%	*6000 using w/bin - unknown for bag service
Norwich City Council	WCA	Green Waste	bag (90L) 10Qty	purchased	£6.00	£40.00	-	fortnightly	unknown				
Brentwood BC	WCA	Green Waste	240L	all-in cost		£40.00	-	fortnightly (50 weeks)	8200	62325	2008	13%	2007 pilot for 2000 properties
			sack biodegradable	hired		£40.00	-	fortnightly	3000	31698		9%	
			sack biodegradable	purchased (qty 10)	£2.20		-	fortnightly	unknown				
South Norfolk Council	WCA	Green Waste	240L	all-in cost		£42.00	£31.00	fortnightly	10000	53243	2005	19%	90p labels for ad hoc GW no longer available
Southend on Sea BC	Unitary	Green Waste	240L	purchase cost	£28.40	£33.25	-	weekly (39 weeks)	18000	78264	2004	23%	
			240L	purchase cost	£28.40	£44.40	-	weekly (52 weeks)					
			sack compostable	purchased (qty 10)	£5.55		-	ad hoc weekly					
Bath & North East Somerset Council	Unitary	Green Waste	240L	delivery cost	£2.65	£31.95	-	fortnightly	15000	75967	2004	20%	
			sack paper	purchased	£1.25		-	fortnightly					
LB Merton	Unitary	Green Waste	240L	all-in cost		£65.00	£50.00	fortnightly (50 weeks)	new service	80520	2011	#VALUE!	
			sack paper (75L)	purchased (qty 25)	£65.00		£50.00	fortnightly (50 weeks)	new service				
Elmbridge BC	WCA	Green Waste	240L	all-in cost	£39.00	£33.00	£16.50	fortnightly	15000	54805	2006	27%	20% discount for re-subscribers
			reusable sack (2)	all-in cost		£30.00		fortnightly	inc. in above				
Great Yarmouth BC	WCA	Green Waste	240L	all-in cost		£48.50		fortnightly	5000	45766	2010	11%	4 weekly service in winter
			renewal cost			£37.50							
RB Kingston upon Thames	WCA	Green Waste	240L	all-in cost		£69.00	£59.00	fortnightly	3874	64328	2009	6%	discount price of £53 for renewing customers
Swale BC	WCA	Green Waste	240L	all-in cost		£38.85			5500	59105	2007	9%	
LB Richmond	Unitary	Green Waste	240L	all-in cost	£65.00			fortnightly	12000	65000		18%	

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## WIN Focus 7 - August 2010

### Subscription based services: Garden Waste

This document provides support to councils who are considering the introduction of a subscription based garden waste collection service. WIN has gathered evidence from a number of councils who are running such schemes and has brought together advice, top tips and lessons learnt. The options are explored and some of the research other councils have done in order to shape their own services is presented. Based on existing practices, WIN provides information and support to local authorities - helping them to develop waste, recycling and related services which are best suited to their local area and that best meet the needs and wishes of residents.

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## 1.0 Summary

All councils have been tasked with finding efficiencies, reducing costs and improving services. Under the Controlled Waste Regulations 1992, garden waste is classified under Schedule 2 (Regulation 4), as a type of waste for which a charge may be made. This report has found that the **introduction of a subscription-based garden waste service** could:

### Pros

- ✓ Increase recycling performance and help councils to meet their recycling targets ( - predominantly where no garden waste collection existed prior to introduction of new service)
- ✓ Remove the garden waste element from the domestic waste stream in participating properties
- ✓ Provide additional revenue for the council
- ✓ Provide an opt-in, additional kerbside service, which is inclusive to all residents who wish to take part
- ✓ Maintain a financial incentive for householders to home compost their organic waste, which is the best environmental option
- ✓ Create a fairer system financially for residents in flats, HMOs etc - who do not produce garden waste

### Cons

- ✗ Cause public dissatisfaction & negative publicity, particularly if a previously free-of-charge service was offered prior to the introduction of the new subscription-based one
- ✗ May increase garden waste arisings in those properties taking part, as residents are likely to fully utilise the collection service they are paying for (as opposed to taking garden waste to HWRs or home composting it)
- ✗ May reduce tonnages of garden waste collected on commencement of the scheme, thus lowering recycling performance - especially in cases where the council offered a free-of-charge collection service prior to introduction of a new subscription-based one.

Evidence collected from councils who **suspend their subscription-based garden waste collection service over winter** months has suggested that:

### Pros

- ✓ Significant cost savings can be achieved
- ✓ Tonnages of garden waste collected are typically much lower during this period
- ✓ It may be a better option environmentally due to decreased carbon emissions through the decommissioning of collection vehicles
- ✓ Residents may be supportive of the suspension, particularly if it helps to keep annual service costs down

## Cons

- ✘ Operational issues may occur, particularly when the service resumes after winter
- ✘ Residents may see the suspension of the service as a negative, particularly if they previously been offered an all year round service.
- ✘ A lowering of recycling performance is possible but is unlikely to be significant

With regard to the **type of collection receptacle, wheeled bins and bags** were considered in the report and observations included:

- With the use of bags, operational issues may occur including health & safety considerations and processing problems.
- With the use of wheeled bins, issues identified included higher purchase and administrative costs along with difficulties with traceability and ownership issues.

When councils are considering the **introduction of a new service** this report advises councils to consider costs, risks, operational issues and type of service to be offered. A full public consultation is likely to be required and communications are paramount in order to gain public support, encourage participation and to avoid risk issues such as contamination and low participation.

## 2.0 Approaches to Garden waste

Many different approaches to dealing with garden waste currently exist among councils. The options are varied, types of collections differ and few authorities follow the same model. For more information on choosing the right recycling collection system see WRAP's 2009 report on recognised Kerbside Collection Methods: [Choosing the right recycling collection system](#).

The table below summarises several approaches to garden waste giving pros and cons and further information.

Approach	Pros	Cons	Notes & Links
2.1 Garden waste continues to be accepted into domestic waste collection	May be popular with residents. Do nothing approach, costs remain neutral. No changes may mean no adverse publicity.	Garden waste remains in domestic waste stream and goes to landfill, loss of recyclable materials, lower diversion rates.	This option is becoming increasingly unacceptable due to rising cost of landfill & recycling targets.
2.2 Terminate an existing, free-of-charge garden waste collection service	Could achieve big cost savings for authority.	Could incur significant contractual costs. Unpopular with residents.	Difficult to terminate a collection service without offering an alternative and accessible disposal route for residents. Please also see related notes regarding Northumberland County Council in section 2.5 below.
2.3 Ban garden waste in the domestic refuse collection service	Enforcement action can be taken against residents who ignore the ban. Some councils consider this an essential element to go alongside introduction of subscription-based collection service.	Ban could be unpopular with residents, difficult to administer and relatively easy for residents to ignore.	One council proposed a 3 month 'amnesty' to ensure that residents were fully aware of the new arrangements before any enforcement action began.
2.4 Introduction of 'no side waste' or closed lid policy to limit garden waste in domestic refuse service	Good alternative to a complete 'ban' on garden waste in domestic refuse. Effective at preventing green & other recyclable wastes from entering the domestic waste stream.	May be unpopular with residents. May be difficult & costly to enforce, particularly if council does not have a dedicated enforcement team.	See WIN's case study on Exeter City Council: <a href="#">Education, Enforcement &amp; Legal Lessons</a> for an example of a contamination related legal proceeding by Exeter CC.

<p><b>2.5 Introduce an opt-in subscription-based garden waste collection scheme</b></p>	<p>Additional revenue for the local authority. Opt-in system means a financial incentive remains for householders to home compost their organic waste, which is the best environmental option. See section 2.8 for more on home composting.</p>	<p>May receive adverse publicity &amp; complaints to the council. Full public consultation exercise likely to be necessary. Agreement &amp; support by Members would have to be sought. Cost implications of introduction of new service. Households who take part are less likely to home compost or take garden waste to HWRS, therefore potentially increasing garden waste arisings.</p>	<p>Northumberland introduced a county-wide opt-in subscription-based garden waste collection service in 2009. Prior to this arrangement six districts in the county had differing services varying from a free-of-charge opt-out service through to a £35 opt-in service. The new service gave uniformity to the county's green waste collections. Subscriptions were £20 / year in 2009 and remained at this level for 2010. When the service was introduced, a number of complaints were received from the public, however the level of complaints were lower than expected. The majority were in relation to the new charges but others were concerning lack of collections in the winter and complaints regarding the price difference between the bags and wheeled bin options. The new service also generated adverse coverage in local press.</p>
<p><b>2.6 Suspension of service during winter months. (Also see section 3.0)</b></p>	<p>Service not operational when tonnages are lowest. Cost savings during winter months. Vehicles &amp; staff can be decommissioned / re-located. Carbon savings achieved due to not running collection vehicles during low tonnage months. May also contribute towards waste minimisation targets by reducing the kg/head collected each year. For more info see section 3.0.</p>	<p>May be an adverse effect on recycling performance. Difficulties in first cycle of emptying bins on recommencement of service. For more info see section 3.0 below.</p>	<p>See more detail on savings, as identified by councils in section 3.0 below.</p>



