



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

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DATE: 9 October 2012

To: Members of the

**EXECUTIVE AND RESOURCES
POLICY DEVELOPMENT AND SCRUTINY COMMITTEE**

Councillor Eric Bosshard (Chairman)

Councillor Russell Mellor (Vice-Chairman)

Councillors Douglas Auld, Nicholas Bennett J.P., Ruth Bennett, Judi Ellis,
John Getgood, Ellie Harmer, Will Harmer, Brian Humphrys, William Huntington-
Thresher, Nick Milner, Ernest Noad, Tom Papworth and Sarah Phillips

A meeting of the Executive and Resources Policy Development and Scrutiny
Committee will be held at Bromley Civic Centre on **THURSDAY 18 OCTOBER 2012**
AT 7.00 PM

MARK BOWEN
Director of Resources

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

PART 1 AGENDA

Note for Members: Members are reminded that Officer contact details are shown on each report and Members are welcome to raise questions in advance of the meeting.

STANDARD ITEMS

- 1 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**
- 2 DECLARATIONS OF INTEREST**
- 3 QUESTIONS FROM COUNCILLORS AND MEMBERS OF THE PUBLIC
ATTENDING THE MEETING**

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

- 4 MINUTES OF THE EXECUTIVE AND RESOURCES PDS COMMITTEE MEETING
HELD ON 6TH SEPTEMBER 2012 (EXCLUDING EXEMPT ITEMS) (Pages 5 - 14)**

5 MATTERS ARISING FROM PREVIOUS MEETINGS (Pages 15 - 18)

6 FORWARD PLAN OF PRIVATE AND KEY DECISIONS (Pages 19 - 24)

To note the latest version of the Forward Plan of Private and Key Decisions.

HOLDING THE RESOURCES PORTFOLIO HOLDER TO ACCOUNT

7 QUESTIONS TO THE PORTFOLIO HOLDER FROM MEMBERS OF THE PUBLIC AND COUNCILLORS 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 Friday 12th October 2012.

8 UPDATE ON PUBLIC HEALTH

The Resources Portfolio Holder to update the Committee on Public Health.

9 RESOURCES PORTFOLIO - PRE-DECISION SCRUTINY

The Resources Portfolio Holder to present scheduled reports for pre-decision scrutiny on matters where he is minded to make decisions.

a INSURANCE FUND - ANNUAL REPORT 2011/12
(Pages 25 - 32)

b TREASURY MANAGEMENT: MID-YEAR REVIEW REPORT 2012/13
(Pages 33 - 52)

c MANORFIELDS, AVALON ROAD, ORPINGTON
(Pages 53 - 56)
Orpington Ward

HOLDING THE EXECUTIVE TO ACCOUNT

10 QUESTIONS FOR THE LEADER OF THE COUNCIL

11 PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS (Pages 57 - 60)

Members of the Committee are requested to bring their copy of the agenda for the Executive meeting on 24th October 2012.

POLICY DEVELOPMENT AND OTHER ITEMS

12 BRIEF UPDATES FROM PDS CHAIRMEN

13 WORK PROGRAMME 2012/13 (Pages 61 - 66)

PART 2 AGENDA

14 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

15 EXEMPT MINUTES OF THE MEETING HELD ON 6TH SEPTEMBER 2012 (Pages 67 - 68)

16 PRE-DECISION SCRUTINY OF EXEMPT EXECUTIVE REPORTS

(See item 11)

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EXECUTIVE AND RESOURCES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Minutes of the meeting held at 7.00 pm on 6 September 2012

Present:

Councillor Eric Bosshard (Chairman)
Councillors Douglas Auld, Nicholas Bennett J.P.,
Ruth Bennett, Judi Ellis, Will Harmer, Brian Humphrys,
William Huntington-Thresher, Russell Mellor (Vice-
Chairman), Nick Milner, Ernest Noad, Sarah Phillips,
John Getgood, Tom Papworth and Ellie Harmer

Also Present:

Councillor Graham Arthur

220 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies for absence were received from Councillor Stephen Carr, and from Councillor William Huntington-Thresher who arrived late due to another meeting.

221 DECLARATIONS OF INTEREST

There were no declarations of interest.

222 QUESTIONS FROM COUNCILLORS AND MEMBERS OF THE PUBLIC ATTENDING THE MEETING

No questions had been received.

223 MINUTES OF THE EXECUTIVE AND RESOURCES PDS COMMITTEE MEETING HELD ON 18TH JULY 2012 (EXCLUDING EXEMPT ITEMS)

RESOLVED that the minutes of the meeting held on 18th July 2012 (excluding exempt information) be confirmed.

224 MATTERS ARISING FROM PREVIOUS MEETINGS

The Committee received an update on matters outstanding from previous meetings – it was noted that further details on changes to Council tax support would be circulated later in the month, and that there was a report later in the agenda on Section 106 which would include an update on the Blue Circle site. Councillors Nicholas Bennett and Ellie Harmer reported that there still had not

been a meeting of the Working Group on Transport Policy – the Chairman urged them to raise this with the Environment PDS Committee Chairman.

225 FORWARD PLAN OF KEY DECISIONS

The Committee received the Forward Plan of Key Decisions as published in August 2012.

226 CORPORATE CONTRACTS REGISTER

The Committee received the new format Contracts Register for the Chief Executive's and Resources Departments (contracts over £50,000) and the Corporate Contracts Register (contracts over £200,000.) Members raised questions about the following contracts –

- Stationery and Paper (Office Depot UK Ltd): It was confirmed that spend on paper was reducing.
- SEN Transport: It was explained that contracts were now run jointly with Bexley, and were amongst the lowest costs in London.
- Bromley Welcare: It was noted that the contract was now run through Southwark. Although care services for adults and children had been united in one new department there were still two sets of budget lines.
- Library Book Supply: Members pointed out that the contract end date was 31st March 2012 – officer would check the position, but most Library contracts had been extended to align with the new shared service.
- Energy Supply Contracts: These were now delegated to Chief Officers.

Members welcomed the new format, but Councillor Nicholas Bennett suggested an additional column to show when a PDS Committee had scrutinised each contract. Officers undertook to consider the best way to do this, possibly through adding information about dates of consideration by PDS Committees on the agenda front-sheet. Councillor Judi Ellis added that PDS Chairmen could flag up the issues relating to their Committees.

227 QUESTIONS TO THE PORTFOLIO HOLDER FROM MEMBERS OF THE PUBLIC AND COUNCILLORS ATTENDING THE MEETING

No questions had been received.

228 RESOURCES PORTFOLIO - PREVIOUS DECISIONS

The Committee noted four decisions taken by the Resources Portfolio Holder since the last meeting.

229 RESOURCES PORTFOLIO - PRE-DECISION SCRUTINY

The Committee considered the following report for pre-decision scrutiny on a matter where the Resources Portfolio Holder was minded to take a decision.

229.1 CAPITAL PROGRAMME MONITORING

Report RES12148

At its meeting on 25th July 2012 the Executive had received the first quarterly capital monitoring report for 2012/13 and agreed a new Capital Programme for the four year period 2012/13 to 2015/16. The changes affecting the Resources Portfolio were reported and the revised programme was set out in Appendix 1 to the report.

RESOLVED that the recommendation be supported.

230 PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS

The Committee considered reports on the agenda for the Executive's meeting on 12th September 2012.

(4) Active Citizens Working Group Report

Report RES12145

The Committee noted the report which it had endorsed at its previous meeting.

(5) Business Improvement District Proposals for Orpington

Report DRR12/106

The report set out proposals to hold a ballot in February 2013 on the establishment of a Business Improvement District (BID) for Orpington town centre. The Council had worked hard to support the initiative from businesses to set up a BID and Renewal and Recreation PDS Committee were very supportive of the proposals.

In response to questions from Members, it was confirmed that Tesco had been supportive and that the new BID company would need to make its own arrangements for collecting contributions from businesses. The BID would enable the Council to reduce its revenue costs for town centre management in Orpington, but the Council would not be reducing other general services in the area, and the BID company could not fetter the Council's decisions on the services it provided.

RESOLVED that the recommendations be supported.

(6) Budget Monitoring 2012/13
Report DES12141

The Committee considered the second budget monitoring report for 2012/13 based on expenditure and activity levels up to the end of July 2012. It was noted that changes were proposed to the types of waste that were subject to landfill tax, but the precise details were not yet available.

RESOLVED that the recommendations be supported.

(7) Outcome of Ofsted Inspection of Local Authority Arrangements for the Protection of Children
Report ED12032

The report provided a summary of the unannounced inspection by Ofsted of arrangements for the protection of children carried out on 9th to 18th July 2012. Bromley was the first authority in London, and only the third in the country, to be inspected under Ofsted's new framework. Bromley had been judged to be adequate in all four areas inspected.

RESOLVED that the recommendations be supported.

(8) Supporting People Joint Framework Agreement
Report CS12031

The report outlined a proposal to join a Joint Framework Agreement with Southwark, Lewisham and Lambeth to be established with effect from 1st April 2014. It was confirmed that Bromley would not be obliged to use the Framework for particular contracts if better arrangements could be made elsewhere.

RESOLVED that the recommendations be supported.

(9) Office Accommodation Strategy
Report DRR12/107

The report outlined a request for a supplementary capital allocation of £400,000 to ensure the successful completion of the refurbishment of the North Block at the Civic Centre following underestimation of the costs of the project. Internal Audit had been involved in examining the project and their report would be considered by the Audit Sub-Committee.

Members were critical of the failure to manage the costs of the project and to alert Members at an earlier stage. The project was managed before he left the Council by the former Chief Property Officer. The Director of Renewal and Recreation reported that a project board had subsequently been set up to oversee all property matters. The Property Board became aware of the full extent of the cost pressures in April 2012 and following Member briefing action was taken to seek to reduce costs wherever possible and a project audit report was commissioned.

The Committee accepted that the additional expenditure would have to be authorised.

RESOLVED that the recommendations be supported.

231 HOLDING THE CHIEF EXECUTIVE TO ACCOUNT

The Chief Executive attended the meeting to update the Committee on the headline issues that he was working on and to be questioned by Members. The main issues that he covered were –

- **Future strategic planning for the organisation.** This related primarily to finances, and he explained the concept of a commissioning Council with a minimal staff which provided the majority of services through outsourcing to the private or voluntary sectors. Baseline reviews had been carried out of all services, using zero-based budgeting principles, and all senior managers had been asked to provide an assessment of the statutory minimum service and a statutory service with mitigating measures. This work was still on-going but would come before Members soon.
- **Staffing.** The Council was currently consulting its staff on moving them out of national terms and conditions. Inbucon had recommended a 0.5% pay increase for staff on management grades (less than 200), half of which would be subject to performance assessment. Pay would still be frozen for staff on national terms and conditions. The Council was also reviewing essential car user allowances and introducing car parking charges for members and officers from 1st November. At a time when staff were being made redundant, it was important that the remaining staff were the best available and were well-motivated. Dr Tessa Moore had now taken up her post as Assistant Director for Education, and Terry Parkin would start as Director of Education and Care Services on 29th October. The refurbishment of the North Block was now complete and staff were moving back in. The building could now accommodate 500 staff – twice as many as before. The project had allowed the Joseph Lancaster and Ann Springman blocks and the Old Town Hall to be closed. Problems with the project were dealt with elsewhere on the agenda.
- **Integrating social care and health.** The financial problems at the South London Healthcare Trust had potential consequences for the Council's social care services.
- **Shared Services.** The proposals for shared regulatory services with Croydon and Bexley were progressing and there would be reports to Members in mid to late October.

Responding to questions from members, the Chief Executive made the following comments –

- Although moving the Council away from the Civic Centre site was a possibility, this would probably be at least five years away.
- The size of the member body was not defined in statute.
- Officers were addressing possibilities for encouraging growth, such as developments in Bromley town centre and leveraging in money from other sources.
- Much had been done to train managers and raise awareness about contracting procedures, but there was still a need for project management skills.
- The demands on senior managers were changing, and the Council would need managers with different skills in future.
- The Council was not actively encouraging schools to remain under local authority control rather than turn into academies.
- Members would be fully informed about proposals for budget savings, but the information was not ready at present. Proposals would go to the cabinet first, then extended cabinet and then PDS Committees and public meetings in November.
- The Council had been successful in outsourcing many services, and there were experienced providers in the market. He accepted that some parts of the voluntary sector were not ready to take on Council contracts, but many were. There were still opportunities for shared services.

Councillor Russell Mellor requested a copy of the Inbucon report on management staff pay.

The Chairman thanked the Chief Executive for his presentation.

