



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

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DATE: 29 January 2015

To: Members of the
EXECUTIVE

Councillor Stephen Carr (Chairman)

Councillors Graham Arthur, Robert Evans, Peter Morgan, Colin Smith, Tim Stevens and Stephen Wells

A meeting of the Executive will be held at Bromley Civic Centre on **WEDNESDAY
11 FEBRUARY 2015 AT 7.00 PM**

MARK BOWEN
Director of Corporate Services

*Copies of the documents referred to below can be obtained from
<http://cds.bromley.gov.uk/>*

A G E N D A

1 APOLOGIES FOR ABSENCE

2 DECLARATIONS OF INTEREST

3 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 14TH JANUARY 2015
(Pages 5 - 18)

4 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING

In accordance with the Council's Constitution, questions must be received in writing four working days before the date of the meeting. Therefore please ensure that questions are received by the Democratic Services Team by 5pm on Thursday 5th February 2015.

5 BUDGET MONITORING 2014-15 (Pages 19 - 58)

6 2015/16 COUNCIL TAX (Pages 59 - 84)

**7 CAPITAL PROGRAMME MONITORING Q3 2014/15 & ANNUAL CAPITAL REVIEW
2015 TO 2019** (Pages 85 - 98)

8 COMMUNITY SERVICES INTEGRATION (Pages 99 - 106)

- 9 **DEPRIVATION OF LIBERTY SAFEGUARDS UPDATE** (Pages 107 - 118)
- 10 **COMMISSIONING OF SPEECH AND LANGUAGE THERAPY** (Pages 119 - 124)
- 11 **LONG TERM CARE FOR OLDER PEOPLE - EXTRA CARE HOUSING SUPPLY AND DEMAND** (Pages 125 - 132)
- 12 **GATEWAY REPORT ON TENANCY SUSTAINMENT SERVICES FOR YOUNG PEOPLE** (Pages 133 - 148)
- 13 **REFURBISHMENT OF BEACON HOUSE** (Pages 149 - 154)
- 14 **HAVELOCK ROAD RECREATION GROUND, BROMLEY - LA FONTAINE FREE SCHOOL** (Pages 155 - 162)
- 15 **GATEWAY REVIEW 0,1 & 2 APPROVAL OF 2015/16 OPERATIONAL BUILDING MAINTENANCE BUDGETS, PLANNED MAINTENANCE PROGRAMMES AND PREFERRED PROCUREMENT OPTION** (Pages 163 - 176)
- 16 **THE FUTURE OF ANERLEY TOWN HALL** (Pages 177 - 242)
- 17 **A NEW APPROACH FOR BROMLEY MUSEUM** (Pages 243 - 260)
- 18 **CLOSURE OF BECKENHAM, BROMLEY, AND WEST WICKHAM PUBLIC TOILETS** (Pages 261 - 268)
- 19 **CONSIDERATION OF ANY OTHER ISSUES REFERRED FROM THE EXECUTIVE AND RESOURCES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE**
- 20 **LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006 AND THE FREEDOM OF INFORMATION ACT 2000**

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

<u>Items of Business</u>	<u>Schedule 12A Description</u>
21 EXEMPT MINUTES OF THE MEETING HELD ON 14TH JANUARY 2015 (Pages 269 - 272)	Information relating to the financial or business affairs of any particular person (including the authority holding that information)
22 THE FUTURE OF ANERLEY TOWN HALL (Pages 273 - 282)	Information relating to the financial or business affairs of

To consider further information for this item under exempt proceedings.

any particular person (including the authority holding that information)

23 HAVELOCK ROAD RECREATION GROUND, BROMLEY - LA FONTAINE FREE SCHOOL
(Pages 283 - 286)

Information relating to the financial or business affairs of any particular person (including the authority holding that information)

To consider further information for this item under exempt proceedings.

24 DIRECT CARE UPDATE (Pages 287 - 300)

Information relating to the financial or business affairs of any particular person (including the authority holding that information)

25 AWARD OF CONTRACT FOR CAPITAL WORKS AT GLEBE SCHOOL (Pages 301 - 306)

Information relating to the financial or business affairs of any particular person (including the authority holding that information)

26 CAPITAL RECEIPTS (Pages 307 - 308)

To consider Appendix E of the report for this item under exempt proceedings.

Information relating to the financial or business affairs of any particular person (including the authority holding that information)

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EXECUTIVE

Minutes of the meeting held on 14 January 2015 starting at 7.00 pm

Present

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

Also Present

Councillor Peter Fortune, Councillor Will Harmer,
Councillor William Huntington-Thresher, Councillor Pauline
Tunncliffe and Councillor Angela Wilkins

120 APOLOGIES FOR ABSENCE

Apologies were provided on behalf of Councillor Eric Bosshard (Executive and Resources PDS Chairman) and Councillor Nicholas Bennett JP (Education PDS Chairman).

121 DECLARATIONS OF INTEREST

Councillor Peter Morgan declared a Personal Interest by virtue of his daughter being a Director of Kier Property Services.

122 TO CONFIRM THE MINUTES OF THE MEETINGS HELD ON 26TH NOVEMBER 2014 AND 19TH DECEMBER 2014

The minutes of the meetings held on 26th November 2014 and 19th December 2014 were agreed.

A matters arising report was also provided for Members along with updated Terms of Reference for the Executive Working Group on Special Educational Needs.

The Leader also confirmed that Councillor Will Harmer had been appointed as Executive Assistant to the Leader.