<p><b>2.7 Collection of food &amp; garden waste comingled</b></p>	<p>May be a popular option with residents, especially if the collections of food &amp; garden waste are weekly in conjunction with alternately weekly collections of domestic waste.</p>	<p>Charges cannot be made for food waste. WRAP's research report released in Feb 2010 indicated that combined organic waste collections (garden &amp; food) are less effective in diverting food waste for recycling compared to food only collections. As a result it will be much more difficult to achieve high diversion / recycling targets with combined food and garden collections systems. Furthermore the food waste remaining in the residual bin will need to be managed at increasingly higher disposal costs.</p>	<p>In February 2010, WRAP released a report titled <a href="#">Performance analysis of mixed food and garden waste collection schemes</a>. This study looked at the effectiveness of recycling food waste via mixed food and garden waste collections. Also see the following WRAP reports:-  <a href="#">Managing biowaste - cost benefit analysis (update) October 2008</a>  and  <a href="#">Managing biowaste - cost benefit analysis (May 2007)</a></p>
<p><b>2.8 Promotion of home composting / Composting Framework</b></p>	<p>Home composting is environmentally the best option. A cheaper and more flexible alternative for residents in comparison to an annual charge. Good to offer residents alternative options when introducing a new opt-in subscription-based service. Residents can be offered a subsidy to encourage uptake – also possible within the <a href="#">WIN / IESE National Home Composting Framework</a></p>	<p>Not accessible for all householders e.g. those with no garden or small gardens. Onus is on householder to purchase, set up and maintain composter. Householders may give up composting if problems are encountered.</p>	<p>The <a href="#">WIN / IESE National Home Composting Framework</a> has been set up to give local authorities a simple and efficient solution to providing home composting units, accessories and related communications without having to undertake a tender process. Also see the <a href="#">RecycleNow home composting</a> pages.</p>

### 3.0 Making savings through suspending collections over winter

- ✓ **Lower tonnages during winter months.** Tonnage of garden waste generated and collected tends to reduce considerably. Information from councils suggests that the tonnage of waste collected falls to less than a third of what would be expected at other times of the year. (Source: Bromsgrove DC)
- ✓ **The environmental benefit vs environmental impact of collections.** The environmental benefits of composting small tonnages of material collected during this period may be outweighed by the overall environmental impact of the collection service – e.g. vehicles would still need to visit every property, emptying all bins on the collection route, regardless of quantity of material put out. Encouraging the diversion of garden waste to home composting and HWRS can be of great value in helping to maintain recycling of garden waste and in preventing this waste entering the domestic waste stream during this period. The [WIN / IESE National Home Composting Framework](#) has been set up to give local authorities a simple and efficient solution to providing home composting units, accessories and related communications without having to undertake a tender process.
- ✓ **Cost savings** can be achieved through the de-commissioning of vehicles and re-locating operatives for the winter period.
- ✓ **Communications** about such a change in service should be far-reaching and include a variety of local groups such as Parish Councils, Libraries, Leisure Centres, Members, local press, local magazine, on refuse and recycling calendars. Some authorities also offer a one off collection for Christmas trees in January. See the WIN document [Waste Communications Budgets: presenting the business case](#) (Mar '10) for help on establishing a business case for communications spend. Also see [Recycle Now Partners](#) for communications support & downloadable resources.

<b>SUSPENSION OVER WINTER....MORE ISSUES TO CONSIDER</b>	
<p><b>Cost:</b> East Lindsey DC estimated that suspending collections over winter would save the council £170,000 / yr. Bromsgrove DC investigated a re-introduction of collections for the period Dec – Mar in 2007 and estimated that it would cost almost £80,000 to re-introduce &amp; sustain collections during those winter months.</p>	<p><b>Operational:</b> The first cycle of emptying bins could present a problem if green waste has been left in the bin for the extended winter period and it may be difficult to empty. Also, much larger quantities of green waste may be presented during the first few weeks of the resumed service.</p>

**Environmental:**

East Lindsey DC reported that suspending collections would reduce the Council's carbon emissions by 145 tonnes each year.

**Less recycling?**

An adverse effect on recycling performance is possible but research has shown it is not likely to be significant. Waveney DC estimated that as the amount of green waste collected during the winter period was low (approximately 1,400 tonnes) the impact on recycling figures was estimated to be in the region of <2%

**Resident support:**

Waveney DC consulted their residents in 2004 on whether a 2 month suspension of the green waste collection would be acceptable. 78% of residents surveyed said that this was acceptable.

**Lack of resident support:**

Residents may see a suspension as a negative, particularly if they are having the service suspended during winter months when it has previously continued all year round. Positive communications can help with this issue. East Lindsey DC produced an excellent document which is available to look at on WIN:

[Green Waste Collections – your questions answered](#)

This document has a list of Frequently Asked Questions for residents and details how the suspension of the service over winter has contributed to an improvement of the service environmentally and financially, saving 145 tonnes of carbon emissions & over £170,00 each year.

## 4.0 Type of collection – Bags vs Wheeled Bins

Councils will need to consider regularity of collection, how the collections will sit with current refuse & recycling arrangements, participation levels required to make the service cost effective and what vehicle / operative resources will be required. The question of which type of receptacle to use generally falls to two options – bags or wheeled bins. See below for some considerations on each type.

NB: If you are considering purchasing bins, bags or containers for collecting green waste, WIN's [Framework Contracts](#) page provides details of framework agreements that are quick and easy to use and usually mean you can avoid a tender process.

### 4.1 Bags

Councils should consider the following:-

- ✓ **Type of bag** - re-useable, disposable or bio-degradable.
- ✓ **Capacity** – sack size, volume or dimensions and weight limit per sack. This may be determined by bag supplier and by type of collection / loading methods.
- ✓ **Operational & service issues** regarding bags have been identified by councils. These issues included health and safety concerns associated with the lifting of bags and their loading into collection vehicles; capacity constraints with the vehicles given that an unknown number of bags may be put out for collection; processing difficulties at compost sites due to bags not fully biodegrading resulting in a poorer quality end product that is more difficult to sell.
- ✓ **Level of demand** - With 'pay as you go' bag services, councils have also indicated that it is hard to predict what the demand for the service will be on any particular street on any particular day. Vehicles can travel long distances and pick up nothing, conversely vehicles could travel and fill the vehicle unexpectedly from a few homes and have to go off to tip.
- ✓ **Cost of bags & cost to public** – with re-useable bags some councils offer a sliding scale for example - East Hampshire offer first bag @ £25/yr; second @ £12.50; subsequent bags @ £9. Some authorities offer free replacement of sacks if lost, damaged or stolen, others charge. Some authorities offer discounts for residents on benefits & for senior citizens. N.B There may be a link between levels of participation and the charges levied – e.g. the higher the charge, the lower the participation / tonnage collected, it is therefore important to charge at the right level. (see section 5.3 below for more details on charging)

## 4.2 Wheeled bins

An opt-in wheeled bin service whereby residents rent or buy the receptacle from the council for the year may give rise to considerations such as:-

- ✓ **Ownership of bin** – If the council retains ownership of the bin it can therefore be retrieved if the resident decides not to continue paying for the service in subsequent years.
- ✓ **Traceability** – With a subscription-based service, it is important to ensure bins are not stolen or lost from the household that has paid for the service. If a bin is stolen from a property the council may have to replace the bin and it may also mean that some other household will be getting the service without having paid for it. To combat this type of situation, ideally each bin would be registered to a property either by serial number, sticker or bin chip.
- ✓ **Customers opting out** – As and when a customer opts out of the service, the bins would need to be collected to ensure that the household did not continue to receive the service free of charge. These administrative and service costs should be accounted for.
- ✓ **Size** – Will be dependent on collection methods, likely tonnages and frequency of collection. As an example, Bromsgrove DC report that they collect 377kg/hh/yr with a 240 litre bin on a fortnightly basis.

## 5.0 Introducing the Service

### 5.1 Consultation

Consulting your residents will be an important first step before any decisions can be made.

#### **Example of a Consultation**

In 2005 a full public consultation was undertaken by one Borough Council to find views on the proposed subscription-based organic waste collection service and to determine preferred collection options. A questionnaire was sent out with the council's magazine to all properties and a response rate of 1172 households (2.5%) was achieved. Of the 617 responses that opted for the wheeled bin proposal, 67% said they would be prepared to pay for the service with 52% of these being prepared to pay up to 50p per week, (£26.00 per annum). 470 responses opted for the notion of paying for a bag collection service, of which 44% were not prepared to pay anything and 55% were prepared to pay.

#### **Useful consultation documents**

[Bromsgrove District Council's Liaison Leaflet](#) this was sent to residents to advise why changes were being introduced and as part of consultation exercise.

### 5.2 Costs

Councils should consider cost implications including:-

- ✓ Purchase of additional vehicles/equipment
- ✓ Vehicle running costs & fuel
- ✓ Drivers + Loaders / Operatives including overheads
- ✓ Initial purchase of receptacles
- ✓ Delivery of receptacles and on-going replacement costs for damaged / stolen items
- ✓ Administration of scheme – could you centralise this function? See information below on 'keeping administration costs down'
- ✓ Communications budget, marketing, publicity, press, leaflet production & distribution / postage costs
- ✓ Gate fees for organic waste
- ✓ Consultancy fees

But can offset the above with:-

- ✓ Recycling credits
- ✓ Subscriptions

**Keeping administration costs down:** Have you thought about centralising the function for the administration of the garden waste service across the whole of the County area?