232 SECTION 106 AGREEMENTS: UPDATE
Report DRR12/104

The Committee received its regular update on Section 106 agreements. The Chief Planner gave an update on the Blue Circle site at Bromley Common, explaining that it was considered that as units were now being sold on the plot nearest to the Crown lane roundabout the education payments had been triggered. A letter had been sent to the developers requesting the first payment of £250,000. It was confirmed that the Council had refused previous offers from the developer for lower amounts, and nothing further had been heard from them.

Councillor William Huntington-Thresher asked whether there were any restrictions on the highway works listed on page 52 of the report – the Chief Planner would check the position. It was confirmed that anyone with a material interest could potentially be included in a section 106 agreement, including TfL as a highway authority. Councillor John Getgood asked for clarification on the circumstances where the Council would retain nomination rights for affordable housing units – the Chief Planner offered to check this with housing colleagues.

RESOLVED that the contents of the report be noted.

233 UPDATES FROM PDS CHAIRMEN

PDS Committee Chairmen reported on the work of their Committees as follows –

Care Services PDS Committee – Councillor Judi Ellis had produced some notes for circulation on items from her Committee’s meeting on 4th September and in particular on Healthwatch, which was to replace the Local Improvement Network (LINK). The Committee had referred the issue of the allocation of section 106 affordable housing payments to the newly formed Strategic Housing Working Group. In considering the Older People Commissioning Strategy the committee had commented on the need to ensure that people did not withdraw from day centre care due to cost, and on the draft Mental Health Strategy had suggested that final target bullet points be clearly defined so that resources were targeted to priorities and expectations were not raised too high.

Public Protection and Safety PDS Committee – Councillor Douglas Auld reported that his committee had been disappointed at the lack of a Police presence at their last meeting, with no explanation. The Portfolio Holder had received a letter from the South London and Maudsley Trust stating that they would not be implementing any of the Committee’s recommendations – a meeting was being arranged with the Trust’s new Chief Executive in October. A budget deficit of £100,000 was expected as savings from shared services would not be achieved.

Renewal and Recreation PDS Committee – Councillor Sarah Phillips reported that the Beckenham and West Wickham Town Centres Working Group had been meeting over the summer and had been involved in the preparation of a funding bid to TfL which was to be submitted the following day. She also mentioned the transfer of Bromley Adult Education college to the Education and Care Services Department.

234 WORK PROGRAMME

The Committee considered the latest version of its work programme. It was noted that the Leader would now be attending at the next meeting on 18th October, and consideration of the update on the Communications Working Group report was delayed until the meeting on 21st November.

RESOLVED that the work programme as amended be noted.

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

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

The following summaries
refer to matters
involving exempt information

236 EXEMPT MINUTES OF THE MEETING HELD ON 18TH JULY 2012

The exempt minutes of the meeting held on 18th July 2012 were confirmed.

237 RESOURCES PORTFOLIO - PREVIOUS EXEMPT DECISION

The Committee noted an exempt decision concerning the Oakfield Centre taken by the Resources Portfolio Holder since the last meeting and decided that it was no longer necessary for these decisions to be included on the agenda.

238 PRE-DECISION SCRUTINY OF EXEMPT RESOURCES PORTFOLIO HOLDER REPORTS

The Committee considered three exempt reports concerning proposed decisions by the Resources Portfolio Holder submitted for pre-decision scrutiny as follows -

238.1 LAND AT THE WALNUTS, ORPINGTON
Report DRR12/105

The Committee supported proposals for the sale of land at The Walnuts.

238.2 THE LAURELS, NORHEADS LANE, BIGGIN HILL
Report DRR12/099

The Committee supported proposals for the sale of the site.

238.3 BROMLEY INDOOR BOWLS CENTRE - RENT REVIEW
Report DRR12/098

The Committee supported proposals for the forthcoming rent review.

239 PRE-DECISION SCRUTINY OF EXEMPT EXECUTIVE REPORTS

The Committee considered an exempt report on the agenda for the Executive's meeting on 12th September 2012 concerning the contract for Mental Health Flexible Support Service, and supported the recommendations for awarding a new contract.

The Meeting ended at 9.52 pm

Chairman

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Agenda Item 5

Report No.
RES12142

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Executive and Resources
Policy Development & Scrutiny Committee

Date: 18th October 2012

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

Title: **MATTERS ARISING FROM PREVIOUS MEETINGS**

Contact Officer: Graham Walton, Democratic Services Manager
Tel: 020 8461 7743 E-mail: graham.walton@bromley.gov.uk

Chief Officer: Mark Bowen, Director of Resources

Ward: N/A

1. Reason for report

1.1 **Appendix 1** updates Members on matters arising from previous meetings which continue to be “live” – eight matters are listed from the last three meetings.

2. **RECOMMENDATION(S)**

2.1 **The Committee is invited to consider progress on matters outstanding from previous meetings.**

Corporate Policy

1. Policy Status: Existing Policy: Committees normally receive a report on matters outstanding at each meeting.
 2. BBB Priority: Excellent Council:
-

Financial

1. Cost of proposal: No Cost:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Democratic Services
 4. Total current budget for this head: £320,320 (2012/13)
 5. Source of funding: Existing revenue budgets
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Staff

1. Number of staff (current and additional): There are 8 posts (7.22 fte) in the Democratic Services Team.
 2. If from existing staff resources, number of staff hours: Monitoring the Committee's matters arising takes a few hours per meeting.
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Legal

1. Legal Requirement: None:
 2. Call-in: Not Applicable: This report does not involve an executive decision.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): This report is intended primarily for the benefit of members of the Committee.
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Ward Councillor Views

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

Non-Applicable Sections:	Policy/Financial/legal/Personnel
Background Documents: (Access via Contact Officer)	Minutes of this Committee's previous meetings.

Minute Number/ Title/Date	PDS Request	Update	Action By	Completion Date
189 Exit Interviews (14 th June 2012)	Committee requested that a report be prepared for GP&L Committee on staff exit interviews	A report was considered by GP&L Committee on 26/9/12 – the Committee referred the issue to Improvement and Efficiency Sub-Cttee (on 12/12/12)	Assistant Chief Executive (HR)	December 2012
193 Work Programme: Working Groups (14 th June 2012)	Committee requested updates on progress with implementing the recommendations of the Communications and New Technology Working Groups	Reports will be prepared for the Committee's November meeting. The Constitution Improvement Working Group considered aspects of the New Technology Working Group's report relating to Members' IT at its meetings on 6/9/12 and 27/9/12 and its recommendations are being forwarded to Council on 12/11/12.	Democratic Services Manager	November 2012
210 Revenues Service Monitoring Report (18 th July 2012)	Members requested further details on whether any particular sectors, or larger or smaller organisations, were struggling to make payments on time.	Further information was circulated to Members by email on 26/9/12.	Head of Revenues and Benefits	September 2012 (completed)
210 Revenues Service Monitoring Report (18 th July 2012)	Members requested further historical data on rates for the use of direct debit to pay Council tax.	Further information was circulated to Members by email on 21/9/12.	Head of Revenues and Benefits	September 2012 (completed)

224 Matters Arising (6 th September 2012)	Members requested a meeting of the Environment PDS Transport Priorities Working Group	At Environment PDS Committee on 25/9/12 the Chairman stated that the working group should begin its work on tram and DLR links.	Democratic Services Manager	November 2012
226 Corporate Contracts Register (6 th September 2012)	Members requested further changes to the format to include an additional column showing when a PDS Committee had considered each contract or a list of when PDS Committees had considered their contracts on the agenda front-sheet.	Changes will be implemented for the next update in January 2013.	Corporate Procurement Manager	January 2013
231 Holding the Chief Executive to account (6 th September 2012)	Cllr Mellor requested a copy of the Inbucon report on management grade pay.	Arrangements are being made for the report to be supplied to Cllr Mellor	Assistant Chief Executive, HR	October 2012
232 Section 106 Update (6 th September 2012)	Members asked about (i) restrictions of highway works (Cllr Huntington-Thresher) and (ii) nomination rights for affordable housing (Cllr Getgood).	Chief Planner to check and report to the Members involved.	Chief Planner	October 2012

LONDON BOROUGH OF BROMLEY

FORWARD PLAN FOR KEY DECISIONS AND PUBLIC MEETINGS PUBLISHED ON: 25th September 2012

PERIOD COVERED: October 2012 - January 2013

DATE NEXT FORWARD PLAN FOR KEY DECISIONS AND PUBLIC MEETINGS PUBLISHED: 30th October 2012

WHAT IS BEING DECIDED?	WHO IS THE DECISION MAKER?	WHEN WILL THE DECISION BE MADE AND WHO WILL BE CONSULTED BEFORE THE DECISION IS MADE?	HOW WILL THE CONSULTATION TAKE PLACE?	HOW CAN YOU MAKE COMMENTS ON THE DECISION BEFORE IT IS MADE?	WILL THIS ITEM BE CONSIDERED IN PUBLIC OR IN PRIVATE?	WHAT SUPPORT DOCUMENTS AND OTHER INFORMATION WILL BE AVAILABLE?
COUNCIL						
EXECUTIVE						
Gateway Review of Tenancy Support Services	Executive	24 October 2012 Executive & Resources PDS Committee	Meeting	Contact Officer: Wendy Norman Tel: 020 8313 4212 Wendy.Norman@bromley.gov.uk	<u>Public meeting</u>	Report and relevant background documents
Older People Nursing and Residential Contracts Award	Executive	24 October 2012 Executive & Resources PDS Committee	Meeting	Contact Officer: Andy Crawford Andy.Crawford@bromley.gov.uk	<u>Private meeting - Exempt information - financial/business affairs of a person or body.</u>	Part 2 report - confidential
Award of Contract - Learning Disability Services Framework	Executive	24 October 2012 Executive & Resources PDS Committee	Executive & Resources PDS Committee	Contact Officer: Tiffany Southcott Tel: 020 8313 4267 Tiffany.Southcott@bromley.gov.uk	<u>Private meeting - Exempt information - award of contract - Financial/business affairs of a person or body</u>	Part 2 report - confidential

WHAT IS BEING DECIDED?	WHO IS THE DECISION MAKER?	WHEN WILL THE DECISION BE MADE AND WHO WILL BE CONSULTED BEFORE THE DECISION IS MADE?	HOW WILL THE CONSULTATION TAKE PLACE?	HOW CAN YOU MAKE COMMENTS ON THE DECISION BEFORE IT IS MADE?	WILL THIS ITEM BE CONSIDERED IN PUBLIC OR IN PRIVATE?	WHAT SUPPORT DOCUMENTS AND OTHER INFORMATION WILL BE AVAILABLE?
Asset Management Planning - Post Review Reports: Biggin Hill Library and Swimming Pool and The Pavilion Development	Portfolio Holder for Renewal and Recreation	02 October 2012 Renewal & Recreation PDS Committee	Meeting	Contact Officer: Colin Brand Tel: 0208 313 4107 colin.brand@bromley.gov.uk	<u>Private meeting - Exempt Information - Financial/business affairs of a person or body</u>	Part 2 report - confidential
The Walnuts Cinema Scheme - Funding Options	Executive	24 October 2012 Executive & Resources PDS Committee	Meeting	Contact Officer: Marc Hume Tel: 020 8313 4441 marc.hume@bromley.gov.uk	<u>Private meeting - Exempt information - Financial/business affairs of a person or body</u>	Part 2 Report - confidential
Churchill Place, Bromley (Opportunity Site G) - Procurement Update	Executive	24 October 2012 Executive & Resources PDS Committee	Meeting	Contact Officer: Kevin Munnelly Tel: 020 8313 4582 kevin.munnelly@bromley.gov.uk	<u>Private meeting - Exempt information - Financial/business affairs of a person or body</u>	Part 2 Report - confidential
Future of the In house Adult Social Care Services	Executive	28 November 2012 Executive & Resources PDS Committee	Meeting	Contact Officer: Lorna Blackwood Tel: 020 8313 4110 lorna.blackwood@bromley.gov.uk	<u>Private meeting – Exempt information</u>	Part 2 report - confidential