RESOLVED that:

(1) the minutes of the meetings held on 26th November 2014 and 19th December 2014 be agreed;

(2) updated Terms of Reference for the Executive Working Group on Special Educational Needs be agreed; and

(3) the Leader of the Council's appointment of Councillor Will Harmer as Executive Assistant to the Leader for the remainder of the 2014/15 municipal year be noted.

123 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING

Five questions had been received for oral reply and one for written reply. Details of the questions and replies are at **Appendix A**.

124 DRAFT 2015/16 BUDGET AND UPDATE ON COUNCIL'S FINANCIAL STRATEGY 2016/17 TO 2018/19

Report FSD15001

Approval was sought for the Council's initial draft 2015/16 Budget. This included actions to reduce the Council's medium term "budget gap" and savings for consideration.

There continued to be outstanding issues and areas of uncertainty, and any further updates would be included in the 2015/16 Council Tax report to the Executive's next meeting.

On future funding it was explained that the Comprehensive Spending Review might be further delayed, creating additional uncertainty for local authority budget planning, 2016/17; there would, however, be no change in direction on public sector constraint.

Commenting on the report, the Portfolio Holder for Resources highlighted a focus on prudence. Referring to the Chancellor's Autumn Statement, the Portfolio Holder highlighted that new targets were being set for releasing public sector land for housing delivery. Although related mainly to Government Departments, it was noted that it could be extended to local government land in the future. The Portfolio Holder suggested that this would need careful monitoring. Capital monies were protected from revenue spend by an effective "firewall" enabling capital to be invested with returns of 5 to 6%. Such returns were achieving income in excess of £4m per annum to help protect front line services.

The Portfolio Holder also proposed that the draft budget would enable Council staff on localised pay and conditions to receive a 1.2% pay increase. Staff would be eligible to receive the increase from April 2015.

Concerning inflation, it was confirmed that the Retail Price Index (RPIX) currently stood at 1.7%, below the level of 2% at the time of drafting Report FSD15001. Implications of the change would feed into the 2015/16 Council Tax report.

The Leader highlighted the recommendation to refer the initial draft budget for each portfolio to relevant PDS Committees for consideration. It was important

for PDS Committees to look carefully at their draft portfolio budget. Comments would then be reported to the Executive's next meeting before recommendations are made to Council on 2015/16 Council Tax levels.

RESOLVED that:

- (1) the initial draft 2015/16 Budget be agreed as shown in Appendix 4, including the savings detailed in Appendix 6;**
- (2) the initial draft 2015/16 Budget for each portfolio be referred to the relevant PDS Committees for consideration;**
- (3) the financial projections for 2016/17 to 2018/19 be noted;**
- (4) there continued to be areas of financial uncertainty which would impact on the final 2015/16 Budget and future year forecasts;**
- (5) the setting of the schools budget, mainly met through Dedicated Schools Grant, be delegated to the Education Portfolio Holder, allowing for consultation with Head Teachers, Governors and the Schools Forum (see section 14.1.4 of Report FSD15001);**
- (6) the outcome of consultation with PDS Committees be reported to the next meeting of the Executive;**
- (7) the proposed contribution of £339,919 in 2015/16 to the London Boroughs Grant Committee be agreed (see section 8 of Report FSD15001);**
- (8) where consultation has not already commenced, officers begin the process of consulting on the savings proposals prior to finalising implementation of the savings at Appendix 6 of Report FSD15001;**
- (9) the outcome of the 2015/16 Local Government Financial Settlement be noted;**
- (10) the significant remaining budget gap of an estimated £53.3m per annum by 2018/19 be noted; and**
- (11) any final decision by Executive on recommended Council Tax levels to Council would normally be undertaken at the next Executive meeting.**

125 INVEST TO SAVE

Report RES14078

At the Executive's September meeting the Portfolio Holder for Resources asked for a report on progress with Invest to Save measures.

Executive
14 January 2015

Report RES14078 provided an overall summary on Invest to Save schemes and their progress. A schedule summarising financial implications was also tabled.

Noting two instances of the projected saving at 31st March 2015 not matching or exceeding the original approved saving (Green Garden Waste/Textile Collection Service and Transfer of Customer Service Centre to Liberata), the Leader asked that the schemes be closely monitored to ensure they are not missing out on improvements. The Deputy Leader suggested that the full benefits of the Green Garden Waste Scheme could be underestimated in the report and asked that officers check the position further. (Democratic Services Note: the Director of Finance investigated further and circulated separately to the Deputy Leader confirmation of additional benefits not covered in the report).

It was also highlighted that the Executive and Resources PDS Committee had requested a further progress report on invest to save schemes toward the end of the municipal year.

RESOLVED that the report be noted.

126 GATEWAY REVIEW OF HOUSING IT SYSTEMS

Report CS14106

With the Council's contracts for suppliers of Housing Systems software expiring in March 2016, a gateway review of current and future system requirements had been completed, and the market surveyed for alternative systems.

It was proposed to procure a fully integrated Housing IT system from a framework developed by Crown Commercial Services, Report CS14106 listing the benefits of using the procurement framework.

The current Housing IT systems had been purchased from different suppliers at varying times, their integration and software being both complex and expensive to maintain. An upgrade of one system impacted on others and the interfaces developed; some three to four upgrades were typically required each year, with additional upgrades necessary should major software be upgraded.

Newly developed solutions enabled customers to manage their own registrations so reducing administration for a Housing Department. Soft market appraisal of systems also identified other potential efficiencies which were outlined in Report CS14106.

