

TO MEMBERS OF THE COUNCIL

Notice is hereby given that a meeting of the Council of the London Borough of Bromley is to be held in the Council Chamber at Bromley Civic Centre on Wednesday 27 February 2013 at 7.00 pm which meeting the Members of the Council are hereby summoned to attend.

Prayers

A G E N D A

- 1 Apologies for absence
- 2 To confirm the Minutes of the meeting of the Council held on 21st January 2013 (Pages 3 - 42)
- 3 Declarations of Interest
- 4 Questions from members of the public where notice has been given.
- 5 Petitions (if any)
- 6 Oral questions from Members of the Council where notice has been given.
- 7 Written questions from Members of the Council
- 8 To consider any statements that may be made by the Leader of the Council, Portfolio Holders or Chairmen of Committees.
- 9 Budget (Revenue and Capital) and Council Tax setting - to consider the recommendations of the meeting of the Executive held on 6th February 2013 (Pages 43 - 56)

All Members are requested to bring with them to the meeting their copies of the Director of Resources' reports on the following:

- *2013/14 Council Tax*
- *Capital Programme Monitoring Q3 2012/13 & Annual Capital Review 2013 to 2017*

- 10 Treasury Management - Annual Investment Strategy 2013/14 (Pages 57 - 86)
- 11 Pay Policy Statement 2013/14 (Pages 87 - 102)
- 12 Workplace Pensions: Automatic Enrolment (Pages 103 - 112)
- 13 Members' Allowances Scheme 2013/14 (Pages 113 - 122)

- 14 Health and Wellbeing Board - Interim Arrangements (To follow)
- 15 Council Meeting on 12th November 2012 - Motion on Government Planning Policies (Pages 123 - 126)
- 16 To consider Motions of which notice has been given.
- 17 The Mayor's announcements and communications.

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Chief Executive

**BROMLEY CIVIC CENTRE
BROMLEY BR1 3UH
Tuesday 19 February 2013
Vol. 49 No. 5**

Agenda Item 2

LONDON BOROUGH OF BROMLEY

MINUTES

of the proceedings of the Meeting of the
Council of the Borough
held at 7.00 pm on 21 January 2013

Present:

**The Worshipful the Mayor
Councillor Michael Turner**

**The Deputy Mayor
Councillor Ian F. Payne**

Councillors

Reg Adams	Peter Fookes	Nick Milner
Graham Arthur	Peter Fortune	Peter Morgan
Kathy Bance MBE	John Getgood	Gordon Norrie
Nicholas Bennett J.P.	Julian Grainger	Tony Owen
Ruth Bennett	Ellie Harmer	Tom Papworth
Eric Bosshard	Will Harmer	Sarah Phillips
Katy Boughey	William Huntington-	Neil Reddin FCCA
Lydia Buttinger	Thresher	Richard Scoates
John Canvin	John Ince	Colin Smith
Stephen Carr	Russell Jackson	Diane Smith
Roger Charsley	David Jefferys	Tim Stevens
Peter Dean	Charles Joel	Harry Stranger
Nicky Dykes	Paul Lynch	Michael Tickner
Judi Ellis	Mrs Anne Manning	Pauline Tunnicliffe
Robert Evans	David McBride	Stephen Wells
Roxhannah Fawthrop	Russell Mellor	
Simon Fawthrop	Alexa Michael	

The meeting was opened with prayers

In the Chair
The Mayor
Councillor Michael Turner

40 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Auld, Beckley, Benington, Humphrys, Samaris Huntington-Thresher, Noad, Catherine Rideout, Charles Rideout and Stranger. Apologies for lateness were received from Councillor Papworth.

41 MINUTES OF THE LAST MEETING

The Minutes of the last meeting were confirmed subject to the following amendments in italics:

- i) Members present to include Councillor John Getgood.
- ii) Minute 32 – Localised Pay and Conditions of Service – should read:

“LOCALISED PAY AND CONDITIONS OF SERVICE – REPORT OF THE GENERAL PURPOSES AND LICENSING COMMITTEE

A Motion to adopt from 1st April 2013, or the earliest possible date thereafter, localised pay and conditions of service on the following basis was duly proposed and seconded *and it was agreed that the Council:*”

- ii) Appendix A – Oral Questions from Members of the Public

Question 2 should be addressed to Councillor Colin Smith, Environment Portfolio Holder

42 DECLARATIONS OF INTEREST

Councillor Katy Boughey declared a non-pecuniary interest in the second Motion to be considered under item 10 as she worked as a volunteer for the Bromley CAB.

Councillor Peter Morgan during Members Questions Time declared an interest in supplementary response to Question 8 and the reference to the new Fire Station at Orpington as one of his daughters worked for Kier Property who may be involved in that development.

43 QUESTION BY A MEMBER OF THE PUBLIC

One member of the public attended the meeting to ask an oral question details of which are set out in Appendix A to these Minutes.

44 QUESTIONS BY MEMBERS

These are attached at Appendices B and C.

45 STATEMENTS MADE BY THE LEADER OF THE COUNCIL, PORTFOLIO HOLDERS OR CHAIRMEN OF COMMITTEES

The Portfolio Holder for Resources made a pre-budget statement regarding Pay and Conditions. Councillor Arthur advised that following the Council decision to adopt Local Pay and Conditions from April 2013 that the Budget for the coming year, due to be presented for approval in February would

include proposals for pay awards for those staff who accepted the revised contracts, which he detailed. In addition a one off payment of £200 would be paid to staff who signed a variation of contract before 11th March 2013 in acceptance of the Council's decision to move to fully localised pay and conditions.

The Portfolio Holder also confirmed that the Council would implement the Merit Award payments for exceptional performance. In addition for staff who agreed to accept the variation to their contract the Administration would guarantee that no changes would be made to their terms and conditions either in the coming year or the one that follows. Councillor Arthur responded to questions from members.

46 COUNCIL TAX SUPPORT/REDUCTION

A Motion to adopt the new Council Tax Support/Reduction Scheme based on Option 1, as set out in the report, with effect from 1st April 2013 was proposed, seconded and adopted.

47 PCT FUNDING - EARMARKED RESERVE

A Motion to approve a recommendation to set a side funding from the PCT as an earmarked reserve was moved, seconded and adopted.

48 MOTIONS

Notice of 2 Motion had been received and these were dealt with as follows:

1) Education Commitments

The following Motion was proposed by Councillor Stephen Wells and seconded by Councillor Nicholas Bennett JP:-

That this Council approves the following statement setting out the Council's Education commitments, and encourages the Government , schools in Bromley, the Council's Executive and the Council's Portfolio Holder for Education to take the appropriate steps to enable this philosophy to be implemented:

Preamble

The Bromley Education Commitments include some matters which are the responsibility of national government or of our schools, however we believe it is important that the parents, residents and employers we serve and the staff who implement our policies should have a clear statement of the philosophy which underpins those objectives and policies.

Every child matters and deserves a first class education to suit their individual needs and talents. A rounded education is the key

to a fulfilling life. The investment we make in our schools and colleges helps to ensure a successful future for our country.

General Principles

1. we believe in the right of parents (where practicable) to have as much choice of schools as possible including faith schools;
2. we will support and encourage all Bromley LA schools to convert to academy status;
3. we support the creation of 'free schools' and, where appropriate, will encourage local parents to apply for one;
4. we will continue to support the expansion of selective education, including Grammar Schools, particularly in the central and northern part of the Borough;
5. we will continue to improve the provision of SEN education in the Borough;
6. we support the concept of an education voucher system which gives additional support to children with different educational needs, including academically gifted pupils;
7. we will continue to encourage all Bromley secondary schools to ensure that all suitable pupils are prepared for the universities which best meet their aspirations;
8. we support the concept of a University Technical College (UTC) providing high quality technical education for 14-19 year olds;
9. we support the creation of 'modern apprenticeships' for a wide variety of skilled trades;
10. we support the concept of 'lifelong learning' and the important work of adult education.

Within the remaining Maintained sector

1. we will support schools in ensuring that all teachers and other staff are competent in their role;
2. we will support schools in maintaining good discipline;

3. we will work to improve school governance;
4. we will work to improve the chances for underperforming children particularly in the early years and primary years and will work to encourage the continuing development of high quality early year provision in the Borough through existing and new private and voluntary providers;
5. we will encourage schools to identify children with exceptional talents or academic ability and ensure that their needs are provided for;
6. we will support changes to improve the quality and rigour of the exam system;
7. we will support measures (including reading through Phonics) to ensure that no child leaves primary school unable to read and write English and without a good competence in basic maths.

An Amendment to the Motion was put forward by Councillor Getgood, seconded by Councillor Fookes, requesting that as this was a very complex issue and setting policy, the preamble should be deleted and a sentence added that the proposals should first be referred to the Education PDS Committee for proper discussion and scrutiny.

On being put to the vote the Amendment was LOST.

After debate the original Motion was put to the vote and CARRIED.

2) Beckenham and Penge CAB

The following Motion was proposed by Councillor Peter Fookes and seconded by Councillor John Getgood:-

“This Council resolves to urge the Executive to support the retention of the current base of Beckenham and Penge CAB and also to provide an outreach service to local residents.”

On being put to the vote the Motion was LOST.

49 THE MAYOR'S ANNOUNCEMENTS

The Mayor thanked those Members who had attended his Charity Dinner at Cinnamon Culture on Wednesday 16th January and also encouraged support for his Quiz Evening due to take place on Friday 8th February 2013.

Mayor

The Meeting ended at 9.21 pm

COUNCIL MEETING

21st JANUARY 2013

ORAL QUESTION FROM A MEMBER OF THE PUBLIC

From Mr David Clapham, Chairman Keston Village Resident's Association of Councillor Peter Dean, Chairman of the Development Control Committee

(Background information:

You will recall our correspondence in October and November 2012, in which I voiced concerns about the quality and number of staff within the Council's Planning Department. In my view, the Planning Department needs to be properly staffed as I believe this Council department is vital in creating the wealth which underpins a vibrant local economy.)

Question

I understand that the Chief Planner has now retired. Could you please outline what specific steps have been taken to bring the Planning Department, and in particular the Development Control (Majors) Team up to full strength?

Reply:

Councillor Dean responded that he was very pleased to answer the question as they both agreed that the Planning Department was crucial as Mr Clapham had said in creating a 'vibrant local economy'. He advised that in the past year Development Control have granted permissions enabling major town centre restructuring in Bromley Town Centre and quite recently in Orpington Town Centre. The Council would continue to determine decisions as both the Area Action Plan unfolded and when other major developments emerged. It was also our responsibility to ensure that the clean and green element of living in Bromley was maintained. Over 50% of Bromley land space constituted green belt land and the Council would ensure this legacy was not undermined by inappropriate development. However in order to maintain the very high standard of service provided by the Planning Department it was essential that it was properly staffed and fully equipped with the right specialists to provide what was required. Councillor Dean said that it was no secret that a number of planning staff had departed in the past 18 months or so. In the first instance it had to be recognised that with the construction industry in decline there were a reduced number of applications being considered so that there was no immediate need to fill all those vacancies particularly in Building Control. Secondly, although a few specialist staff had been lost these roles were now filled by existing staff taking advantage of new opportunities or by temporary staff on fixed term contracts. These contracted

staff provided an excellent quality of service and the indications were that if and when those positions become permanent they would be interested in tendering their applications.

Councillor Dean referred to the correspondence with Mr Clapham on this matter last year when he sent quite a comprehensive reply and expressed satisfaction with the Planning Department generally but did have some concerns about the lack of senior management available to run the Major Applications section. He agreed that this was a very important role to question further and was pleased to advise that one of the most experienced and Senior Planning Officers had recently been given responsibility for this section.

Supplementary Question:

Mr Clapham stated that he had noticed from an item on the Renewal & Recreation PDS Committee meeting last Thursday in Appendix 1 various statistics on the Planning Dept. These showed a deterioration in the percentage of applications decided in 8 weeks running from 2008-2013, both for minor and other applications. He asked - are you therefore satisfied that the Planning Department is correctly resourced to maintain and achieve the target set by the government in the turn round of applications?

Reply:

Councillor Dean replied that as he had said earlier the Planning Dept was not fully staffed at the moment but that contingencies had been made including a number of additional staff on temporary fixed term contracts. It was therefore his opinion that the Department was fully equipped to provide a service that the public would expect from the Council.

COUNCIL MEETING

21st JANUARY 2013

ORAL QUESTIONS BY MEMBERS OF THE COUNCIL

1. From Councillor Tony Owen of the Chairman of the Development Control Committee

How many planning enforcement cases are currently unresolved?

(Councillor Owen arrived after his question had been put and in his absence the Chairman read out his intended reply.)

Reply:

The Chairman advised that the Council's Planning Enforcement Section currently had around 400 unresolved cases concerning alleged breaches of planning control dating from 2011-2012. This compared with approximately 1500 new enforcement enquiries over the same period.

The majority of cases could be resolved following a site visit that typically lead to a number of possible resolutions, for example the development already had planning permission or a minor breach could be rectified without the need for formal action. In other cases it may be possible to rectify the breach by negotiation or where it was not expedient to take enforcement action.

The unresolved cases included those where formal enforcement action was actively being pursued, a retrospective application had been submitted or an appeal had been lodged. Over 80 notices were issued in 2012, the majority being subject to appeal.

2. From Councillor Nicholas Bennett JP of the Portfolio Holder for Resources

Pursuant to my question to the Chairman of the GP&L Committee at the Council Meeting on 26th March 2012 which revealed that the taxpayer was providing assistance to the value of £64,000 to staff for trades union and related activities what action is being taken to recoup this expenditure from the trades unions?

Reply:

The Portfolio Holder advised that the figure in the question covered the corporate trade union and staff side activities. The latter had been introduced locally by the Council many years ago to support staff engagement and participation in organisational improvement and change programmes. However, the staff representation structure was not immune from change and

it would be reviewed in the next financial year to reflect the pressures and structural changes in the organisation. Staff and their representatives and other key internal stakeholders would be consulted at the appropriate time.

Supplementary Question:

Councillor Bennett asked if the PH would ensure that the concerns of the general public and of members that the Council was paying out for trade union activity from the Council Tax payers' purse when this ought to be provided by the Trade Unions was taken into account and there would be a speedy resolution in the next year.

Reply:

Councillor Arthur advised that the Council had a legal obligation to support Trade Union activities where they are recognised in the work place. However, going forward into next year as we move to Local Pay and Conditions and change the organisational structural of the Council it would be appropriate as part of that reorganisation to look at the way trade union activities were funded. The Portfolio Holder also said that he had taken note of this and the concern that the level of funding in that area may well be of concern to local taxpayers who might expect the Council to do something about it.

3. From Councillor David McBride of the Portfolio Holder for Public Protection and Safety

What effect does he think the closure of the Police offices in Orpington and Biggin Hill Airport will have to the safety of residents and businesses in those areas?

Reply:

The Portfolio Holder thanked Councillor McBride for his question and explained that the reason why the front desk in Orpington Police station was closing was because the Police station was being sold off. The only Police presence currently at the Police Station was the Orpington Safer Neighbourhood Team and they were temporally moving to the Pettswood base whilst alternative arrangements were put into place. The Police were currently consulting on possible locations for proposed public access points in Orpington and were negotiating with both the Council and Local businesses.

As far as Biggin Hill was concerned Bromley Police had no presence or office at the Airport. There was however a Safer Neighbourhood base at Main Road Biggin Hill housing both the Biggin Hill and Darwin teams. The front counter of this office was staffed by volunteers and had a low footfall. The intention was to have a public access point at the Biggin Hill Library which would be supported by both volunteers and the local police team which would provide an enhanced service to local residents.

In conclusion Councillor Stevens advised that these changes would have no negative effect on residents and business alike and would actually have a positive effect with an increased Police presence in both Biggin Hill and Orpington.

Supplementary question:

Councillor McBride asked leave of the Mayor to first of all ask the Portfolio Holder, Councillor Colin Smith, to pass on to Council staff congratulations for the very good work they had done during the bad weather in the last few days. Not only clearing main roads and foot ways but also the information that had been made available to the public which he felt had been much improved this year than previously.

His supplementary question was on the Mayor of London's Policing Plan and he asked if the Portfolio Holder would agree that it was a real worry for communities that it was proposed to have only 1 dedicated Police Constable and 1 dedicated PCSO in each ward. This would result in a waste of local knowledge in the Police Teams and loss of community engagement and he asked if Councillor Stevens would pass on those concerns to the Mayor of London in the consultation meetings.

Reply:

Councillor Stevens agreed that it was a concern both to him and the Leader of the Council and that this matter had been raised with the Deputy Mayor at recent meetings. He confirmed that Councillor McBride was correct in his comments and that under the proposed new Policing model there would be 1 Police Constable and 1 PCSO dedicated per ward whilst the remainder of the team would be merged into a Sector Team who would be expected to patrol the rest of that Sector. Bromley was currently divided into 4 Sectors, 2 with 6 teams and 2 with 5 teams. The Portfolio Holder was also concerned that unless Bromley got the police numbers that were originally stated, but that this now looked unlikely, then the Borough Commander would struggle to even put out Sector Teams. He confirmed that he viewed this very seriously and had raised these concerns and would continue to do so with the Deputy Mayor for Policing to ensure Bromley had its proper share of police resources. He considered that it was vital to keep the local police teams in place as to date they had done such a good job.

Further Supplementary Question:

Councillor Getgood asked a further supplementary question of the Portfolio Holder as to his reaction to the broken promises and pledges by the Mayor. He stated that the number of police promised fell short of what the Mayor had said during his campaign and his previous Mayoralty and asked what representations the Portfolio Holder would be making on those grounds.

Reply:

Councillor Stevens did not accept that the Mayor or Deputy Mayor for policing had broken their promises. Both the Deputy Mayor and Assistant Commissioner would be attending a meeting in Bromley next Monday evening to explain their plans when we would see what they had to say. Councillor Stevens commented that the situation had been brought about by the previous government's shambolic handling of the economy resulting now in deep cuts having to be made.

4. From Councillor John Ince of the Portfolio Holder for Public Protection and Safety

Would the Portfolio Holder confirm that, following persistent requests from ward members and the Safer Neighbourhood Panel, that CCTV will be installed and in operation at the Cotmandene Crescent / Chipperfield Road car park in order to address the problem of persistent fly-tipping by anti social elements at this location?

Reply:

The Portfolio Holder stated that he was delighted to announce that a report was going to tomorrow night's Public Protection and Safety PDS Committee with a recommendation, which he intended to accept, that two cameras be placed in Cotmandene Crescent at the same location as the previous cameras that were part of the old Cray CCTV camera scheme that had been decommissioned for some time.

The reason the cameras were being installed was as a result of requests from the Ward Councillors and their excellent work, together with the Safer Neighbourhood Panel, in respect of the persistent fly tipping and anti social behaviour in the Cotmandene Crescent area.

The Portfolio Holder thanked Councillor Colin Smith who had arranged for the Street Services division to repeatedly clean up the fly tipped rubbish. He said positive action was being taken by installing these cameras and sending out the message that if you fly tip or cause anti social behaviour you would be prosecuted.

The Portfolio Holder was sure that Councillor Ince and his ward colleagues would welcome this excellent news along with their Safer Neighbourhood Panel and local residents associations all of whom had worked so hard for the reinstatement of these CCTV cameras.

Supplementary Question:

Councillor Ince thanked the Portfolio Holder and went on to ask if he could also assure Ward members that the CCTV cameras would be consistently

monitored and that appropriate action would be taken against any incidents of fly tipping and fly tippers.

Reply:

Councillor Stevens confirmed that the new cameras would be part of the system monitored here at the Civic Centre Control Room and if anyone was seen fly tipping or behaving in an inappropriate manner then action would be taken against them.

5. From Councillor Peter Fortune of the Portfolio Holder for Public Protection and Safety

Would the Portfolio Holder reassure me, and the residents of Cray Valley East, that we can expect to see continued investment in the regeneration of the ward with the instillation of CCTV cameras on Star Lane. Would the Portfolio Holder also recognise the efforts made by the newly formed Star Lane Residents Association in being a part of this process and join me in congratulating them for the proactive manner in which they are tackling the challenges in the area.

Reply:

The Portfolio Holder was also pleased to announce as mentioned in his reply to the previous question that at the Public Protection & Safety PDS Committee meeting tomorrow the report would also contain a recommendation, which he intended to accept, for one static CCTV camera to be placed at the lower end of Star Lane near to the High Street. This would combat the problems of antisocial behaviour and fly tipping and also send out a clear message that if people continued to behave in this way the Council and Police would now prosecute them.

Councillor Stevens also paid tribute to the three Ward Councillors who had put aside political differences to campaign for CCTV for their residents. The announcement tonight was intended to build on the good work of the Council and its Partners following the recent Star Lane and Riverbirds estate clean up when 20 plus tons of rubbish, a record amount, had been taken away. This initiative came about when the newly formed Star Lane Residents Association, backed by Ward Councillors, demanded action to sort out the problems of fly tipping, anti social behaviour, dumped vehicles and graffiti. It had proved a huge success and sent out a clear message that the Council and its Partners would not tolerate that sort of behaviour any more.

The Portfolio Holder also congratulated the Star Lane Residents Association on what they had achieved so far. He went on to confirm that they would have the continued support of the Council and their local Ward Members as they continued to build on their excellent good work and moved forward making Star Lane a better place for all.

Supplementary Question:

Councillor Fortune thanked the Portfolio Holder for that information and said that his supplementary was the same as Councillor Ince and would ask for the same assurances for his ward.

Reply:

Councillor Stevens signified that this would be the case.

6. From Councillor Peter Fookes of the Portfolio Holder for Care Services

What action is he taking to ensure that the former Oakfield Rd Clinic in Penge is replaced?

Reply:

The Portfolio Holder said that he was aware that this was a matter of concern for residents in the area but he could not ensure anything in this context as it was a Health matter for decision by the PCT and soon to be the CCG. However, the Council worked closely with its partners and he had managed to find out some information. The Penge Clinic was currently closed, however a business case had been approved by Bromley PCT and NHS SE London for the development of the Penge Clinic site into a new facility accommodating the two local practices (Park Practice and Oakfield Surgery) with some community space to the CCG. Services which had been provided by Bromley Healthcare from the clinic were now provided in other locations, such as the Beckenham Beacon.

The business case for the development of the site has been sent to NHS London for final approval, and they had sought further clarification around the business case, particularly in relation to the impact of the Trust Special Administrator's recommendations, to which the PCT is currently responding. They felt sure that they would have a positive response to this. As soon as final approval had been granted, the development would have no further bar to proceed, except for planning.

Supplementary Question:

Councillor Fookes welcomed the comments from the Portfolio Holder and asked if he knew how much this would cost. He also noted that later on the agenda there was an item on PCT funding and wondered whether some of that money could be used to pay for this facility.

Reply:

The Portfolio Holder said that he could not comment on figures at the moment. When the clinic was up and running he thought there would be a case for looking at the cost of it. At it was a matter for the PCT (or CCG in April) he could not help any further.

7. From Councillor John Getgood of the Portfolio Holder for Care Services

The first food bank in Penge since the World War 2 is now supporting hard pressed families in Penge. What implication does the Portfolio Holder draw from this in respect of Government economic and welfare policies.

Reply:

The Portfolio Holder replied that he was sure that everyone recognised the extreme difficulties facing some individuals and families in these difficult times. Equally he was sure everyone here applauded the actions of organisations and individuals carrying out caring work such as operating a food bank. All over the borough we are grateful for these public spirited interventions which in their different guises had always been a feature of Bromley.

The implications that Councillor Evans could draw from Councillor Getgood's reference to government policy were somewhat different to what Councillor Getgood's might be. However, on welfare the Portfolio Holder applauded the Government's aims i) in to ensure that people were not better off being unemployed rather than in work; and ii) that support and assistance was focussed on those most in need. Councillor Evans accepted that it was a blunt instrument that they were using and he did not always agree with everything but it was one that had to be used in correcting all the muddled thinking about welfare by the last government. Locally Councillor Evans stated that all he could say was that all of his officers - in social care, housing etc- were doing their very best to cope with the pressure and help vulnerable groups to weather this storm that we were all facing.

Supplementary Question:

Councillor Getgood asked the Portfolio Holder to consider the effect of those policies on children. More than 1 in 4 children in the 4th richest country in the world were now living in poverty and even in Bromley 15% of children lived in poverty. He referred to the Prime Minister's statement that ending child poverty was central to improving child wellbeing but under government policies there would be 300,000 more children living in poverty by 2015/16. The recently announced changes to child tax credit would also mean that there would be a further 100,000 children living in poverty next year. He asked the Portfolio Holder to join in condemning the government's awful record in defending the wellbeing of children in Bromley and elsewhere.