WHAT IS BEING DECIDED?	WHO IS THE DECISION MAKER?	WHEN WILL THE DECISION BE MADE AND WHO WILL BE CONSULTED BEFORE THE DECISION IS MADE?	HOW WILL THE CONSULTATION TAKE PLACE?	HOW CAN YOU MAKE COMMENTS ON THE DECISION BEFORE IT IS MADE?	WILL THIS ITEM BE CONSIDERED IN PUBLIC OR IN PRIVATE?	WHAT SUPPORT DOCUMENTS AND OTHER INFORMATION WILL BE AVAILABLE?
Property Transfer - Mental Health Services	Executive	28 November 2012 Executive & Resources PDS Committee	Meeting	Contact Officer: Claire Lynn Tel: 020 8313 4034 claire.lynn@bromley.gov.uk	<u>Private meeting - Exempt information - Financial/business affairs of a person or body</u>	Part 2 report - confidential
Award of Contract Residential Services for People with Mental Ill Health	Executive	28 November 2012 Executive & Resources PDS Committee	Meeting	Contact Officer: Claire Lynn Tel: 020 8313 4034 claire.lynn@bromley.gov.uk	<u>Private meeting</u>	Report and relevant background documents
Children and Adolescent Mental Health Services	Executive	28 November 2012 Executive & Resources PDS Committee	Meeting	Contact Officer: Claire Lynn Tel: 020 8313 4034 claire.lynn@bromley.gov.uk	<u>Part in public meeting and Financial information in Private meeting - Exempt information - Financial/business affairs of a person or body</u>	Public Report and relevant background documents
Parking Shared Services	Executive	28 November 2012 Environment PDS Committee	Meeting	Contact Officer: Gavin Moore Tel: 0208 313 4539 gavin.moore@bromley.gov.uk	<u>Public meeting</u>	Report and relevant background documents

WHAT IS BEING DECIDED?	WHO IS THE DECISION MAKER?	WHEN WILL THE DECISION BE MADE AND WHO WILL BE CONSULTED BEFORE THE DECISION IS MADE?	HOW WILL THE CONSULTATION TAKE PLACE?	HOW CAN YOU MAKE COMMENTS ON THE DECISION BEFORE IT IS MADE?	WILL THIS ITEM BE CONSIDERED IN PUBLIC OR IN PRIVATE?	WHAT SUPPORT DOCUMENTS AND OTHER INFORMATION WILL BE AVAILABLE?
Carbon Reduction Commitment (CRC) Scheme: 2011/12 Annual Report	Executive	28 November 2012 Environment PDS Committee	Meeting	Contact Officer: Alastair Baillie Tel: 020 8313 4915 Alastair.Baillie@bromley.gov.uk	<u>Public meeting</u>	Report and relevant background documents
Options and Preferred Strategy Consultation Document on the Local Plan	Executive	09 January 2013 Executive approval sought to go out to full public consultation.	Meetings	Contact Officer: Mary Manuel Tel: 020 8313 4303 mary.manuel@bromley.gov.uk	<u>Public meeting</u>	Report and relevant background documents
CARE SERVICES PORTFOLIO						
Award of Contract Learning Disability Services Framework	Portfolio Holder for Care Services	04 December 2012 Care Services PDS Committee	Meeting	Contact Officer: Tiffany Southcott Tel: 020 8313 4267 Tiffany.Southcott@bromley.gov.uk	<u>Private meeting</u>	Part 2 report - Confidential
Tenancy Strategy	Portfolio Holder for Care Services	04 December 2012 Housing Assoc Partners and Care Services PDS Committee	Meeting	Contact Officer: Kerry O'Driscoll Kerry.O'Driscoll@bromley.gov.uk	<u>Public meeting</u>	Report and relevant background documents

WHAT IS BEING DECIDED?	WHO IS THE DECISION MAKER?	WHEN WILL THE DECISION BE MADE AND WHO WILL BE CONSULTED BEFORE THE DECISION IS MADE?	HOW WILL THE CONSULTATION TAKE PLACE?	HOW CAN YOU MAKE COMMENTS ON THE DECISION BEFORE IT IS MADE?	WILL THIS ITEM BE CONSIDERED IN PUBLIC OR IN PRIVATE?	WHAT SUPPORT DOCUMENTS AND OTHER INFORMATION WILL BE AVAILABLE?
EDUCATION PORTFOLIO						
Outcomes from Member/Officer Primary and Secondary Place Planning Working Group	Portfolio Holder for Education	06 November 2012 Education PDS Committee and key stakeholders	Meetings and written communications	Contact Officer: Mike Barnes Tel: 020 8313 4865 mike.barnes@bromley.gov.uk	<u>Public meeting</u>	Reports and relevant background documents
The School Funding Settlement for 2012/13 - the Pupil Premium and Dedicated Schools Grant: Authorisation to Consult on the DSG	Portfolio Holder for Education	23 January 2013 Key Stakeholders and Education PDS Committee	Meetings and written communications	Contact Officer: David Bradshaw Tel: 020 8313 4807 David.Bradshaw@bromley.gov.uk	<u>Public meeting</u>	Report and relevant background documents
ENVIRONMENT PORTFOLIO						
Street Works Tender Report	Portfolio Holder for Environment	20 November 2012 Environment PDS Committee	Meeting	Contact Officer: Garry Warner Tel: 020 8313 4929 garry.warner@bromley.gov.uk	<u>Private meeting - Exempt information - Financial/business affairs of a person or body</u>	Part 2 report - confidential
Street Lighting Works Tender Report	Portfolio Holder for Environment	20 November 2012 Environment PDS Committee	Meeting	Contact Officer: Garry Warner Tel: 020 8313 4929 garry.warner@bromley.gov.uk	<u>Private meeting - Exempt information - Financial/business affairs of a person or body</u>	Part 2 report - confidential

WHAT IS BEING DECIDED?	WHO IS THE DECISION MAKER?	WHEN WILL THE DECISION BE MADE AND WHO WILL BE CONSULTED BEFORE THE DECISION IS MADE?	HOW WILL THE CONSULTATION TAKE PLACE?	HOW CAN YOU MAKE COMMENTS ON THE DECISION BEFORE IT IS MADE?	WILL THIS ITEM BE CONSIDERED IN PUBLIC OR IN PRIVATE?	WHAT SUPPORT DOCUMENTS AND OTHER INFORMATION WILL BE AVAILABLE?
Parking ICT Contract	Portfolio Holder for Environment	20 November 2012 Environment PDS Committee	Meeting	Contact Officer: Ben Stephens Tel: 0208 313 4514 ben.stephens@bromley.gov.uk	<u>Private meeting - Exempt information - Financial/business affairs of a person or body</u>	Part 2 report - confidential
PUBLIC PROTECTION AND SAFETY PORTFOLIO						
RENEWAL AND RECREATION PORTFOLIO						
RESOURCES PORTFOLIO						
Manorfields, Avalon Road, Orpington	Portfolio Holder for Resources	18 October 2012 Executive & Resources PDS Committee	Meeting	Contact Officer: Heather Hosking Tel: 020 8313 4421 heather.hosking@bromley.gov.uk	<u>Public meeting</u>	Report and relevant background documentation
Belle Grove, Mickleham Road, St. Paul's Cray	Portfolio Holder for Resources	18 October 2012 Executive & Resources PDS Committee	Meeting	Contact Officer: Heather Hosking Tel: 020 8313 4421 heather.hosking@bromley.gov.uk	<u>Public meeting</u>	Report and relevant background documentation

London Borough of Bromley: 020 8464 3333 www.bromley.gov.uk

Contact Officer: Lynn Hill, Resources Department: 020 8461 7700, lynn.hill@bromley.gov.uk

Report No.
RES12168

London Borough of Bromley

Agenda
Item No.

PART 1 - PUBLIC

Decision Maker: Resources Portfolio Holder

Date: For pre-decision scrutiny by the Executive & Resources PDS Committee on 18th October 2012

Decision Type: Non-Urgent Executive Non-Key

Title: INSURANCE FUND - ANNUAL REPORT 2011/12

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

Chief Officer: Director of Resources

Ward: All

1. Reason for report

- 1.1 This report advises Members of the position of the Insurance Fund as at 31st March 2012 and presents statistics relating to insurance claims for the last two years. In 2011/12, in spite of a one-off top-up of £0.5m approved by the Executive in April, the total Fund value reduced from £3.2m to £3.0m, as the value of claims paid and estimated outstanding claims again exceeded the value of contributions to the Fund. A mid-year review of the Fund has been carried out and the report gives an early warning of a potential need for a further top-up of £1.0m in 2012/13 to enable the Fund balance to remain at a prudent level (see paragraph 3.3). The position will continue to be monitored throughout the year and a request will be made to the Executive to consider the requirement for a further top-up should the position remain as forecast.

RECOMMENDATION(S)

2.1 The PDS Committee and the Resources Portfolio Holder are asked to:

(a) note the contents of the report; and

(b) consider the early warning of a potential need for a top-up of the Insurance Fund in 2012/13 as detailed in paragraph 3.3.

Corporate Policy

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

Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A.
 3. Budget head/performance centre: Insurance Fund
 4. Total current budget for this head: £2,965k (Fund balance at 31/3/12)
 5. Source of funding: Insurance Fund - contributions from revenue, interest earned on balance
-

Staff

1. Number of staff (current and additional): 3 (2.05 fte)
 2. If from existing staff resources, number of staff hours: 74 hours per week
-

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? No.
2. Summary of Ward Councillors comments: n/a

3. COMMENTARY

General

- 3.1 In recent years, the Insurance Fund balance has been gradually reducing and, in 2007/08, suffered its biggest reduction for many years as a result of a number of large claims coming to settlement, mainly comprising public liability claims, theft of lead claims and tree root claims. Consequently, a one-off contribution of £500,000 in 2008/09 was approved by the Executive to top up the Fund, this being met from the underspend on the Council's 2008/09 revenue budget. This brought the Fund balance back up to just below £3.5m, which gave some headroom over and above the industry standard sustainable level (at least £3m; i.e. 2.5 times the stop loss figure at that time of £1.2m).
- 3.2 In the Insurance Annual Report for 2010/11 to the E&R PDS Committee in July 2011, Members were informed that a one-off review of the estimated liability in respect of all unsettled claims had been carried out during 2010/11, which had resulted in a reduction in the Fund balance from £3.5m as at 1st April 2010 to £3.2m as at 31st March 2011. The PDS Committee was informed that the Fund position would be reviewed at the end of 2011/12 with a view to determining the need for a top-up. In the Budget Monitoring report to the Executive on 11th April 2012, Members were informed that it was again likely that the value of claims paid and outstanding would exceed the value of contributions to the Fund and a further one-off top-up of £0.5m was approved.
- 3.3 The table in paragraph 3.9 shows the final position of the Insurance Fund as at 31st March 2012 and Members will note that, even after taking account of the additional top-up of £0.5m, there was a reduction of around £0.2m in the Fund balance during the financial year 2011/12. Broadly, claims settled during the year were around £0.6m higher than the total of interest accrued to the fund and the normal annual contribution of £0.5m from the revenue budget. In addition, the provision for the estimated liability relating to unsettled claims increased by a further £0.1m. The position of the Fund has been reviewed as at 30th September 2012 and, based on the estimated value of claims received to that date, it is projected that the Fund balance may fall to around £2.6m by the end of 2012/13. It is estimated that a further top-up of £1.0m would enable the Fund balance to increase to around £3.6m at the end of 2012/13, providing a degree of headroom of around £0.3m over and above the sustainable level (2.5 times the current stoploss figure of £1.33m). The position will continue to be monitored throughout the year and, should the position remain as currently forecast, a request will be made to the Executive to consider the requirement for a further top-up to the Fund in 2012/13.

Claims statistics

- 3.4 The estimated claims statistics for the main categories of insurance cover for 2010/11 and 2011/12 are detailed in the following table. These show claims submitted in respect of incidents/accidents taking place, but not necessarily reaching settlement, in the two financial years.

	2010/11		2011/12	
	No	£000	No	£000
Policies subject to excess / stoploss				
Commercial all risks - Fire and perils	28	137	22	71
- Theft	10	17	8	19
- All risks	3	1	1	1
Public Liability	336	388	220	162
Employers Liability	3	-	3	2
Officials Indemnity	-	-	-	-
	<u>380</u>	<u>543</u>	<u>254</u>	<u>255</u>
Less: Recoveries from insurers		-		-
Charged to Insurance Fund		<u>543</u>		<u>255</u>
Vehicle policies				
Motor Fleet	19	41	30	15
Leased Cars	64	136	66	61
Total for vehicles	<u>83</u>	<u>177</u>	<u>96</u>	<u>76</u>

NB. The 2010/11 figures above have increased significantly compared with the estimates included in last year's annual report. This reflects the fact that claims are often intimated some time after the occurrence of an accident. Similarly, the 2011/12 figures above only reflect claims intimated as at 31st March 2012 and will increase as further claims are made.