In view of the complex and technical nature of IT system procurement, the Government had, through Crown Commercial Services, established two frameworks for IT services, both including housing systems. A detailed specification of the IT services would determine whether best value would be

achieved by direct purchasing or running a mini-competition from the framework.

The soft market testing suggested that a new system with all modules integrated would cost between £70k and £200k. The structure of additional implementation costs would vary between products available.

The cost of annual maintenance licences for the current housing systems amounted to £70,695 per annum. Additionally, costs to upgrade the systems amounted to £25,000. Each year additional costs were incurred in maintaining the current system and associated processes amounting to approximately £50k. A major server upgrade required for 2016/17 would cost an additional £50K plus project management costs.

New models did not require extensive annual upgrades. An annual reduction in licence costs could also be achieved. Moreover, an integrated housing IT system would also lead to significant efficiencies in working practices. Income from Registered Social Landlords using the IT system for Choice Based Lettings could also increase should there be new providers.

Appendix 2b to Report CS14106 outlined proposed revenue running cost savings from implementing a fully integrated Housing IT system. An updated version of the Appendix tabled at the meeting also factored in reduced additional costs of upgrades and maintenance.

The Portfolio Holder for Care Services highlighted that the type of system being considered was not completely new, having the benefit of use elsewhere in another borough. It would also be a freestanding system and not part of the Council's IT system.

RESOLVED that:

- (1) officers proceed to procure a fully integrated Housing IT system from a framework developed by Crown Commercial Services; and**
- (2) the capital funding bid to procure and implement the new Housing IT system to facilitate savings set out at Appendix 2b of Report CS14106 be approved.**

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

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

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

Executive
14 January 2015

**129 EXEMPT MINUTES OF THE MEETINGS HELD ON
26TH NOVEMBER 2014 AND 19TH DECEMBER 2014**

The exempt minutes of the meetings held on 26th November 2014 and 19th December 2014 were agreed.

**130 AWARD OF CONTRACTS FOR CAPITAL SCHEMES AT
PARISH CE PRIMARY SCHOOL AND ST PAUL'S CRAY CE
PRIMARY SCHOOL**

Report ED15029

Report ED15029 sought approval to the appointment of contractors for building schemes at Parish CE Primary School and St Paul's Cray CE Primary School.

Chairman

The Meeting ended at 7.53 pm

QUESTIONS FOR ORAL REPLY

Questions received from Nathan Hardman, Governor, La Fontaine Academy

1. How is Bromley Council collaborating with free school groups and Central Government to ensure there is a sustainable increase in primary school capacity for Bromley Children, and suitable sites are identified and secured for free schools?

Reply

Officers from Bromley Council are in regular dialogue with free school proposers, operators, and the DfE to support Free School providers where proposals address identified needs in terms of pupil places. This includes liaison on potential sites and in the case of La Fontaine Primary Academy the Council has provided temporary use of an existing school site whilst discussions take place on a permanent location for the school.

2. Which free school groups (or academy trusts) is Bromley Council supporting to address the shortage in Central Bromley reception places?

Reply

The local authority is working with a range of academy trusts, free schools, local authority maintained schools, and faith schools in central Bromley to address the growing demand for school places. This includes:

- Supporting La Fontaine to achieve a suitable central Bromley location
- Supporting Harris Shortlands Primary Academy and the delivery of its new school at Kingswood House
- Supporting the Aquinas Multi Academy Trust to expand Parish CE Primary School from 2 to 3 Forms of Entry
- Supporting E21C Multi Academy Trust to expand Scotts Park Primary from 2 to 3 Forms of Entry
- Expanding St Georges CE Primary school from 1.5 to 2 Forms of Entry

Questions received from Jane Crockett

1. So, given that reserves have risen since I left, why are frontline services still being cut?

Reply

The “Draft 2015/16 Budget and Update on the Council’s Financial Strategy 2016/17 to 2018/19” on the agenda outlines the Council’s approach to reserves which are one-off monies that are contributing to enable sustainable income opportunities as well as help manage financial risks.

A combination of inflation and cost pressures continuing whilst the Council faces significant ongoing reductions in Government funding, results in a potential budget gap of over £53m per annum by 2018/19, even if the Council agrees the savings proposals in the report.

The ongoing funding reductions will impact on the Council’s ability to meet some statutory service levels and the provision of services that matter to our residents. We will endeavour to protect front line services where possible but they cannot be fully protected during the ongoing austerity period.

2. If you’re saying that frontline services have to be cut (youth services) then have you considered outsourcing?

Reply

Every opportunity is considered for services. In this case the proposal before Members is to remove the service budget and funding, so a market solution would not be possible.

Supplementary Question

Have charities been considered?

Reply

The Leader understood that the third sector and others would be willing to consider providing services in the future.

3. So, with these cuts coming to the youth service, what will Bromley do to help the pressure that will then be imposed on the police, schools, social services etc?

Reply

The Leader explained that implications of decisions are assessed before they are made. Should it be decided to remove the funding, its impact would be ameliorated, at least in part, by the close working of partners in Bromley. If there were to be a deteriorating situation through unintended consequences, and a recognition that any new arrangements were not working, consideration would be given to bringing the service back in-house.

Supplementary Question

Jane Crockett indicated that she had seen a change amongst young people in the area of the borough where she lived and suggested that any deteriorating situation would worsen should there be more cuts.

Reply

The Leader preferred that the Council was not faced with the current budget pressures. In the circumstances it was necessary to strike a balance on priorities and to compose a sustainable budget.

In relation to services that would no longer be provided by the Council, it could be expected that the services would be either delivered in a different way by other providers or not provided.