**Surrey Waste Partnership with funding from Improvement & Efficiency South East (IESE) is currently looking at a centralised system for administering their green waste services.**

All of the waste collection authorities in Surrey operate subscription garden waste collections. The physical delivery of these services is generally managed as part of the overall waste and recycling services in each authority. There are differences in containment methods (predominantly reusable bags or wheeled bins), differences in disposal points and suppliers and differences in approaches to method and timing of subscriptions. Each authority spends a significant sum administering the renewals as well as managing customers in terms of service issues through the year. There is duplication of effort that will result in savings opportunities if back office functions are aligned and amalgamated either through a third party supplier or through a host authority. The centralised system will include;

- Receiving and processing payments – whether by direct debit [preferred], card or cheque
- Receiving service complaints
- Transmitting orders for collection service to collection agency [contractor or DSO]
- Arranging despatch of containers, bags or sacks
- Forwarding income to participating authorities
- Preparation of management reports
- Advising on and/or arranging service promotions and advertising
- Possibly also involvement in other composting initiatives, e.g. centralised sale of bulk discount composter, green cones and wormeries
- Providing expert assistance and advice on composting
- Examining further joint ownership with other key partners, e.g. hospital trusts and private industry

Authorities would have the option of joining into this centralised system on an individual basis as and when appropriate – the system would not necessarily rely on all authorities taking part from the outset in order to function effectively. This would allow the freedom and flexibility for some authorities to join in at a later date, perhaps when the benefits become more apparent.

For further details on this scheme, please contact [Christine.batty@southeastiep.gov.uk](mailto:Christine.batty@southeastiep.gov.uk)

### 5.3 Participation & Subscriptions

It is important to charge at the right level to ensure residents are willing and able to participate. Consideration will first need to be given to the costs associated with introducing and running the service (suggested factors are outlined in section 5.2). There is likely to be a minimum level of participation at which the service becomes economically viable but equally there may be service and capacity constraints which could limit the expansion, particularly at the outset.

Example 1 – across one county in England, the following schemes and subscriptions are currently in operation:-

#### **Example of subscriptions system across county of Hampshire – all councils currently using a bag collection system**

Of the thirteen districts & boroughs in Hampshire, eleven offered a subscription-based garden waste collection service (all with bag type collections), one offered a free collection service and one offered no collection service. Subscriptions in the 11 authorities are broken down as follows:-

- Seven authorities offered a fortnightly collection service (six authorities offered one bag, one authority offered two bags). Annual subscription varied - lowest being £23, highest £35 (**Average charge = £27**)
- One authority offered a weekly bag collection @ £25/annum
- Two authorities offered a free-of-charge collection service for the first sack, but residents were asked to pay for subsequent sacks if required.
- One authority made sacks available to purchase charging £1.50 per sack and collected from households fortnightly.

Example 2 – Northumberland simplified the county's system of subscriptions for green waste collections

#### **Northumberland's districts had a variety of subscription levels for green waste collection until a uniform approach was adopted in 2009**

Northumberland County Council introduced a county-wide opt-in subscription-based garden waste collection service in 2009. Prior to this arrangement six districts in the county had differing services varying from a free-of-charge opt-out service through to a £35 opt-in service. The new service gave uniformity to the county's green waste collections. Subscriptions were £20 / year in 2009 and remained at this level for 2010.



## 5.4 Communications

Further along the line, getting your **communications** right is paramount! Here are some top tips we have collected from speaking to councils who have gone through the process

- ✓ **Dealing with queries & complaints** – Ensure that you prepare a list of likely Frequently Asked Questions early on with standard responses. Make sure your help desk, officers and Members all have copies so that a consistent message can be given to the public & press - right from the start.
- ✓ **Give the alternatives** – It is important to highlight the alternative options for dealing with garden waste, for example home composting and HWRS
- ✓ **Highlight the (increasing) costs of continuing with the existing approach**, particularly if garden waste is currently collected within the domestic waste stream. In a so called 'free-of-charge' service all householders are paying for disposal through their council tax, whether they utilise the service or not. With the opt-in service, only those who wish to use it pay for it.
- ✓ Get the **right communications budget** – look at the WIN document [Waste Communications Budgets: presenting the business case](#) (Mar '10) for help on establishing a business case for communications spend.
- ✓ **Be consistent with your campaign** and utilise the resources that are already available. See [Recycle Now Partners](#) for communications support & downloadable resources.

## 5.5 Operational issues

- ✓ **More tonnage / household**. If garden waste is currently collected without charge, the introduction of a subscription-based service may see much higher volumes of garden waste generated per household as residents get full value for money. Bromsgrove DC introduced a subscription-based wheeled bin service for garden waste and had previously collected in the same way without charge. They reported:- “Pre charge we collected approx 230kg/ household / year as opposed to 377kg with the charge... previously residents may have presented a bin with a few leaves in it now nearly every bin will be full”.
- ✓ **Requests for smaller bins / bags** An assisted collection or different collection receptacle may be an alternative option for those who have difficulty in presenting the standard receptacle offered.

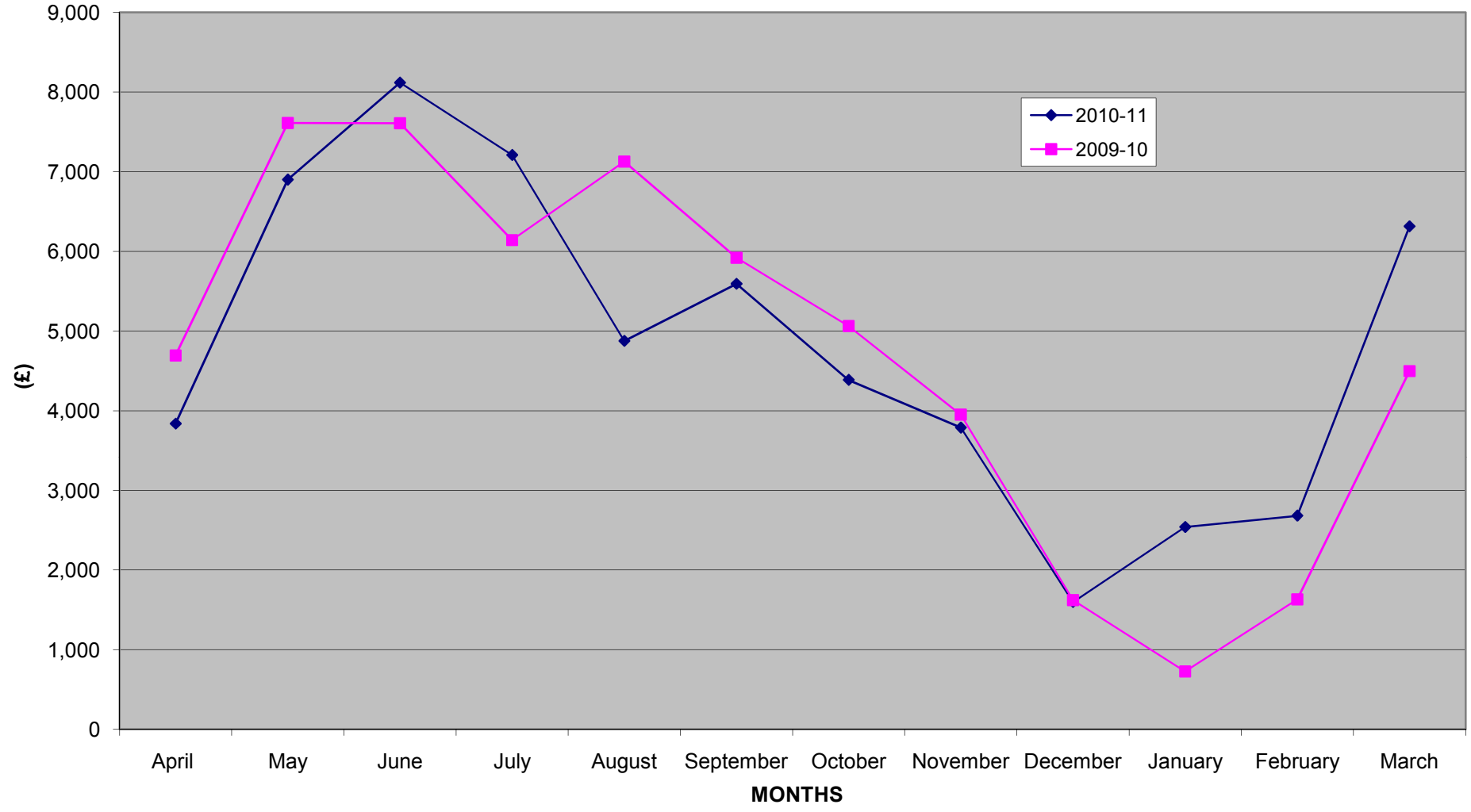
## 5.6 Risks

Contamination	Low participation	Health & Safety
<p>If communications and public engagement are successfully provided to run alongside the introduction and continuation of a scheme contamination can be managed successfully. Check out the following document on WIN:- <a href="#">Garden Waste Kerbside Recycling Exemplar Campaigning Strategy (Waste Aware Scotland)</a>. For excellent and detailed information including:-</p> <ul style="list-style-type: none"> <li>■ Policies to manage contamination</li> <li>■ Timing and implementation of the campaign</li> <li>■ Recommended campaign materials &amp; communication messages with lots of great examples</li> </ul>	<p>Consider <b>coinciding start of service with the start of the growing season</b>. This ensures that the service is available when demand is greatest, encouraging householders to quickly develop the habit of recycling garden waste.</p> <p><b>Promote home composting &amp; HWRS as alternatives.</b></p> <p>For <b>help on communication</b> also see the document held on WIN <a href="#">Garden Waste Kerbside Recycling Exemplar Campaigning Strategy (Waste Aware Scotland)</a>.</p>	<p>See this excellent document on WIN for Health &amp; Safety good practice guidance : <a href="#">Green waste collection: Health Issues (HSE)</a> It is intended for managers, supervisors and operators working with green waste.</p>