Reply:

The Portfolio Holder said the answer was no. He felt that the government was working under very difficult economic conditions and were doing their best for children in the UK and Bromley was also doing its best to make sure our children were looked after.

8. From Councillor Pauline Tunnicliffe of the Portfolio Holder for Public Protection and Safety

It is fantastic news to hear that Orpington is to have an extra fire engine in the recent statement by the London Fire Brigade. Also that the fire station in Biggin Hill will not be closing.

Would the Portfolio Holder like to comment on this and the efforts by our Borough Commander Andy Holcombe in achieving such an excellent outcome?

Reply:

The Portfolio Holder advised that the recommendation released last week by the London Fire Brigade was good news for Bromley. As Members were aware the original proposal was that one Fire engine would be lost from Bromley and that the Biggin Hill fire station would close. Now not only does this Borough get an extra fire engine at Orpington but the threat of closure had been removed from Biggin Hill. Councillor Stevens thanked the Biggin Hill ward members who had campaigned hard to keep their fire station open; their persistence had clearly paid off. He also thanked the Leader of the Council who had made known his feelings behind the scenes and together their joint efforts had had the desired effect.

The Portfolio Holder also thanked Bromley's Fire Brigade Borough Commander, Andy Holcombe, who he knew had done a lot of work on our behalf behind the scenes by pointing out the size of our Borough. Councillor Stevens felt it was pleasing to think that through our Assembly Member, James Cleverly, Bromley's views had been listened to, the only emergency service so far to do so. He commented on the extremely good news that Orpington was to get another fire engine but added a word of caution that with Downham Fire Station closing Bromley and Beckenham would now have to cover that area. In the circumstances members would be watching developments very closely.

Supplementary Question:

Councillor Tunnicliffe asked if the Portfolio Holder would like to comment on the plans to build a new Fire Station in Orpington.

Reply:

Councillor Stevens commented that the new Fire Station was being built under PFI and referred to the problems with this in relation to the Hospital Trust. However he felt it was a good news story as the current Fire Station was not the right size, was outdated and needed knocking down and replaced. The planning application was due to go before the Plans Sub-Committee this week and he hoped it would be approved. He looked forward to a new purpose built fire station which would have community rooms in it for use by the public and house the second fire engine which he welcomed.

Further Supplementary Question:

Councillor Fawthrop asked if the Portfolio Holder would condemn the behaviour of the Labour and Lib/Dem members on the London Fire Brigade Board in that they had refused to go out to consultation on these plans and that they had put forward no alternative to the Plans themselves. He considered they were playing politics with the situation and proving themselves unworthy of governing.

Reply:

The Portfolio Holder replied that he agreed with most of the comments in that this should not be a matter for playing politics with. Recommendations had come through and our Assembly Member, Mr Cleverly, as Chairman of the Board, had had to take some very tough decisions. The formal announcements were made by the Fire Brigade Commissioner. However, Councillor Stevens felt that there had been an appalling lack of consultation which had been pointed out to Mr Cleverly. The Portfolio Holder also commented that he considered that it had been handled very badly from all sides. Rather than playing politics the focus should be on what was best for the residents of London.

9. From Councillor Katherine Bance MBE of the Portfolio Holder for Education

Is there a published process on what happens to a school once they have been deemed as needing special measures by OFSTED?

Reply:

The Portfolio Holder advised that there were very specific measures set out by the Secretary of State in respect of a school deemed by OfSTED to require special measures. Under the Education Act 2011 there were quite well defined measures, many of which were powers for the Secretary of State specifically. Section 44 outlined powers in relation to underperforming schools and increased the range of circumstances in which the Secretary of State could direct that a maintained school be 'discontinued', and replaced by an academy. This included when a school had failed to meet performance standards or safety warning notices, and when a school had been identified as requiring significant improvement. There was a Website for the various sections which he would give details of after the meeting (see below).

<http://www.legislation.gov.uk/ukpga/2011/21/section/44/enacted>

Councillor Wells then referred to Section 56 of the Education Act 2011 that outlined the process by which consultation must take place when a school was to become an academy. The consultation may be carried out by the school's governing body or a person with whom the Secretary of State proposes to enter into Academy arrangements with in respect of the school or an educational institution that replaced it. The Secretary of State had specific

reserve powers to direct the school to obtain academy status under a specific sponsor. It should be noted that the authority had no say in this matter. The following is the web address:

<http://www.legislation.gov.uk/ukpga/2011/21/section/56/enacted>

With regard to Ofsted monitoring inspections of schools subject to special measures again there was a specific web address which outlined the process (see below).

<http://www.ofsted.gov.uk/resources/monitoring-inspections-of-schools-are-subject-special-measures-september-2012>

With regard to the local authority's process of intervention and support in Bromley schools at risk of requiring special measures, this process is outlined in the revised categorisation policy currently being considered by the Education PDS Committee which will be meeting this coming Wednesday. The following is the website to view the report:

<http://cde.bromley.gov.uk/documents/s50006479/ED13019%20Categorisation%20Intervention%20and.pdf>

Supplementary Question:

Councillor Bance asked if the Portfolio Holder would agree that this should be a transparent process in which the head teachers, parents and governing bodies should be allowed to choose from a range of approved providers.

Reply:

Councillor Wells replied that the Secretary of State had very specific powers as he had already indicated in his earlier response. The process to be carried out once a school was deemed to require special measures was also very specific as outlined earlier. The process he felt was not overly transparent particularly in regard to the decision made by a Secretary of State to specify the sponsor to be involved with a school. The Secretary of State had reserve powers to define which sponsor would be responsible for an academy and an academy's conversion and he was aware that this had been the case in one particular school in this Borough.

10. From Councillor Nicholas Bennett JP of the Portfolio Holder for the Environment

What representations he has made to the Mayor of London regarding the extension of the Docklands Light Railway from Lewisham to Bromley North since the Mayoral election in May 2012 and what response has he received?

Reply:

The Portfolio Holder replied that before the Mayoral elections and as a result of the Council's constant lobbying we had obtained a promise in the Mayor's electoral literature. Subsequently, on numerous occasions we have made it abundantly clear that this administration's key transport infrastructure priority was to attract the DLR in some form into Bromley North and ideally Bromley South. Progress had not always been as swift as we would have liked, despite the many conversations and emails. It resulted in July 2012 in the Managing Director of TfL visiting the Council when Bromley's views were reiterated once again as well as emphasising the need to move things on more quickly. We also asked to see TfL's business case as we had concerns that perhaps their priorities lay elsewhere and we wanted to match up our business case to ensure we were not sidelined. However, it took several months before the figures arrived and when they did they were incomplete and did not make proper business sense. In view of that and the Leader's intervention we subsequently had a meeting in December with the local Bromley/Chislehurst MP, our GLA Member, the Leader, the Director of Renewal & Recreation and crucially the Mayor's Advisor for Transport together with a senior officer from TfL. As a result of that meeting the Portfolio Holder was pleased to announce that a way forward had been agreed and he hoped to be able to release a document in a few weeks setting out how we arrive at the Business case which should be finalised by June. It will involve very close working with Lewisham as we have a joint need to ensure that we have a robust business case. The Leader has already been in touch with the Mayor of Lewisham and both Bromley and Lewisham are in full agreement of the need to get the business case substantiated. The main aim was to get the DLR down to Bromley but Councillor Smith said that it was unlikely to occur this side of 2020 but unless things were put in place now it would never happen.

Supplementary Question

Councillor Bennett thanked the Portfolio Holder and the Leader for the action they were taking. He welcomed the fact that it was now in the draft business plan issued on 9th December. He asked if the Portfolio Holder would make it clear to the Mayor that it was not just about the routing and the number of passengers but also the economic impact it would have on the Borough and particularly on the North Bromley area in terms of regeneration. All these issues needed to be taken account in the business case.

Reply:

Councillor Smith responded that he would be very glad to. He commented that the following question referred to Bromley Town Centre, and emphasised that getting the DLR in was absolutely crucial to those aims. The Portfolio Holder was grateful for the assistance offered by the former Leader of the Liberal Democratic Party to help work with us to make that happen.

Further Supplementary Question:

Councillor Getgood asked on the subject of transport into Bromley whether the Portfolio Holder had seen a recent reference in the local newspaper about extending the Tramway and sought clarification on the possible plans for extending the Tramway from Beckenham to Bromley and whether he also supported that plan.

(On a point of order the Chairman of the Constitution Working Group advised that when the new arrangement for allowing a second supplementary question by any member had been introduced it was on the basis that it had to be about the original question. Councillor Bennett's question was originally on the DLR not Tramlink. In response to the Mayor – the Portfolio Holder indicated that he was agreeable to answering the question.)

Reply:

The Portfolio Holder advised that there was clearly a case that could be made for extending the Tramlink to Bromley and he hoped that in time it would happen. He considered that there were 3 key infrastructure priorities and to put them in order would place the DLR first as it would benefit most Bromley residents. This was closely followed by the extension up to Crystal Palace. How that would join up with the Tramlink in through whatever route into Bromley from Beckenham was also of importance to the administration as it would help the infrastructure and transport around the Borough. However, as the DLR was unlikely to happen before 2020 he felt the other 2 schemes were likely to be even further off into the future.

(The Mayor advised that the time period for questions had expired and those remaining questions would receive written answers.)

11. From Councillor David McBride of the Portfolio Holder for Renewal and Recreation

What steps is he taking with the GLA to ensure Bromley continues its high status in terms of office accommodation provision and in ensuring the DLR comes to Bromley?

Reply:

Councillor Morgan advised of the following response:

To ensure Bromley continues its high status in terms of office accommodation, the Council is examining, through the current Local Plan review, options for the expansion and intensification of office use in the Town Centre around Bromley South and Bromley North stations. Options being

considered include the expansion of the office zone around Bromley South and the identification of specific office redevelopment sites.

To tackle the problem of poor quality stock, discussions are under way with officials from the GLA around the possible use of the Mayoral Growth fund to offer financial incentives to generate redevelopment/refurbishment activity.

My colleague Councillor Colin Smith has given a very full reply to that part of the question which relates to the possible DLR extension to Bromley North.

12. From Councillor Peter Fookes of the Portfolio Holder for Resources

Why is Bromley the only London Borough not to have a capability procedure for staff in place?

Reply:

Councillor Arthur advised of the following response:

We have. Bromley Council's process for poor performance is set out in the Disciplinary Procedure. In effect the procedure covers work conduct and performance. It states inter alia that "the Council's disciplinary procedure is to cover those cases where an employee's work conduct and performance is so significantly below the required standards that formal disciplinary action is judged necessary. It does not cover the normal day to day supervision where a line manager may have to counsel, train or otherwise discuss with an employee instances of poor performance. As part of normal supervision, a line manager may have to give an oral caution to an employee: this does not form part of the formal disciplinary procedure."

13. From Councillor Nicholas Bennett JP of the Leader of the Council

What proposals does he have to ensure that public health will be subject to proper scrutiny and democratic oversight when the services transfer to council control?

Reply:

Councillor Carr advised of the following response:

Firstly I would say that in accordance with the recommendation of the Constitution Improvement Working Party there will be a majority of elected Councillors on the Health and Well-being Board.

There will be appropriate lead Member responsibility and of course it goes without saying appropriate scrutiny, and on these issues both the Director of Resources and indeed myself will be consulting colleagues before the Director will bring proposals to members which we believe will be fit for

purpose when the Board ceases to be a “shadow board” in the New Municipal Year.

14. From Councillor David McBride of the Portfolio Holder for Education

What support does he envisage giving to schools to ensure that no child leaves primary school unable to read and write English and without a good competence in basic maths?

Reply:

Councillor Wells advised of the following response:

This largely now is a matter for individual schools and governing bodies and we hold schools to account through a variety of means, including analysis of school data, school reviews and professional discussions with senior school leaders where there are issues.

Councillor McBride will also be aware from his own professional role that schools are being asked, and indeed funded specifically and directly with central government funds and grants, to address shortcomings in their own training programs’ professional development and specific pupil support and school improvement programs. This then sees schools buying in the specific support they themselves are aware they and their pupils need, through specific providers, the National College, Teaching Schools or other schools locally or in a ‘cluster’ such as the Diocese.

This then is very much a school led approach, good head-teachers and SMT, and through them Governing Bodies, know well their own pupils and their needs to address these sorts of issues. However with any school causing significant concern because of teaching quality, Bromley will ensure ongoing improvements in English and mathematics through additional support from specialist subject advisers. Support services from the authority will in future be targeted at schools causing significant or specific concern in their subject areas in particular.

15. From Councillor Peter Fookes of the Portfolio Holder for Care Services

What is the point of refusing people access to the Housing Register and the ability to bid for properties on the Homeseeker website?

Reply:

Councillor Evans advised of the following response:

The legislation pertaining to housing allocations sets out a broad framework around who qualifies for inclusion on a local authority’s housing register and those groups who must be given reasonable preference within any allocations

scheme. Within this framework every local authority must have a published scheme which sets out the criteria for inclusion onto the housing register and how it will prioritise applications and allocate social housing stock within its area.

The number of applicants to the housing register has risen dramatically, particularly since the onset of the recession, with the number of social rented properties becoming available for letting each year continuing to fall. At its peak there were more than 8,000 households on the housing register, with less than 650 properties to which the council had nomination rights becoming available for letting over a 12 month period. This meant that only around 8% of applicants were gaining a move via Bromley Homeseekers and those who were successful had to wait for many years to secure suitable accommodation. Put simply, for the majority of applicants whilst they were assessed and placed onto the housing register giving them the expectation that they may be successful in gaining a move via Bromley Homeseekers, in reality they were unlikely to ever successfully secure accommodation via this route.

This was one of the key drivers in the decision to undertake a full review of the allocations scheme. It was recognised that practices must change in order to best meet the needs of those with a high level of housing need in Bromley as well as making best use of the resources available to us.

Following extensive consultation, it was agreed that it was important to only include those people onto the housing register if it offered them a reasonable chance to secure accommodation. Therefore, as we are unable to assist everyone that approaches us for assistance, in order to manage expectations as to what the Council can reasonably be in a position to offer in respect of housing assistance, it was clear that we had to increase the threshold for inclusion onto the housing register. In doing so the link between the housing register and housing advice and options has been strengthened to provide greater advice about alternative housing options that applicants can pursue in order to resolve their current housing situation, either by enabling them to remain in situ or by securing alternative housing.

The new allocations scheme, which was also updated to reflect the most current legislative changes and case law guidance, was approved in 2011, with a phased roll out leading to full launch and re-registration of all applicants in December 2011.

This has significantly reduced the overall number of applicants on the housing register (currently 2,226) more closely aligned to the available supply of accommodation. Applicants who do not meet the threshold for inclusion are provided with advice and guidance regarding alternative options they may wish to pursue.

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COUNCIL MEETING

21st JANUARY 2013

WRITTEN QUESTIONS BY MEMBERS OF THE COUNCIL

1. From Councillor Nicholas Bennett JP of the Portfolio Holder for Education

What percentage of teaching staff is male in:

- i. Bromley Secondary Schools and academies;
- ii. Bromley Primary schools and academies;
- iii. SEN Schools;
- iv. Grovelands PRU;
- v. Kingswood PRU?

Reply:

- i) We do not provide an HR/Payroll service for any Bromley secondary schools or academies

ii) – v)*

	% Male Teaching Staff
Primary Schools including Academies	12.30%
Special Schools	17.24%
Pupil Referral Units	
Grovelands	33.33%
Kingswood	38.46%

*Information is only available for Schools that buy an integrated HR/Payroll Service

2. From Councillor Nicholas Bennett JP of the Portfolio Holder for Resources

With respect to the transfer of Public Health functions to the Council will he give the following information-

- i. Number of staff being transferred by grade;
- ii. the cost of salaries and on costs;
- iii. pension arrangements and costs
- iv. accommodation and other costs;

- v. services and functions being transferred
- vi. funding from NHS for transistionary arrangements
- vii. funding for transferred services and functions?

Reply:

Please see attached Appendix A.

3. From Councillor Nicholas Bennett JP of the Leader of the Council

What progress has been made in implementing the recommendations of the New IT Working Group and what proposals does he have for those not yet adopted?

Reply:

An update on progress against the Working Group's nine recommendations is currently being prepared for consideration by the Working Group itself on 24th January and the Executive and Resources PDS Committee on 31st January. This will set out what progress has been achieved and also the areas where we need to re-focus attention to harness the potential of new technology to provide services more efficiently and to communicate more effectively with our residents.

There has been considerable progress on many of the issues identified by the Working Group, but more needs to be done on some of the recommendations and I expect that Members of the Working Group and the PDS Committee will prioritise where further action needs to be taken.

4. From Councillor Peter Fookes of the Portfolio Holder for Resources

What action is being taken to get the Lodge in Penge Recreation Ground back into use given that this has dragged on now for at least 15 years?

Reply:

Since the Empty Property Officer first contacted the owner in December 2007 it has been clear that the Lodge was being renovated, albeit at a slow pace. The Empty Property Officer has remained in contact in with the owner since that time and most recently discussed progress with him in December 2012 and again on the 16th of January 2013. The owner has always been open about his intentions and progress and has provided ready access to the property.

The Lodge has been completely renovated and the owner has only the living room to decorate and to purchase and fit some integrated kitchen appliances before he can let it. As he is retired, funding is an issue but he has refused all offers of financial assistance and has chosen to insist on quality and reinstatement to a high standard. He had hoped that his son would

occupy the property, but that no longer appears to be the case and as such he intends to let it through a local letting agent once complete.

He is willing to show Members around the property should they wish to view the property before it is let. It is recognised that it has taken a considerable time to renovate this property, but the owner has throughout continued to make progress without the need for enforcement action. The Empty Property Officer will seek to arrange access should members wish to visit.

5. From Councillor Peter Fookes of the Portfolio Holder for Education

Can he list all schools in the borough in terms of the percentage with special education needs?

Reply:

Please see attached Appendix B.

6. From Councillor Peter Fookes of the Portfolio Holder for Resources

What studies have been undertaken to show the unpaid overtime that Bromley staff do?

Reply:

The arrangement for overtime or alternative compensatory arrangements is covered in individual contracts of employment and associated staff handbooks. Managers and staff are aware of the arrangement, but more importantly they are encouraged to find the right work/life balance consistent with our commitment to "Excellent Council" as set out in the Building a Better Bromley Statement"

7. From Councillor John Getgood of the Portfolio Holder for Resources

Please will he give an update on the proposed implementation of localised pay and conditions of Service.

Reply:

Pursuant to the Full Council decision on 12 November 2012 individual letters with 'Frequently Asked Questions and Answers' (FAQ) were issued to all affected staff. This will be followed shortly by an individual letter of contract variation asking staff to accept the change from national/regional to localised terms and conditions with no diminution or financial loss save of course for loss of consolidated PRP for less than 200 Management Grade staff. As far as new recruits are concerned they are being recruited on localised terms.

8. From Councillor Russell Mellor of the Leader of the Council

Can the Leader inform as to the number of staff Members as at the end of the Civic year 2011/2012 together with the analysis to be presented in a tabular form.

1. Total number of Staff per each Department.
2. The number of staff in each BR grade.
3. The salary bands for each BR grade.

The comparative figures for the year ending 2010/2011.

Reply:

Please see attached Appendix C.

9. From Councillor Fawthrop of the Chairman of the Development Control Committee (to be asked at every Council Meeting)

What pre-application meetings have taken place since the last full Council Meeting between Council Officers and potential planning applicants? Can these be listed as follows:-

The name of the potential applicant, the site address being considered.

Reply:

There have been 14 non-householder and 23 householder meetings between 8th November 2012 and 15th January 2013.

As you are aware details of individual applicants and sites at present is exempt information and not disclosable in response to a Council Question.

From Councillor Nicholas Bennett JP of the Portfolio Holder for Resources

Reply:

- i Number of staff being transferred by grade;
- ii The cost of salaries and on costs

37 posts (3 currently vacant) so actual staff currently coming over = 34

27 posts are AfC posts (Agenda for Change) - 2 posts vacant - Budget for posts Circa £1,068,183 (pending confirmation from HR re Vacant posts FTE and Grade details)

5 posts are Consultant posts (clinical/medical) - 1 post vacant - Budget for posts Circa £578,922 (pending confirmation from HR re Vacant post FTE and Grade details)

5 posts are GP Health Leads - Budget for posts Circa £52,296

Total Staffing Budgets (assuming 6 staff remain **outside** of the pension scheme) including on-costs (but no 2013/14 pay award) = £1,699,402

This figure may change depending on the information regarding the 3 vacant posts, and also if there is any additional increments/pay awards for Consultants pay

- iii Pension arrangements and costs

All transferring staff will retain access to the NHS Pension Scheme. The cost of it to the employer is 14%, (£148,496 in 2012-13 with the current staffing levels as described above)

- iv Accommodation and other costs

	Draft Budget 2013/14
5501 - Support Services (Services)	97,600
5510 - Administration Buildings	34,850
5520 - Computer Charges	124,380

Total = £256,830

v) Services and functions being transferred

The Public Health functions – post April 2013 will be split as follows:

MANDATED SERVICES	OTHER SERVICES WITHIN LA
Health protection plans and assurance for outbreaks, emergencies, immunisations, screening, control of infection	Tobacco control including smoking cessation service
National Childhood Measurement programme	Drugs and alcohol service
NHS checks	Weight management service for adults
Sexual health services	Prevention and early detection of cancer
Population healthcare advice to the NHS	Healthy child programme
JSNA	Maternal health
DPH function	Mental health and well-being
	Teaching
	Research

vi) Funding from NHS for transitory arrangements

PH Transition funding allocation

	2012/13 Spend Estimate	2013/14 Spend Estimate	Total
workstream			
Finance	£12,000	£21,000	£33,000
Contracts/Commissioning	£20,000	£10,000	£30,000
HR	£23,000	£15,000	£38,000
Legal	£9,000	£20,000	£29,000
Communications	£2,000	£4,000	£6,000
Information Governance & IT	£25,000	£10,000	£35,000
Other	£13,000	£26,000	£39,000
	£104,000	£106,000	£210,000
Invoiced (70052767 = £95k)	£95,000		
Remaining to be invoiced	£9,000	£106,000	£115,000

vii) Funding for transferred services and functions?