QUESTIONS FOR WRITTEN REPLY

Questions received from Lynn Bird for written reply

Why are Bromley Council seeking to save £60 million from essential public services when the Council's net assets have increased by over £70 million between March 2013 and March 2014 when there are areas of Bromley facing severe and enduring social deprivation?

Reply

The Council's net assets, as reflected on the balance sheet, do not necessarily represent the funding available to provide services and include operational and investment properties and cash flow items partly offset by long term liabilities.

The main reason for the £70m increase in net assets between 31st March 2013 and 31st March 2014 was a reduction in the Council's long term liabilities following a review by the Council's external actuary and does not reflect any increase in funding for services.

It is a legal requirement for the Council to produce a balanced budget and many of the assets relate to operational properties used for the provision of services to our residents. Inflationary demands, continued service pressures and significant reductions in government funding result in the need to find savings of over £60m in the next four years. The Council does hold some reserves but the policy relating to the use of these reserves, which will be reported to the next meeting of the Executive, recognises that reserves are one-off monies which cannot be utilised to fund on-going expenditure. The assets will continue to be reviewed as part of the Council's ongoing wider financial strategy of looking at economic growth, investment opportunities and disposal options in order to deliver long term savings and generate sustainable income opportunities to protect key services as far as possible.

Decision Maker: Executive

Date: 11th February 2015

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

Title: **MATTERS ARISING FROM PREVIOUS MEETINGS**

Contact Officer: Keith Pringle, Democratic Services Officer
Tel. 020 8313 4508 E-mail: keith.pringle@bromley.gov.uk

Chief Officer: Director of Corporate Services

Ward: N/A

1. Reason for report

1.1 **Appendix A** updates Members on matters arising from previous meetings.

2. **RECOMMENDATION**

2.1 **The Executive is invited to consider progress on matters arising from previous meetings.**

Non-Applicable Sections:	Policy/Financial/Legal/Personnel
Background Documents: (Access via Contact Officer)	Executive Minutes

Corporate Policy

1. Policy Status: Existing Policy The Executive receives an update on matters arising from previous meetings at each meeting.
 2. BBB Priority: Excellent Council
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Financial

1. Cost of proposal: No Cost
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Democratic Services
 4. Total current budget for this head: £373,410
 5. Source of funding: 2014/15 Revenue Budget
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Staff

1. Number of staff (current and additional): 10 posts (8.75fte)
 2. If from existing staff resources, number of staff hours: Monitoring the Executive's matters arising takes at most a few hours per meeting.
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Legal

1. Legal Requirement: Non-Statutory - Government Guidance
 2. Call-in: Not Applicable
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Customer Impact

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

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

<u>Minute Number/Title</u>	<u>Executive Decision/Request</u>	<u>Update</u>	<u>Action by</u>	<u>Completion Date</u>
16th July 2014				
31. Update on the Process for Market Testing Education Services	A further report detailing the outcome of the market testing of Education Services was to be provided to a future Executive meeting along with recommendations. The report would describe how quality of service and support for children will be monitored and enforced.	The OJEU notice for this tendering opportunity was issued in October 2014 and expressions of interest have been submitted. Shortlisting via the PQQ is expected to be completed by 31 st January 2015.	Executive Director of Education and Care Services	It is expected that the outcome of market testing will be reported to Members for decision in Autumn 2015.
10th Sept 2014				
61. Gateway report - proposals for re-tendering the Churchill Theatre Management Contract	Resolved that(2) a further report be brought to the Executive in May 2015 on the results of the tender process and evaluation, along with the results of the condition survey of the building currently being undertaken.	Further report to be provided two weeks prior to the Executive meeting.	Executive Director of Environment and Community Services	As per update opposite.
15th October 2014				
78. Homelessness and Welfare Reform Draw-down from Central Contingency	Within initiatives to reduce the rising budget pressures, consultation had started on proposed revisions to the allocations scheme, which it was hoped would lead to a reduction in numbers on the housing register to some 2,000. Following consultation, a further report would seek approval of the revisions.	Consultation commenced and officers expect to be in a position to report back on the collated findings and final revision proposals by end of March 2015.	Executive Director of Education and Care Services	Final proposals – March 2015, with implementation undertaken by the end of April 2015.

79. Substance Misuse Services	Resolved that(2) a policy review be undertaken to develop a revised approach to counter substance misuse in preparation for the procurement of a new contract effective from January 2016 and progress reports be brought back to the Executive after three and six months.	Officers are looking to provide an update report to a future Executive meeting.	Executive Director of Education and Care Services	Update report will be scheduled for a future Care Services PDS meeting.
80. Adoption Grant Draw-down	<p>The Portfolio Holder for Public Protection and Safety recommended funding for 2014/15 and a progress report to Members before considering the release of further funding for 2015/16. This approach was agreed.</p> <p>Resolved that(2) draw-down of £272,400 for 2015/16 be deferred, pending consideration of a progress report nearer to 2015/16.</p>	A progress report will be provided for the Executive meeting on 25 th March 2015 to consider the release of 2015/16 funding.	Executive Director of Education and Care Services	As per update opposite.
26th November 2014				
100. Council Tax Support/Reduction – 2015/16	The Leader requested a further report on the implications of increasing the percentage of council tax that claimants had to pay themselves from 2016/17 onwards.	It was anticipated that the further report would be provided to the Executive meeting in June 2015.	Director of Finance	Report expected to be provided to the Executive meeting in June 2015.