## 6.0 Contacts & Links

WIN: [win@southeastiep.gov.uk](mailto:win@southeastiep.gov.uk) & [www.win.org.uk](http://www.win.org.uk)

### Appendix C - GGW STICKER SALES



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Report No.  
DCYP11131

## London Borough of Bromley

### PART 1 - PUBLIC

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**Decision Maker:** Executive

**Date:** 14 December 2011

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

**Title:** **RELEASE OF GOVERNMENT FUNDING TO SUPPORT THE STEP UP TO SOCIAL WORK PROGRAMME**

**Contact Officer:** Antoinette Thorne, Learning and Development Manager (ACS and CYP)  
Tel: 020 8313 4208 Email: antoinette.thorne@bromley.gov.uk  
Kay Weiss, Assistant Director, Safeguarding and Social Care  
Tel: 020 8313 4062 E-mail: kay.weiss@bromley.gov.uk

**Chief Officer:** Charles Obazuaye, Assistant Director, Human Resources  
Gillian Pearson, Director of Children and Young People Services

**Ward:** N/A

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1. Reason for report

- 1.1 In May 2011 the Children's Workforce Development Council (CWDC) announced that they were making funding available to run a second cohort of the Step Up To Social Work programme.
  - 1.2 The CWDC initiated the Step Up to Social Work Programme in response to a recognised need to encourage candidates from a wider range of professional backgrounds to consider front-line children's social work as a future career. The aim was to develop a condensed, bespoke, work based entry route into children's social work for high calibre experienced candidates.
  - 1.3 Bromley CYP and HR have led a regional partnership including the London Boroughs of Bexley and Lewisham to secure a successful application and award of new funding to deliver the programme. The boroughs are collectively known as the South East London Regional Partnership.
  - 1.4 As lead authority for the partnership Bromley Council will receive total funding of £698,000 over a period of 2 years (based on taking 12 candidates onto the programme). This will be released in phases as project milestones are met and evidenced. This represents a trainee and recruitment programme for Bromley at no cost.
- 

2. **RECOMMENDATION(S)**

**That the Council's Executive agrees the release of the Step Up to Social Work funding into the CYP Budget to run the Step Up to Social Work Programme, in partnership with the London Boroughs of Bexley and Lewisham.**

### Corporate Policy

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

### Financial

1. Cost of proposal: Estimated cost £698,000 across the three boroughs involved in this initiative: Bromley, Bexley and Lewisham.
  2. Ongoing costs: Non-recurring cost.
  3. Budget head/performance centre: Safeguarding and Social Care
  4. Total current budget for this head: £24.373m
  5. Source of funding: Children's Workforce Development Council - Step Up to Social Work Programme
- 

### Staff

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

### 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):
- 

### Ward Councillor Views

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

### 3. COMMENTARY

- 3.1 In 2010, the Children's Workforce Development Council (CWDC) developed a new programme, Step Up To Social Work. The programme is a national initiative designed to attract high calibre, professionals into children's social work. The programme offers candidates an 18 month bursary of £15,000 p.a. leading to an MA in social work. The course also pays the higher education provider fees of £20,000 per candidate. It is a condensed, work based entry route to social work and enables the employers to work closely with the higher education provider to ensure that the programme reflects the world of work.
- 3.2 Due to the programme being judged as a success, in May 2011 the CWDC announced that they would be funding a second cohort of candidates through the programme.
- 3.3 One of the key benefits of the programme is that Regional Partnerships are able to work with the higher education provider to create a "bespoke" Masters programme that better reflects the world of work within the partner organisations. The programme must also meet the General Social Care Council (GSCC) requirements and the National Occupational Standards.
- 3.4 The CWDC set out specific criteria requiring local authorities to form regional partnerships with a designated lead authority to make a successful Step Up application. In August 2011 Bromley, in collaboration with the London Boroughs of Bexley and Lewisham, formed the South East London Regional Partnership. It was agreed that Bromley would take on the Lead Authority role.
- 3.5 Bromley as the lead authority is responsible for accessing and administering the funding on behalf of the South East London Regional Partnership. As lead authority, the Council will receive total funding of £698,000 over a period of 2 years (based on taking 12 candidates onto the programme). This will be released in phases as the CWDC project milestones are met and evidenced. The regional partnership operates under a Memorandum of Understanding which states that all decisions regarding the detailed use of the funding to meet the objectives must be agreed by all three boroughs.
- 3.6 The timetable for initiating the Step Up to Social Work Programme was set by the CWDC in order that students would commence their studies in February 2012. Table 1 sets out the key elements of the programme and the timescales for the release of funding.
- 3.7 The regional partnership was established in August 2011. A steering board was formed currently chaired by Antoinette Thorne, Learning and Development Manager (ACS and CYP) from London Borough of Bromley. This Board oversees and monitors the operational implementation and actively participates in the strategic development of the project to make sure that it is delivered to the highest standards and to timescales. They also take key decisions regarding the use of funding.
- 3.8 The partnership tendered for and successfully commissioned a higher education institution to work with on the delivery of the MA course. Goldsmiths were appointed to the work and have a reputation of producing high calibre social work graduates.
- 3.9 The CWDC managed the advertising and initial screening of candidates at a national level. Over 2,000 applications nationally were received over the summer by the CWDC, with 211 expressing interest in a bursary with Bromley, Bexley and Lewisham. Of this number 52 candidates have been successful in progressing to an assessment centre. The assessment centre follows a prescribed mandatory formula and is estimated to cost £15,000 excluding officer time.

- 3.10 A condition of the funding is that a Step Up To Social Work Programme Co-ordinator is recruited. Bromley as the lead Authority has addressed this by reorganising work within HR to release an officer to take up the role on a full time temporary basis to manage the project. This arrangement will be reviewed in March to assess the level of work required to manage the programme after the students have started the course. Any costs incurred as a result of this arrangement will be funded from the programme.
- 3.11 The students will be granted a bursary by one of the authorities within the partnership. Each authority will have responsibility for issuing their own bursary agreements and the payment of the bursary money to the students. The bursary payment is worth £22,500 in total, equating to £15,000 per annum pro rata for the 18 months of the programme.
- 3.12 The amount of £20,000 is allocated per candidate to the higher education institute.
- 3.13 Placement supervision costs of £1500 per candidate are used to reimburse the supervising officers' time while managing the student throughout the course.
- 3.14 The programme is estimated to be cost neutral for the South East London partners as the funds can be used to compensate for officer time spent on setting up the Regional Partnership, commissioning the higher education institute, delivering the assessment centre, induction and customisation of the course.

**Table 1 – Breakdown of Funding Timetable**

<b>Objective</b>	<b>Funding for cohort two (August 2011 – August 2013)</b>	<b>Total funding for the South East London Regional Partnership (Based on 12 candidates)</b>	<b>Month the funding will be received</b>
Set-up of Regional Partnership	£45,000	£45,000	July 2011
Commissioning of higher education institution	£30,000	£30,000	July 2011
Regional Partnership administration/programme management	£95,000	£95,000	July 2011 (£30,000) December 2011 (£25,000) Release date to be announced (£40,000)
Bursary	£22,500 per candidate	£270,000	March 2012 (£3,750 per candidate) Release date to be announced (£18,750 per candidate)
Training Costs (University Fees)	£20,000 per candidate	£240,000	March 2012 (£3,333.33 per candidate) Release date to be announced (£16,666.67 per candidate)
Placement Supervision	£1,500 per candidate	£18,000	March 2012 (£250 per candidate) Release date to be announced (£1,250 per candidate)
<b>Total</b>		<b>£698,000</b>	



3.15 The CWDC releases the funding in phases as project milestones are met and evidenced. To date £105,000 has been released:

- £45,000 - Set-up of the Regional Partnership
- £30,000 - Commissioning the higher education institute
- £30,000 – The first portion of the £95,000 allocated for Regional Partnership administration/programme management

3.16 The South East London Regional Partnership have planned to use this funding as follows

Item	Breakdown of Costs
Delivery of the assessment centre including officer time	£27,000
Reimbursement of officer time spent on the project	£24,550
Practice Educator course for all those supervising students across the partnership	£19,200
Partnership development to plan and deliver advanced practitioner training in systemic practice	£15,000
Salary of the Step Up To Social Work Programme Co-ordinator	£13,000
Reimbursement for officer time spent on course planning and customisation	£2,095
On-boarding event with practice assessors, learning mentors and teams managers from across the partnership (officer's time and venue)	£2,000
Payment to service users involvement in the Board, assessment centre and course design	£1,100
CRB checks for successful candidates	£528
<b>Total</b>	<b>£104,473</b>

#### 4. POLICY IMPLICATIONS

The Step Up to Social Work Programme will assist the Council in delivering its commitment to prioritise the safeguarding and protection of our most vulnerable children and young people, as stated in Building a Better Bromley.