The cost of the contracts transferring to LBB £8,041,030
Non-contractual cost (e.g. GP prescribing) £435,093

Total **£8,476,123**

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The Breakdown of SEN in Bromley Primary and Secondary schools over the last three years

SEN Level	School Action (%)			School Action Plus (%)			Statement (%)			All SEN (%)		
	Jan-10	Jan-11	Jan-12	Jan-10	Jan-11	Jan-12	Jan-10	Jan-11	Jan-12	Jan-10	Jan-11	Jan-12
Primary Phase												
Alexandra Infant School	12.4%	15.8%	14.7%	5.9%	5.5%	8.4%	5.4%	4.4%	5.3%	23.7	25.7	28.4
Alexandra Junior School	9.9%	8.3%	9.1%	11.7%	11.7%	9.1%	4.0%	3.9%	2.6%	25.6	23.9	20.8
Balgowan Primary School	8.3%	8.9%	8.8%	3.1%	3.7%	4.5%	1.5%	2.0%	1.6%	13.0	14.5	14.9
Bickley Primary	8.6%	6.3%	8.4%	3.7%	4.7%	3.9%	0.7%	1.3%	1.2%	13.0	12.3	13.5
Biggin Hill Primary School	10.7%	8.6%	9.3%	3.5%	4.2%	3.1%	2.3%	2.5%	2.2%	16.5	15.2	14.6
Blenheim Primary	19.0%	12.6%	9.0%	12.5%	12.6%	6.2%	1.6%	1.1%	1.0%	33.2	26.4	16.2
Bromley Road Infant School	9.2%	6.3%	6.4%	6.0%	6.3%	3.8%	1.2%	0.8%	1.3%	16.5	13.4	11.5
Burnt Ash Primary School	15.6%	19.0%	14.3%	10.9%	11.5%	12.8%	6.5%	6.1%	6.2%	33.0	36.5	33.3
Castlecombe Primary School	15.0%	15.1%	16.5%	8.3%	10.5%	9.3%	2.9%	3.3%	3.8%	26.3	28.9	29.5
Chelsfield Primary School	8.0%	8.5%	9.7%	13.6%	13.8%	10.8%	3.4%	4.3%	5.4%	25.0	26.6	25.8
Chislehurst (CofE) Primary	0.9%	2.3%	0.0%	1.8%	0.9%	1.4%	1.4%	1.4%	2.3%	4.1	4.6	3.7
Churchfields Primary School	8.5%	7.7%	3.7%	8.2%	9.4%	8.3%	8.9%	9.4%	7.0%	25.6	26.4	19.0
Clare House Primary School	4.8%	4.7%	4.2%	3.8%	1.4%	2.3%	1.4%	2.3%	1.4%	10.0	8.5	7.9
Crofton Infant School	8.2%	9.1%	5.1%	3.1%	1.5%	2.5%	3.1%	3.8%	3.3%	14.4	14.4	10.9
Crofton Junior School	10.0%	8.7%	6.2%	2.5%	3.1%	4.5%	2.1%	1.8%	2.1%	14.7	13.6	12.9
Cudham CE Primary School	19.1%	22.9%	19.3%	8.8%	4.8%	6.0%	5.9%	4.8%	2.4%	33.8	32.5	27.7
Darrick Wood Infant School	2.8%	3.9%	6.8%	3.4%	3.9%	6.8%	2.8%	2.1%	3.1%	8.9	9.9	16.7
Darrick Wood Junior School	3.3%	7.0%	7.2%	1.6%	1.1%	3.5%	3.8%	2.8%	2.9%	8.7	10.9	13.6
Dorset Road Infant School	21.0%	22.8%	11.9%	6.5%	3.5%	10.4%	1.6%	0.0%	0.0%	29.0	26.3	22.4
Downe Primary School	14.1%	8.1%	6.6%	3.8%	5.4%	5.3%	1.3%	1.4%	2.6%	19.2	14.9	14.5
Edgebury Primary School	8.5%	8.6%	8.5%	7.6%	8.1%	6.7%	0.9%	1.4%	1.8%	17.0	18.1	17.0
Farnborough Primary School	4.3%	4.6%	6.9%	7.6%	9.3%	13.0%	2.4%	0.9%	0.9%	14.2	14.8	20.8
Gray's Farm Primary School	9.6%	13.0%	14.4%	6.1%	7.8%	5.6%	1.4%	1.6%	1.3%	17.1	22.4	21.3
Green Street Green Primary	6.5%	8.8%	6.2%	11.7%	11.1%	10.8%	6.8%	7.4%	7.3%	25.0	27.3	24.3
Hawes Down Infant School	10.1%	2.1%	7.3%	1.6%	2.1%	2.6%	6.3%	6.8%	6.3%	18.0	11.0	16.2
Hawes Down Juniors	12.9%	13.9%	9.2%	4.1%	2.4%	2.4%	7.5%	9.0%	6.8%	24.5	25.3	18.3
Hayes Primary School	5.4%	5.0%	5.5%	3.3%	3.0%	3.1%	1.1%	0.9%	0.9%	9.8	9.0	9.5
Highfield Infant School	6.6%	1.9%	0.7%	1.5%	1.5%	1.5%	0.7%	0.7%	0.4%	8.9	4.1	2.6
Highfield Junior School	11.1%	9.9%	8.3%	0.8%	2.1%	3.9%	1.1%	1.0%	1.0%	12.9	13.1	13.3
Hillside Primary School	11.4%	8.6%	5.9%	6.8%	10.0%	10.2%	5.2%	6.0%	6.5%	23.4	24.6	22.7
Holy Innocents Catholic Primary	7.6%	6.6%	6.5%	4.3%	4.2%	4.2%	1.9%	1.4%	1.4%	13.7	12.3	12.1
James Dixon Primary School	4.1%	3.3%	1.9%	11.3%	16.4%	13.5%	8.2%	7.1%	6.4%	23.5	26.8	21.8
Keston C.E. Primary School	7.3%	6.9%	7.6%	3.2%	2.8%	3.8%	2.3%	1.8%	1.9%	12.7	11.5	13.3
Leasons Primary School	16.7%	9.1%	11.9%	14.2%	18.8%	18.1%	3.4%	4.6%	4.3%	34.3	32.5	34.3
Malcolm Primary School	13.8%	18.9%	8.5%	12.2%	19.3%	13.5%	2.0%	0.8%	1.8%	28.0	39.0	23.8
Manor Oak Primary School	7.4%	14.3%	14.5%	10.6%	9.5%	11.3%	1.1%	3.3%	2.7%	19.0	27.1	28.5
Marian Vian Primary School	6.0%	6.9%	7.4%	4.7%	4.9%	5.4%	1.3%	1.5%	1.0%	12.0	13.2	13.8
Mead Road Infant School	0.0%	0.0%	0.0%	0.0%	5.9%	5.1%	2.4%	3.5%	2.6%	2.4	9.4	7.7
Midfield Primary School	16.5%	18.0%	20.3%	14.4%	16.4%	18.7%	8.2%	8.0%	8.4%	39.1	42.4	47.4
Mottingham Primary School	15.8%	14.2%	14.7%	16.6%	12.7%	7.7%	2.8%	3.5%	1.8%	35.2	30.4	24.2
Oak Lodge Primary School	4.6%	6.4%	5.9%	1.3%	2.1%	3.3%	1.0%	1.3%	1.1%	7.0	9.9	10.3
Oaklands Primary School	15.1%	12.8%	12.2%	3.8%	5.8%	6.6%	2.5%	2.8%	2.2%	21.4	21.4	20.9
Parish C.E. Primary School	7.2%	6.9%	4.5%	7.0%	4.6%	4.7%	3.0%	2.5%	2.2%	17.2	14.1	11.4
Perry Hall Primary School	6.3%	5.8%	6.1%	6.3%	7.5%	8.3%	1.7%	1.9%	1.2%	14.2	15.2	15.6
Pickhurst Infants' School	2.5%	2.2%	2.5%	2.5%	3.1%	3.3%	0.8%	0.3%	0.0%	5.9	5.6	5.8
Pickhurst Junior School	12.7%	10.9%	9.7%	4.1%	6.7%	6.5%	2.2%	1.8%	1.5%	19.0	19.4	17.7
Poverest Primary School	13.5%	11.5%	9.4%	9.0%	7.3%	9.4%	11.0%	12.0%	10.8%	33.5	30.9	29.6
Pratts Bottom Primary School	13.6%	21.0%	13.4%	10.2%	12.9%	11.9%	6.8%	6.5%	7.5%	30.5	40.3	32.8
Princes Plain Primary School	16.8%	17.4%	21.5%	8.0%	6.6%	7.6%	9.0%	8.2%	10.0%	33.8	32.2	39.1
Raglan Primary School	5.5%	9.0%	7.8%	5.0%	4.3%	5.5%	8.9%	8.5%	7.4%	19.4	21.8	20.7
Red Hill Primary	10.9%	12.5%	8.1%	5.9%	6.0%	6.7%	0.7%	0.8%	1.4%	17.4	19.3	16.3
Royston Primary School	13.3%	14.1%	13.9%	8.5%	10.8%	8.3%	1.7%	1.4%	3.1%	23.5	26.2	25.3
Scotts Park Primary School	9.2%	9.2%	9.1%	4.6%	3.0%	2.7%	2.0%	2.2%	2.2%	15.8	14.5	14.1
Southborough Primary School	11.4%	12.9%	14.3%	6.0%	6.0%	6.7%	1.7%	1.7%	2.1%	19.1	20.6	23.1
St Anthony's R.C Primary	16.0%	14.0%	8.0%	17.4%	17.9%	13.8%	2.3%	1.9%	2.7%	35.7	33.8	24.5
St George's CE Primary	7.6%	11.6%	11.6%	6.9%	5.6%	6.8%	1.7%	1.8%	2.1%	16.2	19.0	20.5
St James' RC Primary School	5.1%	5.2%	5.2%	2.3%	2.8%	1.9%	1.4%	1.9%	3.3%	8.8	9.9	10.4
St John's CE Primary School	10.7%	8.5%	2.9%	8.0%	5.5%	5.6%	4.7%	5.5%	5.2%	23.3	19.5	13.7
St Joseph's R.C.Primary School	3.3%	3.8%	4.3%	3.3%	3.3%	4.3%	1.4%	1.9%	1.9%	8.0	8.9	10.5
St Mark's C.E. Primary School	6.7%	12.4%	5.7%	3.5%	3.5%	3.3%	2.1%	2.1%	2.6%	12.3	18.0	11.6
St Mary Cray Primary School	14.3%	9.3%	10.8%	4.8%	7.0%	9.5%	4.8%	4.7%	2.7%	23.8	20.9	23.0
St Mary's Catholic Primary	11.4%	10.0%	11.8%	2.6%	3.2%	5.5%	0.7%	1.4%	0.9%	14.6	14.6	18.2
St Paul's Cray CE Primary	15.6%	12.0%	16.3%	12.8%	18.3%	18.4%	1.4%	1.7%	2.1%	29.8	32.0	36.8
St Peter & St Paul R.C.	9.5%	12.6%	12.0%	3.8%	5.1%	6.5%	1.9%	2.3%	3.2%	15.2	20.1	21.8
St Philomena's RC Primary	7.8%	8.5%	4.3%	5.5%	5.7%	6.7%	1.8%	0.8%	1.4%	15.2	15.2	12.4
St Vincent's Catholic Primary	9.8%	6.6%	2.7%	1.3%	2.2%	2.7%	0.4%	0.9%	0.9%	11.6	9.7	6.3

SEN Level	School Action (%)			School Action Plus (%)			Statement (%)			All SEN (%)		
Primary Phase	Jan-10	Jan-11	Jan-12	Jan-10	Jan-11	Jan-12	Jan-10	Jan-11	Jan-12	Jan-10	Jan-11	Jan-12
Stewart Fleming Primary School	6.9%	4.8%	6.1%	9.9%	14.1%	11.1%	1.7%	1.2%	1.7%	18.5	20.1	18.9
The Highway Primary School	7.4%	10.9%	7.7%	4.9%	4.0%	5.3%	1.0%	1.0%	1.0%	13.3	15.8	13.9
Tubbenden Primary School	4.6%	5.6%	4.2%	2.3%	2.6%	2.5%	5.6%	5.1%	4.6%	12.5	13.4	11.3
Unicorn Primary	5.9%	4.3%	3.9%	2.3%	3.9%	2.8%	2.7%	2.8%	1.8%	10.9	11.0	8.5
Valley Primary School	10.5%	9.2%	8.6%	1.7%	2.4%	4.6%	1.9%	1.7%	1.5%	14.0	13.3	14.8
Warren Road Primary School	4.3%	3.7%	4.8%	2.4%	2.4%	3.0%	0.7%	0.8%	1.0%	7.3	6.9	8.7
Wickham Common Primary	5.1%	4.2%	5.6%	1.9%	2.4%	3.7%	0.9%	0.9%	0.7%	7.9	7.5	10.1
Worsley Bridge Junior School	18.4%	13.1%	15.2%	8.2%	7.1%	7.0%	2.9%	1.8%	2.5%	29.5	22.0	24.7
Bromley Primary	9.0%	9.0%	8.2%	5.5%	6.0%	6.2%	2.8%	2.9%	2.8%	17.3	17.9	17.2
National Primary¹	11.9%	11.3%	10.6%	6.7%	6.6%	6.5%	1.4%	1.4%	1.4%			

SEN Level	School Action (%)			School Action Plus (%)			Statement (%)			All SEN (%)		
Secondary Phase	Jan-10	Jan-11	Jan-12	Jan-10	Jan-11	Jan-12	Jan-10	Jan-11	Jan-12	Jan-10	Jan-11	Jan-12
Beaverwood School for Girls	18.5%	16.9%	15.9%	10.8%	10.4%	11.9%	1.2%	1.2%	1.0%	30.5	28.5	28.9
Bishop Justus CofE School	13.2%	11.3%	11.1%	7.8%	7.0%	6.9%	3.1%	3.3%	2.9%	24.2	21.6	20.9
Bullers Wood School	5.6%	4.3%	5.5%	3.1%	2.8%	2.9%	1.5%	1.4%	1.2%	10.3	8.6	9.6
Cator Park School for Girls now Harris Bromley (9/11)	15.5%	14.5%	13.8%	12.9%	13.3%	10.0%	1.3%	1.5%	1.2%	29.7	29.3	25.0
Charles Darwin School	10.0%	10.7%	10.9%	9.3%	10.3%	10.6%	2.2%	2.7%	3.4%	21.5	23.7	24.9
Coopers Technology College	10.4%	11.3%	11.5%	6.5%	8.7%	8.6%	2.1%	2.3%	2.1%	19.0	22.2	22.3
Darrick Wood School	4.4%	4.1%	3.9%	8.1%	8.0%	9.2%	3.8%	4.2%	4.0%	16.3	16.3	17.1
Hayes School	6.9%	7.1%	7.4%	4.0%	4.1%	3.8%	1.8%	2.3%	3.2%	12.8	13.4	14.4
Kelsey Park School now Harris Beckenham (9/11)	14.3%	14.2%	12.0%	16.4%	18.2%	15.9%	1.8%	2.5%	3.8%	32.5	34.9	31.7
Kemnal Technology College	17.0%	17.7%	13.1%	10.0%	9.5%	6.2%	1.7%	2.0%	2.3%	28.8	29.2	21.5
Langley Park School for Boys	5.9%	6.6%	5.6%	3.4%	4.2%	4.3%	3.7%	4.2%	4.9%	13.0	15.0	14.8
Langley Park School for Girls	6.9%	5.5%	6.6%	5.4%	6.4%	5.9%	1.0%	1.1%	1.3%	13.3	13.0	13.7
Newstead Wood School for Girls	0.4%	0.3%	1.1%	0.3%	0.5%	0.4%	0.1%	0.1%	0.1%	0.8	0.9	1.6
Ravens Wood School	7.4%	6.9%	6.0%	4.0%	5.7%	4.1%	2.7%	2.9%	2.9%	14.1	15.5	13.0
St Olave's and St Saviour's Grammar School	1.0%	1.5%	1.7%	1.5%	1.6%	1.7%	0.2%	0.2%	0.2%	2.7	3.2	3.5
The Priory School	9.3%	10.6%	9.6%	6.6%	8.7%	8.6%	5.2%	4.8%	4.7%	21.2	24.0	22.8
The Ravensbourne School	11.1%	12.0%	14.2%	10.1%	8.0%	9.0%	4.1%	3.8%	2.9%	25.4	23.8	26.1
Bromley Secondary	9.1%	9.0%	8.6%	6.9%	7.3%	6.9%	2.3%	2.5%	2.6%	18.3	18.7	18.1
National Secondary¹	13.1%	12.8%	12.1%	6.6%	6.5%	6.2%	2.0%	2.0%	1.9%			

1 National figures consist of all pupils of compulsory school age and above. Bromley figures consist of on roll pupils.

School Name	Action (Numbers)			Action Plus (Numbers)			Statement (Numbers)			Total SEN (Numbers)			Pupils On Roll		
	Jan-10	Jan-11	Jan-12	Jan-10	Jan-11	Jan-12	Jan-10	Jan-11	Jan-12	Jan-10	Jan-11	Jan-12	Jan-10	Jan-11	Jan-12
Alexandra Infant School	23	29	28	11	10	16	10	8	10	44	47	54	186	183	190
Alexandra Junior School	22	19	21	26	27	21	9	9	6	57	55	48	223	230	231
Balgowan Primary School	54	58	56	20	24	29	10	13	10	84	95	95	648	653	639
Bickley Primary	23	19	28	10	14	13	2	4	4	35	37	45	269	300	334
Biggin Hill Primary School	46	35	39	15	17	13	10	10	9	71	62	61	431	408	418
Blenheim Primary	35	23	19	23	23	13	3	2	2	61	48	34	184	182	210
Bromley Road Infant School	23	15	15	15	15	9	3	2	3	41	32	27	249	239	235
Burnt Ash Primary School	70	81	60	49	49	54	29	26	26	148	156	140	448	427	421
Castlecombe Primary School	36	36	39	20	25	22	7	8	9	63	69	70	240	239	237
Chelsfield Primary School	7	8	9	12	13	10	3	4	5	22	25	24	88	94	93
Chislehurst (CofE) Primary	2	5	0	4	2	3	3	3	5	9	10	8	218	217	216
Churchfields Primary School	24	23	12	23	28	27	25	28	23	72	79	62	281	299	327
Clare House Primary School	10	10	9	8	3	5	3	5	3	21	18	17	210	213	214
Crofton Infant School	45	50	28	17	8	14	17	21	18	79	79	60	547	550	551
Crofton Junior School	71	61	44	18	22	32	15	13	15	104	96	91	707	704	706
Cudham CE Primary School	13	19	16	6	4	5	4	4	2	23	27	23	68	83	83
Darrick Wood Infant School	9	13	24	11	13	24	9	7	11	29	33	59	326	332	354
Darrick Wood Junior School	12	25	27	6	4	13	14	10	11	32	39	51	366	358	375
Dorset Road Infant School	13	13	8	4	2	7	1	0	0	18	15	15	62	57	67
Downe Primary School	11	6	5	3	4	4	1	1	2	15	11	11	78	74	76
Edgebury Primary School	19	19	19	17	18	15	2	3	4	38	40	38	224	221	224
Farnborough Primary School	9	10	15	16	20	28	5	2	2	30	32	45	211	216	216
Gray's Farm Primary School	41	57	64	26	34	25	6	7	6	73	98	95	427	438	445
Green Street Green Primary	28	38	27	50	48	47	29	32	32	107	118	106	428	432	437
Hawes Down Infant School	19	4	14	3	4	5	12	13	12	34	21	31	189	191	191
Hawes Down Juniors	31	34	23	10	6	6	18	22	17	59	62	46	241	245	251
Hayes Primary School	34	32	36	21	19	20	7	6	6	62	57	62	631	636	654
Highfield Infant School	18	5	2	4	4	4	2	2	1	24	11	7	271	270	270
Highfield Junior School	42	38	32	3	8	15	4	4	4	49	50	51	380	382	384
Hillside Primary School	42	30	21	25	35	36	19	21	23	86	86	80	368	349	353
Holy Innocents Catholic Primary	16	14	14	9	9	9	4	3	3	29	26	26	211	212	215
James Dixon Primary School	13	11	7	36	55	49	26	24	23	75	90	79	319	336	362
Keston C.E. Primary School	16	15	16	7	6	8	5	4	4	28	25	28	220	217	210
Lessons Primary School	34	18	25	29	37	38	7	9	9	70	64	72	204	197	210
Malcolm Primary School	35	47	24	31	48	38	5	2	5	71	97	67	254	249	281
Manor Oak Primary School	14	30	32	20	20	25	2	7	6	36	57	63	189	210	221
Marjan Vian Primary School	37	42	45	29	30	33	8	9	6	74	81	84	616	613	609
Medd Road Infant School	0	0	0	0	5	4	2	3	2	2	8	6	84	85	78
Midfield Primary School	40	45	51	35	41	47	20	20	21	95	106	119	243	250	251
Mottingham Primary School	40	37	42	42	33	22	7	9	5	89	79	69	253	260	285
Oak Lodge Primary School	31	43	39	9	14	22	7	9	7	47	66	68	674	670	660
Oaklands Primary School	55	51	50	14	23	27	9	11	9	78	85	86	365	397	411
Parish C.E. Primary School	31	30	21	30	20	22	13	11	10	74	61	53	429	432	464
Perry Hall Primary School	26	24	26	26	31	35	7	8	5	59	63	66	416	415	423
Pickhurst Infants' School	9	8	9	9	11	12	3	1	0	21	20	21	358	360	361
Pickhurst Junior School	58	49	45	19	30	30	10	8	7	87	87	82	458	448	462
Poverest Primary School	27	22	19	18	14	19	22	23	22	67	59	60	200	191	203
Pratts Bottom Primary School	8	13	9	6	8	8	4	4	5	18	25	22	59	62	67
Princes Plain Primary School	65	74	99	31	28	35	35	35	46	131	137	180	388	425	460

Raglan Primary School	24	40	34	22	19	24	39	38	32	85	97	90	439	445	434
Red Hill Primary	65	77	52	35	37	43	4	5	9	104	119	104	598	615	640
Royston Primary School	55	60	64	35	46	38	7	6	14	97	112	116	412	427	459
Scotts Park Primary School	36	37	37	18	12	11	8	9	9	62	58	57	393	401	405
Southborough Primary School	47	52	60	25	24	28	7	7	9	79	83	97	414	403	420
St Anthony's R.C Primary	34	29	15	37	37	26	5	4	5	76	70	46	213	207	188
St George's CE Primary	22	33	34	20	16	20	5	5	6	47	54	60	291	284	292
St James' RC Primary School	11	11	11	5	6	4	3	4	7	19	21	22	215	212	212
St John's CE Primary School	32	26	9	24	17	17	14	17	16	70	60	42	300	307	306
St Joseph's R.C.Primary School	7	8	9	7	7	9	3	4	4	17	19	22	213	213	209
St Mark's C.E. Primary School	29	54	24	15	15	14	9	9	11	53	78	49	430	434	421
St Mary Cray Primary School	18	12	16	6	9	14	6	6	4	30	27	34	126	129	148
St Mary's Catholic Primary	49	43	51	11	14	24	3	6	4	63	63	79	431	432	433
St Paul's Cray CE Primary	34	29	39	28	44	44	3	4	5	65	77	88	218	241	239
St Peter & St Paul R.C.	20	27	26	8	11	14	4	5	7	32	43	47	210	214	216
St Philomena's RC Primary	17	18	9	12	12	14	4	2	3	33	32	26	217	211	209
St Vincent's Catholic Primary	22	15	6	3	5	6	1	2	2	26	22	14	225	226	224
Stewart Fleming Primary School	21	16	22	30	47	40	5	4	6	56	67	68	303	334	359
The Highway Primary School	15	22	16	10	8	11	2	2	2	27	32	29	203	202	208
Tubbenden Primary School	28	34	26	14	16	15	34	31	28	76	81	69	606	605	612
Unicorn Primary	13	11	11	5	10	8	6	7	5	24	28	24	220	254	283
Valley Primary School	44	39	39	7	10	21	8	7	7	59	56	67	420	422	452
Warren Road Primary School	36	31	40	20	20	25	6	7	8	62	58	73	845	846	842
Wickham Common Primary Schoc	22	18	24	8	10	16	4	4	3	34	32	43	432	425	427
Worsley Bridge Junior School	38	22	24	17	12	11	6	3	4	61	37	39	207	168	158
Primary Total	2126	2152	2011	1298	1430	1515	674	688	686	4098	4270	4212	23720	23908	24431

SEN	Action (Numbers)			Action Plus (Numbers)			Statement (Numbers)			All SEN (Numbers)			Pupils On Roll		
	Jan-10	Jan-11	Jan-12	Jan-10	Jan-11	Jan-12	Jan-10	Jan-11	Jan-12	Jan-10	Jan-11	Jan-12	Jan-10	Jan-11	Jan-12
Beaverwood School for Girls	244	230	215	142	141	161	16	16	14	402	387	390	1318	1357	1349
Bishop Justus CofE School	137	127	121	81	79	75	32	37	31	250	243	227	1035	1127	1087
Bullers Wood School	81	63	83	45	41	44	22	21	18	148	125	145	1439	1455	1516
Cator Park School now Harris Bromley	182	170	150	152	155	109	15	17	13	349	342	272	1176	1169	1089
Charles Darwin School	131	145	145	122	139	142	29	36	45	282	320	332	1314	1350	1335
Coppers Technology College	156	160	156	97	123	117	32	32	29	285	315	302	1503	1421	1357
Derrick Wood School	75	70	67	139	138	160	66	73	69	280	281	296	1715	1727	1731
Haves School	113	115	122	65	66	63	30	37	52	208	218	237	1628	1624	1646
Key Park School now Harris Beckenham	133	117	91	152	150	121	17	21	29	302	288	241	928	825	760
Kemnal Technology College	189	210	145	111	113	69	19	24	25	319	347	239	1109	1187	1110
Langley Park School for Boys	99	111	94	57	71	73	63	70	82	219	252	249	1681	1676	1679
Langley Park School for Girls	112	87	105	87	101	94	17	17	20	216	205	219	1622	1582	1596
Newstead Wood School for Girls	4	3	11	3	5	4	1	1	1	8	9	16	987	1015	1022
Ravens Wood School	112	104	90	60	86	61	40	43	43	212	233	194	1508	1503	1488
St Olave's and St Saviour's Grammar School	10	14	16	14	15	16	2	2	2	26	31	34	957	960	965
The Priory School	119	136	116	85	111	104	67	61	57	271	308	277	1281	1283	1213
The Ravensbourne School	161	172	199	146	115	126	60	54	40	367	341	365	1447	1432	1401

Secondary total	2058	2034	1926	1558	1649	1539	528	562	570	4144	4245	4035	22648	22693	22344

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Appendix 3

As at 31.03.12		
Department	Headcount*	FTE*
Chief Executive's	78	67.01
Education & Care Services	1384	1118.00
Environmental Services	284	264.17
Renewal & Recreation	324	251.22
Resources	305	274.83
Total	2375**	1975.23**

As at 31.03.11	
Headcount*	FTE*
92	80.39
1578	1212.59
294	274.47
367	275.23
321	289.33
2652**	2132.01**

Grade	Headcount	FTE
BR1	13	4.6
BR2	5	3.19
BR3	72	26.38
BR4	41	31.99
BR5	266	189.12
BR6	367	270.84
BR7	191	168.17
BR8	133	112.6
BR9	196	179.42
BR10	113	102.88
BR11	166	151.16
BR12	118	109.26
BR13	199	184.81
BR14	58	53.93
Total	1938	1588.35

Headcount	FTE
13	4.83
6	3.19
83	27.69
43	35.07
333	236.69
381	281.30
206	179.21
150	128.20
216	196.33
113	102.92
175	161.53
110	101.28
193	180.64
64	57.85
2086	1696.73

Current Salary Scales effective from 01.04.2009		
Grade	Minimum	Maximum
BR1	£14,697	£14,814
BR2	£14,940	£15,216
BR3	£15,615	£16,482
BR4	£16,482	£17,196
BR5	£17,196	£18,582
BR6	£18,582	£20,877
BR7	£21,375	£23,277
BR8	£23,970	£25,455
BR9	£26,400	£28,032
BR10	£28,800	£30,390
BR11	£29,601	£31,761
BR12	£30,987	£33,510
BR13	£33,510	£36,306
BR14	£36,306	£38,961

* Includes staff with multiple contracts

** Includes non BR grade staff, eg MG staff, centrally employed teachers, TUPE staff etc.

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EXECUTIVE

Minutes of the meeting held on 6 February 2013 starting at 7.00 pm.