Report No.
FSD15008

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker: Executive

Date: 11th February 2015

Decision Type: Non-Urgent Executive Non-Key

Title: BUDGET MONITORING 2014/15

Contact Officer: Tracey Pearson, Chief Accountant,
Tel: 020 83134323 E-mail: tracey.pearson@bromley.gov.uk

Chief Officer: Director of Finance

Ward: Borough Wide

1. Reason for report

- 1.1 This report provides the fourth budget monitoring position for 2014/15 based on expenditure and activity levels up to November 2014. The report also highlights any significant variations which will impact on future years as well as any early warnings that could impact on the final year end position.
-

2. **RECOMMENDATIONS**

2.1 Executive are requested to:

- (a) consider the latest financial position;
- (b) note that a projected net overspend on services of £872k is forecast based on information as at November 2014;
- (c) consider the comments from the Director of Education, Care and Health Services, the Director of Transformation and Regeneration and the Director of Environment and Community Services as detailed in sections 3.2, 3.3 and 3.4;
- (d) agree to release funding from the Central Contingency of £55k for Biggin Hill Development as detailed in para 3.5.4;
- (e) agree to release funding from the Central Contingency of £163k for Deprivation of Liberty Safeguards as detailed in para 3.5.5;
- (f) note a projected increase to the General Fund balance of £474k to £20.5m as detailed in section 3.6;
- (g) note the full year cost pressures of £5.1m as detailed in section 3.7 of this report;
- (h) Identify any issues that should be referred to individual Portfolio Holders for further action.

Corporate Policy

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

1. Cost of proposal: N/A
 2. Ongoing costs: Recurring cost.
 3. Budget head/performance centre: Council wide
 4. Total current budget for this head: £125m (excluding GLA precept)
 5. Source of funding: See Appendix 1 for overall funding of Council's budget
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Staff

1. Number of staff (current and additional): 3,760 (per 2014/15 Budget), which includes 1,777 for delegated budgets to schools.
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Statutory requirement. The statutory duties relating to financial reporting are covered within the Local Government Act 1972; the Local Government Finance Act 1998; the Accounts and Audit Regulations 1996; the Local Government Act 2000; and the Local Government Act 2002.
 2. Call-in: Call-in is applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The 2014/15 budget reflects the financial impact of the Council's strategies, service plans etc. which impact on all of the Council's customers (including council tax payers) and users of the services.
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Ward Councillor Views

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

3. COMMENTARY

3.1 The table below provides a breakdown of the 2014/15 budget and projected spend as at end of November 2014:-

Portfolio	2014/15 Original Budget £'000	2014/15 Latest Budget £'000	2014/15 Projected Outturn £'000	2014/15 Variation £'000
Care Services	104,941	106,355	107,625	1,270
Education	4,649	4,955	4,914	Cr 41
Environment	32,699	33,014	32,925	Cr 89
Public Protection & Safety	2,526	2,529	2,494	Cr 35
Renewal & Recreation	8,370	8,772	8,763	Cr 9
Resources	39,218	40,148	39,924	Cr 224
Total Controllable Budgets	192,403	195,773	196,645	872
Capital Charges and Insurance	16,827	16,943	16,943	0
Non General Fund Recharges	Cr 916	Cr 916	Cr 916	0
Total Portfolio Budgets	208,314	211,800	212,672	872
Contingency Provision	11,850	9,918	8,116	Cr 1,802
Interest on General Fund Balances	Cr 1,591	Cr 1,591	Cr 2,691	Cr 1,100
Other Central Items	Cr 6,308	Cr 6,308	Cr 6,308	0
General Government Grants	Cr 83,861	Cr 83,861	Cr 83,859	2
Collection Fund Surplus	Cr 2,964	Cr 2,964	Cr 2,964	0
Total Central Items	Cr 82,874	Cr 84,806	Cr 87,706	Cr 2,900
Total Variation	125,440	126,994	124,966	Cr 2,028

3.1.2 A detailed breakdown of the Latest Approved Budgets and Projected Outturn across each Portfolio, together with an analysis of variations, is shown in Appendix 2.

3.2 Comments from the Director of Education, Care and Health Services

Care Portfolio:

3.2.1 As detailed in the appendix, the requirement from the Department of Health to introduce a new form of activity reporting in adult social care has caused very significant problems across the country and we have not been exempt from them. I am particularly grateful to staff in adult social care and in our strategy team who gave up time over weekends and indeed over the Christmas holiday to further debug the system. However, errors remain and this makes it difficult to pinpoint issues, and particularly so in the older people's budgets across Care Management and Mental Health. The bottom line is, however, accurate: nonetheless, further work needs to be done to reconcile expenditure across these budgets and to help us better understand the pressures in mental health.

3.2.2 We are awaiting determination from the CCG on £1.3m of our claims for continuing health care (CHC) contributions. This is a very complex area and the Care Policy Development and Scrutiny Committee have discussed this previously. Broadly, a number of our clients will have very clear **health** needs which, by Law, local government cannot usually fund. To facilitate, for example, rapid discharge from the Princess Royal, we will accept these clients and then claim retrospectively for any health needs. We would also make a claim for any assessed clients we believe have health needs. Historically, we have always struggled to gain agreement from our partners in the CCG as to the precise level of health contribution and these claims are presently under assessment by a contractor brought-in by the Clinical Commissioning Group. This contractor is retained by the CCG and so is not

independent. However, we have seen very good progress with our complex children's packages, but we remain concerned that the CCG may not agree with our assessments. Should that be the case, we will need to agree an appeals procedure. It is not our expectation that we will win back all of the claimed monies.