#### 5. FINANCIAL IMPLICATIONS

The Step Up to Social Work programme is fully funded from the CWDC grant. At the end of the programme it will be possible to recruit to social work vacancies within Bromley without the need to resort to expensive recruitment procedures.

#### 6. LEGAL IMPLICATIONS

The bursary agreement does not constitute a contract of employment. At the end of the programme the authorities within the partnership are committed to offer successful students employment, subject to suitable vacancies being available.

## 7. PERSONNEL IMPLICATIONS

Whilst the Council's recruitment and retention strategy for children's social workers has successfully helped to reduce the vacancy levels within this area of work, it is important that we take advantage of any opportunities to increase the supply of high calibre social workers available to work within Bromley.

<b>Non-Applicable Sections:</b>	N/A
Background Documents: (Access via Contact Officer)	CWDC Step-Up to Social Work – Information about funding and timeline  DCYP10023 – Recruitment and Retention of Children's Social Work Staff

Report No.  
ACS 11072

London Borough of Bromley

PART 1 - PUBLIC

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**Decision Maker:** Executive

**Date:** 14<sup>th</sup> December 2011

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

**Title:** **PROCUREMENT ARRANGEMENTS FOR DOMICILIARY CARE SERVICES**

**Contact Officer:** Wendy Norman, Strategic Manager, Procurement and Contract Compliance  
Tel: 020 8313 4212 E-mail: wendynorman@bromley.gov.uk

**Chief Officer:** Lorna Blackwood, Assistant Director of Commissioning and Partnerships,  
Adult and Community Services

**Ward:** Boroughwide

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1. Reason for report

This report seeks approval from the Executive to extend the existing contracts for domiciliary care provision for a period of up to 4 months from August 28<sup>th</sup> 2012.

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2. **RECOMMENDATION(S)**

The Executive is asked to:

- a) Approve the proposal to waive competitive tender requirements to continue the existing contractual arrangements for a period of up to 4 months from 28<sup>th</sup> August 2012 if required in order that contractual arrangements are in place whilst the procurement exercise is completed.

### Corporate Policy

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

### Financial

1. Cost of proposal: Estimated cost £8.7m per annum
  2. Ongoing costs: Recurring cost.
  3. Budget head/performance centre: 824\*\*\*3614 and 818\*\*\*3614
  4. Total current budget for this head: £8,733,730
  5. Source of funding: ACS Domiliary Care budgets, (Older People and Physical Disabilities)
- 

### Staff

1. Number of staff (current and additional): n/a the service is provided by external agencies
  2. If from existing staff resources, number of staff hours: n/a
- 

### Legal

1. Legal Requirement: Statutory requirement.
  2. Call-in: Call-in is applicable
- 

### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The approximate number of beneficiaries of the service is 1500 at any time.
- 

### Ward Councillor Views

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

### 3. COMMENTARY

- 3.1 The Council's strategy for care is to support independence by moving away from a reliance on residential care towards community-based services which support people to remain in their own homes. Domiciliary care services, used predominantly by people with physical disabilities and older people are key to achieving this. In July 2011 the Executive approved the recommendation arising from a Gateway review of Domiciliary Care Services to set up a framework arrangement for future contracts.
- 3.2 Since July 2011 officers in ACS supported by the officers from the Resources Directorate have been engaged in preparing the documents for the open tender exercise which will lead to letting a framework for domiciliary care services. The original timeline for the tender anticipated that contract award could be achieved in time for the new contract to be let with effect from 28<sup>th</sup> August 2012, (i.e. the expiry date of the current contracts).
- 3.3 The evaluation of tenders may still be completed within the timescale. However if, as anticipated there are a substantial number of submissions from potential providers it is therefore possible the evaluation process will take a significant amount of time to complete and that contract award may not take place in time for new contracts to start on 28<sup>th</sup> August. The Executive is therefore requested to agree to waive competitive tender requirements and agree to extend the existing contracts for a period of up to 4 months from 28<sup>th</sup> August 2012 if required.
- 3.4 The results of the tender will be fully reported to the Executive to agree the award of framework contracts.

### 4. POLICY IMPLICATIONS

- 4.1 Domiciliary care services are key in meeting the Council's objective of Supporting Independence

### 5. FINANCIAL IMPLICATIONS

- 5.1 The value of the contract extension is £2.9m for 4 months.
- 5.2 There are no financial implications arising from extending this contract by 4 months, as the extension is based on current prices and will therefore be met from within existing resources.

### 6. LEGAL IMPLICATIONS

- 6.1 The Director of Resources and Assistant Director of Finance have confirmed their support for the proposed waiver of the need for competitive tendering for the proposed extension. The Executive can therefore authorise this under Contract Procedure Rule 13.1.

<b>Non-Applicable Sections:</b>	Personnel Implications
Background Documents: (Access via Contact Officer)	ACS 11033 Gateway Review – Procurement strategy for Domiciliary Care Services

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Report No.  
ACS 11073

London Borough of Bromley

Agenda  
Item No.

## PART 1 - PUBLIC

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Decision Maker: **Adult and Community Policy Development and Scrutiny Committee Executive**

Date: **13<sup>th</sup> December 2011**  
**14<sup>th</sup> December 2011**

Decision Type: Non-Urgent Executive Key

**TITLE: SUPPORT FOR THE VOLUNTARY SECTOR - COMMUNITY LINKS BROMLEY**

Contact Officer: Lorna Blackwood, Assistant Director, Commissioning and Partnerships  
Tel: 020 8313 4162 E-mail: lorna.blackwood@bromley.gov.uk

Chief Officer: Lorna Blackwood, Assistant Director, Commissioning and Partnerships, ACS

Ward: N/A

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### 1. Reason for report

The report sets out the current arrangements with Community Links Bromley (CLB) for providing support to the local voluntary, community and social enterprise sector (VCSEs) and proposes that a new contract be entered into from 1<sup>st</sup> April 2012 for a period of three years with an option to extend for a further two years. It also proposes additional funding for one year to provide enhanced support to the voluntary sector during a period of significant change and financial pressure in social care and support services in both adults and children's sectors. The additional funding would enable Community Links Bromley (as the lead body providing infrastructure support to the to voluntary and community sector) to build capacity in the sector to support the Council's objectives for adults and children.

The financial implications are set out in the report on Part 2 of this agenda.

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

**The Executive is requested to:**

- (a) **Waive the requirement for competitive tendering in accordance with Contract Procedure Rule 13.1 and approve the award of a contract to Community Links Bromley for a period of three years from 1<sup>st</sup> April 2012 with the option to extend for a further two years (with authority for the option to extend to be delegated to the Director of Adult and Community Services in consultation with the Adult and Community Portfolio Holder), and**
- (b) **to approve additional funding during the first year (2012/13) funded from uncommitted LPSA reward grant.**

## Corporate Policy

Existing policy: Building a Better Bromley priority - Supporting Independence

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## Financial

1. Estimated cost                      See report on Part 2 of this agenda
  2. Recurring cost
  3. Budget head                      ACS Commissioning and Partnerships 8139003425;
  4. Total budget for this head    £155, 000 in ACS budgets
- 

## Staff

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

## Legal

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

## Customer Impact

Estimated number of users/beneficiaries (current and projected) - Community Links Bromley (CLB) currently supports approximately 250 member organisations



### 3. COMMENTARY

#### Background

- 3.1 Community Links Bromley (CLB) is the lead organisation in the borough providing infrastructure support to the local voluntary, community and social enterprise sector. CLB is an independent registered charity and a member of the South London Council for Voluntary Services partnership. CLB offers a range of services to local not for profit organisations (also referred to as “third sector” or VCSEs), including information, advice and guidance on operational issues such as funding, financial management, ICT and personnel management. CLB also represents the sector and supports member organisations to participate in multi agency thematic and delivery partnerships.
- 3.2 Community Links Bromley represents around 250 voluntary organisations from across the borough, and is in contact with more than 940 other organisations ranging from local branches of major national charities, to very small community based organisations, with a wide variety of purposes and interests.
- 3.3 The Council’s contract with Community Links Bromley (which is held by Adult and Community Services on behalf of the Council) expires on 31st March 2012. The current value of the contract is £155k per annum, funded from adult social care budgets and contributing to core staffing, premises and overhead costs. It also contributes to the provision and management of a volunteer centre, to recruit and match individuals and organisations, to provide supported volunteering to specific groups and to provide advice to organisations on best practice in using volunteers. CLB also receive funding from other organisations and are commissioned to carry out specific projects by other statutory agencies.
- 3.4 The core contract covers the following services:

#### Organisational development

- Information – dissemination of information via newsletters, policy and practice briefing notes and updates; co-ordination of Bromley Advice and information network
- Advice and guidance – on operational issues and best practice such as funding, finance, accounting, governance, information/ communications technology, human resources and quality

#### Partnership development

- Support to voluntary sector organisations and forums to increase the capacity and effectiveness of the voluntary sector contribution to local policy making, service scrutiny and development and service delivery
- Direct participation in multi agency partnerships
- Support to voluntary and community sector representatives (including service users and carers) to participate effectively in partnership groups
- Development and monitoring of the local voluntary sector compact
- Establishment and support of a voluntary sector reference group

## **Future requirements**

- 3.5 In view of the demographics of the borough (e.g. highest number of people aged over 85, high numbers of young people with learning disabilities) and the increasing pressures on Council funding, the Council will be relying more on the voluntary sector to help deliver on the agenda for social care and its wider community objectives - in particular to proactively provide preventative and support services to vulnerable groups to avoid progression to the point where they become eligible for Council funding. In addition, the family support provided by voluntary sector organisations through projects like Bromley Children and Family Project (via children's centres and extended services in schools) is key to delivering the Council's objectives to provide children and young people with the best possible start in life and enable them to fully achieve their potential.
- 3.6 In the future many services will continue to be formally procured and funded by the Council from VCSEs but increasingly the Council will be relying on those organisations to attract funding from other sources and volunteers to supplement statutory funding and services. To be effective voluntary organisations will need strong planning, governance and financial management arrangements in place. Therefore there is a greater need for more formal capacity building with local organisations to enable them to deliver the expectations around supporting independence for adults/ older people and for children's futures. CLB has developed an organisational health check approach to facilitate this but the current level of funding has not allowed CLB to roll out the programme to a sufficiently large number of organisations within a reasonable timeframe.
- 3.7 CLB have previously received funding from BASIS, City Bridge Trust, Lloyds and Capacity Builders and benefitted from London Boroughs Grants Committee funding through the South London CVS Partnership. All of these funding streams have come to an end or end at the end of the 2011/12 financial year. As part of the new model CLB are developing a sustainable funding strategy and are exploring opportunities for raising income, sharing services, reducing back office costs, merging posts and tasks to reduce staff numbers, and increasing the role of volunteers. CLB are currently developing a new business model which will focus their work around developing the capacity of organisations and individuals to contribute to their communities and connecting organisations and individuals in the community to maximise the benefits of social capital. The new model will be implemented during 2012/13. CLB are already involved in specific community based projects in Mottingham and Penge and in the Crystal Palace Park project.
- 3.8 The option of tendering the service to provide co-ordination and support to the voluntary sector has been considered. However, there are currently no other organisations in the borough equipped to provide the service across the whole of the voluntary sector. Alternatively the services could be split between organisations with the necessary capabilities in specific areas; however, this approach is likely to increase costs as a contribution would be being made to more than one organisation's management costs and other overheads. It is also unlikely that all of the required areas could be covered if the contract were split.
- 3.9 It is therefore proposed that the contract with CLB be renewed at the current level of funding for a three years, from 1<sup>st</sup> April 2012, with an option to extend for a further two years subject to satisfactory performance. The contract would cover the core organisation and partner development functions and the operation of the volunteer centre.

## **4. FINANCIAL IMPLICATIONS**

- 4.1 The loss of funding streams places significant pressure on the CLB budget for 2012/13. Until additional funding is secured, CLB would be able to deliver on a minimum core contract, but it is unlikely that they would be able to sustain current activity levels during 2012/13. It is

therefore proposed that the Council allocates additional one off resources in 2012/13 from uncommitted LPSA reward funding. This would enable CLB to continue to deliver against a detailed specification of corporate requirements with input from ACS and CYP Services whilst working to attract additional funding.

4.2 The additional funding would be directed towards:

Activity	Measures
1. Targeted capacity building training programme to all organisations represented on thematic and delivery partnerships – e.g. Health and Social Care Board, Children’s Trust Board, Safer Bromley Partnership and related sub-groups - to improve their effectiveness and ability to contribute expertise and experience to policy and service	<p>Number of training sessions organised/ attendance</p> <p>Contribution of VCSEs to delivery of statutory partner objectives</p>
2. Organisational support to groups through training and support sessions for staff in the development of business plans, costing activities and services, and training/ support on bidding and tendering	<p>Number of organisations with up to date business plans and funding strategies which support the Council’s priorities</p> <p>Increased services available to the community funded through non-statutory sources</p> <p>Number of organisations using outcome assessment tools in order to be able to demonstrate their effectiveness to funders</p>
3. Development of collaborative working, mergers and partnerships between organisations to make more effective use of resources	<p>Increased services available to the community funded through non-statutory sources</p> <p>Improved value for money for commissioning organisations</p>
4. Support development of social enterprises to reduce reliance on statutory funding and increase employment opportunities for target groups	<p>Number of new social enterprises established; increase in number of people employed in social enterprises</p> <p>Opportunities for internships, apprenticeships and mentoring</p>
5. Extended fundraising advice and support programme to enable organisations to diversify income sources	<p>Value/ percentage of non-LBB funding secured – target of at least £164k per annum secured from non-statutory sources</p> <p>Increased services available to the community funded through non-statutory sources</p>

Activity	Measures
6. Extend organisational “health check” programme to assess the fitness for purpose of VCSEs which can be used by the local authority and statutory partners as part of procurement processes (reducing the amount of time spent verifying organisational information)	<p>Number of organisations obtaining high health check rating</p> <p>Number of organisations with up to date safeguarding and other compliance policies in place</p>
7. Targeted mentoring on human resources, employment law, financial management and governance to organisations identified through the health check programme	In depth mentoring of up to 10 groups each year
8. Intensive support to specific groups identified as “at risk” due to their reliance on statutory funding	<p>Intensive support on fundraising provided to up to 10 groups each year</p> <p>Value of additional non- statutory funding secured</p>

4.3 The financial implications of the proposal are set out in the report on Part 2 of this agenda

## 5. LEGAL IMPLICATIONS

5.1 Contracts Regulations 2006. The rules regarding the need for competition are not directly applied to such contracts but under Regulation 4 there is a need for transparency in managing any tendering exercise. In some cases the Courts have held that this means Part B services may require to be opened up to competition. In any case the Council would, even where one or more of potential tenderers was a not for profit organisation, often still wish to seek competitive bids in order to establish value for money.

5.2 However in the present circumstances it is considered that the nature of the services sought and the role and experience of Community Links means there is no effective competition within the Borough and that the cost and process of conducting such an exercise would not be justified and could undermine the relationship which has been developed between the Council, Community Links and the VCSEs.

5.3 In accordance with Contract Procedural Rule 13.1 the Assistant Director (Commissioning and Partnerships) and the Director of Resources and Assistant Director (Finance) support the waiver of the need for further competition at this time. Should the Executive approve the recommendation and report of the exercise of the waiver will be submitted to the Audit Sub Committee in due course.

## 6. POLICY IMPLICATIONS

6.1 Partnership working is key to achieving the Building a Better Bromley 2020 vision and targets and in particular to the Council’s objective to support independence.

<b>Non-Applicable Sections:</b>	Personnel implications
Background Documents: (Access via Contact Officer)	<p>Report LDS08190 Report of the Working Party on partnerships with the voluntary sector. Executive and Resources Policy Development and Scrutiny Committee 2<sup>nd</sup> September 2008.</p> <p>Report to Executive 09118 December 09. Community Links Bromley.</p>

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Report No.  
ACS 11071

## London Borough of Bromley

### PART 1 - PUBLIC

<Please select>

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**Decision Maker:** **ADULT & COMMUNITY PDS  
EXECUTIVE**

**Date:** **13<sup>th</sup> December 2011  
14<sup>th</sup> December 2011**

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

**Title:** **GATEWAY REVIEW - DAY OPPORTUNITIES FOR OLDER  
PEOPLE**

**Contact Officer:** Andrew Crawford, Commissioning Manager  
Tel: 020 8461 7446 E-mail: andy.crawford@bromley.gov.uk

**Chief Officer:** Lorna Blackwood, Assistant Director, Commissioning and Partnerships, Adult  
and Community Services

**Ward:** Boroughwide

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#### 1. Reason for report

- 1.1 The contracts for the dementia day centres with the Alzheimer's Society and Bromley Mind, expire on March 31<sup>st</sup> 2012 and the contracts for the mainstream centres, including dementia specific places, expire on 30<sup>th</sup> June 2012. In both instances there are options to extend for up to one further year. This provides a timely opportunity to fundamentally review the day services provided so that both the volume and the type of service align with current and projected requirements.
- 1.2 The needs of older people who attend day centres have changed substantially over recent years. However the volume, range and style of provision have remained broadly similar over that time and many of the buildings also remain unchanged, in some instances being unsuitable for current demands. Whilst the centres have adapted and changed as far as possible within the limitations of their environment and resources to accommodate the changing needs of users, all report increasing difficulty in responding to the needs of those now being referred.