3.5 The table below shows movements in and out of the Insurance Fund in recent years and gives an indication of the volatility and unpredictability of the value of claims settled and outstanding each year. It is also noticeable that the value of interest earned on the Fund balance has reduced as a result of falling interest rates by around £0.2m in the last 5 years. This has contributed towards the ongoing reduction in the Fund balance.

	2007/08	2008/09	2009/10	2010/11	2011/12
	£000	£000	£000	£000	£000
Fund balance b/f	3,692	2,855	3,500	3,498	3,159
Revenue contribution to Fund	500	500	500	500	500
Interest	261	246	148	77	72
Top-up to Fund	-	500	-	-	500
Claims (actual and estimated)	-1,598	-601	-650	-916	-1,266
Fund balance c/f	<u>2,855</u>	<u>3,500</u>	<u>3,498</u>	<u>3,159</u>	<u>2,965</u>

3.6 In 2007/08, a number of large claims reached settlement, as a result of which the Fund balance suffered its largest in-year reduction for many years (claims valued at £1.6m and a total net reduction of £0.8m). The 2007/08 claims figure included a large public liability claim (£155k), lead theft claims (£168k) and tree root damage claims (£313k). As a result, a one-off contribution to the Fund of £500,000 was made from the revenue budget in 2008/09 to restore the Fund balance to a prudent level (£3.5m). The Fund balance remained at around £3.5m during 2009/10, before a one-off review of the estimated liability in respect of all unsettled claims was carried out during 2010/11, which resulted in a reduction to £3.2m as at 31st March 2011.

3.7 The total value of claims in 2011/12 (actual settlements and outstanding) was significantly higher than in recent years (£1.3m in total) and, even with the further top-up of £0.5m outlined above, the Fund balance still reduced overall from £3.2m to below £3.0m during 2011/12. This was generally due to a high volume of claims, particularly in the last few months of the year, and included one very large tree root claim (£145k). As is outlined in paragraph 3.3 above, this report provides an early warning of a potential need for a further top-up of £1m in 2012/13.

3.8 Under the policies subject to excess/stop-loss arrangements, claims are only chargeable to the insurers if the cost of an individual claim is greater than the excess and/or if the aggregate of all claims in a particular class exceeds the relevant stop-loss. The excess and stop-loss figures for 2011/12 were as follows:-

Policy	Excess	Aggregate Stop-Loss
All Risks - General	£100,000)	
- Education	£250,000)	
- Storm or Flood	£50,000)	£1,300,000
Liability – Public, Employer’s & Officials’	£125,000)	

3.9 Since 1994/95, the deductible has only been exceeded once (in 2001/02), as a result of the fire at Magpie Youth Centre in December 2001, which was settled in 2004/05. Owing to a number of large estimate liability claims notified during 2004/05, the insurers applied a stop loss limit of £1,300,000 for 2005/06. These claims were less severe than first thought and, as a result, the insurers reduced the stop loss to £1,200,000 in 2006/07 and it has increased by being index linked since then to the 2011/12 level of £1,300,000.

Insurance Fund

3.10 Internal recharges are made to the revenue budget for both the insurance premium and the contribution to the Insurance Fund to cover the cost of claims met by the Council. The basis of recharge takes account of claims records in individual service areas. The cost of claims is met directly from the Fund until the stop-loss is reached. The current actual and future estimated position of the Insurance Fund is set out in the table below. If no further top-up was considered necessary, the estimated balance at the end of 2012/13 would be around £2.6m, which would be well below the industry standard of 2.5 times the total stoploss figure.

Insurance Fund	2011/12		2012/13
	Estimate £000	Actual £000	Estimate £000
Balance brought forward	3,159	3,159	2,965
Contributions - normal	500	500	500
- one-off top up	-	500	-
Interest	80	72	70
	<hr/> 3,739	<hr/> 4,231	<hr/> 3,535
Claims for the year	-650	-255	-400
Adjustments/new claims re previous years	-	-1,009	-500
Risk Management/Computer system	-10	-2	-10
Balance carried forward	<hr/> 3,079	<hr/> 2,965	<hr/> 2,625
Maximum exposure (total stop-loss)	1,300	1,300	1,327

4. POLICY IMPLICATIONS

4.1 None.

5. FINANCIAL IMPLICATIONS

5.1 These are contained in the body of the report. The Fund balance reduced in 2011/12 from £3.2m to £3.0m even after allowing for a one-off top up of £0.5m approved by the Executive in April. The position has been reviewed mid-way through 2012/13 and this report gives an early

warning of a potential need for a further top-up of £1.0m. Appendix 1 shows the actual premium levels for 2011/12 and 2012/13.

Non-Applicable Sections:	Legal and Personnel Implications
Background Documents: (Access via Contact Officer)	Insurance Fund Annual Report 2010/11 – to E&R PDS Committee 12/7/11 Budget monitoring report to Executive 11/4/12 (approval of one-off top up)

Insurance Premiums 2011/12 & 2012/13

Policy	Actual Premium 2011/12 £	Renewal Premium 2012/13 £
Main policies -		
Material damage #	183,700	112,900
Leased car & motor fleet	38,600	37,300
Combined liability	109,000	104,000
Other policies -		
Personal accident	9,100	9,200
Fidelity guarantee	46,600	34,800
Engineering	13,100	8,700
Legal expenses @	10,200	-
School journeys	11,100	12,800
Leasehold property / shops blanket	61,100	48,500
Professional / officials' indemnity	26,700	28,300
Mortgaged properties	1,400	800
Minibuses (rechargeable)	23,200	12,500
TOTAL	<u>533,800</u>	<u>409,800</u>

Most of the premium reductions in 2012/13 have arisen from the deletion from our insurance schedules of schools that have adopted academy status.

@ The legal expenses insurance was not renewed in 2012/13.

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Report No.
RES12167

London Borough of Bromley

Agenda
Item No.

PART 1 - PUBLIC

Decision Maker: Resources Portfolio Holder
Full Council

Date: For pre-decision scrutiny by the Executive and Resources PDS
Committee on 18th October 2012
Council 12th November 2012

Decision Type: Non-Urgent Executive Non-Key

Title: TREASURY MANAGEMENT - MID-YEAR REVIEW REPORT
2012/13

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

Chief Officer: Director of Resources

Ward: All

1. Reason for report

- 1.1 CIPFA (the Chartered Institute of Public Finance and Accountancy) issued the latest Code of Practice for Treasury Management in 2011; it recommends that members should be updated on treasury management activities at least twice a year, but preferably more frequently. This report summarises treasury management activity during the period 1st April 2012 to 30th September 2012 and includes a Mid-Year Review of the Treasury Management Strategy Statement and Annual Investment Strategy (Annex A). The report ensures that the Council is implementing best practice in accordance with the Code and includes an update on the Council's investment with Heritable Bank (paragraph 3.12). It also provides a general update on interest rates and on the current economic climate and proposes changes to the investment criteria that form part of the Council's Annual Investment Strategy in the form of the inclusion of corporate bonds and the Payden Sterling Reserve Fund as eligible investment vehicles (see paragraphs 3.18 to 3.25). These changes will require the approval of full Council. Investments as at 30th September 2012 totalled £212.1m (excluding the balance of the Heritable investment) and there was no outstanding external borrowing.

RECOMMENDATION(S)

The PDS Committee and the Portfolio Holder are requested to:

- (a) Note the report;

- (b) Recommend to Council that the inclusion of corporate bonds and the Payden Sterling Reserve Fund as eligible investment vehicles in the Council's Investment Strategy be approved (see paragraphs 3.18 to 3.25); and**
- (c) Recommend that Council approve the changes to the prudential indicators, as set out in Annex B1.**

Council is requested to:

- (a) Note the report;**
- (b) Consider comments from the PDS Committee;**
- (c) Approve the inclusion of corporate bonds and the Payden Sterling Reserve Fund as eligible investment vehicles in the Council's Investment Strategy; and**
- (d) Approve changes to the prudential indicators, as set out in Annex B1.**

Corporate Policy

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

Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A.
 3. Budget head/performance centre: Interest on balances
 4. Total current budget for this head: £2.691m (net) in 2012/13; currently forecast on target
 5. Source of funding: Net investment income
-

Staff

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

Legal

1. Legal Requirement: Non-statutory - Government guidance.
 2. Call-in: Call-in is applicable Changes to the Annual Investment Strategy require Council approval
-

Customer Impact

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

Ward Councillor Views

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

3. COMMENTARY

General

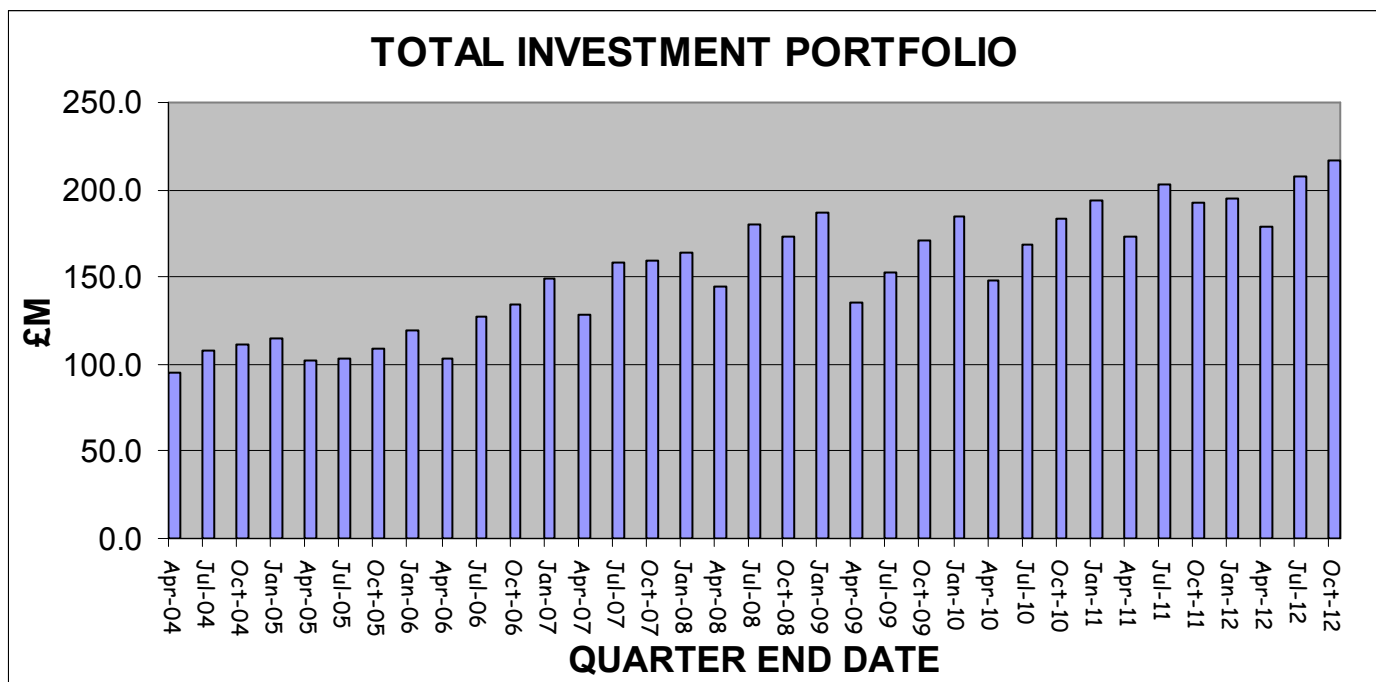
- 3.1 Under the requirements of the CIPFA Code of Practice on Treasury Management, the Council is required, as a minimum, to approve an annual treasury strategy in advance of the year, a mid-year review report and an annual report following the year describing the activity compared to the strategy. In practice, the Finance Director has reported quarterly on treasury management activity for many years, as well as reporting the annual strategy before the year and the annual report after the year-end. The 2012/13 annual strategy, including the MRP (Minimum Revenue Provision) Policy Statement and prudential indicators, was approved by the Council in February 2012.
- 3.2 This report includes details of treasury management activity during the first half of the financial year 2012/13 and details of investments in place as at 30th September 2012 (Appendices 1 and 2). A mid-year review of performance against the strategy for 2012/13 is attached at Annex A and this includes an update from our external advisers, Sector Treasury Services Ltd, on the economic background in the first half year and their latest interest rate forecast. Changes to prudential indicators requiring the approval of full Council are set out in Annex B. Changes to the strategy are proposed to permit investments in corporate bonds and in the Payden Sterling Reserve Fund (paragraphs 3.18 to 3.25) and the PDS Committee and Resources Portfolio Holder are asked to recommend these changes to full Council.
- 3.3 Recent changes in the regulatory environment place a much greater onus on Members to review and scrutinise treasury management policy and activities. This report is important in that respect, as it provides details of treasury activities in the first 6 months of 2012/13 and highlights compliance with the Council's policies previously approved by Members. The Finance Director confirms that the Council has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Executive and Resources PDS Committee before they were reported to full Council.