- 3.2.3 Members will have seen the considerable progress in bringing the projected outturn nearer to the budgeted sums. We have held the number of older people's placements broadly static across the year but were required to reduce them by around 60: this simply has not proved possible. In addition, Members may recall the fact that some 20 or so care packages agreed late in 2013/14 were not funded in this year's budget placing a further £816k on the budget in addition to the agreed savings and the £1.45m efficiencies.
- 3.2.4 Across the last two quarters we have reduced the projected overspend by around £1.5m. We continue our regular programme of review, ensuring the best possible match between unmet assessed needs and the packages we provide to clients. We have held posts vacant, introduced robust approaches to awarding support and, more recently with support from the CCG, increased our ability to offer reablement. However, very considerable pressures remain in the system.
- 3.2.5 We see little let-up in the pressures from those requiring temporary accommodation, and the proposed provision of Manorfields should help mitigate at least some of those pressures, but staff in Housing remain under considerable pressure and are to be commended for their exceptional work in managing in very challenging circumstances. Closing or redesignating one of the extra care housing schemes as surplus to requirement is under discussion elsewhere. We also continue to see those with no recourse to public funds presenting to children's social care significantly in excess of the numbers funded by central government.
- 3.2.6 The changes in interpretation of the regulations around Deprivation of Liberty Safeguards (DoLS) have placed enormous pressure on the system this year and continues so to do. This is a major contributor to the pressures taken forward into next year, and will require a significant increase in staffing to manage efficiently. I am particularly grateful this year to staff who have accepted the challenge of developing our new approach to DoLS, often alongside their 'day job', but this is not sustainable.
- 3.2.7 Work with the CCG on the Better Care Fund resulted in our submission being approved, but not until after some small changes required by the NHS. This covers the spend of over £20m of funds held in common between the CCG and the Borough and so will form a key part of the work in the coming year. The monies for 14/15 allowed us to invest more in-year in supporting placements and, latterly, reablement, but sourcing high quality staff to undertake this additional work remains a very significant challenge. The monitoring of this work is one of the responsibilities of the Health and Wellbeing Board but Members of the PDS will most likely also want to be kept informed of our progress in the coming year.
- 3.2.8 A key issue remains the ability of the PRUH to overcome its very considerable challenges. We continue to support it very heavily and have had staff working there case finding every weekend for several weeks now. There is an imperative to discharge patients as rapidly as possible. This results in some patients being discharged very early, typically to intermediate care, a contracted responsibility of Bromley Health Care from the CCG but one which, inevitably, places pressures on care managers where the patients require a social care assessment. These patients may, as a result of their early discharge, have additional unmet social care needs. To its very considerable credit, the CCG has been outstanding in committing itself to covering our additional costs but the reality is that this is bringing more clients to the notice of social care and if they are assessed as having unmet

social needs, and are not self-funding, we must address them. Members can be assured that we are keeping detailed accounts of our activity in this area, and we remain very proud of the fact that there have been a negligible number of delayed discharges as a result of our social care staff. Where there are delays, these may be where a family disputes either our placement decision or, more typically, a costs determination.

- 3.2.9 The full year effects relate to pressures staff have worked hard to contain all year. These are particularly significant within Assessment and Care Management and reflect the increasing complexities of those we support, as well as the fact that more people with more complex conditions live longer. We see similar pressures but to a lesser extent in both learning disabilities and mental health. Another significant pressure comes from those with no recourse to public funds in children's services where no central government grant is received to offset the costs incurred by the Council. Some considerable focus has been given to managing these pressures down but Members will want to be reassured that this work will continue. Members will also note that there are a number of areas where there are projections of significant underspends which helps reduce the overall pressures.

Education Portfolio

- 3.2.10 Managers in Education continue to control their budgets effectively, and in very challenging circumstances. The appendices give further detail of how costs are being contained. Schools continue to benefit from funding changes which will see more money in schools' budgets in the coming year than ever before.
- 3.2.11 Grant condition changes within Adult Education make it increasingly difficult to manage cost pressures in such a way as to fulfil the grant conditions. A review remains in place to look at the best way forward for this very high quality service, but the nature of our provision may need to change in the coming year to better reflect our local priorities.
- 3.2.12 The implementation of the SEND reforms has gone well and the early work within the national pilot has left us well placed to respond to our new responsibilities. However, it is the case that we have high numbers of students with statements and we should see this number decline through the review process as schools accept greater responsibility for meeting individual needs. We also continue to look across to our partners at the CCG to ensure health needs are fully addressed in all new plans.

3.3 Comments from the Director of Transformation and Regeneration (Resources Portfolio)

- 3.3.1 The £594k overspend within Strategic Property Services mainly relates to a shortfall in rental income and includes the projection for investment income which is a shortfall of £835k.
- 3.3.2 The Investment Fund for investment in property (previously part of the Economic Development and Investment Fund), was created to identify key investment opportunities which would also assist in the regeneration ambitions of the Council. The target financial return for this fund is £2.025m in 14/15.
- 3.3.3 Four properties (72 - 76, 95, 98, 104 - 108 High Street) along with 145-153 High Street have been purchased to date costing £28.7m. The FYE annual income expected from these properties is £1,669k, resulting in a FYE shortfall of £356k dr. The projected income for 2014/15 is £1,190k resulting in a shortfall of £835k. The full rent contractually payable under the leases is being received and further increases cannot be achieved until future rent reviews become due.