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#### 2. RECOMMENDATION(S)

The Policy Development and Scrutiny Committee is asked to:

- i) Comment on the future direction for day opportunities for older people.

The Executive is recommended to:

- i) Approve the extension of the current contracts until March 2013.

### Corporate Policy

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

### Financial

1. Cost of proposal: Estimated cost £1,175, 000 (maximum)
  2. Ongoing costs: Non-recurring cost.
  3. Budget head/performance centre: Care Services - Older Peoples Services
  4. Total current budget for this head: £1,400, 000
  5. Source of funding: ACS Portfolio
- 

### Staff

1. Number of staff (current and additional): N/A - all services are provided by external providers
  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): There are an estimated 51,500 people aged over 65 in the borough some 4,000 of whom have dementia. 827 individuals aged over 65 currently access day centres for older people, 214 of them using dementia day centres.
- 

### Ward Councillor Views

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



### 3. COMMENTARY

#### **Background**

- 3.1 The existing pattern of day services for older people has developed incrementally over the last 25 years since they were originally outsourced from direct Council provision in 1986. There have been some changes such as the development of St Edwards in 1997, the closure of Holy Trinity centre, the creation of more dementia capacity (Rachel Notley in 2004) and changes in the management organisations (local Age Concern branches), but essentially the volume, range and style of provision has remained broadly similar over that time, changing only incrementally.
- 3.2 The premises in which the centres operate are all very different, and the relative suitability of the day centre buildings is extremely variable, ranging from church halls to 'purpose built' premises of varying ages and quality.
- 3.3 The needs of the people using day centres have changed quite considerably in recent years. All the centres have reported an increased level of physical frailty and of cognitive impairment amongst those attending.
- 3.4 Improved level of diagnosis and developing understanding of the needs of people with dementia and their carers have led to changing expectations about access to support and services.
- 3.5 The centres have adapted and changed as far as possible within the limitations of their environment and resources to accommodate the changing needs and expectations of users. All report increasing difficulty in responding to the presenting needs of those now being referred within the limits of the current buildings and contracts.

#### **Current services**

- 3.6 The Council currently contracts with seven different organisations for the provision of day services for older people. These services are provided at ten day centres. There are five 'mainstream' centres, five centres specifically for people with dementia, 2 mainstream centres also provide a small number of places for people with moderate levels of dementia.

#### **Mainstream Day Centres**

- Age Concern Orpington – Saxon\*
- Age Concern Ravensbourne – Bertha James\*
- Age Concern Bromley – St Edward's
- Age Concern Penge and Anerley – Melvin Hall
- Biggin Hill Community Care Association – St Mark's

\*Also have a small number of moderate dementia places

#### **Specialist Dementia Day Centres**

- Bromley Mind - Hayne Rd, Rachel Notley, St Paul's Cray, St Paul's Wood
- Alzheimer's Society – Whitegables

- 3.7 The centres are contracted to provide 1,500 places per week, the table below shows the breakdown of places by centre type.

	Places	People
<b>Day Centre</b>		
Mainstream	1100	613
Dementia	400	244
<b>Total</b>	<b>1500</b>	<b>857</b>

This means that 1.6% of older people in Bromley (51,500 over 65) use Council funded day centre places and just 6% of older people with dementia (4,058) attend a dementia specific centre.

3.8 The ACS budget for older people's day services in 2011/12 is £1.4m.

### **Demand and use**

3.9 The primary purpose of day services is to:

- reduce social isolation – *people who live alone, have no other social network and who are likely to be at risk of breakdown of independence*
- provide support for carers – *people who live with family carers where the carer's ability to continue in the caring role is likely to be seriously compromised without regular respite*

3.10 The introduction of FACS (Fair Access to Care Services) in 2003 and subsequent changes to the eligibility criteria (notably raising to Critical and Substantial bands only), coupled with the increase in people supported to live at home, has impacted on the needs of those now accessing day centres. At the same time greater clarity about the role and function of day centres and the availability of alternative forms of home based respite has led to a reduction in the number of people being referred by care managers.

3.11 The waiting lists for dementia specialist places has come down from 174 to 36 (18+ months down to between 7 and 18 weeks depending on location) with vacancies in some locations. Several of the centres are now recording levels of vacancies ranging from 3.5% to 24.6%.

3.12 The introduction of charging also provided an opportunity to re-affirm that day centre places commissioned by the Council are only for people who meet the Council's eligibility criteria.

### **Proposed approach for future services**

3.13 Within the context described above, it is recognised that for some people the most appropriate way to meet their need for social activity and/or carer respite will be attendance at a day centre. However this is likely to be for a much lower number of people than in the past as the availability of alternative, more flexible services increases (e.g. more respite at home).

3.14 It is therefore likely that in future the Council will commission significantly fewer day centre places than at present and that commissioned places will be targeted to those with the highest needs for whom alternative ways to meet their needs are limited. They are likely to be people with a high level of dementia or a significant degree of physical frailty.

3.15 The reduction in demand for Council funded places and an increase in people who might wish to self fund will have significant implications for providers who will need to attract people who self fund. The Council will need to work with providers to encourage and support them to develop a new business model that is less dependent upon local authority funding.

3.16 Council commissioned services will need to be provided in buildings of an appropriate standard to accommodate the level of needs of those using the centres with a geographical spread of places across the borough, linked to local demand, so that individuals don't have excessively long journeys to access services.

### **Next steps**

- 3.17 The contracts for the dementia day centres, with the Alzheimer's Society and Bromley Mind, expire on March 31<sup>st</sup> 2012. The contracts for the mainstream centres, including their dementia specific places, expire on 30<sup>th</sup> June 2012.
- 3.18 It is proposed that the contracts be extended until March 2013 in order to:
- enable debate and discussion to take place about the future direction of travel
  - establish volume, type and locations of service to be contracted by the Council
  - work with providers to support and encourage them to develop their offer to self-funders
  - define and implement the best procurement route for future contracts
- 3.19 In achieving a significant change in the current style, level and approach to service there are likely to be significant reductions in the level of funding required. However, in order to achieve this in the longer term, there may be a requirement to fund opportunity costs for a period of time. Should this be the case a proposal will be made for the use of the NHS social care invest to save funds.

#### 4. POLICY IMPLICATIONS

- 4.1 Day services meet the Council's priority to support independence by reducing social isolation of older people, enabling vulnerable people to remain in the community and in their own homes; and by providing breaks for carers, thereby helping them to continue in their caring role.

#### 5. FINANCIAL IMPLICATIONS

- 5.1 The day care budgets are broken down as follows:

	<b>Net Budget (£,000s)</b>	<b>Day Centre Budget (£,000s)</b>	<b>Annual Rent Income (£,000s)</b>	<b>Period of extension (months)</b>
Dementia centres	500	478	22	12
Mainstream centres	900	753	147	9
<b>TOTAL</b>	<b>1,400</b>	<b>1,231</b>	<b>169</b>	

- 5.2 The value of the contract extensions is £1.2m for the time period stated above in 5.1.
- 5.3 There are no financial implications arising from the extension to these contracts as costs will be at the current prices and so contained within overall resources.

#### 6. LEGAL IMPLICATIONS

- 6.1 The Council has a duty to assess the needs of individuals pursuant to section 29 National Assistance Act 1948. It will have a duty to meet those needs where they would not otherwise be met. Section 45 Health Services and Public Health Act 1968 gives the Council powers to make arrangements for promoting the welfare of the elderly. In the case of those who are disabled whether by virtue of physical or mental difficulties it will have a duty to provide suitable facilities to meet their assessed needs pursuant to section 2 Chronically Sick and Disabled Persons Act 1970.
- 6.2 However, as stated above there may be a variety of methods by which such needs may be met, the use of day centres being only one. The fact there is such a level of under utilisation implies that better targeting of resources whether by the methodology used by the Council when commissioning day care in the future or as a result of the clients themselves determining what

(alternative) types of support they require. Charges may be imposed for attendance at day centres pursuant to the Health and Social Security and Social Services Adjudication Act 1983.

- 6.3 With the expiry of the current day centre contracts compliance with contract procurement rules would lead to a competitive tendering exercise be undertaken. However pursuant to CPR 13.1 it is open to the Assistant Director (Commissioning and Partnerships) in agreement with the Director of Resources and Assistant Director (Finance) to seek the approval of the Executive to the waiver of the need for such tendering. The submission contained at recommendation 2(ii) is designed to provide further limited opportunity to evaluate the options for the future delivery of services and is supported by the said Director and Assistant Director. If the Executive support the waiver its use will be reported in due course to Audit Sub Committee.

<b>Non-Applicable Sections:</b>	Personnel implications
Background Documents: (Access via Contact Officer)	[Title of document and date]

Report No.  
DRR11/135

London Borough of Bromley

PART 1 - PUBLIC

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**Decision Maker:** Executive

**For Pre Decision Scrutiny by the Renewal and Recreation  
PDS Committee (on 13<sup>th</sup> December 2011)**

**Date:** 14<sup>th</sup> December 2011

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

**Title:** BROMLEY MUSEUM AT THE PRIORY - ORPINGTON

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

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

**Ward:** Orpington

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1. Reason for report

- 1.1 This report updates Members on the outcome of the first stage application to the Heritage Lottery Fund (HLF) for financial support to extend the borough's museum service into part of the vacated library building.
- 1.2 In light of the HLF's decision not to offer a first round pass and therefore financial support this report sets out a number of options for consideration by Members for the Museum.
- 

2. **RECOMMENDATIONS**

That the Renewal and Recreation Policy and Development Scrutiny Committee:

- 2.1 Note the contents of the report, in particular the advice of the Heritage Lottery Fund, and in light of this provide the Executive with comments.