Present:

Councillor Stephen Carr (Chairman)
Councillors Graham Arthur, Robert Evans, Colin Smith,
Tim Stevens and Stephen Wells

Also Present:

Councillor Nicholas Bennett J.P., Councillor Eric Bosshard,
Councillor Peter Fookes, Councillor William Huntington-
Thresher and Councillor Richard Scoates

120 COUNCIL TAX 2013/14

Report RES13033

Members considered a report identifying the final issues affecting the 2013/14 revenue budget and the recommendations that would be made to Council on the level of the Bromley element of the 2013/14 Council Tax. It was reported that confirmation of the final GLA precept would be reported to Council on the revised meeting date of 27th February 2013. The Finance Director advised that of the 4 levies only one, the London Boroughs Grants Committee had been confirmed and provisional figures had therefore been included at this stage. Set out in the report was a summary analysis of variations in the draft 2013/14 Budget compared with the 2012/13 Budget, including saving options required to balance the budget for 2013/14 as well as changes since the Executive's last meeting. For guidance an illustrative Bromley element Council Tax of £1,0011.82 based on a 2% increase in 2013/14 had been calculated. Each 1% Council tax increase generated ongoing annual income of £1.2m. Approval was also being sought for the "Schools Budget".

The Chairman when introducing the Council Tax proposals referred to the very difficult financial situation facing local authorities and drew attention to revised recommendations circulated at the meeting which were based on a Bromley element Council Tax increase of 1.9% excluding the GLA precept. A balanced approach had been taken to ensure vital services were maintained yet at the same time reflecting the Council's commitment to the local economy by establishing an earmarked reserve fund for economic development. Councillor Carr referred to the importance placed on the consultations that had been carried out and felt that these proposals demonstrated that the Council had listened to what people had said. The Finance Director drew attention to the cost pressures facing the local authority and whilst achieving a balanced budget in the medium term there still remained a 'budget gap' for future years which could increase or decrease as a result of a number of

variables. The Council Tax proposals had been drawn up against a background of reduced government grant and the impact of recent government changes such as the localisation of business rates. In response to a query from a member he explained the inclusion of an additional recommendation for the draw down of funding to support the establishment of an Independent Complaints Advocacy Service to support people in making complaints about NHS services. This service was previously commissioned by the Department of Health but from 1st April 2013 would become the responsibility for individual local authorities. A supplementary paper had been circulated with the revised recommendations giving more background details concerning the arrangements and it was proposed that the decision be subject to the agreement of the Care Services Portfolio Holder in consultation with the PDS Committee at its meeting on 11th March 2013. The Chairman confirmed that he had had no formal response to his letter reiterating concerns about the low level of funding for Bromley reflected in the Local Government Financial Settlement but there had been one small piece of good news. The Government appeared to have listened to part of the concerns raised about LACSEG/ESG funding and had agreed some additional direct funding to support retained statutory services.

In October last year the Chancellor had announced that Councils that froze or reduced their Council tax in 2013/14 would get a grant equivalent to a 1% Council Tax increase in each of 2013/14 and 2014/15. Bearing in mind that a 2% Council Tax increase would raise income of £2.4m, the lower amount being offered by the Government could not realistically be utilised to support ongoing costs. The Chairman advised that the offer was only short term and would not cover the growth in costs in respect of older people and children in care which were putting huge demands on a shrinking budget. The Finance Director explained that the one off payments would fall out after 2 years but the Council's income base would be in a worse position. This was explained in more detail in the report together with an illustration of what the Council's position would be if it did take the grant being offered.

The Portfolio Holder for Resources speaking in support of the Council Tax proposals also highlighted the continuing rise in costs to the Council despite every effort to make efficiencies and savings. He considered a pragmatic approach was needed as it would not be prudent to spend savings which once gone would leave nothing to fall back on but rather to use the Council's assets more effectively which was what was happening. All Executive members indicated their support for the recommendations to go forward to Council. The Finance Director advised that there were still a number of technicalities to be settled and the recommendations to Council would need to reflect this and the technicalities could not be finalised until the outcome of the levies were known.

RESOLVED that the Finance Director be authorised to report any further changes directly to Council on 27th February 2013;

RESOLVED to RECOMMEND Council that

1) (a) the schools budget of £127.4 million be approved which matches the estimated level of Dedicated Schools Grant (DSG);

(b) the draft revenue budgets (as shown in revised Appendix 2) for 2013/14 be approved with the following amendments, including changes to earmarked reserves (see (c) to (h) below;

(c) To reflect the Council's commitment to economic development it is proposed that Council approve an earmarked reserve for economic development totalling £16,319k as detailed below, which includes reallocation of existing reserves (£12,029k), contributions from 2012/13 underspends of £3,261k (2012/13 Financial Monitoring Report) and utilisation of unallocated balance on the collection fund (£1,029k):

	£'000
Utilisation of remaining balance on collection fund	1,029
Utilisation of savings in 2012/13 (mainly early achievement of 2013/14 Budget savings)	3,261
Existing earmarked reserves (including reserves as part of 2013/14 draft budget)	
- New Homes Bonus	6,591
- Part utilisation of infrastructure investment fund (£5,768k)	3,768
- Glades Development	850
- LPSA/LAA Reward Grant Investment Fund (uncommitted balance remaining)	820
Economic Development Fund	16,319

(d) approval be given to the allocation of £70,435 from the Local Reform and Community Voices Grant (total grant sum £208,498) in 2013/14 and 2014/15 to fund an Independent Complaints Advocacy Service. which will be subject to the agreement of the Care Services Portfolio Holder, (in the week beginning 11th March 2013) in consultation with the Chairman of the Care Services Policy Development and Scrutiny Committee to the award of the contract from April 2013;

(e) to note that the funding requested in (d) above relates to meeting a new statutory responsibility from April 2013;

(f) agree to reduce the provision for unallocated inflation by £124k;

(g) approve a contingency sum of £13,021k (see section 9 of the report);

(h) approves the following provisions for levies for inclusion in the budget for 2013/14:

	£'000
London Pension Fund Authority *	504
London Boroughs Grant Committee	341
Environment Agency (Flood defence etc) *	217
Lee Valley Regional Park *	385
Total	1,447

* Provisional estimate at this stage

(i) Chief Officers be requested to identify alternative savings within their departmental budgets where it is not possible to realise any proposed savings reported to the current and previous meetings of the Executive;

(j) responsibility for agreeing and signing the Transfer Scheme for Public Health be delegated to the Chief Executive and the Resources Portfolio Holder who will update the Executive and Resources PDS Chairman and the Leader accordingly (see section 7 of the report);

(k) the latest position of the net impact of changes in Local Authority Central Services Education Grant funding as shown in section 4.2 of the report be noted;

(l) it notes that the latest position on the GLA precept, which will be finalised in the overall Council Tax figure will be reported to full Council (see section 16 of the report);

(m) the approach to reserves outlined by the Finance Director be approved (see Appendix 5);

(n) it sets a 1.87% increase in Bromley's Council Tax for 2013/14 (including levies) compared with 2012/13 and, based upon their consultation exercise, an assumed 1.21% reduction in the GLA precept (N.B. GLA precept figure may need to be amended once the actual GLA budget is set, although it is expected to remain unchanged); which results in an overall increase (including GLA precept) of 1.14%; and

(p) the Finance Director in consultation with the Director of Resources and the Leader will amend the formal recommendations to reflect any further clarification received relating to the "technical" presentational changes required under the Localism Act;

2.2.1 Council Tax 2013/14 – Statutory Calculations and Resolutions (as amended by the Localism Act 2011).

Subject to 2.1 (a) to (h) above, if the formal Council Tax Resolution as detailed below is approved, the total Band D Council Tax will be as follows:

	2012/13 £	2013/14 £	Increase/decrease (-) %
Bromley	991.31	1,009.89	1.87
GLA *	306.72	303.00	-1.21
Total	1298.03	1312.89	1.14

* The GLA Precept may need to be amended once the actual GLA budget is set.

2.3 Council formally RESOLVES as follows:

1. It be noted that, as detailed in section 15 of the report, the Council Tax Base for 2013/14 is 122,140.
2. Calculate that the Council Tax requirement for the Council's own purposes for 2013/14 is £123,348k.
3. That £1009.89 be calculated by the Council as the basic amount of its Council Tax (Band D) for the year.
4. To note that the Greater London Authority (GLA) has issued a precept to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below (NB. the GLA precept figure may need to be amended once the actual GLA budget is set).
5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the table below as the amounts of Council Tax for 2013/14 for each part of its area and for each of the categories of dwellings.

LONDON BOROUGH OF BROMLEY

Valuation Bands							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
673.26	785.47	897.68	1,009.89	1234.31	1458.73	1683.15	2,019.78

GREATER LONDON AUTHORITY

Valuation Bands							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
202.00	235.67	269.33	303.00	370.33	437.67	505.00	606.00

AGGREGATE OF COUNCIL TAX REQUIREMENTS

Valuation Bands							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
875.26	1021.14	1167.01	1312.89	1604.64	1896.40	2188.15	2625.78

6. That the Council hereby determines that its “relevant” basic amount of council tax for the financial year 2013/14, which reflects an increase of 1.97%, is not excessive. The Referendums Relating to Council Tax Increases (Principles) Report (England) 2013/14 sets out the principles which the Secretary of State has determined will apply to local authorities in England in 2013/14. The Council is required to determine whether its “relevant” basic amount of Council Tax is excessive in accordance with the principles approved under Section 52ZB of the Local Government Finance Act 1992. Taking into account the changes to levies {see 2.1. (h)}, the Council’s basic amount of council tax increases by 1.87% (see 2.2).

SUMMARY OF DRAFT 2013/14 REVENUE BUDGET - PORTFOLIO

2012/13	Portfolio/Item	2013/14 Draft Budget £'000	2013/14 Band "D" Equivalent £
127,473	Education	131,772	1,078.86
Cr 128,336	Less costs funded through Dedicated Schools Grant	Cr 127,379	Cr 1,042.89
Cr 863	Sub total	4,393	35.97
103,481	Care Services	108,269	886.43
31,309	Environment	31,169	255.19
3,272	Public Protection and Safety	3,061	25.06
9,074	Renewal and Recreation	8,621	70.58
31,776	Resources	31,012	253.90
7,223	Non Distributed Costs & Corporate & Democratic Core	7,613	62.33
185,272	Total Controllable Budgets	194,138	1,589.46
30,161	Total Non Controllable Budgets	20,709	169.55
Cr 811	Total Excluded Recharges	Cr 831	Cr 6.80
214,622	Portfolio Total	214,016	1,752.21
Cr 29,353	Reversal of Net Capital Charges	Cr 19,727	Cr 161.51
Cr 2,691	Interest on General Fund Balances	Cr 1,591	Cr 13.03
12,642	Provision for Capital Works and Other Provisions	5,907	48.36
7,254	Central Contingency Sum	13,021	106.61
	Levies		
453	- London Pension Fund Authority	504	4.13
459	- London Boroughs Grants Committee	341	2.79
217	- Environment Agency	217	1.78
385	- Lee Valley Regional Park	385	3.15
203,988	Sub Total	213,073	1,744.49
Cr 59,636	Formula Grant	Cr 84,131	Cr 688.81
Cr 823	Local Services Support Grant	Cr 181	Cr 1.48
Cr 3,304	Council Tax Freeze Grant 2011/12 (subsumed into Formula Grant)	-	-
Cr 3,304	Council Tax Freeze Grant 2012/13	-	-
Cr 2,000	Collection Fund Surplus	Cr 1,840	Cr 15.06
Cr 2,025	New Homes Bonus	Cr 3,573	Cr 29.25
132,896	Bromley's Requirement (excluding GLA) *	123,348	1,009.89

* includes impact of council tax support scheme

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EXECUTIVE

Minutes of the meeting held on 6 February 2013 starting at 7.00 pm.

Present:

Councillor Stephen Carr (Chairman)
Councillors Graham Arthur, Robert Evans, Colin Smith,
Tim Stevens and Stephen Wells

Also Present:

Councillor Nicholas Bennett J.P., Councillor Eric Bosshard, Councillor Peter Fookes, Councillor William Huntington-Thresher and Councillor Richard Scoates

120 CAPITAL PROGRAMME MONITORING Q3 2012/13 & ANNUAL CAPITAL REVIEW 2013 TO 2017

Report RES13023

Consideration was given to a report summarising the current position on capital expenditure and receipts following the 3rd Quarter of 2012/13. It also included new Capital Schemes supported by Council Directors in the annual capital review process.

It was noted that the introduction of a more rigorous monitoring process last year had resulted in the 2011/12 outturn being significantly closer to the final estimate and this process had continued during the current year. If all the changes proposed in the report were approved, the total Capital Programme 2012/13 to 2016/17 would increase by £9.1m mainly due to the addition of new schemes (£7.1m), revised/new grant allocations (£2.7m) and a reduction as a result of the deletion of residual scheme budgets (- £0/9m). A summary of the variations to the Programme with brief comments was set out in the Appendices to the report.

The Finance Director advised that the main focus had again been on the continuation of existing essential programmes and on externally funded schemes. Only a limited new spending programme was being put forward consisting of one scheme that was not funded by grant and that related to the need for 2 storage area networks for the storage of the Council's data as explained in the report. The Portfolio Holder for Care Services queried the Langley Boys School Scheme and asked for more detail which the Finance Director agreed to provide after the meeting. He also advised that there would be the usual post completion report which would give more information on the project. It was requested that the Portfolio Holder be kept updated on the situation.

The Finance Director advised that there was a separate report on the agenda (Minute 137/1 refers) relating to Penge/Anerley Libraries which if approved would require additional funding to be added to the capital programme.

The Chairman commented on the additional Government grant (£117,000) that had been received for Disabled Facilities Grants and requested that this should be used for that purpose with the amount already budgeted taken back into contingency later in the year.

RESOLVED that

1) the report be noted including the rephrasing of a total of £16,868k from 2012/13 into later years (see paragraph 3.7 of the report) and the revised Capital Programme be agreed;

2) the following amendments to the Capital Programme be approved:

- (i) Deletion of residual scheme budgets no longer required (total of £898k), comprising £502k on care home decanting costs, £256k for shared ownership housing, £40k for feasibility studies and £100k on the Bromley Town Centre parking scheme (see paragraph 3.3 of the report);**
- (ii) The addition of a net total of £2,735k in respect of new, additional or revised external grant funding allocations, comprising £1,293k for social care grant, £558k for Early Education for 2 Year Olds, a reduction of £98k in TfL funding for highway schemes, £450k for the Empty Homes Programme and £532k for the SALIX Energy Efficiency Loan Scheme (SEELS) Street Lighting Project (see paragraph 3.4 of the report);**
- (iii) Budget realignments to move surplus funding to cover potential cost pressures on education schemes, comprising £316k from the Secondary School Investment Strategy (unspent contingency) to the Langley Park Boys School scheme and £50k of unspent primary school expansion funding into the one remaining active primary scheme at The Highway (see paragraph 3.5);**
- (iv) Adjustment of £117k to the budget and revised phasing of expenditure for Disabled Facilities Grants to take account of additional government grant in 2012/13 and to bring budgets in line with available funding (see paragraph 3.6 of the report) and with any planned revenue budget funding to be retained in the contingency.**

RESOLVED that Council be RECOMMENDED to approve the new scheme proposals supported by Chief Officers (listed in the attached Appendix) to be included in the Capital Programme, subject to a fully

costed feasibility study on one scheme (the replacement of two storage area networks – see paragraph 3.9 of the report) being approved by the Resources Portfolio Holder.

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CAPITAL PROGRAMME REVIEW 2012 - NEW CAPITAL SCHEMES SUPPORTED BY COUNCIL DIRECTORS & RECOMMENDED TO EXECUTIVE 06/02/13

Capital Scheme/Project	Priority	Revenue effect							Comments
		TOTAL	13/14	14/15	15/16	16/17	Running	Financing	
		£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Winter maintenance - replacement of equipment	HIGH	40	0	0	0	40	0	0	1 To complete phased replacement of aging equipment and maintain statutory level of service
Highway schemes funded by Transport for London	HIGH	4000	0	0	0	4000	0	0	0 Schemes to be fully funded by Transport for London
Replacement of 2 storage area networks	HIGH	1500	0	750	750	0	0	30	Replacement of SAN's that are approaching the end of their useful lives
Renovation Grants - Disabled Facilities Grants	HIGH	942	0	0	0	942	0	0	0 Govt grant £710k pa; provision already in Cap Prog 12/13-15/16; £232k pa revenue cont
Schools Access Initiative	HIGH	150	0	0	0	150	0	0	0 Works under Disability Discrimination Act (revenue contribution from schools' budget)
Devolved Formula Capital grant to schools	HIGH	430	0	0	0	430	0	0	0 100% funded by government grant
Feasibility studies - block provisions	HIGH	40	0	0	0	40	0	1	Provision for 12/13-15/16 already in Capital Programme
GRAND TOTAL NEW CAPITAL BIDS		7102	0	750	750	5602	0	32	

COST TO THE COUNCIL (LBB RESOURCES)	13/14	14/15	15/16	16/17	TOTAL
	£000's	£000's	£000's	£000's	£000's
Grand total new bids above	0	750	750	5602	7102
<u>External funding for new bids</u>					
Transport for London (highway schemes)	0	0	0	-4000	-4000
Renovation grants (DFG)	0	0	0	-942	-942
Schools Access Initiative	0	0	0	-150	-150
Devolved Formula Capital	0	0	0	-430	-430
Funding from Council's resources	0	750	750	80	1580

100% TfL funding
Government grant £710k; revenue contribution £232k
Revenue contribution from schools' budget
100% government grant

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Report No.
RES13058

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: COUNCIL

Date: 27 February 2013

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

Title: TREASURY MANAGEMENT -
ANNUAL INVESTMENT STRATEGY 2013/14

Contact Officer: Graham Walton, Democratic Services Manager
Tel: 0208 461 7743 E-mail: graham.walton@bromley.gov.uk

Chief Officer: Director of Resources

Ward: N/A

1. Reason for report

- 1.1 Under the CIPFA Code of Practice for Treasury Management in the Public Services the Council is required to approve an annual Treasury Management Strategy including prudential indicators and the Minimum Revenue Provision (MRP) Policy Statement. The attached report setting these out was considered by Executive and Resources PDS Committee for pre-decision scrutiny on 31st January and on 12th February 2013 who supported the recommendations. The Resources Portfolio Holder subsequently agreed to recommend their adoption by Council on 27th February 2013. The report considered by the PDS Committee and the Portfolio Holder is attached.
-

2. **RECOMMENDATION(S)**

Council is recommended to –

- (1) **Note the report and approve the inclusion of Certificates of Deposit, commercial Paper and Floating Rate Notes as eligible investment vehicles.**
- (2) **Adopt the Treasury Management Statement and the Annual Investment Strategy for 2013/14, the prudential indicators and the Minimum Revenue Provision (MRP) policy statement.**

Corporate Policy

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

Financial

1. Cost of proposal: Not Applicable
 2. Ongoing costs: Not Applicable
 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): 0.25fte
 2. If from existing staff resources, number of staff hours: 9 hours per week
-

Legal

1. Legal Requirement: Non-Statutory - Government Guidance None:
 2. Call-in: Not Applicable – decision required by full Council
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Not applicable
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Not applicable

Non-Applicable Sections:	See attached report
Background Documents: (Access via Contact Officer)	See attached report.

PART 1 - PUBLIC

Decision Maker: Resources Portfolio Holder
Council

Date: For pre-decision scrutiny by Executive and Resources PDS Committee
on 31st January 2013
Council meeting 27th February 2013

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

Title: TREASURY MANAGEMENT - ANNUAL INVESTMENT
STRATEGY 2013/14

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 presents the Treasury Management Strategy and the Annual Investment Strategy for 2013/14, which are required by the CIPFA Code of Practice for Treasury Management in the Public Services (revised in 2009) to be approved by the Council. The report also includes prudential indicators and the MRP (Minimum Revenue Provision) Policy Statement, both of which also require the approval of the Council.
-

RECOMMENDATION(S)

The PDS Committee, the Portfolio Holder and full Council are asked to:

- 2.1 Note the report and approve the inclusion of Certificates of Deposit, Commercial Paper and Floating Rate Notes as eligible investment vehicles (see paragraph 3.7); and
- 2.2 Agree to recommend to Council the adoption of the Treasury Management Statement and the Annual Investment Strategy for 2013/14 (Appendix 1 on pages 6-26 of this report), including the prudential indicators (summarised on page 26) and the Minimum Revenue Provision (MRP) policy statement (page 9).

Corporate Policy

1. Policy Status: Existing policy. To maintain appropriate levels of risk, particularly security and liquidity, whilst seeking to achieve the highest rate of return on investments.
 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): 0.25 fte
 2. If from existing staff resources, number of staff hours: 9 hours per week
-

Legal

1. Legal Requirement: Non-statutory - Government guidance.
 2. Call-in: Call-in is applicable The Annual Investment Strategy and Prudential Indicators require Council approval
-

Customer Impact

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

Ward Councillor Views

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

3. COMMENTARY

General

- 3.1 Under the requirements of the CIPFA Code of Practice on Treasury Management, the Council is required to approve an annual treasury strategy in advance of the year, a mid-year review report and an annual report following the year describing the activity compared to the strategy. In practice, the Finance Director has reported quarterly on treasury management activity for many years and has always met the requirements with regard to the annual strategy, the mid-year review and the annual report. The mid-year review for 2012/13 was considered by the E&R PDS Committee on 18th October 2012 and was reported to the Council meeting on 12th November. This report presents the annual strategy, including the MRP Policy Statement (page 9) and prudential indicators (summarised on page 26) for 2013/14 to 2015/16. Details of treasury management activity during the quarter ended 31st December 2012 and the period 1st April 2012 to 31st December 2012 are included in a report elsewhere on the agenda.