- 3.3.4 A further acquisition is in progress, which if completes successfully, will bring in an annual rental income of £250k which would reduce the FYE from £356k dr to £106k dr.
- 3.3.5 Bromley should receive additional rent share income from The Glades once the Queens Gardens development is completed. INTU estimate that this additional income would be £17k in 2015, £78k in 2016, £82k in 2017, rising to £93k in 2020. Bromley's contribution to this project will be funded from the Investment Fund and a sum of £990k has been allocated for this purpose.

3.4 Comments from the Director of Environment and Community Services

Environment Portfolio

- 3.4.1 Overall, the controllable budget for the Environment Portfolio is projected to be underspent by £89k.
- 3.4.2 The projected overspend in Waste Services is primarily due to the decline in the tonnage of paper collected and the increase in the tonnage of residual waste collected. Both of these factors are reflected on the national stage and are largely outside our control. A growth bid is included in the latest four year forecast for the full year effect of these variances.
- 3.4.3 The overspend of £418k within Waste Services is more than offset by underspends of Cr £507k across other areas of the portfolio budget.

Renewal and Recreation Portfolio

- 3.4.4 Overall, the controllable budget for the Renewal and Recreation Portfolio is projected to be underspent by £9k.
- 3.4.5 As part of the budget setting process for 2014/15 a budget savings target of £150k was included in the culture budget. To date, £90k savings have been identified and an under spend within staffing has left a balance of £40k. Further savings have now been identified to ensure that the culture budget will be balanced from April 2015 onwards.
- 3.4.6 The full years savings of £300k built into the library budget will not be realised until April 2015 due to two factors; the first is that a detailed consultation has been undertaken during the last few months with both the public and the library staff over options for reducing opening hours and the second is that in order to achieve the reduction in staffing, it is necessary to install the RFID system in the remaining 9 libraries. This installation will not be completed until after October 2014 and therefore only part year savings of £100k will be achieved for 2014/15.
- 3.4.7 The overspend of £240k within Recreation is more than offset by an underspend of Cr £249k within Planning.

3.5 Central Contingency Sum

- 3.5.1 Details of the variations in the 2014/15 Central Contingency are included in Appendix 3.
- 3.5.2 The council has been notified of a one off grant of £7k from the Department for Work and Pensions in 2014/15 relating to New Burdens Funding, which will be used to fund additional contract payments from Liberata who will be carrying out the work. This has been allocated to the Resources Portfolio.

- 3.5.3 As part of Localised Pay, Members agreed a merited reward for exceptional performers and a provision of £200k was included in the Central Contingency. This was to reward the performance of employees during 2014/15. A sum of £86k has been drawn down from the Central Contingency fund for expenditure incurred to date.
- 3.5.4 Executive are requested to allocate a sum of £55k from the underspend within the Central Contingency to meet the cost of works that need to be carried out relating to the development at Biggin Hill Airport. The works include a Borough-wide consultation with residents (£30k) and a technical review of the Airport's Noise Action Plan (£25k). There may be other costs associated with assessing the impact of the proposals. Details of Biggin Hill Airport Proposals with any necessary further funding will be reported to a future meeting of the Executive.
- 3.5.5 A report elsewhere on the agenda requests that Executive agree the additional funding of £163k for Deprivation of Liberty Safeguards. This funding will be met from underspends within the Central Contingency.
- 3.5.6 The 2014/15 Central Contingency contains various provisions which reflect uncertainty around potential costs, grants and service pressures. If these provisions are not required, there will be a resulting underspend on the final Contingency position at year end. At this stage in the year, it would be too early to consider the final variations in the contingency sum. As in previous years any resulting underspends may be utilised to provide one-off funding for the Council's Investment Fund, which is used to generate ongoing income for the Council.

3.6 General Fund Balances

- 3.6.1 The level of general reserves is currently projected to increase by £474k to £20.5m at 31st March 2015. Further details are provided below:

	2014/15 Projected Outturn £'000
General Fund Balance at 1st April 2014	-20,000
Total Variation (para 3.1)	-2,028
Adjustments to Balances:	
Carry forwards (funded from 2013/14 underspends)	1,554
Projected General Fund Balance 31st March 2015	<u>-20,474</u>

3.7 Impact on Future Years

3.7.1 The report identifies expenditure pressures which could have an impact on future years. The main areas to be considered at this stage are summarised in the following table:

				2014/15	2015/16
				Budget	Impact
				£'000	£'000
Care Services Portfolio					
Assessment & Care Management				24,808	1,893
Learning Disabilities - Adult Social Care				5,772	13
Childrens Placements				28,811	180
Adults with Learning Disabilities				24,071	371
Adults with Mental Health Needs				6,349	588
Supporting People				2,006	Cr 189
Information and Early Intervention				1,385	41
Commissioning				3,167	125
					3,022
Education Portfolio					
Adult Education				Cr 601	264
Education Services Grant				Cr 2,732	1,004
					1,268
Resources Portfolio					
Operational Property Services				371	66
Investment Income				Cr 6,356	429
Mayoral				178	Cr 32
					463
Environment Portfolio					
Waste				8,573	743
TOTAL					5,496

3.8 The Schools' Budget

3.8.1 There is currently a projected underspend of £606k on the Schools' Budget. Overspends and underspends must be carried forward to the following year's Schools' Budget and have no impact on the Council's General Fund. Details of the 2014/15 monitoring for the Schools' Budget will be reported to the Education Portfolio Holder.