That the Executive:

- 2.2 Approve the re-submission of the first stage application to the Heritage Lottery Fund and with a further report brought back to a future meeting of the Executive on the outcome of this application.

### Corporate Policy

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

### Financial

1. Cost of proposal: Estimated cost £2.4m capital and £102k revenue
  2. Ongoing costs: Recurring cost. £102k
  3. Budget head/performance centre: Museum Budget and capital programme
  4. Total current budget for this head: ££101,830 and £3m
  5. Source of funding: Existing revenue budget 2011/12 and Capital Programme
- 

### Staff

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

### Legal

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

### Customer Impact

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

### Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes.
2. Summary of Ward Councillors comments: Cllr Lydia Buttinger - "I fully support the resubmission of this application and think it would be a real asset to the area if we could secure the funding".

### 3. COMMENTARY

- 3.1 On 8<sup>th</sup> December 2010 the Executive approved the submission of a first stage application to the HLF with a further report being brought back to a future meeting of the Executive on the outcome of this process.
- 3.2 Following this decision officers developed, in conjunction with the HLF, a first round application, part of which included an application for a 'Development Grant' which if the application had been successful would have been used to fund the final second round application which is a requirement of HLF funding. The first round application encompassed the following key strands:
- To strategically pull the borough's heritage assets together, with The Priory at its heart acting as a heritage and arts hub for Orpington and a heritage centre of excellence for the borough and its partners by
    - repairing The Priory hall, re-instating the green court to return the grandeur of its entrance and improving physical access to, from and within the hall and the grounds
    - increasing access to the collection and the museum service with new exhibition space, creation of formal and informal learning zones, improved interpretation, increased use of media, training programmes, activities and events, improved marketing, multi-functional spaces, a café and rest facilities, atrium, landscape viewing platform, a customer services area and toilets
    - encourage the integration of heritage into other public and academic interests
    - investigating the opportunity for creating a not-for-profit charitable heritage trust that would focus on developing and managing the borough's collective heritage, strengthening partnerships with other borough-based professional heritage organisations and drawing down external funding for capital and revenue projects
    - working in partnership with other heritage organisations to create a long-term borough-wide heritage strategy
    - providing office space to let long-term in order to provide a reliable revenue stream to help fund the maintenance and development of the improved museum and its services.
- 3.3 These key elements were developed in conjunction with the HLF as well as reflecting the initial consultative exercise that officers had undertaken. As a result a formal first round application was made to the HLF on 21<sup>st</sup> June 2011 for a development grant of £217,000 against a total scheme cost of £3 million. On submission of an application of this size, there is a three-month period in which the HLF work with the applicant to qualify and clarify elements of the application prior to the application going to a Board of Trustees in this case it was on 27<sup>th</sup> September 2011.
- 3.4 Following the Board's decision on 27<sup>th</sup> September 2011 the authority was advised in writing (Appendix 1) that our application had not been successful. In general, it would seem that the application has been acknowledged as being a good one that met the HLF's criteria, but it would seem, and this has been borne out by subsequent telephone conversations, that our application was rejected on the grounds of insufficient funds.

- 3.5 The Assistant Director for Leisure and Culture has sought further clarification and it would seem that the Priory application was competing at a national level for funding, at a time when the value of applications significantly outweighed the available funding at that time. At a regional level the HLF have indicated that they view this application as a priority and would wish to see it re-submitted though with a reduced grant request. This would enable a decision to be taken at a regional rather than a national level. The HLF have further advised that if the Council were minded to re-submit the application it should be done by the first week of March, in order for it to be considered by a regional board on 13<sup>th</sup> June 2012. If Members approve this approach, the project programme which reflects the re-submission is set out below.

Executive 14 <sup>th</sup> December 2011	Decision to proceed with re-application for HLF funding bid
January 2012 to March 2012	Compilation of first stage funding application to HLF including request for a development grant to contribute towards costs of taking the application from the first stage to the second stage
March 2012	HLF first stage application submitted
June 2012	HLF informs LBB if it has secured a development grant and is invited to apply to the second stage of the application process.  Report presented to Executive on outcome of HLF first stage bid, asking for a decision to progress to the second stage.
July 2012 to December 2012	Detailed information prepared regarding finance, activities, outputs, timetables, risk assessments, works required, planning application, tendering of works
December 2012	HLF second stage application submitted
March 2013	HLF informs LBB if it has been successful in its second stage application
June 2013 to December 2013	Tendering of works process takes place
January 2014 to March 2014	Works contracts awarded
April 2014 to March 2014	Works commence
March 2015	Works completed, new museum service opens

#### 4. POLICY IMPLICATIONS

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



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

## 5. FINANCIAL IMPLICATIONS

- 5.1 The project concept and public consultation work undertaken to date has been funded from within existing budgets and has involved staff time; no other costs have been incurred. Should the Executive support the proposal to re-apply for funding from the Heritage Lottery Fund, then no costs will be incurred other than officer time to comply with the HLF's first stage criteria and the suggestion that the bid be value engineered downwards. Should the first stage application be successful and the Council is invited to progress to the second stage there will, at this point, be no contractual obligation to proceed any further.
- 5.2 The cost involved in preparing the second stage application is £185,000. As the HLF permits applicants to ask for a planning and development grant in its first stage application officers recommend that this should be pursued in order to contribute up to £166,500 towards this figure of £185,000. However should the Council not wish to progress to the second stage of the application process any funds provided by the HLF up to this point, such as the planning and development grant, would have to be reimbursed. It should be noted that the results of the first stage application will be reported back to Members for a decision as to whether to continue to the second stage application and therefore commit to the full scheme or not.
- 5.3 The total estimated cost of the revised scheme is likely to be in the region of £2.4m inclusive of fees. The HLF would potentially fund up to 90% of these costs, £2.16m. The borough therefore would be expected to fund the balance of £240k.
- 5.4 From the revenue side, it is expected that the scheme will generate an additional £70k from the café and rental income. This will be used to offset the extra premises costs of extending the museum service into the old library building.

## 6. PERSONNEL IMPLICATIONS

- 6.1 There are no direct implications arising from this report. The revised application would be made with the full involvement of existing staff at the Museum.

<b>Non-Applicable Sections:</b>	Legal Implications
Background Documents: (Access via Contact Officer)	Local Economy Portfolio Holder – 25 <sup>th</sup> January 2007 Local Economy Portfolio Holder – 12 <sup>th</sup> April 2007 Orpington Master Plan Document Executive 4 <sup>th</sup> November 2009 Executive 9 <sup>th</sup> December 2009 Renewal and Recreation Portfolio Holder – 29 <sup>th</sup> June 2010 Executive 21 <sup>st</sup> July 2010 Executive 7 <sup>th</sup> December 2010

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## APPENDIX 1

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28 September 2011

Our Ref: HG-10-03098

Colin Brand  
Assistant Director, Renewal and Recreation Department  
Culture Division, London Borough of Bromley  
B43, Civic Centre  
Stockwell Close  
Bromley  
BR1 3UH

*Dear Colin*

### **The Priory Revisited, Orpington**

We have now completed our assessment of your application and it was presented for a decision by our Board of Trustees on 27 September 2011.

We have decided not to offer a first-round pass and development grant to your project. I know this will come as disappointing news to everyone who has been involved in developing it so far, and I have set out our reasons below.

Demand for our funds means that we cannot support every good application that meets our criteria. Our Board had to take decisions on more projects than the available budget could cope with, and your project was rejected due to insufficient funds.

The Board considered that the project had potential to have a significant impact on the local community and that there was wide strategic support. However, there were some concerns regarding long term sustainability and projected visitor numbers. The Board also considered that a greater emphasis could be made on the importance of the collections and exploring partnerships with other organisations with connections to Lubbock.

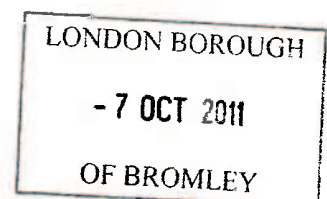
If you wish to re-apply we would be happy to discuss your proposals with you. In any re-application, we will need to see that the project will offer improved value for money, either through a reduced grant request for the same or similar project, or increased benefits for a similar grant request. We expect to continue to receive more good applications than we can support, and any re-application will be subject to the same competitive assessment process as new applications, in both assessment rounds.

I hope that this explanation is helpful. If you would like us to return any of the hard copy information sent in with your application, please let me know. We do not keep paper records for longer than one year from the date of this letter.

Yours sincerely

*Lesley McCarthy*

Lesley McCarthy  
Senior Grants Officer  
Direct Line: 0207 591 6130  
Email: LesleyM@hlf.org.uk



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# Agenda Item 17

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# Agenda Item 20

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# Agenda Item 21

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