Treasury Performance in the half year 1st April 2012 to 30th September 2012

- 3.4 **Borrowing:** The Council's healthy cashflow position continued through the whole of 2011/12 and the first half of 2012/13, as a result of which no borrowing was required at all during those periods. In 2009/10, only four loans were taken out to cover short-term cashflow shortages and, in 2010/11, only one small overnight loan (for £800k) was taken out (in March 2011).
- 3.5 **Investments:** The following table sets out details of investment activity during the first six months of the year:-

Main investment portfolio	Deposits £m	Ave. Rate %
"Core" investments as at 31/03/12	152.5	2.23
Investments made in Q1 2012/13	36.5	1.75
Investments redeemed in Q1 2012/13	-59.0	1.28
Investments made in Q2 2012/13	22.5	1.23
Investments redeemed in Q2 2012/13	-12.5	1.59
Total "Core" Investments 30/09/12	140.0	2.05
35-day notice – Svenska Handelsbanken	15.0	0.85
Money Market Funds/Instant Access	57.1	0.58
Total Investments as at 30/09/12	212.1	1.57
Heritable deposit – frozen (see para 3.12)	5.0	6.42

- 3.6 Details of the outstanding investments at 30th September 2012 are shown in maturity date order in Appendix 1 and by individual counterparty in Appendix 2. The average return on all new “core” investments during the first six months of the year was 1.59% which may be compared with the average 3 month LIBID rate of 0.74% and the average 7 day rate of 0.43%.
- 3.7 Base rate has now been 0.5% since March 2009 and the recently updated forecast by Sector is for it to remain at that level until the end of 2014. This estimate has slipped back a year in the space of the last 4 or 5 months and it is possible that it will slip further. Reports to previous meetings, most recently to the July meeting, have highlighted the fact that options with regard to the reinvestment of maturing deposits have become seriously limited due to bank credit rating downgrades. Changes to lending limits and eligibility criteria have in the past been temporarily successful in alleviating this, but we are now back in the position of not having many investment options other than placing money with instant access accounts at relatively low interest rates. Active UK banks on our list now comprise only Lloyds TSB, RBS, HSBC, Barclays and Nationwide and all but Lloyds have recently reduced their interest rates significantly. Our external advisers, Sector, continue to recommend caution and currently suggest that no investment be placed for longer than 3 months with any bank other than Lloyds and RBS (a maximum of 1 year is suggested in their case). Lloyds TSB are currently offering rates of 1.35% for 3 months up to 2.70% for 1 year, which are both significantly better than the rates offered by other banks (around 0.55% currently offered by others for 3 months, while RBS are currently offering around 1.10% for 1 year). The “core” investments placed during the first six months of 2012/13 were all placed for between 3 months and a year (in accordance with Sector’s advice) or in instant access money market funds. The Finance Director will continue to monitor rates and counterparty quality and take account of external advice prior to any investment decisions.
- 3.8 The graph below shows total investments at quarter-end dates back to 1st April 2004 and shows how available funds have increased steadily over the years, largely due to increased and earlier government funding. This has been a significant contributor to the over-achievement of investment income against budget in recent years, although this has now been fully factored into the revenue budget.



Other accounts

3.9 Money Market Funds

The Council currently has 6 AAA-rated Money Market Fund accounts, with Fidelity, Prime Rate, Insight, Blackrock, Ignis and Legal & General. In common with market rates for fixed-term investments, interest rates on money market funds have fallen considerably in recent years. The Ignis fund currently offers the best rate (0.66%), which is around the level currently being offered for 5 months by some of our eligible UK banks and building societies. The total balance held in Money Market Funds (currently £72.4m) has increased significantly in recent months as bank credit ratings downgrades have restricted counterparty eligibility.

Money Market Fund	Date Account Opened	Ave. Rate 2012/13 (to 30/09/12) %	Ave. Daily Balance 2012/13 £m	Actual Balance 30/09/12 £m	Current Balance 03/10/12 £m	Current Rate 03/10/12 %
Prime Rate	15/06/09	0.72	7.5	15.0	15.0	0.61
Ignis	25/01/10	0.73	7.2	15.0	15.0	0.66
Insight	03/07/09	0.63	5.5	12.1	15.0	0.53
Legal & Gen.	23/08/12	0.53	1.4	15.0	15.0	0.56
Blackrock	16/09/09	0.48	2.6	-	12.4	0.41
Fidelity	20/11/02	0.43	0.2	-	-	0.37

3.10 Notice Accounts

In April 2012, the Council placed £15m in a 35-day notice account with Svenska Handelsbanken (Sweden). The total of £15m is still currently invested and, based on recent years, is likely to remain there until late-March 2013, when it will probably be redeemed to support year-end cashflow. It is earning interest at a rate of 0.85% and the average daily balance in the first six months of 2012/13 was £6.9m.

3.11 External Cash Management

External cash managers, Tradition UK Ltd, currently manage £20m of our cash portfolio and provide useful advice and information on treasury management matters. In the first half of 2012/13, Tradition UK achieved a return of 1.65% (mainly as a result of the two longer term investments placed in August 2011 and July 2012 (see table below). Tradition UK have also been constrained by strategy changes approved after the Icelandic Bank crisis and by recent ratings downgrades. Details of externally managed funds placed on deposit as at the time of writing this report are shown below.

Sum	Start Date	Maturity	Period	Rate
Tradition UK				
£12.5m	27/03/12	26/03/13	1 year	3 month Libor, subject to cap 1.10% & floor 0.50%
£2.5m	27/07/12	04/07/13	11 months	3.00%
£5m	17/08/11	16/08/13	2 years	2.80%

3.12 Investment with Heritable Bank

Members will be aware from regular updates to the Resources Portfolio Holder and the Executive that the Council had £5m invested with the Heritable Bank, a UK subsidiary of the

Icelandic bank, Landsbanki, when it was placed in administration in early-October 2008 at which time our investment was, and still is, frozen. The latest estimate given by the administrators, Ernst & Young, late in September 2011 indicates a likely return of between 86% and 90% of our claim, but Council officers and our external advisers remain hopeful of an even better result. An initial dividend was paid to the Council in July 2009 and, since then, a further 11 dividends have been received. To date, 74.6% (£3,793k) of our total claim (£5,087k) has been returned to us, leaving a balance of £1,294k (25.4%).

For information, the claim we were obliged to submit consisted of the principal sum (£5m) plus interest due to the date on which Heritable was placed in administration (around £87,000). We were not able to lodge a claim for the full amount of interest (£321,000) that would have been due at the original investment maturity date (29/6/09). In accordance with proper accounting practice and guidance from CIPFA, we made provision in our 2008/09 accounts for an impairment loss of £1.64m and met this from the General Fund in that year. In line with revised guidance from CIPFA relating to the 2009/10 accounts, we were able to reduce the impairment by £300k and this sum was credited to the General Fund. The improved recovery estimate of between 86% and 90% (previously it was between 79% and 85%) enabled us to reverse a further £730k of the impairment in 2011/12. This left a provision for a net loss of £610k in the accounts as at 31st March 2012, which will potentially reduce or clear depending on the size of the final settlement sum.

Mid-Year Review of Treasury Management Strategy Statement and Annual Investment Strategy for 2011/12

3.13 Under the requirements of the CIPFA Code of Practice on Treasury Management, the Council is required to receive a mid-year review report on performance against the approved strategy. The Annual Investment Strategy was approved by Council on 20th February 2012 and a mid-year review is included at Annex A.

Proposed changes to the Annual Investment Strategy

3.14 Credit ratings downgrades since the Icelandic banking crisis in 2008 have resulted in the removal of many of our established counterparties from our lending list and it has become increasingly difficult to identify institutions to place money with. As is outlined in paragraph 3.7, our current approved strategy only permits investments with Lloyds TSB, RBS, HSBC, Barclays and Nationwide and limits for these institutions are almost always fully utilised. As a result, new investments can only be placed as and when maturities occur.

3.15 The restrictions on our lending list have resulted in large sums being placed in low interest accounts (in instant access money market funds) and this has had a significant impact on the Council's interest earnings. Around £87m is currently invested in money market funds and 35-day notice money at an average rate of around 0.64% (£560k in a full year) and we could broadly expect to almost double this if we were able to place more for longer periods with eligible UK banks and building societies.

3.16 A proposal to the Executive on 19th October 2011 to increase the lending limit for the two part-nationalised banks (Lloyds TSB and RBS) from £40m to £60m was approved, "subject to this being implemented after 3 months dependent on the prevailing financial position". The position has been kept under review since that decision was made and no further action is proposed at this time.

3.17 In order to provide a degree of extra flexibility and potentially to earn additional interest at no added risk, it is proposed that the strategy be amended to permit investments in the following:

- corporate bonds and

- the Payden Sterling Reserve Fund.

3.18 Corporate Bonds

Until 1st April 2012, investments in corporate bonds were classified as capital expenditure, which meant that they had to either be financed by borrowing (which the Council does not undertake) or by using capital receipts that had accumulated over the years in order to finance essential works, improvements, etc of a capital nature. In April 2012, however, the CLG changed the rules on capital expenditure for English local authorities and this no longer counts as capital expenditure.

3.19 In essence, companies issue bonds in order to raise long-term capital or funding, rather than issuing equity. These are non-standardised compared to other investment vehicles, each having an individual legal document known as a “bond indenture”, which specifies the rights of the holder and the obligations that must be met by the issuer, as well as the characteristics of that particular bond. Investing in a corporate bond usually offers a fixed stream of income, known as a coupon, payable twice a year, for a fixed, predetermined period of time in exchange for an initial investment of capital.

3.20 Many investors prefer not to hold them until maturity, as they can often offer marginal capital growth, but trading before maturity can be very risky, especially during the current volatile times, and requires in depth fixed income knowledge and experience. For local authorities looking for a fixed income stream, however, the buy and hold strategy is far more appealing.

3.21 There are a number of benefits, drawbacks and risks to consider before and during investing in corporate bonds. The main benefits, drawbacks and risks are as follows:

Benefits / Counter measures

Potential for higher returns than gilts and other assets
 Potential for greater liquidity than fixed term deposits (if sold before maturity)
 Credit ratings, credit default swaps

Drawbacks / Risks

Higher perceived risk
 Risk of capital loss (if sold before maturity)
 Credit risk

NB. There are other risks, including interest rate risk, inflation risk, re-investment risk, default risk and call-in risk, most of which are the same for any type of investment. These will be controlled by risk management procedures built into the investment strategy and treasury management procedures and, as is always the case, potential investments will be discussed with external advisers.

3.22 If approved, custodian facilities will be required for the Council to purchase corporate bonds and the Council will use existing contacts with brokers and market makers to find bonds that are both suitable and available in the market.

3.23 It is proposed that the Council be asked to approve the addition of corporate bonds as eligible investment vehicles in our investment strategy with a minimum credit rating of AA-, a maximum investment period of 5 years and a maximum total exposure of £25m (this would be in line with the current approved limits for UK Government Gilts).

3.24 Payden Sterling Reserve Fund

This Fund has been in existence since July 2010 and seeks to outperform bank deposits and money market funds by investing in short-term investment-grade sterling denominated instruments. The Fund would offer the following benefits:

- It is primarily comprised of UK Government securities and government guaranteed securities and investment grade corporate bonds.

- The Fund is AAA rated and only invests in very high quality, short-dated bonds (60% of Fund invested in AAA rated bonds; minimum credit rating AA-).
- It offers broad diversification by investing in around 70 different bonds, thus substantially reducing credit and counterparty risk.
- Performance return 2.02% in the year ended 31st August 2012 (more than double the return from money market funds).
- It currently has around £170m in assets under management and this is expected to increase to over £200m in the near future.
- Around 20 local authorities invest in the Fund.
- Transparency is provided in the form of a full daily list of holdings and transactions.
- External adviser, Sector, support the inclusion of the Fund in local authority strategies.

3.25 It is proposed that the Payden Sterling Reserve Fund be included as an eligible counterparty in Bromley's strategy, with a maximum investment limit of £15m (the same limit applies to all our money market funds) and the PDS Committee and Portfolio Holder are asked to recommend this to full Council.