Treasury Management Strategy Statement and Annual Investment Strategy 2013/14

- 3.2 Appendix 1 (pages 6-26) sets out the Treasury Management Strategy Statement and Annual Investment Strategy for 2013/14. This combines the requirements of the CIPFA Code of Practice for Treasury Management in the Public Services (revised in 2009) and the Prudential Code. The Strategy includes throughout details of proposed prudential indicators, which are summarised in Annex 3 (page 26) and will be submitted for approval to the February Council meeting. Many of the indicators are academic as far as the Council is concerned, as they seek to control debt and borrowing, but they are a statutory requirement.
- 3.3 Members will be aware that, since the Icelandic bank crisis in October 2008, the Council has approved a number of changes to the eligibility criteria and maximum exposure limits (both monetary and time) for banks and building societies. The rating criteria use the **lowest common denominator** method of selecting counterparties and applying limits. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution. For instance, if an institution is rated by two agencies, one of which meets the Council's criteria while the other does not, the institution will fall outside the lending criteria. The Council also applies a minimum sovereign rating of AA+ to investment counterparties.
- 3.4 While the Council effectively determines its own eligible counterparties and limits, it also uses Sector Treasury Services as an advisor in investment matters. Sector use a sophisticated modelling approach that combines credit ratings, credit watches, credit outlooks and CDS spreads in a weighted scoring system for which the end product is a series of colour code bands which indicate the relative creditworthiness of counterparties. These colour codes indicate Sector's recommendations on the maximum duration for investments. The Council will use its own eligibility criteria for all investment decisions, but will also be mindful of Sector's advice and information and will not use any counterparty not considered by Sector to be a reasonable risk. In line with the requirements of the CIPFA Treasury Management Code of Practice, the Council will always ensure the security of the principal sum and the Council's liquidity position before the interest rate.
- 3.5 As is highlighted in the Treasury Performance report elsewhere on the agenda, a number of UK banks have been the subject of credit ratings downgrades, which has resulted in reductions to the number of eligible counterparties and to monetary and duration limits on our lending list. It should be emphasised that the downgrades were, in most cases, relatively minor and were not an indication of a likely bank default, but, nevertheless, they were enough to impact on our lending list. As a result, the total of investments placed with money market funds has increased significantly in the last year.

- 3.6 Although Investment options remain limited, no changes to eligibility criteria for individual banks and building societies are proposed at this stage. Sector's advice since September 2011 has been to place investments for short periods (a maximum of 3 months) with all but the two part-nationalised banks (Lloyds TSB and RBS), for which a maximum duration of 1 year is recommended. Whilst our current approved strategy would permit investment for longer periods (up to 2 years with Lloyds TSB and RBS and up to 1 year with some of the other UK banks and building societies), we have taken a cautious view and have followed Sector's advice to the letter. On 11th January, however, Sector lifted the temporary 3 month cap and, as result, we are now able to invest for slightly longer periods with some of the UK banks and building societies on our list, which will enable slightly higher rates to be achieved.
- 3.7 Officers have, however, discussed the strategy with Sector and it is proposed that, following the recent agreement of the Council to include corporate bonds as eligible investment vehicles, the strategy be extended to include a number of other vehicles, as follows. All of these are included in Sector's model investment strategy. While they may not actually be used, their inclusion would give us more flexibility on potential investment routes going forward.
- Certificates of deposit – these are tradable time deposits and are issued by depositing institutions, which have a banking license. CD's are generally issued with a maturity ranging from one month to a year, though local authorities can get maturities even further out, which break the boundaries of a suitably defined money market instrument. Denominations of issuance can be from £10,000, with a minimum investment of £100,000. They are zero-coupons bonds, issued at par, paying a principal at maturity and with fixed interest.
 - Commercial paper - similar to CD's, Commercial paper can be issued by both financial firms and creditworthy corporations. Issued at discount, from par value, and most commonly issued with time to maturities: from a week to within a year.
 - Floating rate notes – also known as floating rate bonds, these are bonds that have a variable coupon equal to a money market reference rate, such as Libor, plus a quoted spread/margin that remains constant. They normally pay out interest every three months.

Regulatory Framework, Risk and Performance

- 3.8 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.

3.9 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 maintain appropriate levels of risk, particularly with a view to ensuring security and liquidity, and to seek to achieve the highest rate of return on investments within these risk parameters.

5. FINANCIAL IMPLICATIONS

5.1 An average of 1.5% was assumed for the interest rate on new investments in the 2012/13 revenue budget (£2.69m), in line with interest rate forecasts 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 (including money market funds and notice accounts) is 1.03%. Rates are still expected to rise, but the expected start of the rise has been put back to the start of 2015 and may well slip back even further. The latest financial forecast assumes a rate of 1.0% for new investments from 2013/14 through to 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. The latest forecast outturn for net interest on balances in 2012/13 is broadly in line with the 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 Services

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APPENDIX 1: Treasury Management Strategy Statement Annual Investment Strategy and Minimum Revenue Provision Policy Statement 2013/14

1. Introduction

1.1 Background

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.”

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council’s low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council’s capital plans, which provide a guide to the borrowing need of the Council. Although the Council does not borrow to finance its capital spending plans, officers still plan and forecast the longer term cash flow position in order to ensure that the Council can meet its capital spending obligations and that it maintains balances (working capital) at a prudent and sustainable level.

1.2 Statutory and reporting requirements

The Local Government Act 2003 (the Act) and supporting regulations requires the Council to ‘have regard to’ the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the Council’s capital investment plans are affordable, prudent and sustainable.

The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals. These reports are required to be adequately scrutinised by committee before being recommended to the Council. This role is undertaken by the Executive & Resources Policy Development & Scrutiny Committee.

Prudential and Treasury Indicators and Treasury Strategy (this report) - This covers:

- the capital plans (including prudential indicators);
- a Minimum Revenue Provision Policy (how residual capital expenditure is charged to revenue over time);
- the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

A Mid Year Treasury Management Report – This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether the treasury strategy is meeting the strategy or whether any policies require revision.

An Annual Treasury Report – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

The Code also requires the Council to:

- Create and maintain a Treasury Management Policy Statement, which sets out the policies and objectives of the Council’s treasury management activities.

- Create and maintain Treasury Management Practices, which set out the manner in which the Council will seek to achieve those policies and objectives.
- Delegate responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.

1.3 Treasury Management Strategy for 2013/14

The proposed strategy for 2013/14 in respect of the following aspects of the treasury management function is based upon the treasury officers' views on interest rates, supplemented with leading market forecasts provided by the Council's treasury adviser, Sector.

The strategy covers two main areas:

Capital Issues

- the capital plans and the prudential indicators;
- the MRP strategy.

Treasury management Issues

- the current treasury position;
- treasury indicators that limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on use of external service providers.

2. The Capital Prudential Indicators 2012/13 to 2014/15

The Council's capital expenditure plans are the key driver of treasury management activity. The outputs of the capital expenditure plans are reflected in prudential indicators, which are designed to assist members to overview and confirm capital expenditure plans.

Capital Expenditure. This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

Capital Expenditure	2011/12 Actual	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
	£m	£m	£m	£m	£m
Education	28.0	22.9	1.9	0.6	0.6
Care Services	5.0	7.4	4.0	1.5	1.0
Environment	7.0	7.6	3.3	4.1	4.0
Renewal & Recreation	7.2	6.1	3.0	2.0	0.3
Resources	0.5	4.7	2.3	0.0	0.0
Sub-Total	47.7	48.7	14.5	8.2	5.9
Add: Future new schemes	0.0	0.0	2.5	2.5	2.5
Less: Estimated slippage	0.0	-5.0	1.0	1.0	1.0
Grand Total	47.7	43.7	18.0	11.7	9.4

NB. The above financing need excludes other long term liabilities (finance lease arrangements), which already include borrowing instruments.

The table below shows how the above capital expenditure plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding need (borrowing).

Capital Expenditure	2011/12 Actual	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
	£m	£m	£m	£m	£m
Total Expenditure	47.7	43.7	18.0	11.7	9.4
Financed by:					
Capital receipts	4.7	7.6	9.3	4.0	3.8
Capital grants/contributions	39.5	33.4	8.2	7.2	5.1
General Fund	0.0	0.0	0.0	0.0	0.0
Revenue contributions *	3.5	2.7	0.5	0.5	0.5
Net financing need	47.7	43.7	18.0	11.7	9.4

* These are approved contributions from the revenue budget, earmarked to fund specific schemes.

The Council's Borrowing Need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. If the CFR is positive, the Council may borrow from the Public Works Loans Board (PWLB) or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The Council's CFR represents 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. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

The Council is asked to approve the CFR projections below:

CFR	2011/12 Actual	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
	£m	£m	£m	£m	£m
Total CFR	3.6	3.3	3.0	2.7	2.4
Movement in CFR	-0.3	-0.3	-0.3	-0.3	-0.3

Movement in CFR represented by					
Net financing need for the year (above)	0.0	0.0	0.0	0.0	0.0
Less MRP/VRP and other financing movements	-0.3	-0.3	-0.3	-0.3	-0.3
Movement in CFR	-0.3	-0.3	-0.3	-0.3	-0.3

MRP Policy Statement

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to make additional voluntary payments (voluntary revenue provision - VRP).

CLG Regulations require the full Council to approve an **MRP Statement** in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision.

The Council is recommended to approve the following MRP Statement:

MRP will be based on the estimated lives of the assets, in accordance with the regulations, and will follow standard depreciation accounting procedures. Estimated life periods will be determined under delegated powers. To the extent that expenditure is not on the creation of an asset and is of a type that is subject to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the Council. However, the Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

In practice, the Council's capital financing MRP is assessed as 4% of the outstanding balance on the finance leases the Council has entered into. A Voluntary Revenue Provision (VRP) may also be made in respect of additional repayments.

The Use of the Council's Resources and the Investment Position

The application of resources (capital receipts, reserves, etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales, etc.). Detailed below are estimates of the year end balances for each resource and anticipated day to day cash flow balances.

Year End Resources	2011/12 Actual	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
	£m	£m	£m	£m	£m
General Fund balance	31.6	31.5	31.5	31.5	31.5
Capital receipts	14.0	18.4	20.3	21.2	18.7
Capital grants	19.7	10.0	5.0	5.0	5.0
Provisions	7.9	8.0	8.0	8.0	8.0
Other (earmarked reserves)	25.0	25.0	25.0	25.0	25.0
Total core funds	98.2	92.9	89.8	90.7	88.2
Working capital*	77.7	88.0	93.0	93.0	93.0
Under/over borrowing**	0.0	0.0	0.0	0.0	0.0
Expected investments	175.9	180.9	182.8	183.7	181.2

*Working capital balances shown are estimated year end; these may be higher mid-year.

Affordability Prudential Indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

Actual and estimates of the ratio of financing costs to net revenue stream. This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

%	2011/12 Actual	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
	%	%	%	%	%
Non-HRA	-1.5	-1.5	-2.0	-2.0	-2.0

Estimates of the incremental impact of capital investment decisions on Band D council tax.

This indicator identifies the revenue costs associated with proposed changes to the three year capital programme recommended to the Executive in February compared to the Council's existing approved commitments and current plans. Only a small proportion of the changes proposed will involve a contribution from Council resources and this will not impact on the level of Council Tax in future years. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period.

	2011/12 Actual	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
	£	£	£	£	£
Council tax - band D	-	-	-	-	-

3. Treasury Management Strategy

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

3.1 Current Portfolio Position

The Council's treasury portfolio position at 31 March 2012 is summarised below, together with forward projections. The table shows the actual external borrowing (the treasury management operations), against the capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

£m	2011/12 Actual	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
	£m	£m	£m	£m	£m
External borrowing					
Borrowing at 1 April	-	-	-	-	-
Expected change in borrowing	-	-	-	-	-
Other long-term liabilities (OLTL)	3.6	3.3	3.0	2.7	2.4
Expected change in OLTL	-	-0.3	-0.3	-0.3	-0.3
Actual borrowing at 31 March	-	-	-	-	-
CFR – the borrowing need	3.6	3.3	3.0	2.7	2.4
Under / (over) borrowing	3.6	3.3	3.0	2.7	2.4
Investments	175.9	180.9	182.8	183.7	181.2
Total investments at 31 March					
Investment change	-	-4.3	-3.2	-1.2	2.2
Net investments	-172.3	-176.6	-179.8	-181.0	-178.8

Within the prudential indicators, there are a number of key indicators to ensure that the Council operates its activities within defined limits. One of these is that the Council needs to ensure that its total borrowing, net of any investments, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2013/14 and the following two financial years (shown as net borrowing above). This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

The Finance Director reports that the Council complied with this prudential indicator in the current year and does not envisage non-compliance in the future. This view takes into account current commitments, existing plans, and the proposals in this year's budget report.

3.2 Treasury Indicators: Limits to Borrowing Activity

The Operational Boundary. This is the total figure that external borrowing is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual borrowing.

Operational boundary £m	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
Borrowing	10.0	10.0	10.0	10.0
Other long term liabilities	20.0	10.0	10.0	10.0
Total Operational Boundary	30.0	20.0	20.0	20.0

The Authorised Limit for external borrowing. A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external borrowing is prohibited and this limit needs to be set or revised by the full Council. It reflects the level of external borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

1. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
2. The Council is asked to approve the following Authorised Limit:

Authorised limit £m	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
	£m	£m	£m	£m
Borrowing	30.0	30.0	30.0	30.0
Other long term liabilities	30.0	30.0	30.0	30.0
Total Authorised Limit	60.0	60.0	60.0	60.0

3.3 Prospects for Interest Rates

The Council has appointed Sector as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Appendix 1 draws together a number of current City forecasts for short term (Bank Rate) and longer fixed interest rates. The following table gives the Sector central view.

Annual Average %	Bank Rate	Money Rates		PWLB Borrowing Rates		
		3 month	1 year	5 year	25 year	50 year
Dec 2012	0.50	0.50	1.00	1.50	3.70	3.90
March 2013	0.50	0.50	1.00	1.50	3.80	4.00
June 2013	0.50	0.50	1.00	1.50	3.80	4.00
Sept 2013	0.50	0.50	1.00	1.60	3.80	4.00
Dec 2013	0.50	0.50	1.00	1.60	3.80	4.00
March 2014	0.50	0.50	1.10	1.70	3.90	4.10
June 2014	0.50	0.60	1.10	1.70	3.90	4.10
Sept 2014	0.50	0.60	1.20	1.80	4.00	4.20
Dec 2014	0.50	0.70	1.30	2.00	4.10	4.30
March 2015	0.75	0.80	1.30	2.20	4.30	4.50
June 2015	1.00	1.10	1.50	2.30	4.40	4.60
Sept 2015	1.25	1.40	1.80	2.50	4.60	4.80
Dec 2015	1.50	1.70	2.10	2.70	4.80	5.00
March 2016	1.75	1.90	2.40	2.90	5.00	5.20

The economic recovery in the UK since 2008 has been the worst and slowest recovery in recent history, although the economy returned to positive growth in the third quarter of 2012. Growth prospects are weak and consumer spending, the usual driving force of recovery, is likely to remain under pressure due to consumers focusing on repayment of personal debt, inflation eroding disposable income, general malaise about the economy and employment fears.

The primary drivers of the UK economy are likely to remain external. 40% of UK exports go to the Eurozone so the difficulties in this area are likely to continue to hinder UK growth. The US, the main world economy, faces similar debt problems to the UK, but urgently needs to resolve the fiscal cliff now that the Presidential elections are out of the way. The resulting US fiscal tightening and continuing Eurozone problems will depress UK growth and is likely to see the UK deficit reduction plans slip.

This challenging and uncertain economic outlook has several key treasury management implications:

- The Eurozone sovereign debt difficulties provide a clear indication of high counterparty risk. This continues to suggest the use of higher quality counterparties for shorter time periods;
- Investment returns are likely to remain relatively low during 2013/14 and beyond;
- Borrowing interest rates continue to be attractive and may remain relatively low for some time. The timing of any borrowing will need to be monitored carefully;
- There will remain a cost of carry – any borrowing undertaken that results in an increase in investments will incur a revenue loss between borrowing costs and investment returns.

3.4 Borrowing Strategy

The Council currently does not borrow to finance capital expenditure and finances all expenditure from external grants and contributions, capital receipts or internal balances. The Council does, however, have a Capital Financing Requirement (CFR) of £3.6m, which is the outstanding liability on finance leases taken out in respect of plant, equipment and vehicles.

The uncertainty over future interest rates increases the risks associated with treasury activity. As a result the Council will take a cautious approach to its treasury strategy and will monitor interest rates in financial markets.

Treasury Management Limits on Activity

There are three debt-related treasury activity limits. The purpose of these is to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive, they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments;
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits:

£m	2012/13	2013/14	2014/15
Interest rate Exposures			
	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	100%	100%	100%
Limits on variable interest rates based on net debt	20%	20%	20%
Maturity Structure of fixed interest rate borrowing 2012/13			
	Lower	Upper	
Under 12 months (temporary borrowing only)	100%	100%	
12 months to 2 years	N/A	N/A	
2 years to 5 years	N/A	N/A	
5 years to 10 years	N/A	N/A	
10 years and above	N/A	N/A	

3.5 Policy on Borrowing in Advance of Need

The Council will not borrow more than or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

3.6 Annual Investment Strategy

3.6.1 Investment Policy

The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second, then return.

In accordance with the above, and in order to minimise the risk to investments, the Council has below clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings and watches published by all three ratings agencies with a full understanding of what the ratings reflect in the eyes of each agency. Using the Sector ratings service, banks' ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.

Furthermore, the Council's officers recognise that ratings should not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets and of sovereign ratings. To this end, the Council will engage with its advisors to maintain a monitor on market pricing such as "Credit Default Swaps" and overlay that information on top of the credit ratings. This is encapsulated within the credit methodology provided by the advisors, Sector.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk.

The intention of the strategy is to provide security of investment and minimisation of risk.

3.6.2 Creditworthiness policy

Investment instruments identified for use in the financial year are listed in Annex 2 under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set through the Council's Treasury Management Practices – Schedules.

Investment Counterparty Selection Criteria - The primary principles governing the Council's investment criteria are the security and liquidity of its investments, although the yield or return on the investment is also a key consideration. After these main principles, the Council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the Specified and Non-Specified investment sections below; and
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

The Finance Director will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are

separate to those that determine which types of investment instrument are either Specified or Non-Specified as they provide an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.

The rating criteria use the **lowest common denominator** method of selecting counterparties and applying limits. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution. For instance, if an institution is rated by two agencies, one of which meets the Council's criteria, while the other does not, the institution will fall outside the lending criteria. This is in compliance with a CIPFA Treasury Management Panel recommendation in March 2009 and the CIPFA Treasury Management Code of Practice.

Credit rating information is supplied by Sector, our treasury consultants, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance, a negative rating watch applying to a counterparty at the minimum Council criteria may be suspended from use, with all others being reviewed in light of market conditions.

In addition, the Council receives weekly credit lists as part of the creditworthiness service provided by Sector. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moodys and Standard and Poors. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS (Credit Default Swap) spreads to give early warning of likely changes in credit ratings (these provide an indication of the likelihood of bank default);
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour code bands which indicate the relative creditworthiness of counterparties and a recommendation on the maximum duration for investments. The Council would not be able to replicate this level of detail using in-house resources, but uses this information, together with its own view on the acceptable level of counterparty risk, to inform its creditworthiness policy. The Council will also apply a minimum sovereign rating of AA+ to investment counterparties.

The criteria for providing a pool of high quality investment counterparties (both Specified and Non-specified investments) are:

- **Banks 1** - good credit quality – the Council will only use banks which:
 - a) are UK banks;
 - b) are non-UK and domiciled in a country with a minimum long-term sovereign rating of AA+;
 - c) have, as a minimum, the following Fitch, Moody's and Standard and Poors credit ratings (where rated):
 - Short term – Fitch F1; Moody's P-1; S&P A-1
 - Long term – Fitch A-; Moody's A3; S&P A-
- **Banks 2** – Part nationalised UK banks – Lloyds Bank and Royal Bank of Scotland. These banks can be included if they continue to be part nationalised or they meet the ratings in Banks 1 above.
- **Bank subsidiary and treasury operation** - The Council will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings in Banks 1 above.
- **Building societies** - The Council will use all societies that meet the ratings in Banks 1 above.
- **Money Market Funds** – The Council will use AAA-rated Money Market Funds.
- **UK Government** (including gilts and the DMADF)

- **Other Local Authorities, Parish Councils, etc.**
- **Supranational institutions**
- **Corporate Bonds**
- **Certificates of Deposit, Commercial Paper and Floating Rate Notes**

The Council's detailed eligibility criteria for investments with counterparties are included in Annex 2.

All credit ratings will be continuously monitored. The Council is alerted to changes to ratings of all three agencies through its use of the Sector creditworthiness service.

- if a downgrade results in the counterparty no longer meeting the Council's minimum criteria, its further use for new investments will be withdrawn immediately.
- in addition to the use of Credit Ratings, the Council will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Further advice is also received from the Council's external cash manager, Tradition UK.

Sole reliance will not be placed on these external advisers. In addition, this Council will also use market data and market information, information on government support for banks and the credit ratings of that government support. The Council forms a view and determines its investment policy and actions after taking all these factors into account.

3.6.3 Country limits

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA+ from Fitch Ratings (or equivalent from other agencies if Fitch does not provide). The list of countries that qualify using these credit criteria as at the date of this report is shown below. This list will be amended by officers should ratings change in accordance with this policy.

The Council may only place investments with counterparties in countries with sovereign ratings of AAA and AA+. Eligible countries are currently as follows:

AAA

- Australia
- Canada
- Denmark
- Finland
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland
- U.K.

AA+

- France
- Hong Kong
- USA

3.6.4 Investment Strategy

In-house funds: The Council's core portfolio is around £175m although cashflow variations during the course of the year have the effect from time to time of increasing the total investment portfolio to a maximum of around £225m. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

Interest returns outlook: Bank Rate has been unchanged at 0.50% since March 2009 and is forecast to remain unchanged until early in 2015, when it is expected to start to rise. Bank Rate forecasts for financial year ends (March) are as follows:

- 2012/2013 0.50%
- 2013/2014 0.50%
- 2014/2015 0.75%
- 2015/2016 1.75%

There are downside risks to these forecasts (i.e. start of increases in Bank Rate is delayed even further) if economic growth remains weaker for longer than expected. However, should the pace of growth pick up more sharply than expected there could be upside risk, particularly if Bank of England inflation forecasts for two years ahead exceed the Bank of England's 2% target rate.

Sector's suggested budget for investment returns on investments placed for up to three months during each financial year is shown below, together with the assumptions made by the Council in the financial forecast, which are based on a longer average duration.

	Sector 3-month View	Council View
2012/13	0.50%	1.00%
2013/14	0.50%	1.00%
2014/15	0.60%	1.00%
2015/16	1.50%	1.00%

Investment treasury indicator and limit - total principal funds invested for greater than 364 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end. Under the proposed (and current) strategy, the only investments permitted for more than 1 year are to the part-nationalised banks, Lloyds TSB and RBS, each of which have a maximum exposure limit of £40m, so this indicator is set at £80m. In practice, the actual figure will be considerably less as we are currently restricting investments with these banks to 1 year.

The Council is asked to approve the treasury indicator and limit: -

As at year end	2012/13	2013/14	2014/15	2015/16
	£m	£m	£m	£m
Principal sums invested > 364 days	80.0	80.0	80.0	80.0

For its cash flow generated balances, the Council will seek to utilise its business reserve accounts, short notice accounts, money market funds and short-dated deposits (overnight to three months) in order to benefit from the compounding of interest.

3.7 End of year investment report

After the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

3.8 External fund managers

£20m of the Council's funds are externally managed on a discretionary basis by Tradition UK. They are required to comply with the Annual Investment Strategy and are permitted to use specified and non-specified investments, subject to the Council's own counterparty eligibility criteria and lending limits. Their performance is closely monitored by the Finance Director and is reported quarterly to the Resources Portfolio Holder and the Executive & Resources PDS Committee.

3.9 Policy on the use of external service providers

The Council uses Sector as its external treasury management advisors and Tradition UK as external cash fund managers.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

3.10 Scheme of delegation

(i) Full board/council

- receiving and reviewing reports on treasury management policies, practices and activities
- approval of annual strategy.

(ii) Boards/committees/council/responsible body

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices
- budget consideration and approval
- approval of the division of responsibilities
- receiving and reviewing regular monitoring reports and acting on recommendations
- approving the selection of external service providers and agreeing terms of appointment.