Regulatory Framework, Risk and Performance

3.26 The Council's treasury management activities are regulated by a variety of professional codes and statutes and guidance:

- The Local Government Act 2003 (the Act), which provides the powers to borrow and invest as well as providing controls and limits on this activity;
- The Act permits the Secretary of State to set limits either on the Council or nationally on all local authorities restricting the amount of borrowing which may be undertaken (although no restrictions were made in 2009/10);
- Statutory Instrument (SI) 3146 2003, as amended, develops the controls and powers within the Act;
- The SI requires the Council to undertake any borrowing activity with regard to the CIPFA Prudential Code for Capital Finance in Local Authorities;
- The SI also requires the Council to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services;
- Under the Act the CLG has issued Investment Guidance to structure and regulate the Council's investment activities;
- Under section 238(2) of the Local Government and Public Involvement in Health Act 2007 the Secretary of State has taken powers to issue guidance on accounting practices. Guidance on Minimum Revenue Provision was issued under this section on 8th November 2007.

3.27 The Council has complied with all of the above relevant statutory and regulatory requirements which limit the levels of risk associated with its treasury management activities. In particular its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury

Management means both that its capital expenditure is prudent, affordable and sustainable, and its treasury practices demonstrate a low risk approach.

4. POLICY IMPLICATIONS

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

5. FINANCIAL IMPLICATIONS

5.1 An average rate of 1.5% was assumed for interest on new investments in the 2012/13 revenue budget (£2.69m), in line with estimates provided in January 2012 by the Council’s external treasury advisers. The average rate obtained on all new investments placed since the budget was agreed is slightly above this at around 1.59%. The Bank of England base rate is still expected to rise, but the expected start of the rise has been put back to the end of 2014 and could be even later. The latest financial forecast assumes 1.5% in 2013/14, 2.00% in 2014/15, 3.0% in 2015/16 and 3.5% in 2016/17. A variation of 0.25% in these assumptions would result in a variation in interest earnings of around £400k pa from 2013/14. At this stage in the year, it is forecast that the 2012/13 outturn will broadly be on budget.

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

Treasury Management Strategy Statement and Annual Investment Strategy

Mid-year Review Report 2012/13

1 Background

The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering maximising investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives. In practice, the Council has not in the past borrowed to finance its capital expenditure and has no plans to do so at present.

As a consequence treasury management is defined as:

“The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

2 Introduction

The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2011 was adopted by this Council in February 2012.

The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
3. Receipt by the full council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a **Mid-year Review Report** and an Annual Report (stewardship report) covering activities during the previous year.
4. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
5. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is the Executive & Resources PDS Committee:

This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:

- An economic update for the first six months of 2012/13;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- A review of the Council's investment portfolio for 2012/13;
- A review of the Council's borrowing strategy for 2012/13;
- A review of any debt rescheduling undertaken during 2012/13;
- A review of compliance with Capital and Treasury Prudential Limits for 2012/13.

3 Economic update

3.1 Economic performance to date

Economic sentiment, in respect of the prospects for the UK economy to recover swiftly from recession, suffered a major blow in August when the Bank of England substantially lowered its expectations for the speed of recovery and rate of growth over the coming months and materially amended its forecasts for 2012 and 2013. It was noted that the UK economy is heavily influenced by worldwide economic developments, particularly in the Eurozone, and that on-going negative sentiment in that area would inevitably permeate into the UK's economic performance.

With regard to the Eurozone, investor confidence remains weak because successive "rescue packages" have first raised, and then disappointed, market expectations. However, the uncertainty created by the continuing Eurozone debt crisis is having a major effect in undermining business and consumer confidence not only in Europe and the UK, but also in America and the Far East/China.

In the UK, consumer confidence remains very depressed with unemployment concerns, indebtedness and a squeeze on real incomes from high inflation and low pay rises, all taking a toll. Whilst inflation has fallen considerably (CPI @ 2.6% in July), UK GDP fell by 0.5% in the quarter to 30 June, the third quarterly fall in succession. This means that the UK's recovery from the initial 2008 recession has been the worst and slowest of any G7 country apart from Italy (G7 = US, Japan, Germany, France, Canada, Italy and UK). It is also the slowest recovery from a recession of any of the five UK recessions since 1930 and total GDP is still 4.5% below its peak in 2008.

This weak recovery has caused social security payments to remain elevated and tax receipts to be depressed. Consequently, the Chancellor's plan to eliminate the annual public sector borrowing deficit has been pushed back further into the future. The Monetary Policy Committee has kept Bank Rate at 0.5% throughout the period while quantitative easing was increased by £50bn to £375bn in July. In addition, in June, the Bank of England and the Government announced schemes to free up banking funds for business and consumers.

On a positive note, despite all the bad news on the economic front, the UK's sovereign debt remains one of the first ports of call for surplus cash to be invested in and gilt yields, prior to the ECB bond buying announcement in early September, were close to zero for periods out to five years and not that much higher out to ten years.

3.2 Outlook for the next six months of 2012/13

The risks in economic forecasts continue unabated from the previous treasury strategy. Concern has been escalating that the Chinese economy is heading for a hard landing, rather than a gentle slowdown, while America is hamstrung by political deadlock which prevents a positive approach to countering weak growth. Whether the presidential election in November will remedy this deadlock is debatable but urgent action will be required early in 2013 to address the US debt position. However, on 13 September the Fed. announced an aggressive stimulus programme for the economy with a third round of quantitative easing focused on boosting the stubbornly weak growth in job creation, and this time with no time limit. They also announced that it was unlikely that there would be any increase in interest rates until at least mid 2015.

Eurozone growth will remain weak as austerity programmes in various countries curtail economic recovery. A crunch situation is rapidly developing in Greece as it has failed yet again to achieve deficit reduction targets and so may require yet another (third) bail out. There is the distinct possibility that some of the northern European countries could push for the ejection of Greece from the Eurozone unless its financial prospects improve, which does not seem likely at this juncture. A financial crisis was also rapidly escalating over the situation in Spain. However, in early September the ECB announced that it would purchase unlimited amounts of shorter term bonds of Eurozone countries which have formally agreed the terms for a bailout. Importantly, this support would be subject to conditions (which have yet to be set) and include supervision from the International Monetary Fund. This resulted in a surge in confidence that the Eurozone has at last put in place the framework for adequate defences to protect the Euro. However, it remains to be seen whether the politicians in charge of Spain and Italy will accept such loss of sovereignty in the light of the verdicts that voters have delivered to the politicians in other peripheral countries which have accepted such supervision and austerity programmes. The Eurozone crisis is therefore far from being resolved as yet. The immediate aftermath of this announcement was a rise in bond yields in safe haven countries, including the UK. Nevertheless, this could prove to be as short lived as previous “solutions” to the Eurozone crisis.

The Bank of England Quarterly Inflation Report in August pushed back the timing of the return to trend growth and also lowered its inflation expectations. Nevertheless, concern remains that the Bank’s forecasts of a weaker and delayed robust recovery may still prove to be over optimistic given the world headwinds the UK economy faces. Weak export markets will remain a drag on the economy and consumer expenditure will continue to be depressed due to a focus on paying down debt, negative economic sentiment and job fears. The Coalition Government, meanwhile, is likely to be hampered in promoting growth by the requirement of maintaining austerity measures to tackle the budget deficit.

The overall balance of risks is, therefore, weighted to the downside:

- We expect low growth in the UK to continue, with Bank Rate unlikely to rise in the next 24 months, coupled with a possible further extension of quantitative easing. This will keep investment returns depressed.
- The expected longer run trend for PWLB borrowing rates is for them to eventually rise, primarily due to the need for a high volume of gilt issuance in the UK and the high volume of debt issuance in other major western countries. However, the current safe haven status of the UK may continue for some time, tempering any increases in yield.
- This interest rate forecast is based on an assumption that growth starts to recover in the next three years to a near trend rate (2.5%). However, if the Eurozone debt crisis worsens as a result of one or more countries having to leave the Euro, or low growth in the UK continues longer, then Bank Rate is likely to be depressed for even longer than in this forecast.

3.3 Sector's interest rate forecast

	17.9.12 actual	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15
BANK RATE	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.75	1.00
3m LIBID	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.70	0.90	1.10	1.40
6m LIBID	0.85	0.85	0.85	0.85	0.85	0.85	1.00	1.10	1.30	1.50	1.80
12m LIBID	1.30	1.30	1.30	1.30	1.40	1.50	1.70	1.90	2.10	2.30	2.60

4 Treasury Management Strategy Statement and Annual Investment Strategy update

The Treasury Management Strategy Statement (TMSS) for 2012/13 was approved by this Council in February 2012. It is proposed that the underlying TMSS approved previously requires revision in the light of economic and operational movements during the year. The proposed changes and supporting detail for the changes are set out in the covering report (see paragraphs 3.18 to 3.25).

5 Investment Portfolio 2012/13

In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. As set out in Section 3 (Economic Update), it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the 0.5% Bank Rate. The continuing Euro zone sovereign debt crisis, and its potential impact on banks, prompts a low risk and short term strategy. Given this risk adverse environment, investment returns are likely to remain low.

Details of the Council's investment activity during the first six months of 2012/13 are provided in paragraphs 3.4 to 3.8 of the covering report and lists of current investments are provided in Appendices 1 (in maturity date order) and 2 (by counterparty). Excluding the frozen Heritable investment of £5m, the Council held £212.1m of investments as at 30th September 2012 (£173.9m as at 31st March 2012).

The Finance Director confirms that the approved limits within the Annual Investment Strategy were not breached during the first six months of 2012/13.

The Council's budgeted investment return for 2012/13 is £2.691m, and performance for the year to date is broadly in line with the budget.

7 Borrowing

The Council's capital financing requirement (CFR) as at 1st April 2012 was £3.6m. The CFR denotes the Council's underlying need to borrow for capital purposes and, for Bromley, relates to outstanding finance lease liabilities in respect of plant, equipment and vehicles. If the CFR is positive, the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The Council does not borrow to finance its capital expenditure and has, in recent years, only had to borrow short-term (for cashflow purposes) on a very few occasions.

No borrowing is currently anticipated during this financial year or in any later financial year.

Prudential and Treasury Indicators – Mid Year Review 2012/13

The old capital control system was replaced in April 2004 by a prudential system based largely on self-regulation by local authorities themselves. At the heart of the system is The Prudential Code for Capital Finance in Local Authorities, developed by CIPFA. The Code requires the Council to set a number of prudential indicators designed to monitor and control capital expenditure, financing and borrowing. The indicators for 2012/13 were approved by the Executive and the Council in February 2012 and this Annex sets out the actual performance against those indicators in the first half year, updating them where necessary. Prudential and Treasury Indicators are relevant for the purposes of setting an integrated treasury management strategy.

The Council is required to indicate if it has adopted the CIPFA Code of Practice on Treasury Management. This original 2001 Code was adopted by the full Council in February 2002 and the revised 2011 Code was adopted by full Council in February 2012.

Prudential Indicators for Capital Expenditure

This table shows the revised estimates for capital expenditure and the changes since the Capital Programme for 2012/13 was agreed in February 2012. The increase in the latest estimate for 2012/13 is mainly the result of the significant level of slippage in expenditure planned for 2011/12, which has been highlighted in previous reports to the Executive and to PDS Committees.

Capital Expenditure by Portfolio	2012/13 Original Estimate £m	2012/13 Revised Estimate £m
Education	15.8	22.1
Renewal & Recreation	4.3	7.5
Environment	6.3	6.4
Care Services	6.5	6.9
Resources	1.4	4.2
Add: allowance for new schemes	2.5	-
Less: estimated slippage	-5.0	-10.0
Total	31.8	37.1

Changes to the Financing of the Capital Programme

The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure.

Capital Expenditure	2012/13 Original Estimate £m	2012/13 Revised Estimate £m
Supported	31.8	37.1
Unsupported	0.0	0.0
Total spend	31.8	37.1
Financed by:		
Capital receipts	6.1	7.0
Capital grants	12.8	17.1
Other external contributions	11.8	10.4
Revenue contributions	1.1	2.6
Total financing	31.8	37.1
Borrowing need	0.0	0.0

Changes to the Prudential Indicators for the Capital Financing Requirement, External Debt and the Operational Boundary

It is a statutory duty for the Council to determine and keep under review the “Affordable Borrowing Limits”, which comprise external / internal borrowing and other long-term liabilities, mainly finance leases. The Council’s approved Treasury and Capital Prudential Indicators (affordability limits) are outlined in the approved TMSS. The table below shows the expected “worst case” debt position over the period. This is termed the Operational Boundary. Bromley has an operational “borrowing” limit (Operational Boundary) of £30m, although in practice, this limit is never in danger of being breached.

The Authorised Limit, which represents the limit beyond which borrowing is prohibited, is another of the prudential indicators and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003 and, for Bromley, this figure has been set at £60m.