(iii) Body/person(s) with responsibility for scrutiny

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

3.11 Role of the section 151 officer

The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
- submitting regular treasury management policy reports
- submitting budgets and budget variations
- receiving and reviewing management information reports
- reviewing the performance of the treasury management function
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- ensuring the adequacy of internal audit, and liaising with external audit
- recommending the appointment of external service providers.

ANNEXES

1. Economic background
2. Specified and non specified investments – Eligibility Criteria
3. Prudential Indicators – summary for approval by Council

ANNEX 1. Economic Background

The Global economy

The Eurozone debt crisis has continued to cast a pall over the world economy and has depressed growth in most countries. This has impacted the UK economy which is unlikely to grow significantly in 2012 and is creating a major headwind for recovery in 2013. Quarter 2 of 2012 was the third quarter of contraction in the economy; this recession is the worst and slowest recovery of any of the five recessions since 1930. A return to growth @ 1% in quarter 3 is unlikely to prove anything more than a washing out of the dip in the previous quarter before a return to weak, or even negative, growth in quarter 4.

The **Eurozone sovereign debt crisis** has abated somewhat following the ECB's pledge to buy unlimited amounts of bonds of countries which ask for a bailout. The immediate target for this statement was Spain which continues to prevaricate on making such a request and so surrendering its national sovereignty to IMF supervision. However, the situation in Greece is heading towards a crunch point as the Eurozone imminently faces up to having to relax the time frame for Greece reducing its total debt level below 120% of GDP and providing yet more financial support to enable it to do that. Many commentators still view a Greek exit from the Euro as inevitable as total debt now looks likely to reach 190% of GDP i.e. unsustainably high. The question remains as to how much damage a Greek exit would do and whether contagion would spread to cause Portugal and Ireland to also leave the Euro, though the longer a Greek exit is delayed, the less are likely to be the repercussions beyond Greece on other countries and on EU banks.

Sentiment in financial markets has improved considerably since this ECB action and recent Eurozone renewed commitment to support Greece and to keep the Eurozone intact. However, the foundations to this "solution" to the Eurozone debt crisis are still weak and events could easily conspire to put this into reverse.

The US economy has only been able to manage weak growth in 2012 despite huge efforts by the Federal Reserve to stimulate the economy by liberal amounts of quantitative easing (QE) combined with a commitment to a continuation of ultra low interest rates into 2015. Unemployment levels have been slowly reducing but against a background of a fall in the numbers of those available for work. The fiscal cliff facing the President at the start of 2013 has been a major dampener discouraging business from spending on investment and increasing employment more significantly in case there is a sharp contraction in the economy in the pipeline. However, the housing market does look as if it has, at long last, reached the bottom and house prices are now on the up.

Hopes for a broad based recovery have, therefore, focused on the **emerging markets**. However, there are increasing concerns over flashing warning signs in various parts of the Chinese economy that indicate it may be heading for a hard landing rather than a gradual slow down.

The UK economy

The Government's austerity measures, aimed at getting the public sector deficit into order over the next four years, now look as if they will fail to achieve their objectives within the original planned timeframe. Achieving this target is dependent on the UK economy growing at a reasonable pace but recession in the Eurozone, our biggest trading partner, has depressed growth whilst tax receipts have not kept pace with additional welfare benefit payments. It will be important for the Government to retain investor confidence in UK gilts so there is little room for it to change course other than to move back the timeframe.

Currently, the UK is enjoying a major financial benefit from some of the lowest sovereign borrowing costs in the world as the UK is seen as a safe haven from Eurozone debt. There is, though, little evidence that consumer confidence levels are recovering nor that the manufacturing sector is picking up. On the positive side, growth in the services sector has rebounded in Q3 and banks have made huge progress since 2008 in shrinking their balance sheets to more manageable levels and also in reducing their dependency on wholesale funding. However, availability of credit remains tight in the economy and the Funding for Lending scheme, which started in August 2012, has not yet had the time to make a significant impact. Finally, the housing market remains tepid and the outlook is for house prices to be little changed for a prolonged period.

Economic Growth. Economic growth has basically flat lined since the election of 2010 and, worryingly, the economic forecasts for 2012 and beyond were revised substantially lower in the Bank of England Inflation quarterly report for August 2012 and were then further lowered in the November Report. Quantitative Easing (QE) was increased again by £50bn in July 2012 to a total of £375bn. Many forecasters are expecting the MPC to vote for a further round of QE to stimulate economic activity regardless of any near-term optimism. The announcement in November 2012 that £35bn will be transferred from the Bank of England's Asset Purchase Facility to the Treasury (representing coupon payments to the Bank by the Treasury on gilts held by the Bank) is also effectively a further addition of QE.

Unemployment. The Government's austerity strategy has resulted in a substantial reduction in employment in the public sector. Despite this, total employment has increased to the highest level for four years as over one million jobs have been created in the private sector in the last two years.

Inflation and Bank Rate. Inflation has fallen sharply during 2012 from a peak of 5.2% in September 2011 to 2.2% in September 2012. However, inflation increased back to 2.7% in October though it is expected to fall back to reach the 2% target level within the two year horizon.

AAA rating. The UK continues to enjoy an AAA sovereign rating. However, the credit rating agencies will be carefully monitoring the rate of growth in the economy as a disappointing performance in that area could lead to a major derailment of the plans to contain the growth in the total amount of Government debt over the next few years.

Sector's forward view

Economic forecasting remains difficult with so many external influences weighing on the UK. There does, however, appear to be consensus among analysts that the economy remains relatively fragile and whilst there is still a broad range of views as to potential performance, expectations have all been downgraded during 2012. Key areas of uncertainty include:

- the potential for the Eurozone to withdraw support for Greece at some point if the costs of such support were to become prohibitive, so causing a worsening of the Eurozone debt crisis and heightened risk of the breakdown of the bloc or even of the currency itself;
- inter government agreement on how to deal with the overall Eurozone debt crisis could fragment; the impact of the Eurozone crisis on financial markets and the banking sector;
- the impact of the Government's austerity plan on confidence and growth and the need to rebalance the economy from services to manufactured goods;
- the under-performance of the UK economy which could undermine the Government's policies that have been based upon levels of growth that are unlikely to be achieved;
- the risk of the UK's main trading partners, in particular the EU and US, falling into recession;
- stimulus packages failing to stimulate growth;
- elections due in Germany in 2013;
- potential for protectionism i.e. an escalation of the currency war / trade dispute between the US and China.
- the potential for action to curtail the Iranian nuclear programme
- the situation in Syria deteriorating and impacting other countries in the Middle East

The focus of so many consumers, corporates and banks on reducing their borrowings, rather than spending, will continue to act as a major headwind to a return to robust growth in western economies.

Given the weak outlook for economic growth, Sector sees the prospects for any changes in Bank Rate before 2015 as very limited. There is potential for the start of Bank Rate increases to be even further delayed if growth disappoints.

Sector believes that the longer run trend is for gilt yields and PWLB rates to rise due to the high volume of gilt issuance in the UK, and the high volume of debt issuance in other major western countries. The interest rate forecast in this report represents a balance of downside and upside risks. The downside risks have already been commented on. However, there are specific identifiable upside risks as follows to PWLB rates and gilt yields, and especially to longer term rates and yields: -

- UK inflation being significantly higher than in the wider EU and US causing an increase in the inflation premium in gilt yields
- Reversal of QE; this could initially be allowing gilts held by the Bank to mature without reinvesting in new purchases, followed later by outright sale of gilts currently held
- Reversal of Sterling's safe haven status on an improvement in financial stresses in the Eurozone
- Investors reverse de-risking by moving money from government bonds into shares in anticipation of a return to worldwide economic growth
- The possibility of a UK credit rating downgrade (Moody's has stated that it will review the UK's Aaa rating at the start of 2013).

ANNEX 2. Specified and Non-Specified Investments

Eligibility Criteria for investment counterparties

SPECIFIED INVESTMENTS: All such investments will be sterling denominated, with **maturities up to a maximum of 1 year**, meeting the minimum 'high' quality criteria where applicable.

NON-SPECIFIED INVESTMENTS: These are any investments which do not meet the Specified Investment criteria (i.e. non-sterling and placed for periods greater than 1 year).

A variety of investment instruments will be used. Subject to the credit quality of the institution and depending on the type of investment made, investments will fall into one of the above categories.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

SPECIFIED INVESTMENTS

These investments are sterling investments of not more than one-year maturity or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are relatively low risk investments where the possibility of loss of principal or investment income is small. These would include investments with:

1. The UK Government (such as the Debt Management Account deposit facility, UK Treasury Bills or a Gilt with a maximum of 1 year to maturity).
2. A local authority, parish council or community council (maximum duration of 1 year).
3. Corporate or supranational bonds of no more than 1 year's duration.
4. Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency. This includes the Payden Sterling Reserve Fund.
5. A bank or building society that has been awarded a high credit rating by a credit rating agency (only investments placed for a maximum of 1 year).
6. Certificates of deposit, commercial paper or floating rate notes (maximum duration of 1 year).

Minimum credit ratings (as rated by Fitch, Moody's and Standard & Poors) and monetary and time period limits for all of the above categories are set out below. The rating criteria use the **lowest common denominator** method of selecting counterparties and applying limits. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution. For instance, if an institution is rated by two agencies, one of which meets the Council's criteria while the other does not, the institution will fall outside the lending criteria. The Council will take into account other factors in determining whether an investment should be placed with a particular counterparty, but all investment decisions will be based initially on these credit ratings criteria. The Council will also apply a minimum sovereign rating of AA+ to investment counterparties.

NON-SPECIFIED INVESTMENTS

Non-specified investments are any other type of investment (i.e. not defined as Specified above) and can be for any period over 1 year. The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below.

	Non Specified Investment Category	Limit (£ or %)
a.	Bank Deposits (with a maturity of more than one year) These can be placed in accordance with the limits of the Council's counterparty list criteria (i.e. subject to satisfaction of Fitch, Moody's and Standard & Poors credit ratings criteria shown below).	£40m group limit with Lloyds TSB and RBS.
b.	Building Society Deposits (with a maturity of more than one year) These can be placed in accordance with the limits of the	None permitted at present.

	Council's counterparty list criteria (i.e. subject to satisfaction of Fitch, Moody's and Standard & Poors credit ratings criteria shown below).	
c.	Gilt edged securities with a maturity of greater than one year. These are Government bonds and so provide the highest security of interest and the repayment of principal on maturity. The use of UK Government gilts is restricted to fixed date, fixed rate stock with a maximum maturity of five years. The total investment in gilts is limited to £25m and will normally be held to maturity, but the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity. The Finance Director must personally approve gilt investments. The Council currently has no exposure to gilt investments.	£25m in total; maximum duration 5 years.
d.	Non-rated subsidiary of a credit-rated institution that satisfies the Council's counterparty list criteria. Investments with non-rated subsidiaries are permitted, but the credit-rated parent company and its subsidiaries will be set an overall group limit for the total of funds to be invested at any time.	Subject to group limit dependent on parent company's ratings.
e.	Corporate Bonds with a duration of greater than 1 year and up to a maximum of 5 years, subject to satisfaction of credit ratings criteria as set out below.	£25m in total; maximum duration 5 years.
f.	Certificates of Deposit, Commercial Paper and Floating Rate Notes with a duration of greater than 1 year, subject to satisfaction of credit ratings criteria as set out below.	Subject to group banking limits dependent on bank / building society credit ratings.

CRITERIA FOR FUNDS MANAGED INTERNALLY AND EXTERNALLY

- **Banks General** - good credit quality – the Council may only use banks which:
 - a) are UK banks;
 - b) are non-UK and domiciled in a country with a minimum long-term sovereign rating of AA+;
 - c) have, as a minimum, the following Fitch, Moody's and Standard and Poors credit ratings (where rated):
 - Short term – Fitch F1; Moody's P-1; S&P A-1
 - Long term – Fitch A-; Moody's A3; S&P A-
- **Banks 1A – UK and Overseas Banks (highest ratings)** - the Council may place investments up to a total of £30m for a maximum period of 1 year with UK banks (and up to a total of £15m for a maximum period of 1 year with Overseas banks) that have at least the following Fitch, Moody's and Standard & Poors ratings (where rated).

	Short-Term	Long-Term
Fitch	F1+	AA-
Moody's	P-1	Aa3
S & P	A-1+	AA-

Banks 1B – UK and Overseas Banks (very high ratings) - the Council may place investments up to a total of £20m for a maximum period of 1 year with UK banks (and up to a total of £10m for a maximum period of 6 months with Overseas banks) that have at least the following Fitch, Moody's and Standard & Poors ratings (where rated).

	Short-Term	Long-Term
Fitch	F1	A
Moody's	P-1	A1
S & P	A-1	A+

Banks 1C – UK and Overseas Banks (high ratings) – the Council may place investments up to a total of £10m for a maximum period of 6 months with UK banks (and up to a total of £5m for a maximum period of 3 months with Overseas banks) that have at least the following Fitch, Moody's and Standard & Poors ratings (where rated):

	Short-Term	Long-Term
Fitch	F1	A-
Moodys	P-1	A3
S & P	A-1	A-

- **Banks 2 - Part nationalised UK banks (Lloyds TSB and Royal Bank of Scotland)** - the Council may place investments up to a total of £40m for up to 2 years with the part-nationalised UK banks Lloyds TSB and the Royal Bank of Scotland provided they remain part-nationalised or their short and long-term ratings remain at least F1/A- (Fitch), P-2/A3 (Moody's) and A-1/A- (S&P).
- **Bank subsidiary and treasury operation** - The Council may use these where the parent bank has provided an appropriate guarantee and has the necessary ratings in Banks 1 above. The total investment limit and period will be determined by the parent company credit ratings.
- **Building societies** - The Council may use all societies that meet the ratings in Banks 1 above.
- **Sovereign Ratings** – The Council may only use counterparties in countries with sovereign ratings of AAA and AA+.
- **Money Market Funds** – The Council may invest in AAA rated Money Market Funds. The total invested in each of these Funds must not exceed £15m at any time. This includes the Payden Sterling Reserve Fund for which a limit of £15m is also applied.
- **UK Government (including gilts and the DMADF)** – The Council may invest in the government's DMO facility for a maximum of 1 year, but with no limit on total investment. The use of UK Government gilts is restricted to a total of £25m and to fixed date, fixed rate stock with a maximum maturity of 5 years. The Finance Director must personally approve gilt investments.
- **Local Authorities, Parish Councils etc** – The Council may invest with any local authority, subject to a maximum exposure of £15m for up to 2 years with each local authority.
- **Business Reserve Accounts** - Business reserve accounts may be used from time to time, but value and time limits will apply to counterparties as detailed above.
- **Corporate Bonds** – Investment in corporate bonds with a minimum credit rating of AA- is permitted, subject to a maximum duration of 5 years and a maximum total exposure of £25m.
- **Certificates of Deposit, Commercial Paper and Floating Rate Notes** – These are permitted, subject to satisfaction of minimum credit ratings in Banks General above.

ANNEX 3 Prudential and Treasury Indicators

Prudential and Treasury Indicators are relevant for the purposes of setting an integrated treasury management strategy and require the approval of the Council. They are included separately in Appendix 3 together with relevant narrative and are summarised here for submission to the Council meeting for approval.

The Council is also required to indicate if it has adopted the CIPFA Code of Practice on Treasury Management. The revised Code (published in 2009) was adopted by full Council on 15th February 2010.

PRUDENTIAL INDICATORS	2011/12	2012/13	2013/14	2014/15	2015/16
	actual	estimate	estimate	estimate	estimate
Total Capital Expenditure	£47.7m	£43.7	£18.0m	£11.7m	£9.4m
Ratio of financing costs to net revenue stream	-1.5%	-1.5%	-2.0%	-2.0%	-2.0%
Net borrowing requirement (net investments for Bromley)					
brought forward 1 April	£163.1m	£172.3m	£176.6m	£179.8m	£181.0m
carried forward 31 March	£172.3m	£176.6m	£179.8m	£181.0m	£178.8m
in year borrowing requirement (movement in net investments for Bromley)	+£9.2m	+£4.3m	+£3.2m	+£1.2m	-£2.2m
Capital Financing Requirement as at 31 March	£3.6m	£3.3m	£3.0m	£2.7m	£2.4m
Annual change in Cap. Financing Requirement	-£0.3m	-£0.3m	-£0.3m	-£0.3m	-£0.3m
Incremental impact of capital investment decisions	£ p	£ p	£ p	£ p	£ p
Increase in council tax (band D) per annum	-	-	-	-	-

TREASURY MANAGEMENT INDICATORS	2011/12	2012/13	2013/14	2014/15	2015/16
	actual	estimate	estimate	estimate	estimate
Authorised Limit for external debt -					
borrowing	£30.0m	£30.0m	£30.0m	£30.0m	£30.0m
other long term liabilities	£30.0m	£30.0m	£30.0m	£30.0m	£30.0m
TOTAL	£60.0m	£60.0m	£60.0m	£60.0m	£60.0m
Operational Boundary for external debt -					
borrowing	£10.0m	£10.0m	£10.0m	£10.0m	£10.0m
other long term liabilities	£20.0m	£20.0m	£20.0m	£20.0m	£20.0m
TOTAL	£30.0m	£30.0m	£30.0m	£30.0m	£30.0m
Upper limit for fixed interest rate exposure	100%	100%	100%	100%	100%
Upper limit for variable rate exposure	20%	20%	20%	20%	20%
Upper limit for total principal sums invested for more than 364 days beyond year-end dates	£10.0m	£80.0m	£80.0m	£80.0m	£80.0m

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Report No.
RES13059

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: COUNCIL

Date: 27 February 2013

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

Title: PAY POLICY STATEMENT 2013/14

Contact Officer: Graham Walton, Democratic Services Manager
Tel: 0208 461 7743 E-mail: graham.walton@bromley.gov.uk

Chief Officer: Mark Bowen, Director of Resources

Ward:

1. Reason for report

1.1 Under the Localism Act 2011 the Council is required to approve and publish a Pay Policy Statement in advance of each year. The objective of this part of the Act is to make local authorities more transparent about local policies. The main change to the statement is that it reflects the recent decision by full Council to implement a localised pay and conditions of service framework. The General Purposes and Licensing Committee considered the proposed Statement at its meeting on 14th February 2013, and recommended that Council approve the Statement in the Appendix to the attached report.

2. **RECOMMENDATION**

That Council approves the 2013/14 Pay Policy Statement.

Corporate Policy

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

Financial

1. Cost of proposal: No Cost
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Not Applicable
 4. Total current budget for this head: Not Applicable
 5. Source of funding: Not Applicable
-

Staff

1. Number of staff (current and additional): The statement primarily concerns chief officers as defined under the Local Government and Housing Act 1989.
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: Statutory Requirement: Localism Act 2011.
 2. Call-in: Not Applicable:
-

Customer Impact

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

Ward Councillor Views

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

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

Report No.
HHR13001

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: General Purposes and Licensing Committee
Council

Date: 14th February 2013
27th February 2013

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

Title: PAY POLICY STATEMENT 2013/14

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

Chief Officer: Charles Obazuaye, Assistant Chief Executive (HR)

Ward: N/A

1. Reason for report

1.1 Under the Localism Act 2011 the Council is required to publish a Pay Policy statement which must be prepared and approved by full Council every year.

2. **RECOMMENDATION(S)**

2.1 **Members are asked to recommend that full Council approve the 2013/14 Pay Policy Statement attached as Appendix A.**

Corporate Policy

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

Financial

1. Cost of proposal: No Cost
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre:
 4. Total current budget for this head: £
 5. Source of funding:
-

Staff

1. Number of staff (current and additional): Those staff covered by this report and the accompanying Pay Policy Statement are Chief Officers as defined by the Local Government and Housing Act 1989 as set out in paragraph 1.4 of Appendix A to this report.
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: Statutory Requirement
 2. Call-in: Not Applicable
-

Customer Impact

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

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 The Localism Act requires the Council to prepare and publish a Pay Policy statement every year. The statement must articulate the Council's policies towards a range of issues relating to the pay of its workforce, particularly its senior staff and its lowest paid employees.
- 3.2 The objective of this aspect of the Act is to require authorities to be more open and transparent about local policies and how local decisions are made.
- 3.3 In accordance with the Act the current Pay Policy statement, which was approved by full Council in March 2012, has been updated. The main change to the statement, attached at Appendix A, confirms the recent decision by full Council to implement a localised terms and conditions of employment framework.

4. POLICY IMPLICATIONS

- 4.1 The statement is a summary of existing policies which will continue to be applied during the financial year 2013/14.

5. FINANCIAL IMPLICATIONS

- 5.1 All decisions taken in accordance with this policy statement will be contained within existing budgets.

6. LEGAL IMPLICATIONS

- 6.1 The requirement to adopt and publish a Pay Policy statement arises under the Localism Act 2011. The Policy statement is consistent with the statutory guidance published by the Secretary of State for Communities and Local Government to which all relevant authorities must have regard.

7. PERSONNEL IMPLICATIONS

- 7.1 As set out in the report and the accompanying policy statement.

Non-Applicable Sections:	
Background Documents: (Access via Contact Officer)	Localism Act 2011 "Openness and accountability in local pay: Guidance under Section 40 of the Localism Act" DCLG February 2012



PAY POLICY STATEMENT 2013/14

1. Introduction

- 1.1 The Localism Act 2011 introduces a requirement for public authorities to publish annual pay policy statements. It states, in the main, that a relevant authority must prepare a pay policy statement for the Financial Year 2012/13 and each subsequent year.
- 1.2 Pursuant to the Act and the associated guidance and other supplementary documents, this pay policy statement sufficiently summarises Bromley Council's approach to the pay of its workforce and, in particular, its "Chief Officers". In summation, the statement covers the Council's policies for the 2013/14 Financial Year, relating to:
- i) remuneration of its Chief Officers;
 - ii) remuneration of its lowest paid employees;
 - iii) the relationship between (i) and (ii) above.
- 1.3 A key feature of Bromley Council's Pay Policy statement for the financial year 2013/14 is the implementation of localised terms and conditions of employment for all staff except teachers, pursuant to full Council decision on 12 November 2012.
- 1.4 In relation to "Chief Officers" the pay policy statement must describe the Council's policies relating to the following:
- i) the level and elements of remuneration for each Chief Officer;
 - ii) remuneration of Chief Officers in recruitment;
 - iii) increases and additions to remuneration for each Chief Officer;
 - iv) the use of performance related pay for Chief Officers;
 - v) the use of bonuses for Chief Officers;
 - vi) the approach to the payment of Chief Officers on their ceasing to hold office under, or to be employed by, the authority; and
 - vii) the publication of access to information relating to remuneration of Chief Officers.

1.5 As required by the Act and the supporting statutory guidance which, in turn, reflects the Local Government and Housing Act 1989, the definition of Chief Officer for the purpose of the pay policy statement covers the following roles:

- i) the Chief Executive/Head of Paid Service;
- ii) the Monitoring Officer;
- iii) a statutory Chief Officer and non-statutory Chief Officer under Section 2 of the Local Government and Housing Act 1989;
- iv) a Deputy Chief Officer responsible and accountable to the Chief Officer. However, it does not include those employees who report to the Chief Executive or to a statutory or non-statutory Chief Officer but whose duties are solely secretarial or administrative or not within the operational definition or the meaning of the Deputy Chief Officer title.

2. Exclusion

2.1 The Act does not apply to schools staff, including teaching and non-teaching staff.

3. Context: Key Issues and Principles

3.1 General Context – clearly there are a number of internal and external variables to consider in formulating and taking forward a pay policy. Reward and recognition is a key plank of the Council's agreed HR Strategy. This includes establishing strong links between performance and reward and celebrating individual and organisational achievements.

The HR Strategy is based on an assumption that all staff come to work to do a good job and make a difference. The Council expects high standards of performance from staff at all levels and seeks, in return, to maintain a simple, fair, flexible, transparent and affordable pay and reward structure that attracts and keeps a skilled and flexible workforce.

3.2 Local Terms and Conditions of Employment

As stated in paragraph 1.3 above, full Council agreed to fully implement a localised terms and conditions of employment framework for all staff including "Chief Officers" as defined in paragraph 1.5 above with effect from 1 April 2013. Teachers employed by the local authority in Community Schools and Voluntary Controlled schools are excluded because their terms and conditions are set in statute and do not afford the Council the discretion to include them in the localised arrangements..

3.2.1 The main features of the localised terms and conditions framework are as follows, namely:

- (a) A single local annual pay review mechanism.
- (b) A scheme of discretionary non-consolidated/non-pensionable rewards for individual exceptional performance.
- (c) Withholding annual pay increases including annual increments (if appropriate) from under performers.
- (d) Cessation of the consolidated performance related pay scheme arrangements for Chief Officers and other managers on the Management Grades .