The table also shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. The Council’s capital financing requirement (CFR) as at 1st April 2012 was £3.6m. The CFR denotes the Council’s underlying need to borrow for capital purposes. If the CFR is positive, the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The Council’s CFR relates to liabilities arising from finance leases entered into in recent years in respect of various items of plant and equipment. The Council currently has no external borrowing as such. We are on target to achieve the original forecast Capital Financing Requirement for 2012/13.

Prudential Indicators	2012/13 Original Estimate £m	2012/13 Revised Estimate £m
CFR	6.9	3.3
Debt – Operational Boundary		
Borrowing	10.0	10.0
Other long-term liabilities	20.0	20.0
Total Operational Boundary	30.0	30.0
Debt – Authorised Boundary		
Borrowing	30.0	30.0
Other long-term liabilities	30.0	30.0
Total Operational Boundary	60.0	60.0

Other Prudential Indicators

Other indicators designed to control overall borrowing and exposures to interest rate movements are included in the summary table below, which will require the approval of full Council.

ANNEX B1 Prudential and Treasury Indicators - Summary

	2012/13	2012/13
	Original Estimate	Revised Estimate
	£m	£m
Total Capital Expenditure	£31.8m	£31.7m
Ratio of financing costs to net revenue stream	-1.5%	-1.5%
Net borrowing requirement (net investments for Bromley)		
brought forward 1 April	£143.0m	£170.3m
carried forward 31 March	£143.1m	£176.7m
in year borrowing requirement (reduction in net investments for Bromley)	£0.1m	£6.4m
Estimated CFR as at 31 March (finance lease liability)	£6.9m	£3.3m
(NB. Actual CFR as at 31 March 2012 (finance lease liability) = £3.6m)		
Annual change in Cap. Financing Requirement	-£0.3m	-£0.3m
Incremental impact of capital investment decisions	£ p	£ p
Increase in council tax (band D) per annum	-	-

TREASURY MANAGEMENT INDICATORS	2012/13 Original Estimate £m	2012/13 Revised Estimate £m
Authorised Limit for external debt -		
borrowing	£30.0	£30.0
other long term liabilities	£30.0	£30.0
TOTAL	£60.0	£60.0
Operational Boundary for external debt -		
borrowing	£10.0	£10.0
other long term liabilities	£20.0	£20.0
TOTAL	£30.0	£30.0
Upper limit for fixed interest rate exposure	100%	100%
Upper limit for variable rate exposure	20%	20%
Upper limit for total principal sums invested beyond year-end dates	£80.0	£80.0

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INVESTMENTS HELD AS AT 30th SEPTEMBER 2012

Counterparty	Start Date	Maturity Date	Rate of Interest %	Amount £
FIXED TERM DEPOSITS				
SUMITOMO MITSUI BANKING CORP	02/07/12	02/10/12	0.64000	10,000,000
NATIONWIDE BUILDING SOCIETY	16/04/12	16/10/12	1.35000	5,000,000
LLOYDS TSB BANK	26/10/10	26/10/12	2.45000	10,000,000
LLOYDS TSB BANK	27/10/11	26/10/12	2.30000	5,000,000
NATIONWIDE BUILDING SOCIETY	02/05/12	02/11/12	1.30000	5,000,000
BARCLAYS BANK PLC	02/08/12	02/11/12	0.67000	6,000,000
ROYAL BANK OF SCOTLAND	15/11/11	15/11/12	1.68000	10,000,000
LLOYDS TSB BANK	17/11/10	19/11/12	2.45000	5,000,000
BARCLAYS BANK PLC	24/09/12	24/12/12	0.56000	4,000,000
ROYAL BANK OF SCOTLAND	18/01/11	18/01/13	2.68000	10,000,000
ROYAL BANK OF SCOTLAND	05/03/12	05/03/13	1.87000	5,000,000
ROYAL BANK OF SCOTLAND	15/03/12	15/03/13	1.83000	5,000,000
ROYAL BANK OF SCOTLAND	19/03/12	19/03/13	1.83000	5,000,000
HSBC	27/03/12	26/03/13	0.60375	12,500,000
LLOYDS TSB BANK	31/03/11	28/03/13	2.75000	5,000,000
ROYAL BANK OF SCOTLAND	31/03/11	28/03/13	2.40000	2,500,000
LLOYDS TSB BANK	30/04/12	11/04/13	3.00000	5,000,000
ROYAL BANK OF SCOTLAND	19/04/11	19/04/13	2.40000	2,500,000
HSBC	16/05/12	16/05/13	0.81000	17,500,000
LLOYDS TSB BANK	27/07/12	04/07/13	3.00000	2,500,000
LLOYDS TSB BANK	17/08/11	16/08/13	2.80000	5,000,000
LLOYDS TSB BANK	19/09/11	19/09/13	2.75000	2,500,000
				<u>140,000,000</u>
OTHER				
Prime Rate Money Market Fund	Instant access account		0.61	15,000,000
Ignis Sterling Liquidity Fund	Instant access account		0.65	15,000,000
Legal & General Sterling Liquidity Fund	Instant access account		0.54	15,000,000
Insight Sterling Liquidity Fund	Instant access account		0.52	12,100,000
Svenska Handelsbanken	35-day notice account		0.85	15,000,000
TOTAL INVESTMENTS AS AT 30th SEPTEMBER 2012				<u>212,100,000</u>
ICELANDIC BANK DEPOSIT (not included above)				
Heritable Bank - total claim (principal & interest)	28/06/07	29/06/09	6.42	5,087,065
Less: Dividend received to 30/09/12				<u>-3,793,021</u>
Principal sum unrecovered as at 30/09/12				<u>1,294,044</u>
Provision in accounts for non-recovery (12% of total claim)				<u>610,000</u>

INVESTMENTS HELD AS AT 30/09/12

	FROM	TO	RATE	£m	TOTAL £m	LIMIT	REMAINING	Notes
UK BANKS								
HSBC BANK plc	27/03/12	26/03/13	0.60375	12.5				1
HSBC BANK plc	16/05/12	16/05/13	0.81000	17.5	30.0	30.0	0.0	2
BARCLAYS BANK PLC	02/08/12	02/11/12	0.67000	6.0				
BARCLAYS BANK PLC	24/09/12	24/12/12	0.56000	4.0	10.0	10.0	0.0	
LLOYDS TSB BANK	26/10/10	26/10/12	2.45000	10.0				
LLOYDS TSB BANK	27/10/11	26/10/12	2.30000	5.0				
LLOYDS TSB BANK	17/11/10	19/11/12	2.45000	5.0				
LLOYDS TSB BANK	31/03/11	28/03/13	2.75000	5.0				
LLOYDS TSB BANK	30/04/12	11/04/13	3.00000	5.0				
LLOYDS TSB BANK	27/07/12	04/07/13	3.00000	2.5				
LLOYDS TSB BANK	17/08/11	16/08/13	2.80000	5.0				
LLOYDS TSB BANK	19/09/11	19/09/13	2.75000	2.5	40.0	40.0	0.0	
ROYAL BANK OF SCOTLAND	15/11/11	15/11/12	1.68000	10.0				
ROYAL BANK OF SCOTLAND	18/01/11	18/01/13	2.68000	10.0				
ROYAL BANK OF SCOTLAND	05/03/12	05/03/13	1.87000	5.0				
ROYAL BANK OF SCOTLAND	15/03/12	15/03/13	1.83000	5.0				
ROYAL BANK OF SCOTLAND	19/03/12	19/03/13	1.83000	5.0				
ROYAL BANK OF SCOTLAND	31/03/11	28/03/13	2.40000	2.5				
ROYAL BANK OF SCOTLAND	19/04/11	19/04/13	2.40000	2.5	40.0	40.0	0.0	
SUMITOMO MITSUI BANKING CORP	02/10/12	02/01/13	0.54000	10.0	10.0	10.0	0.0	
UK BUILDING SOCIETIES								
NATIONWIDE BUILDING SOCIETY	02/05/12	02/11/12	1.30000	5.0				
NATIONWIDE BUILDING SOCIETY	16/04/12	16/10/12	1.35000	5.0	10.0	10.0	0.0	
OTHER ACCOUNTS								
PRIME RATE STERLING LIQUIDITY FUND	Instant access		0.61	15.0	15.0	15.0	0.0	
IGNIS STERLING LIQUIDITY FUND	Instant access		0.65	15.0	15.0	15.0	0.0	
LEGAL & GENERAL STERLING LIQUIDITY FUND	Instant access		0.54	15.0	15.0	15.0	0.0	
INSIGHT STERLING LIQUIDITY FUND	Instant access		0.52	12.1	12.1	15.0	2.9	
SVENSKA HANDELSBANKEN	35-day notice account		0.85	15.0	15.0	15.0	0.0	
TOTAL INVESTMENTS AS AT 30/09/12					212.1	212.1		
ICELANDIC BANK DEPOSIT (not included above)					£			
Heritable Bank - total claim (principal & interest)	28/06/07	29/06/09	6.42	5,087,065				
Less: Dividend received to 30/09/12				<u>-3,793,021</u>				
Principal sum unrecovered as at 30/09/12				<u>1,294,044</u>				

Notes

1. HSBC - deal placed for 1 year @ 3 months Libor, with a cap at 1.10% and a floor at 0.5%. Rate updated and interest paid quarterly.
2. HSBC - deal placed for 1 year @ 3 months Libor + 10 basis points. Rate updated and interest paid quarterly.

Report No.

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Resources Portfolio Holder

Date: For pre-decision scrutiny by the Executive and Resources PDS Committee on 18th October 2012

Decision Type: Non-Urgent Executive Key

Title: **MANORFIELDS, AVALON ROAD, ORPINGTON**

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

Chief Officer: Director of Renewal & Recreation

Ward: Orpington;

1. Reason for report

This report seeks authority to market this property.

2. **RECOMMENDATION(S)**

The Executive and Resources PDS Committee is requested to consider the proposed decision by the Resources Portfolio Holder and

The Resources Portfolio Holder is recommended to declare Manorfields, Avalon Road, Orpington, surplus to requirements and to agree that it should be advertised for sale on the open market.

Corporate Policy

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

Financial

1. Cost of proposal: Estimated Cost Capital receipt will be generated
 2. Ongoing costs: Recurring Cost £2.5k per month until property is sold
 3. Budget head/performance centre: Surplus Properties budget
 4. Total current budget for this head: £10k
 5. Source of funding: Existing revenue budget 2012/13
-

Staff

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

Legal

1. Legal Requirement: Statutory Requirement: S123 Local Government Act 1972
 2. Call-in: 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? Yes
2. Summary of Ward Councillors' comments: Any comments received will be reported at the meeting.

3. COMMENTARY

Manorfields Care Home closed in July 2010. It has a site area of approximately 1.26 acres (0.51ha). The property adjoins Leeds Close, which is a sheltered housing scheme owned by Affinity Sutton. The site had the benefit of planning permission which expired in 2011 for a 60 bed care home and 16 bed specialist care unit in a part two/three storey building which was proposed as part of the Council's reprovision arrangements with Shaw Healthcare.

Following the closure of this care home the Resources Portfolio Holder agreed to its retention to allow the consideration of alternative uses. The Resources Portfolio Holder agreed, following pre-decision scrutiny by the Executive and Resources PDS Committee on 15th June 2011, that the property should continue to be retained while options for the provision of special education services were considered.

It has now been agreed that this property is not required for educational use. There is no other Council requirement for the property and it is therefore recommended that it be offered for sale.

4. POLICY IMPLICATIONS

The Council's aims include being an authority which manages its assets well.

5. FINANCIAL IMPLICATIONS

A capital receipt will be generated by the sale of this property.

As the property has been retained to consider alternative uses, the ECS department will fund the revenue costs such as empty property rates and utilities until mid October 2012, for 2012/13 this totals £16,250. The surplus properties budget within the Strategic Property Services will meet the on-going revenue costs of £2.5k per month from October 2012 until the property is sold.

6. LEGAL IMPLICATIONS

6.1 Section 123 of the 1972 Local Government Act requires a local authority to secure the best consideration reasonable obtainable when disposing of land (other than on a lease of 7 years or less) unless it has the benefit of an express or general consent of the Secretary of State. The property would be advertised on the open market to ensure compliance with this requirement.



Non-Applicable Sections:	PERSONNEL IMPLICATIONS
Background Documents: (Access via Contact Officer)	Report to Resources Portfolio Holder dated 15.6.2012.