The links to the reports to General Purposes & Licensing Committee and Full Council are:

GP&L 29th May 2012

<http://cds.bromley.gov.uk/documents/b50004469/5.%20Localised%20Pay%20and%20Conditions%20of%20Servi.pdf?T=9>

GP&L – 23rd October 2012

<http://cds.bromley.gov.uk/documents/b50005070/5.%20Localised%20Pay%20and%20Conditions%20of%20Servi.pdf?T=9>

Full Council – 12th November 2012

<http://cds.bromley.gov.uk/documents/b50005071/8.%20LOCALISED%20PAY%20AND%20CONDITIONS%20OF%20SERVI.pdf?T=9>

3.2.2 The key drivers behind the Council decision to replace the national/regional terms with a localised terms and conditions framework include:

- (a) Gaining control over the annual pay review process and timetable at a time of significant financial challenge for the Council in order to achieve better alignment with budget setting processes and greater responsiveness to change.
- (b) Exercising local control in order to give emphasis to local circumstances and improve the Council's ability to innovate and flex in ways not always achievable within the nationally/regionally agreed terms.
- (c) Improving the Council's ability to align reward with staff and organisational performance.
- (d) Achieving efficiencies through harmonisation of pay review processes.

3.3 Recruitment and Retention

The Council aims to enhance its ability to recruit and retain high quality staff by being competitive in the labour markets. This is still the case even in the current financial straitened times. As Members make difficult and unpalatable financial decisions and staff step up to the challenges of delivering more (or

the same) with less resources, the Council faces the challenges of retaining a motivated and flexible workforce which is adequately remunerated and valued for their contribution to “Building a Better Bromley”. We will keep our pay policy updated and align it to reflect the “Bromley Council employee of the future” characterised by innovation, flexibility, empowerment, leadership and individualised rewards for exceptional performers.

3.4 Accountability

3.4.1 The Act requires that pay policy statements and any amendments to them are considered by a meeting of Full Council and cannot be delegated to any Sub-Committee.

3.4.2 Such meetings should be open to the public and should not exclude observers.

3.4.3 All decisions on pay and reward for “Chief Officers” must comply with the agreed pay policy statements.

3.4.4 As stated above, the Council must have regard to any guidance issued/approved by the Secretary of State. The latest guidance recently issued by the Department of Communities and Local Government (DCLG) states in inter alia “that full Council should be offered the opportunity to vote before large salary packages are offered in respect of a new appointment.” The Secretary of State considered that £100,000, including salary, bonus, fees or allowances or any benefit in kind, is the right level to trigger Member approval.

4. Transparency

4.1 In line with the guidance, the pay policy statement will be published on the Council’s website and accessible for residents to take an informed view on whether local decisions on all aspects of remuneration are fair and reasonable.

4.2 The Council is also required to set out its approach to the publication of and access to information relating to the remuneration of “Chief Officers”.

The Council also discloses the remuneration paid to its senior employees in the Annual Report and Statement of Accounts and is accessible on the Council’s website at:

http://www.bromley.gov.uk/downloads/file/893/lb_bromley_statement_of_accounts_201011

For the purposes of the Code, senior employee salaries are defined as all salaries which are above £58,200. The information, including the posts which fall into this category, will be regularly updated and published.

5. Fairness

- 5.1 The Council must ensure that decisions about senior pay are taken in the context of similar decisions on lower paid staff. In addition, the Act requires the Council to explain the relationship between the remuneration of its Chief Officers and its employees who are not Chief Officers, and may illustrate this by reference to the ratio between the highest paid officer and lowest paid employee and/or the median earnings figure for all employees in the organisation.
- 5.2 Additionally, the Act specifically requires the Council to set out its policies on bonuses, performance related pay, severance payments, additional fees/benefits (including fees for Chief Officers for election duties), re-employment or re-engagement of individuals who were already in receipt of a pension, severance or redundancy payment, etc.

6. Position Statement

- 6.1 The Council's position on the requirement of the Act and the information that it is required to include its Pay Policy Statements is as summarised above and as set out in the attached table (Appendix B).
- 6.2 This Statement is for the Financial year 2013/14.
- 6.3 The Statement must be approved by Full Council. Once approved it will be published on the Council's website. Any amendments during the Financial Year must also be approved by a meeting of Full Council.
- 6.4 This Statement (including the Appended table) meets the requirement of the Localism Act 2011 and the Department for Communities and Local Government (DCLG) guidance.

PAY POLICY STATEMENT FOR FINANCIAL YEAR 2012/13	
POLICY AREA UNDER THE ACT	POLICY STATEMENT
	<i>For the purposes of this policy statement the term “Chief Officer” includes the Chief Executive, Statutory and non statutory Chief Officers and Deputy Chief Officers within the meaning of the Local Government and Housing Act 1989.</i>
Level and elements of remuneration of Chief Officers and relationship with the remuneration of employees who are not Chief Officers	<p>Pursuant to Full Council decision on 12 November 2012 the authority will implement a localised pay and conditions of service framework for all staff except teachers, with effect from 1 April 2013. Under the local framework it means that the Council will:</p> <ul style="list-style-type: none"> a) Withdraw from the NJC, JNC, GLPC and Soulbury Committees and introduce an annual local pay review mechanism to replace the national and regional collective bargaining arrangements and the existing local arrangements for Lecturers in Adult Education; b) Discontinue the consolidated performance related pay scheme for Management Grade Staff (including Chief Officers – pursuant to the Local Government and Hosing Act 1989); c) Introduce a scheme of discretionary non consolidated non pensionable rewards for exceptional performance applicable to all staff; d) Withhold pay increases for underperforming staff to reinforce the link between individual performance and pay. <p>The move to fully localised terms and conditions is on the back of the Bromley Single Status agreement reached with the relevant recognised trade unions in 2009 affecting the BR grade staff. Under the new localised terms and conditions of service framework the Council retains its existing terms and conditions including the grading and job evaluation schemes for BR staff and MG staff, except for the annual pay review and PRP process. Under the localised terms and conditions framework the Council will not be bound by the national or/and regional pay settlements. Instead, by means of the process of the localised annual pay review the Council aims to:</p>

- ensure that staff are appropriately rewarded for the job that they do
- enhance the Council's ability to compete by maintaining a simple, fair, transparent and affordable pay and reward structure that attracts and keeps a skilled and flexible workforce;
- improve the links between organisational efficiency, individual performance and reward
- ensure that decisions on reward and recognition are better aligned with the considerations and timetable of the annual budget setting process

The current rates for Management Grade Staff, BR staff and Lecturers and sessional staff at Bromley Adult Education College can be found at [MG and MB salary scales](#), [BR salary scales](#) and [BAEC salary scales](#);

The Council has agreed the process of job evaluation as a way of ensuring a fair system of remuneration relative to job weight thereby managing any risk of equal pay claims. MG jobs are graded using the James job evaluation system, and BR jobs are graded using the Greater London Provincial Council (GLPC) Job Evaluation Scheme. The BR grades are based around "anchor" salary points and consist of incremental scales.

Individuals employed on the MG grades are appointed to a spot salary within the relevant salary bands having regard to the Council's ability to recruit and retain suitably qualified, skilled and experienced officers to deliver excellent front line services and achieve Council priorities. Exceptionally staff may be paid outside of the relevant band for their grade because of market forces. The same principles apply to anyone who is engaged on a self-employed basis and paid under a contract for services. Under the [Special Recruitment measures](#) agreed by Chief Officers, every recruitment request including permanent, temporary, casual, agency staff or self employed is scrutinised and formally approved first by the Director and then the Assistant Chief Executive (Human Resources) on behalf of the Chief Executive.

The Council offers a lease car arrangement as a recruitment and retention incentive to certain staff occupying key posts including some front-line posts on the BR grades. Employees with a lease car are expected to make a 30% contribution to the cost and for Chief and Deputy Chief Officers the value range of this benefit is between £3,920 and £3,207 per annum subject to this not exceeding 70% of the car's current benchmark value plus insurance.

Any employee who does not have a lease car is eligible to receive a car user allowance if they use their own vehicle for business purposes capped locally at the rate for cars not exceeding 1199cc, other than in exceptional circumstances where the Assistant Chief Executive (HR) agrees that a car with a larger engine size

	<p>is necessary for the efficient performance of the job. There are two car user allowances namely essential car user allowance and casual car user allowance. The former includes an annual lump sum currently £963 (1199cc rate).</p> <p>The Council normally engages a mix of external and internal personnel for election duties. The fees generally reflect the varying degree of roles undertaken by individuals. Fees paid to both the Returning Officer and the Deputy Returning Officer are in accordance with the appropriate Statutory fees and Charges Order and they reflect their personal statutory responsibilities.</p> <p>The Council is required to have measures in place to respond to any major emergency incidents in the Borough or on a pan London basis which includes a small group of Senior Officers on standby for the LA GOLD rota. The Chief Executive and Director of Environmental Services undertake the lead role and do not receive any additional remuneration for this. Other officers who undertake this role receive a payment commensurate with other call out allowances for the relevant period of the standby.</p> <p>All employees including Chief Officers are entitled to apply for an interest free season ticket loan and reimbursement of any expenses necessarily incurred in the performance of their role including but not limited to travelling, and subsistence.</p> <p>Also, the Council operates a Salary Sacrifice scheme for all staff. This covers childcare vouchers and the cycle to work scheme.</p>
Use of PRP for Chief Officers	<p>The annual review of individual MG salaries includes an assessment of work performance in the preceding twelve months. The performance of the Chief Executive in this process is appraised by the Leader and other elected Members. The Chief Executive and Directors are subject to a 360 degree appraisal process involving a range of feedback sources. Chief Officers and senior staff do not currently have an element of their basic pay “at risk” to be earned back each year. As stated above, from 2013/14 the consolidated performance related pay element for MG staff will cease. Instead all staff apart from teachers will be eligible to be considered on merit for the one off non consolidated non pensionable reward payment for exceptional performances.</p>
Use of bonuses for Chief Officers	Not applicable.

Remuneration of lowest-paid employees	The Council's grading structure for BR staff starts at point 4 on the London Borough of Bromley spine. The value of this spine point as at 31 March 2013 is £14,697 per annum and the Council therefore defines its lowest paid employee as anyone earning £14,697 (pro rata for part-time staff). Currently the Council's pay multiple – the ratio between the Chief Executive as the highest paid employee and the lowest paid employee is 1:13, and between the Chief Executive and the median salary is £28,032 (ratio of 1:7).
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Increases and additions to remuneration of Chief Officers	Where it is in the interests of the Council to do so the Chief Executive may review the salaries of Chief Officers and Senior Staff from time to time within the approved grading structure for their post (MG and MB salary scales). Such circumstances include for example but are not limited to the impact of market forces and staff undertaking significant additional responsibilities on a time-limited or permanent basis.
Remuneration of Chief Officers on recruitment	Where the post of Chief Executive falls vacant the salary package and the appointment will be agreed by Full Council. Full Council or a Member panel appointed by full Council or the Urgency Sub Committee will also agree any salary package in excess of £100K to be offered for any new appointment in 2013/14 to an existing or new post. All Chief Officer and Senior staff appointments will be made in accordance with the Council's agreed Constitution and Scheme of Delegation which can be found at www.bromley.gov.uk/councilconstitution
Any discretionary increase in or enhancement of a Chief Officer's pension entitlement	<p>Chief Officers are eligible to join the Local Government Pension Scheme. The Council will not normally agree to any discretionary increase in or enhancement of a Chief Officer's pension entitlement. However each case will be considered on its merits and the Council recognises that exceptionally it may be in the Council's interests to consider this to achieve the desired business objective. Members' agreement will be required in all cases taking into account legal, financial and HR advice appropriate to the facts and circumstances.</p> <p>A Chief Officers' Panel is authorised to consider applications from staff aged 55 and over for early retirement without enhancement. The Panel may exercise discretion to waive any actuarial reduction of pension benefits in individual cases based on the demonstrable benefits of the business case including the cost, impact on the service, officer's contribution to the service and any compassionate grounds.</p> <p>The Council has adopted a Flexible Retirement Policy under which a Chief Officers' Panel may agree to release an employee's pension benefits whilst allowing them to continue working for the Council on the basis of a reduced salary resulting from a reduction in their hours and/or grade. The policy requires that the employee is aged 55 or over and that there is a sound business case for any such decision and can be found at Flexible retirement policy</p>
Approach to severance payments - any non statutory payment to Chief	<p>Where demonstrable benefit exists it is the Council's policy to calculate redundancy payments on the basis of the statutory number of weeks' entitlement using the employee's actual salary.</p> <p>Under the Council's agreed Scheme of Delegation the Director of Resources has delegated authority to settle legal proceedings and/or to enter into a Compromise Agreement in relation to potential or actual claims against</p>

<p>Officers who cease to hold office/be employed</p>	<p>the Council. Settlement may include compensation of an amount which is considered to be appropriate based on an assessment of the risks and all the circumstances of the individual case.</p> <p>In exceptional cases where it is in the interests of the service to do so a payment in lieu of notice or untaken leave may be made on the termination of an employee's employment.</p> <p>The Council will not normally re-engage anyone as an employee or consultant who has received enhanced severance/redundancy pay or benefited from a discretionary increase in their pension benefits. However exceptionally it may be that business objectives will not be achieved by other means in which case a time-limited arrangement may be agreed by the Assistant Chief Executive (HR) and Director of Resources having regard to the Council's financial rules and regulations.</p> <p>Any application for employment from ex-employees who have retired at no cost to the Council, or who have retired or been made redundant from elsewhere will be considered in accordance with the Council's normal recruitment policy. However the Council operates an abatement policy which means that the pension benefits in payment to anyone who is re-employed in Bromley could be reduced in line with that policy.</p>
<p>Publication of and access to information relating to this Policy and to the remuneration of Chief Officers</p>	<p>Once agreed the Council will publish this Pay Policy on its website. Full Council may by resolution amend and re-publish this statement at any time during the year to which it relates.</p> <p>The Council also discloses the remuneration paid to its senior employees in the annual report and statement of accounts as part of its published accounts.</p>

Report No.
RES13041

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: COUNCIL

Date: 27 February 2013

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

Title: WORKPLACE PENSIONS: AUTOMATIC ENROLMENT

Contact Officer: Graham Walton, Democratic Services Manager
Tel: 0208 461 7743 E-mail: graham.walton@bromley.gov.uk

Chief Officer: Mark Bowen, Director of Resources

Ward: N/A

1. Reason for report

- 1.1 Reforms introduced in the Pensions Act 2008 require all employers to automatically enrol their eligible jobholders into a pension scheme and to pay contributions to that scheme in respect of that worker with effect from a "staging date". Automatic enrolment is being phased in between 1st October 2012 and 2017 and the Council's 'staging date' for its own workers, including teachers, is 1st March 2013. The General Purposes and Licensing Committee at its meeting on 14th February 2013 considered how this requirement sits with the Council's current pension arrangements, including the impact on those employees who have previously decided to opt out of the Local Government Pension Scheme (LGPS) or the Teachers Pension Scheme (TPS). The Committee recommended that Council use the provisions for the transitional period and for postponement to defer automatic enrolment. Further details are set out in the report considered by the Committee which is attached.
-

2. RECOMMENDATIONS

That Council -

- (1) Agrees to use the transitional period to defer automatic enrolment for eligible jobholders who, on 1st March 2013, are not members of either the LGPS or the TPS on the basis that they have previously opted out and have the right to join the relevant scheme at any time whilst they continue in employment.
- (2) Delegates authority to the Assistant Chief Executive (HR) and the Finance Director to:
- (i) use postponement for workers on short-term contracts and in circumstances where it aids administrative processes;
 - (ii) take all necessary action to ensure that the Council's responsibilities under the requirements of automatic enrolment are met.

Corporate Policy

1. Policy Status: Existing Policy: The Council's Pension Fund is a defined benefit scheme operated under the provisions of the Local Government Pension Scheme (LGPS) Regulations for the purpose of providing pension benefits for its employees.
 2. BBB Priority: Excellent Council
-

Financial

1. Cost of proposal: It is not currently possible to quantify the financial impact of meeting the new requirements.
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Pension Fund
 4. Total current budget for this head: £34.3m expenditure (pensions, lump sums etc) £41.3m income (contributions, investment income etc), 3526m total fund market value at 31st December 2012.
 5. Source of funding: Contributions to the Pension Fund
-

Staff

1. Number of staff (current and additional): 3,700 fte's (per 2012/13 budget) which includes 1,510 fte's for delegated budgets to schools.
 2. If from existing staff resources, number of staff hours: N/A
-

Legal

1. Legal Requirement: Statutory Requirement: Pensions Act 2008 (as amended)
 2. Call-in: Not Applicable: This report does not involve an executive decision.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 5,045 current employees in the Pension Fund, 4,718 pensioners and 4,380 deferred pensioners as at 31st December 2012. These figures represent the whole fund, including LBB staff, scheduled and admitted bodies who are all affected by the proposals.
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Not applicable

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

PART ONE - PUBLIC

Decision Maker: GENERAL PURPOSES AND LICENSING COMMITTEE
COUNCIL

Date: 14th February 2013
27th February 2013

Decision Type: Non Urgent Non-Executive Non-Key

Title: WORKPLACE PENSIONS: AUTOMATIC ENROLMENT

Contact Officer: Janice Castle, Pensions Monitoring Officer
Tel: (020) 8461 7503 E-mail: janice.castle@bromley.gov.uk
Sue Sydney, Head of HR Operational Services
Tel: (020) 8313 4359 E-mail: sue.sydney@bromley.gov.uk

Chief Officer: Mark Bowen, Director of Resources
Charles Obazuaye, Assistant Chief Executive (HR)

Ward: Borough Wide

1. Reason for report

- 1.1 Under reforms originally introduced in the Pensions Act 2008, every employer will be required to automatically enrol their eligible jobholders into a pension scheme and to pay contributions to that scheme in respect of that worker with effect from a "staging date". Automatic enrolment is being phased in between 1st October 2012 for the largest employers, extending to 2017 for small employers. The Council's 'staging date' for its own workers, including teachers, is 1st March 2013.
- 1.2 This report considers how this requirement sits with the Council's current pension arrangements, including the impact on those employees who have previously decided to opt out of the Local Government Pension Scheme (LGPS) or the Teachers Pension Scheme (TPS).
-

2. RECOMMENDATION(S)

The General Purposes and Licensing Committee is recommended to:

- 2.1 Agree to use the transitional period to defer automatic enrolment for eligible jobholders who, on 1st March 2013, are not members of either the LGPS or the TPS on the basis that they have previously opted out and have the right to join the relevant scheme at any time whilst they continue in employment (see paras. 3.14 to 3.16 below).
- 2.2 Recommend to Council that authority be delegated to the Assistant Chief Executive (HR) and the Finance Director to:
- (i) use postponement for workers on short-term contracts and in circumstances where it aids administrative processes;
 - (ii) take all necessary action to ensure that the Council's responsibilities under the requirements of automatic enrolment are met.

Corporate Policy

1. Policy Status: Existing Policy The Council's Pension Fund is a defined benefit scheme operated under the provisions of the Local Government Pension Scheme (LGPS) Regulations for the purpose of providing pension benefits for its employees
 2. BBB Priority: Excellent Council
-

Financial

1. Cost of proposal: It is not currently possible to quantify the financial impact of meeting the new requirements.
 2. Ongoing costs: N/A
 3. Budget head/performance centre: Pension Fund
 4. Total current budget for this head: £34.3m expenditure (pensions, lump sums, etc.), £41.3m income (contributions, investment income, etc.), £526.0m total fund market value at 31st December 2012.
 5. Source of funding: Contributions to Pension Fund.
-

Staff

1. Number of staff (current and additional): 3,720 fte's (per 2012/13 budget) which includes 1,510 fte's for delegated budgets to schools.
 2. If from existing staff resources, number of staff hours: N/A
-

Legal

1. Legal Requirement: Statutory Requirement : Pensions Act 2008 (as amended)
 2. Call-in: Call-in is not applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 5,054 current employees in the pension fund, 4,718 pensioners, 4,380 deferred pensioners as at 31st December 2012. These figures represent the whole fund, including LBB staff, scheduled and admitted bodies who are all affected by the proposals.
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Council Wide

3. COMMENTARY

Background

- 3.1 Automatic enrolment was one of the key recommendations of the independent Pensions Commission, which reported in October 2004 and November 2005, in response to findings that people are living longer and not saving enough to provide an adequate income in retirement. The Pensions Act 2008 laid the foundations for fundamental change requiring every employer to automatically enrol their eligible jobholders into a qualifying pension scheme and to pay contributions to that scheme. Since the framework was introduced there have been changes to the 2008 Act, several statutory instruments issued, and further draft legislation on implementation proposed.
- 3.2 Automatic enrolment is a statutory duty for employers, both in the private and public sector. The vast majority of the provisions relating to automatic enrolment (as set out in the Pensions Act 2008 and related Statutory Instruments) relate to duties and responsibilities placed on employers, not the Pension Fund administering authority. Robust measures are required to address processes and procedures and this work will be undertaken in partnership with the Council's external provider, Liberata.
- 3.3 The new law takes effect from 1st October 2012 and over a phased period requires all employers, both public and private sector, to:
- provide a qualifying scheme for workers
 - provide information to all workers on workplace pension reform, including rights to opt-in and/or opt-out
 - automatically assess all workers and automatically enrol all eligible jobholders into the scheme and enrol all other jobholders if they ask to join
 - pay employer contributions to the scheme
 - register with the Pensions Regulator and provide details of the scheme(s) and the number of people that have been automatically enrolled
 - keep specified records of optants out, and continually monitor age and pay of employees which may trigger a duty under automatic enrolment
- 3.4 Workers are employees who work under a contract of employment or have a contract to perform work or services personally and are not undertaking the work as part of their own business. An elected member is not classified as a jobholder. Under the rules on automatic enrolment workers fall into three categories:

AUTOMATIC ENROLMENT		
	Criteria	Requirement
Eligible jobholders	Aged 22 - State pension age (SPA) Earning above £8,105*	Must be automatically enrolled to a qualifying pension scheme
Non-eligible jobholders	Aged 16 - 21 or SPA - 74 Earning above £8,105* OR Aged 16 - 74 Earning above £5,564 but below £8,105*	Have a right to join to join a qualifying pension scheme
Entitled workers	Aged 16 - 74 Earning below £5,564*	Have a right to join a pension scheme but this need not be a qualifying pension scheme

* Figures for 2012-2013 tax year; increases to £9,440 from 01/04/13

- 3.5 Under automatic enrolment eligible jobholders may still choose to opt out of the qualifying pension scheme but the new rules make it more difficult for workers to do so. For example, they may only opt out after they have started work and been automatically enrolled or opted in whereas previously they were able to opt out in advance. Eligible jobholders who have opted out will also have to be re-enrolled at least every three years. It became unlawful from 1st July 2012 to encourage employees to opt out of the Scheme, have recruitment practices that benefit job applicants who indicate that they are prepared to opt out, or to treat an employee unfairly or put them at a disadvantage because of automatic enrolment.
- 3.6 The new employer duties are being introduced in stages between October 2012 and 2018. The Pensions Regulator will allocate a 'staging date' to each employer based on the number of people in an employer's PAYE scheme. The Pensions Regulator has notified the Council that its staging date is 1st March 2013. This date also applies to any maintained community, voluntary controlled, community special or maintained nursery school because their staff are employees of the Council even if they run their own payroll in-house or have outsourced their payroll function to an external payroll provider, even if they have a separate PAYE reference from the Council. Employees in foundation, voluntary aided or foundation special schools, academies and further and higher education colleges will have their own staging dates unless they share a PAYE scheme reference with the Council.

Effect on the Council's pension arrangements

- 3.7 Both the Local Government Pension Scheme (LGPS) and the Teachers Pension Scheme (TPS) are qualifying schemes for automatic enrolment purposes. Both schemes already provided for employees' contractual enrolment but have been amended to ensure compliance with the new automatic enrolment legislation.
- 3.8 Amendments to the LGPS came into force on 1st October 2012. The main change that immediately affected the Council and other employers in the Bromley Pension Fund was the provision to allow employees with a contract of employment of less than 3 months, who would not currently be eligible, to have the option to apply for Scheme membership.
- 3.9 Amendments to the Teachers Pension Scheme also came into effect on 1st October 2012, the main changes being the reduction in minimum age for joining to age 16 and the abolition of the minimum salary requirement. Where a teacher cannot be permitted to join the Teachers Scheme because of restrictions in that Scheme, the teacher must be automatically enrolled into the LGPS.
- 3.10 The Pensions Regulator has powers to impose substantial penalties for non-compliance with employer duties, although its approach is intended to educate and enable in the first instance. The fixed penalty notice is currently set at £400, but escalating penalty notices can be as high as £10,000 per day and prohibitive recruitment penalty notices as high as £5,000 per day. The Council will also be responsible for any fines incurred by a school maintained by the Council but would seek, in all cases, to pass the cost of any penalties on to the relevant school. Where a school commissions their HR/Payroll services from the Council we will ensure that the necessary processes are in place to avoid such penalties arising.

3.11 The majority of the new automatic enrolment duties fall on the Council as an employer and there is a considerable administrative burden on employers arising from the operation of the new requirements. In this respect work is already in progress to ensure that, in connection with our staging date of 1 March 2013, we:

- review HR and payroll processes and systems to ensure compliance
- review and update contracts of employment
- communicate directly with all staff, including those already in the scheme
- decide whether or not to apply a 'transitional period' in order to defer to 30th September 2017 automatically enrolling staff who are eligible employees on the Council's staging date and who have previously opted out
- decide the circumstances in which 'postponement' should be used in order to avoid payroll difficulties and to meet automatic enrolment legislation where the LGPS and TPS does not provide for contractual enrolment

3.12 As an LGPS administering authority we will also need to:

- review pension processes, forms and guides
- communicate with other employers in the Bromley Fund

3.13 The automatic enrolment legislation is complex and the Pensions Regulator has provided various guides, information, letter templates and webinars for employers and pension schemes. The Local Government Association has also published a Guide for employers and administering authorities which is updated as the requirements become clearer but which already runs to some 160 pages.

Particular Issues requiring consideration

a) Transitional Period

3.14 For existing workers as at 1st March 2013, the Council has the option to defer the automatic enrolment of eligible jobholders (see para. 3.4 above) who opted out of the LGPS or TPS prior to 1st March 2013 until a fixed date of 30th September 2017. The transitional period can be used for any or all eligible jobholders, and does not need to be the same for teaching and non-teaching staff. Other LGPS employers in the Fund also have this option, and do not have to follow the Council's decision. If the transitional period is used there is no duty to assess or automatically enrol affected staff until 2017, although the employee may choose to join at any time under the relevant pension scheme regulations. On the last day of the transitional period each employee must be assessed and automatically enrolled if they are an eligible jobholder at that time.

3.15 By using the transitional period to delay automatic enrolment the Council will not incur the increased cost of employer contributions to the LGPS or TPS, unless of course the employee decides to exercise their right to opt in before 30th September 2017. Under auto-enrolment eligible jobholders can only opt out of the qualifying pension scheme after they have been automatically enrolled and use of the transitional delay will therefore also save administrative time and cost in setting up pension deductions on the payroll and then refunding them if the employee subsequently opts out within a three month period. If the Council chooses to use the transitional period, each employee must be written to individually to inform them of the Council's decision and to remind them of their right to opt to join by giving written notice.

3.16 The transitional period cannot be used for non-eligible job-holders or entitled workers (see para. 3.4 above). These employees will not be automatically enrolled on 1st March 2013, but must be provided with information telling them about their right to join. If at any date after 1st March 2013 they become an eligible jobholder for the first time (i.e. their earnings are increased to £8,105 or more and they are between age 22 and state pension age) they must be automatically enrolled.

b) Postponement

3.17 Postponement (or waiting period) is an added flexibility that may be used to suspend the duty of assessment and automatic enrolment from 1 day up to 3 months, and can vary by individual. Periods of postponement cannot overlap or be used consecutively. An employee has the right to opt in during postponement and it is only the automatic enrolment process that is suspended. On the last day of the postponement, the employee must be assessed and automatically enrolled if they are an eligible jobholder.

3.18 The Council will need to use postponement in various circumstances, in particular for eligible employees with a contract of employment of less than 3 months and casual staff. This is because the rules do not allow for these employees to be contractually enrolled automatically into the LGPS although they may opt to join if they wish. As they are not contractually enrolled on starting a postponement notice must therefore be issued.

3.19 The Council may also use postponement to aid administrative and payroll processes. These circumstances may include postponing the automatic enrolment duty for a member of staff:

- who triggers automatic enrolment just before ceasing employment, or
- who triggers automatic enrolment because of a rare spike in earnings (eg. backdated pay arrears or pay for working additional hours), or
- where part-period earnings temporarily changes the category in which a member of staff falls.

This list is not exhaustive, and further situations may arise once automatic enrolment is operative.

c) Communication with staff

3.20 The Council is required to provide every member of staff with information about automatic enrolment and how it affects them, irrespective of whether they are already a member of the LGPS or TPS. The information must be given in writing and must be direct to each individual (eg. by letter or email). The letter or email must give specified information and cannot merely signpost an individual to an intranet or internet site or to a poster. Staff were alerted to automatic enrolment in the recent pensions newsletter and will be written to individually within the required timescales of the Council's staging date of 1st March 2013. Contracts of employment have also been amended to provide the necessary detail for newly recruited staff to the Council.

4. POLICY IMPLICATIONS

4.1 The Council's Pension Fund is a defined benefit scheme operated under the provisions of the Local Government Pension Scheme (LGPS) Regulations for the purpose of providing pension benefits for its employees.

5. FINANCIAL IMPLICATIONS

- 5.1 It is not possible to estimate with any degree of accuracy the financial impact of an increase in employer pension contributions arising from the full implementation of auto-enrolment. Work is currently underway to identify those staff who qualify as 'eligible employees' and would therefore need to be automatically enrolled. It is also difficult to estimate the number of employees who will elect to opt-out of the scheme after they have been automatically enrolled.
- 5.2 It is estimated that around 12% - 15% of current 'full-time equivalent' employees are not in the pension scheme (excluding schools and casual staff). As an illustrative example, if 100 'eligible employees' who are not currently in the scheme were automatically enrolled and did not elect to opt-out, additional employer contributions of around £370k per annum would be incurred (based on an average salary of £25k and the current employer contribution rate of 14.7%).
- 5.3 There will also be a financial impact on the Pension Fund should membership significantly increase. The impact of this will be dependent upon a number of factors including the level of employee contributions, period of membership and age profile of scheme members. The impact may not be known for some time and is unlikely to be separately identifiable within the triennial actuarial valuations.
- 5.4 As detailed in the report, there is a considerable administrative burden arising from the implementation and operation of the new requirements. Whilst every effort will be made to accommodate this within existing resources, the vast majority of the additional work required will fall to payroll and, to some degree, pensions. Until processes are more specifically defined, it is not possible to quantify the impact but it is expected that there will be additional cost implications for the contract to meet these additional responsibilities. Any requirement for additional costs that cannot be contained within existing budgets will be subject to a request for funding to the Executive.

6. LEGAL IMPLICATIONS

- 6.1 As is set out in the report, the Pensions Act 2008 (as amended) and subsequent regulations have introduced and set the timetable for the auto-enrolment provisions.

7. PERSONNEL IMPLICATIONS

- 7.1 The Corporate Trade Union and Departmental Representative Group were briefed on automatic enrolment, including the proposal to use the transitional period for existing staff, in November 2012.
- 7.2 All other considerations are as set out in this report.

Non-Applicable Sections:	None
Background Documents: (Access via Contact Officer)	http://www.thepensionsregulator.gov.uk/automatic-enrolment.aspx http://www.lge.gov.uk/lge/core/page.do?pagelId=17995528

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Report No.
RES13061

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: COUNCIL

Date: 27 February 2013

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

Title: MEMBERS' ALLOWANCES SCHEME 2013/14

Contact Officer: Graham Walton, Democratic Services Manager
Tel: 0208 461 7743 E-mail: graham.walton@bromley.gov.uk

Chief Officer: Mark Bowen, Director of Resources

Ward: N/A

1. Reason for report

- 1.1 The Council is required to approve a scheme of Members Allowances for each year. The General Purposes and Licensing Committee at its meeting on 14th February considered the attached report and recommended that Council approve the proposed Members Allowances Scheme attached to the report at Appendix 1. The report recommends that allowances (including in addition the Mayoral and Deputy Mayoral allowances) remain frozen. The report also informs Members that the Government intends, subject to consultation, to withdraw the right of Councillors to participate in the Local Government Pension Scheme.
-

2. **RECOMMENDATION(S)**

That the Members' Allowances Scheme 2013/14 be approved, including -

- (i) freezing the current allowances in the light of the current economic circumstances;**
- (ii) amending the scheme to replace the reference in paragraph 16 to the PE Inbucon scheme with reference to the Council's arrangements for localised pay;**
- (iii) agreeing the Mayoral and Deputy Mayoral allowance at the same rate as last year.**

Corporate Policy

1. Policy Status: Existing Policy: The proposed scheme for 2013/14 is based on the existing scheme for 2012/13
 2. BBB Priority: Excellent Council:
-

Financial

1. Cost of proposal: Estimated Cost:
 2. Ongoing costs: Recurring Cost:
 3. Budget head/performance centre: Democratic Representation – Members' Allowances
 4. Total current budget for this head: £1,112,380 (2012/13)
 5. Source of funding: 2013/14 revenue budget
-

Staff

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

Legal

1. Legal Requirement: Statutory Requirement: Sections 18 and 19 of the Local Government and Housing Act 1989, Section 100, Local Government Act 2000, The Local Authorities (Members' Allowances (England) Regulations 2003.
 2. Call-in: Not Applicable: Making and varying the Members' Allowances Scheme is reserved to full Council and is not an executive decision
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): All 60 Members of the Council
-

Ward Councillor Views

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

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

PART ONE - PUBLIC

Decision Maker: GENERAL PURPOSES AND LICENSING COMMITTEE
COUNCIL

Date: 14 February 2013
27 February 2013

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

Title: MEMBERS' ALLOWANCES SCHEME 2013/14

Contact Officer: Graham Walton, Democratic Services Manager
Tel: 0208 461 7743 E-mail: graham.walton@bromley.gov.uk

Chief Officer: Mark Bowen, Director of Resources

Ward: N/A

1. Reason for report

1.1 The regulations governing Members' allowances require that, before the beginning of each financial year, the Council shall make a scheme of allowances for that year and this report details the proposed allowances for 2013/14, recommending that the current allowances remain frozen. The report also provides an update on the Government's announcement that it intends to withdraw the right of Councils to allow Councillors to participate in the Local Government Pension Scheme.

2. **RECOMMENDATION(S)**

(1) **General Purposes and Licensing Committee are recommended to agree that the Members' Allowances Scheme 2013/14 be submitted to Council for approval; this would include the recommendations to -**

- (i) freeze the current allowances in the light of the current economic circumstances;
- (ii) amend the scheme to replace the reference in paragraph 16 to the PE Inbucon scheme with reference to the Council's arrangements for localised pay;
- (iii) agree the Mayoral and Deputy Mayoral allowance at the same rate as last year.

(2) **Members are requested to note the Government's proposal, subject to statutory consultation, to withdraw the right of Councils to allow their Councillors to contribute to the Local Government Pension Scheme from April 2014.**

Corporate Policy

1. Policy Status: Existing Policy: The proposed scheme for 2013/14 is based on the existing scheme for 2012/13.
 2. BBB Priority: Excellent Council:
-

Financial

1. Cost of proposal: Estimated Cost:
 2. Ongoing costs: Recurring Cost:
 3. Budget head/performance centre: Democratic Representation – Members' Allowances
 4. Total current budget for this head: £1,112,380 (2012/13)
 5. Source of funding: 2013/14 Revenue budget
-

Staff

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

Legal

1. Legal Requirement: Statutory Requirement: Sections 18 and 19 of the Local Government and Housing Act 1989, Section 100, Local Government Act 2000, The Local Authorities (Members' Allowances) (England) Regulations 2003
 2. Call-in: Not Applicable: Making and varying the Members' Allowances Scheme is reserved to full Council and is not an executive decision.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): All 60 members of the Council
-

Ward Councillor Views

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

3. COMMENTARY

- 3.1 Every local authority is expected to have a basic, flat rate allowance which is payable to all Members. The basic allowance recognises the time commitment of Councillors, including meetings with Council managers and constituents and attendance at political group meetings. It is also intended to cover incidental costs such as the use of Councillors' homes. It must be the same for each Councillor and may be paid either as a lump sum or in instalments through the year. Bromley has always paid allowances by monthly instalment.
- 3.2 The regulations governing Members' allowances require that, before the beginning of each financial year, the Council shall make a scheme of allowances for that year. The regulations also provide that before the Council makes or amends a scheme it shall have regard to the recommendations made in relation to it by an independent remuneration panel report. This requirement does not apply if the only change is the application of an annual indexation increase. Paragraph 16 of the existing 2012/13 scheme provides for annual indexation of allowances every year by the same percentage increase as the market movement change for officers under the PE Inbucon scheme. It is proposed that this is replaced by a reference to the Council's new arrangements for locally-determined pay.
- 3.3 Following a detailed review in 2008 Members' allowances were scrutinised by a specially formed Member working party which reported through to the Council. As a result certain allowances were upgraded to reflect current Member duties and remuneration adjustments were recommended and agreed having regard to the previous independent review, the work of the working party and comparative allowances paid by other London Authorities. No further changes were recommended after the review published in 2010 by the Independent Panel chaired by Sir Rodney Brooke covering all London boroughs. Although Bromley's basic allowance is slightly above the level suggested by the Panel in 2010 (which was £10,597pa), Bromley's special responsibility allowances are substantially below the recommended levels.
- 3.4 **Appendix 1** shows the scheme and the proposed allowances for 2013/14 in schedule 1 which will remain the same as last year, if frozen, depending on the Members' decision.
- 3.5 The Mayoral and Deputy Mayoral allowance can also be approved by Council and this is included in the budget for 2013/14. The allowance is recommended to stay at the same level for 2013/14, at £15,697 and £2,093 respectively, making a total of £17,790.
- 3.6 On 19th December 2012, in a written statement, Brandon Lewis MP, Parliamentary Under Secretary of State for Communities and Local Government, announced the Government's intention to withdraw the right of Councillors to participate in the Local Government Pension Scheme as of April 2014. It is proposed that those Councillors already in the scheme would have their accrued rights up to April 2014 fully protected, but would not be able to accrue any further benefits after that date in the existing scheme. The statement also declares that there is no justification for putting up Member's Allowances to compensate for the loss of this pension provision. These proposals are subject to statutory consultation which will commence in due course as part of the planned consultation on the wider reform of the Local Government Pension Scheme. Should they be implemented 34 Bromley Councillors who currently make contributions to the Scheme will be affected.

4 FINANCIAL IMPLICATIONS

- 4.1 Provision has been made for the outlined allowances in the revenue budget to be approved by Council of £1,112,380 and £17,790.

5 LEGAL IMPLICATIONS

- 5.1 The statutory provisions relating to Members' allowances are contained in The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 2003/1021).

Non-Applicable Sections:	Policy/Personnel
Background Documents: (Access via Contact Officer)	Report from the Independent Panel on Remuneration of Councillors in London (2010) - http://www.londoncouncils.gov.uk/londonfacts/londonlocalgovernment/remunerationofboroughcouncillors.htm Ministerial Statement on abolition of taxpayer funded pensions for Councillors - https://www.gov.uk/government/speeches/local-government-pension-scheme

London Borough of Bromley

Members Allowances Scheme

From 1st April 2013, in exercise of the powers conferred by the Local Authorities (Members Allowances) (England) Regulations 2003 (2003 No. 1021) [as amended by SI 2003 No. 1692], the London Borough of Bromley will operate the following Members Allowances Scheme.

1. This Scheme is known as the London Borough of Bromley Members Allowances Scheme and will operate from 1st April 2013 until amended.
2. In this Scheme:
 - “Councillor” means a member of the London Borough of Bromley who is an elected Member;
 - “Member” for the purposes of this Scheme shall mean elected Councillors;
 - “year” means the 12 months ending 31st March.
3. The Council in agreeing this Scheme has considered the recommendations of the Independent Panel commissioned by the Association of London Government on the remuneration of Councillors in London entitled “The Remuneration of Councillors in London 2010 Review” report published February 2010.

Basic Allowance

4. A basic annual allowance of £10,872.02 shall be paid to each Councillor.

Special Responsibility Allowances

5. (1) An annual Special Responsibility Allowance will be paid to those Members who hold special responsibilities. The special responsibilities are specified in Schedule 1 (attached).
- (2) During periods after an election when any position of special responsibility is unfilled, the relevant Special Responsibility Allowance shall be payable to the new holder of the position from the day after the previous holder ceases to be responsible.
- (3) The amount of each Special Responsibility Allowance is specified against that special responsibility in Schedule 1. The conditions set out in paragraphs 5(2), 5(4) and 14 apply.
- (4) Where a Member holds more than one position of special responsibility then only one Special Responsibility Allowance will be paid. Subject to sub-paragraph (5), Members may be paid quasi-judicial allowances in addition to a Special Responsibility Allowance.
- (5) All Members of the Plans Sub-Committees, Adoption Panel and Licensing Sub-Committee will be paid a quasi-judicial allowance at an annual rate £669.99 per annum. Where a Member has membership of only one Plans Sub-Committee, the allowance will be set at half that amount, £335.

Childcare and Dependent Carers Allowance

6. The Council has agreed that no allowance will be paid for childcare or dependent carers.

Co-optees Allowance

7. The Council has agreed that no allowance will be paid for co-optees.

Pensions

8. All Councillors under the age of 75 are entitled to apply for membership of the Local Government Pension Scheme. Both Basic Allowance and Special Responsibility Allowance, including quasi-judicial allowances, will be treated as amounts in respect of which pensions are payable.

Travel and Subsistence Allowance

9. The Basic Allowance covers all intra-Borough travel costs and subsistence. All other necessarily incurred travel and subsistence expenses for approved duties as set out in the Regulations (Regulation 8(a) to (h)) will be reimbursed under the same rules and entitlement as applies to staff. Travel by bicycle will also be paid at the same rates as applies to staff. Claims for reimbursement are to be made within one month of when the costs were incurred.

Ability to Decline an Allowance

10. A Member may, by writing to the Director of Resources, decide not to accept any part of his entitlement to an allowance under this Scheme.

Withholding of Allowances

11. The Standards Committee may withhold all or part of any allowances due to a Member who has been suspended or partially suspended from his/her responsibilities or duties as a Member of the Authority. Any travelling or subsistence allowance payable to him/her for responsibilities or duties from which they are suspended or partially suspended may also be withheld.
12. Where the payment of an allowance has already been made in respect of a period in which a Member has been suspended or partially suspended, the Council may require the allowance that relates to that period of suspension to be repaid.

Members of more than one Authority

13. Where a Member is also a member of another authority, that Member may not receive allowances from more than one authority for the same duties.

Part-year Entitlements

14. If during the course of a year:
- (a) there are any changes in the Basic and/or Special Responsibility Allowances,
 - (b) a new Member is elected,
 - (c) any Member ceases to be a Member,
 - (d) any Member accepts or relinquishes a post in respect of which a Special Responsibility Allowance is payable, or

- (e) the Standards Committee resolves to withhold any allowances during the suspension of a Member,

the allowance payable in respect of the relevant periods shall be adjusted pro rata to the number of days.

Payments

- 15. Payments shall so far as is reasonably practicable normally be made for Basic and Special Responsibility Allowances in instalments of one-twelfth of the amount specified in this Scheme.

Inflation Increase

- 16. The allowances set out in this Scheme may be increased annually by the same percentage increase as the market movement change for officers under the Council's scheme, such increase to take effect from the start of the Municipal Year. This inflation index will apply until further notice unless the Scheme is revised after consideration of any new Independent Panel report. Where the only change to the Scheme in any year is that effected by such an annual adjustment in accordance with this index, the new uprated allowance rates will apply without further consideration by an Independent Panel.

Notification Fee to Information Commissioner

- 17. The Council shall reimburse, or pay on their behalf, the annual fee payable by all Councillors to the Information Commissioner.

Schedule 1

Allowances for the year ending 31st March 2014

	£
Basic Allowance	10,872.02
Posts of Special Responsibility Allowance	
Leader of the Council	30,600.00
Portfolio Holders (x6)	20,400.00
Executive Members without Portfolio	3,573.22
Executive Assistants (x5)	3,573.22
Chairman of Portfolio PDS Committees (x6)	7,140.00
Chairman of Development Control Committee	9,179.61
Vice-Chairman of Development Control Committee	1,971.47
Chairman of Plans Sub-Committees (x4)	2,772.35
Chairman of General Purposes and Licensing Committee	9,179.61
Vice-Chairman of General Purposes and Licensing Committee	1,971.47
Chairman of Audit Sub-Committee	1,971.47
Chairman of Pensions Investment Sub-Committee	1,971.47
Leader of Main Opposition Party	7,577.78
Leader of Minority Opposition Party	3,673.53
Quasi-Judicial Allowances	
Members of two Plans Sub-Committees	669.99
Members of one Plans Sub-Committee	335.00
Members of Adoption Panel	669.99
Members of Fostering Panel	669.99
Members of Licensing Sub-Committee	669.99

Report No.
RES 13062

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: COUNCIL

Date: 27 February 2013

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

Title: COUNCIL MEETING 12TH NOVEMBER 2012 - MOTION ON GOVERNMENT PLANNING POLICIES

Contact Officer: Lynn Hill, Democratic Services Officer
Tel: 0208 461 7700 E-mail: lynn.hill@bromley.gov.uk

Chief Officer: Director of Resources

Ward: N/A

1. Reason for report

At the Council Meeting on 12th November 2012 a Motion raising concerns about the Government's proposed planning changes was proposed by Councillor Peter Dean, seconded by Councillor Alexa Michael, debated and agreed. Subsequently a letter was sent to Mr Nick Boles MP, Parliamentary Under Secretary of State (Planning) drawing attention to the concerns raised by Bromley Council and setting out the terms of the Motion.

A copy of the reply received from Mr Nick Boles MP is attached for Members' information. Although the consultation period closed on 24th December 2012 nothing has been heard on the Government's response and when an enquiry was made of the Department for Communities and Local Government they advised that "a response would be made in the spring".

2. **RECOMMENDATION**

Council to note the Government's letter of response.

Corporate Policy

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

Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Democratic Services
 4. Total current budget for this head: £320,320
 5. Source of funding: Existing 2012/13 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: N/A
-

Legal

1. Legal Requirement: None:
 2. Call-in: 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:

Non-Applicable Sections:	Policy, Finance Legal and Personnel implications
Background Documents: (Access via Contact Officer)	Minutes of the Council Meeting on 12 th November 2012



Department for
Communities and
Local Government

Cllr Peter Dean
Development Control Committee Chairman
London Borough of Bromley
Members' Room
Bromley Civic Centre
Stockwell Close
Bromley BR1 3UH

Nick Boles MP
Parliamentary Under Secretary of State (Planning)

**Department for Communities and Local
Government**
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Our Ref: NB/NB/035090/12

14 JAN 2013

Dear Cllr Dean

Thank you for your letter of 29 November setting out the London Borough of Bromley's Motion, agreed on 12 November, in relation to Government planning policies.

It was good to meet you on 16 October and to be able to understand Bromley's concerns with our proposals. I can assure you again that our proposals to extend permitted development rights seeks to balance making it easier for homeowners and businesses to build small-scale extensions while respecting the amenity of neighbours. We estimate that four-fifths of householder applications (some 160,000), the larger, more complex and controversial ones will continue to be considered by local authorities through the planning system.

Our consultation closed on 24 December and following consideration of the responses we will decide what changes to permitted development rights we take forward. We expect to bring in changes early in 2013, through secondary legislation to amend the Town and Country Planning (General Permitted Development) Order 1995.

Your motion suggests that the Secretary of State had encouraged local planning authorities to vary the extent of their Green Belt. However, his statement on 6 September simply reminded the House that planning authorities already have powers, in exceptional circumstances, to alter a Green Belt boundary if required. He also said that local planning authorities can introduce new Green Belt around new large developments, and that they should make best use of brownfield land in the Green Belt. The National Planning Policy Framework makes clear that permanence is an essential characteristic of the Green Belt, and it reaffirms the purposes of Green Belt which include preventing sprawl and safeguarding the countryside from encroachment.

W. Herbert Cohen,

Nick Boles

NICK BOLES MP

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