Report No.
RES12171

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Executive and Resources PDS Committee

Date: 18th October 2012

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

Title: PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS

Contact Officer: Graham Walton, Democratic Services Manager
Tel: 020 8461 7743 E-mail: graham.walton@bromley.gov.uk

Chief Officer: Mark Bowen, Director of Resources

Ward: N/A

1. Reason for report

- 1.1 This report draws the Committee's attention to reports on the draft agenda for the next meeting of the Executive on 24th October 2012. Members are requested to bring their copy of the Executive agenda to the PDS Committee's meeting.
-

2. **RECOMMENDATION(S)**

The Committee is recommended to select priority issues from the Executive agenda for pre-decision scrutiny.

Corporate Policy

1. Policy Status: Existing Policy: One of the roles of PDS Committees is to scrutinise proposals coming before executive bodies for decision – this supports the Excellent Council BBB priority.
 2. BBB Priority: Excellent Council
-

Financial

1. Cost of proposal: No Cost
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Democratic Services
 4. Total current budget for this head: £320,320 (2012/13 controllable budget)
 5. Source of funding: Existing revenue budget.
-

Staff

1. Number of staff (current and additional): There are 8 posts (7.22 fte) in the Democratic Services Team.
 2. If from existing staff resources, number of staff hours: Preparing this report takes less than one hour of staff time per meeting.
-

Legal

1. Legal Requirement: None
 2. Call-in: Not Applicable: This report does not involve an executive decision.
-

Customer Impact

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

Ward Councillor Views

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

3. COMMENTARY

3.1 At each meeting, members of this Committee have the opportunity to carry out pre-decision scrutiny of items for decision at forthcoming Executive meetings. This report identifies the reports expected for the next meeting of the Executive on 24th October 2012 and suggests which ones the Committee may wish to prioritise for scrutiny. At the time of writing, this is the draft list of reports and the Executive's agenda may change before it is published on 10th October 2012.

Part 1

Capital Monitoring Quarter 2 2012/13 ¹

Draw down of Funding for SEN and Disability Pathfinder Funding ¹

Procurement Strategy for Multi-Disciplinary Consultancy Services
for Capital Building Programme ¹

Approval of Procurement Strategy and Outline Proposal for Scheme at Riverside Special School

Gateway Review of Tenancy Support Services ²

Report of the Constitution Improvement Working Group¹

Part 2

Award of Contract for Learning Disability Services Framework ²

Residential and Nursing Home Contracts for Older People –

Tender Outcomes and Next Steps ²

Asset Management Planning Post Review Reports –

Biggin Hill library and Swimming Pool and The Pavilion ²

(This report was scrutinised by Renewal & Recreation PDS Committee on 2/10/12)

Opportunity Site G, West of High Street, Bromley - Churchill Place ^{1 2}

(Reports marked ¹ are recommended for pre-decision scrutiny by this Committee; reports marked ² are key or private decisions.)

3.2 Under the Council's arrangements for decision making by individual executive portfolio holders, reports covering the Resources Portfolio Holder's proposed decisions are set out under separate headings on this agenda.

Non-Applicable Sections:	Policy/Financial/Legal/Personnel
Background Documents: (Access via Contact Officer)	Forward Plan September 2012

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Report No.
RES12172

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker: Executive and Resources PDS Committee

Date: 18th October 2012

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

Title: WORK PROGRAMME 2012/13

Contact Officer: Graham Walton, Democratic Services Manager
Tel: 020 8461 7743 E-mail: graham.walton@bromley.gov.uk

Chief Officer: Mark Bowen, Director of Resources

Ward: N/A

1. Reason for report

1.1 This report offers the Committee the opportunity to consider its work programme, including scheduled meetings and all PDS working groups. The Committee has nine meetings scheduled during 2012/13 – the dates are set out in Appendix 1.

2. **RECOMMENDATION**

2.1 The Committee is requested to consider -

- (a) its work programme schedule (paragraphs 3.1 – 3.3 and appendix 1);
- (b) the progress of PDS Working Groups (paragraphs 3.4 – 3.5 and appendix 2.)

2.2 The Committee is recommended to re-convene the New Technology Working Group to consider Members' IT issues in response to the Constitution Improvement Working Group's fourth report. (The original membership was Councillors Will Harmer (Chairman), Judi Ellis, Nicholas Bennett, Kate Lymer and Roxhannah Fawthrop.)

Corporate Policy

1. Policy Status: Existing policy. All PDS Committees receive a report on their work programmes at each meeting.
 2. BBB Priority: Excellent Council.
-

Financial

1. Cost of proposal: No cost
 2. Ongoing costs: N/A.
 3. Budget head/performance centre: Democratic Services
 4. Total current budget for this head: £320,320 (controllable budget)
 5. Source of funding: Existing 2012/13 revenue budgets
-

Staff

1. Number of staff (current and additional): There are 8 posts (7.22 fte) in the Democratic Services Team.
 2. If from existing staff resources, number of staff hours: Maintaining the Committee's work programme usually takes less than an hour per meeting.
-

Legal

1. Legal Requirement: No statutory requirement or Government guidance.
 2. Call-in: Call-in is not applicable. The report does not involve an executive decision.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): This report is intended primarily for Members of this Committee to use in controlling their on-going work.
-

Ward Councillor Views

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

3. COMMENTARY

Meeting Schedule

- 3.1 Each PDS Committee determines its own work programme, balancing the roles of – (i) holding the Executive to account, (ii) policy development and review and (iii) external scrutiny. This Committee has the additional role of providing a lead on scrutiny issues and coordinating PDS work.
- 3.2 PDS Committees need to prioritise their key issues. The work programme also needs to allow room for items that arise through the year, including Member requests, call-ins and referrals from other Committees. Committees need to ensure that their workloads are realistic and balanced, allowing sufficient time for important issues to be properly scrutinised. Members also need to consider the most appropriate means to pursue each issue – the current overview and scrutiny arrangements offer a variety of approaches, whether through a report to a meeting, a time-limited working group review, a presentation, a meeting focused on a single key issue or any other method.
- 3.3 A schedule of the Committee’s meetings in 2012/13 is attached at [Appendix 1](#). The timing of meetings is tied to the need to pre-scrutinise Executive agendas. Provisional dates for question and answer sessions with the Leader, Resources Portfolio Holder and Chief Executive are included – some of these are subject to confirmation.

Working Groups

- 3.4 In [Appendix 2](#), PDS Working Groups and other sub-groups are set out. The Policy Development and Scrutiny Toolkit suggests that each Committee should aim to carry out no more than two or three full scale reviews each year, and it offers guidance and techniques for prioritising reviews.
- 3.5 In recent years, the Committee has examined a number of issues through its Working Groups. Part of the Committee’s workload may include follow-up work on some of these reviews, and the Committee at a previous meeting suggested monitoring progress with the recommendations from two previous reviews – Communications and New Technology. The Committee’s working group on Local Government Finance is next due to meet on 24th October 2012.
- 3.6 The latest report of the Constitution Improvement Working Group, due to be considered by the General Purposes and Licensing Committee on 23rd October, the Executive on 24th October and full Council on 12th November, contains recommendations about Member’s IT. It is proposed that this Committee re-convenes the New Technology Working Group to consider the detailed implementation of the recommendations, subject to decisions made by Council. The Working Group’s original membership was Councillors Will Harmer (Chairman), Judi Ellis, Nicholas Bennett, Kate Lymer and Roxhannah Fawthrop.

Non-Applicable Sections:	Policy/Financial/Legal/Personnel
Background Documents: (Access via Contact Officer)	Previous Work Programme reports.

COMMITTEE MEETING SCHEDULE 2012/13

Meeting 1: Thursday 17th May 2012

Standard items (Matters Arising/Forward Plan/PDS Updates/Work Programme)
Contracts Register
HR Update

Meeting 2: Thursday 14th June 2012

Standard items (Matters Arising/Forward Plan/PDS Updates/Work Programme)
IT Contract Monitoring
Annual PDS Report 2011/12
HR Issues – follow up

Meeting 3: Wednesday 18th July 2012

Standard items (Matters Arising/Forward Plan/PDS Updates/Work Programme)
Housing Benefits and Revenues Monitoring Reports
Report of the Big Society Working Group
Scrutiny of the Resources Portfolio Holder

Meeting 4: Thursday 6th September 2012

Standard items (Matters Arising/Forward Plan/PDS Updates/Work Programme)
Contracts Register (Resources and Corporate)
Section 106 Monitoring Report
Capital Programme Monitoring
Scrutiny of the Chief Executive

Meeting 5: Thursday 18th October 2012

Standard items (Matters Arising/Forward Plan/PDS Updates/Work Programme)
Treasury Management
Public Health – Update from the Resources Portfolio Holder
Scrutiny of the Leader

Meeting 6: Wednesday 21st November 2012

Standard items (Matters Arising/Forward Plan/PDS Updates/Work Programme)
Assets held for Sale (reference from GP&L Cttee)
Communications Working Group – Update
New Technology Working Group – Update
Scrutiny of the Resources Portfolio Holder

Meeting 7: Thursday 3rd January 2013

Standard items (Matters Arising/Forward Plan/PDS Updates/Work Programme)
Contracts Register (Resources and Corporate)
Bromley Youth Employment Project – Update

Meeting 8: Thursday 31st January 2013

Standard items (Matters Arising/Forward Plan/PDS Updates/Work Programme)
Housing Benefits and Revenues Monitoring Reports
Scrutiny of the Leader (to be confirmed)

Meeting 9: Wednesday 27th March 2013

Standard items (Matters Arising/Forward Plan/PDS Updates/Work Programme)
Annual PDS Report 2012/13
Scrutiny of the Chief Executive (to be confirmed)

May 2013

Standard items (Matters Arising/Forward Plan/PDS Updates/Work Programme)
Contracts Register (Resources and Corporate)

PDS SUB-GROUPS 2012/13

SUBJECT	DURATION	MEMBERSHIP
EXECUTIVE & RESOURCES PDS		
Active Citizens (Big Society)	Completed - Reported to the PDS Committee on 18 th July 2012. and Executive on 12 th September 2012.	Cllrs Ruth Bennett, Richard Scoates, Nicholas Bennett, Kathy Bance and Russell Mellor
Changes to Local Government Finance	First meeting 31 July 2012 – to complete by December 2012?	Cllrs Eric Bosshard, John Getgood, Russell Mellor, Ernest Noad and William Huntington-Thresher
CARE SERVICES PDS		
Health Scrutiny Sub-Committee	Ongoing – meetings are scheduled twice a year (11 th July 2012 and 31 st January 2013)	All PDS Members
Accommodation and Care for Older People (formerly Care Homes Reference Group)	Ongoing	Cllrs Ruth Bennett & Charles Rideout, plus Angela Clayton Turner, Leslie Marks, Ray Clay, Ken Keepen, Marion Purl & Barbara Campedelli
Housing (with R&R PDS)	First meeting on 10 th October 2012	Cllrs Judi Ellis, John Getgood and Charles Rideout (Care Services PDS) Kathy Bance, Nicky Dykes & John Ince (Renewal & Recreation PDS).
EDUCATION PDS		
Education Budget Sub-Committee	First meeting on 31 st July 2012	Cllrs Nicholas Bennett, Buttinger, Dykes, McBride and Reddin
Primary School Development Plan Working Group	Meets when needed	Cllrs Bance, Buttinger, Ellis, Humphrys, Reddin

Behaviour Service Working Group	Established by education PDS Cttee on 11 th September 2012	Cllrs Nicholas Bennett and Alexa Michael, Darren Jenkins, Joan McConnell and Head Teacher representatives
ENVIRONMENT PDS		
Waste Minimisation	On-going	Cllrs William Huntington-Thresher, Reg Adams, Lydia Buttinger & Samaris Huntington-Thresher
Transport Priorities Working Group	On-going	Cllrs William Huntington-Thresher, Nicholas Bennett, Ellie Harmer, David Jefferys and Nicholas Milner
Street Cleaning Working Group	On-going	Cllrs William Huntington-Thresher, Kathy Bance, Jane Beckley, Tom Papworth and Ian Payne
Parking Working Group	On-going	Cllrs Samaris Huntington-Thresher, William Huntington-Thresher, Sarah Phillips & Michael Turner
PUBLIC PROTECTION & SAFETY PDS (No sub-groups appointed at present)		
RENEWAL & RECREATION PDS		
Beckenham & West Wickham Town Centres Working Group	On-going: holding monthly meetings in Beckenham and West Wickham	Cllrs Michael Tickner, Julian Benington, Nicholas Bennett, Peter Fookes, Sarah Phillips and Stephen Wells
Housing (See Care Services)	-	-

Agenda Item 15

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