3.9 Interest on Balances

3.9.1 A rate of 1% was assumed in the 2014/15 budget for interest on new investments and the budget for net interest earnings was set at £1,591k. Interest rates still show no real sign of increasing and Capita now expect the Bank of England base rate to begin to rise slowly from the end of 2015. There have been no improvements to counterparty credit ratings, which means that the restrictions to investment opportunities that followed ratings downgrades in recent years have still been in place. However, the increases in the limits for the two part-nationalised banks (Lloyds and RBS) approved by the Council in October, together with higher rates from longer-term deals placed with other local authorities, higher average balances than anticipated and the changes to the Treasury management strategy to include investments in property funds and diversified growth funds (the CCLA property Fund investment has produced returns of around 5.1%), resulted in a considerable improvement in interest earnings in 2014/15. At this stage, it is estimated that the 2014/15 outturn for interest earnings will be around £1.1m above budget.

4 EARMARKED RESERVES

Investment Fund and Growth Fund (formerly Economic Development & Investment Fund)

- 4.1 A detailed analysis of this Fund, dating back to its inception in September 2011, was included in a report to the September meeting (“Acquisition of Investment Properties”). Total funding of £66.1m has been placed in the earmarked reserve to date to contribute towards the Council’s economic development and investment opportunities. A total of £35.4m has been allocated to date, mainly on the acquisition of High Street properties and the uncommitted balance currently stands at £30.7m.
- 4.2 In November, Members approved an allocation of £10m from the Economic Development & Investment Fund to be ring fenced for investments which support growth initiatives in Biggin Hill, Cray Business Corridor and Bromley Town Centre. The Economic Development & Investment Fund will be renamed the Investment Fund and the residual balance will mainly be used on property acquisitions generating a revenue income stream in excess of treasury management returns.

4.3 Invest to Save Fund

This earmarked reserve was approved by Council in October 2011, with an initial allocation of £14m, to enable “loans” to be provided for Invest to Save initiatives, with advances to be repaid within a “reasonable” period and on-going revenue savings to contribute towards reducing the budget gap. In February 2013, the Executive agreed that the one-off Council Tax Freeze grant in 2012/13 be added to the Fund, bringing the total balance up to £17,304k. Five schemes have been approved to date and, as at 31st March 2014, the actual balance on the Fund stood at £15,975k. An update on Invest to Save schemes was submitted to the Executive on 14th January 2015.

4.4 Children’s Social Care Recruitment and Retention Strategy

On the 21st January 2015 the Care Services PDS Committee received a report on the recruitment and retention strategy for children’s social care recommending that the scheme be extended for the 2015/16 and 2016/17 financial years. There continues to be a key shortage within this area in local government and competition to attract the best of a scarce resource remains high.

The strategy as in previous years, will be funded from monies remaining in the LAA reward grant earmarked reserve. There is sufficient funding to pay for the strategy until the end of the 2016/17 financial year. After this time the strategy and the funding will have to be reconsidered.

5. POLICY IMPLICATIONS

- 5.1 “Building a Better Bromley” refers to the Council’s intention to remain amongst the lowest Council Tax levels in Outer London and the importance of greater focus on priorities.
- 5.2 The “2014/15 Council Tax” report highlighted the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2014/15 to minimise the risk of compounding financial pressures in future years.

6. FINANCIAL IMPLICATIONS

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

Non-Applicable Sections:	Legal, Personnel
Background Documents: (Access via Contact Officer)	Financial Management Budget Monitoring files across all Portfolios. Provisional Final Accounts - Executive 10 th June 2014. Draft 2014/15 Budget and Update on Council's Financial strategy 2015/16 to 2017/18 - Executive 15 th January 2014. 2014/15 Budget Monitoring file held by Technical and Control Finance Section.

Portfolio	2014/15 Original Budget £'000	Budget Variations allocated in year # £'000	2014/15 Latest Approved Budget £'000	2014/15 Projected Outturn £'000	Variation £'000	Variation previously reported to Exec 26/11/14 £'000
Care Services	104,941	1,414	106,355	107,625	1,270	2,768
Education (incl. Schools' Budget)	4,649	306	4,955	4,914	Cr 41	275
Environment	32,699	315	33,014	32,925	Cr 89	0
Public Protection & Safety	2,526	3	2,529	2,494	Cr 35	Cr 35
Renewal and Recreation	8,370	402	8,772	8,763	Cr 9	69
Resources	39,218	930	40,148	39,924	Cr 224	103
Total Controllable Budgets	192,403	3,370	195,773	196,645	872	3,180
Capital and Insurances (see note 2)	16,827	116	16,943	16,943	0	0
Non General Fund Recharges	Cr 916	0	Cr 916	Cr 916	0	0
Total Portfolios (see note 1)	208,314	3,486	211,800	212,672	872	3,180
Central Items:						
Interest on General Fund Balances	Cr 1,591	0	Cr 1,591	Cr 2,691	Cr 1,100	Cr 800
Contingency Provision (see Appendix 3)	11,850	Cr 1,932	9,918	8,116	Cr 1,802	Cr 2,020
Other central items						
Reversal of Net Capital Charges (see note 2)	Cr 15,735	0	Cr 15,735	Cr 15,735	0	0
Contribution to Economic Development & Investment Fund and Other Reserves	8,004	0	8,004	8,004	0	0
Levies	1,423	0	1,423	1,423	0	0
Total other central items	Cr 6,308	0	Cr 6,308	Cr 6,308	0	0
Total All Central Items	3,951	Cr 1,932	2,019	Cr 883	Cr 2,902	Cr 2,820
Bromley's Requirement before balances	212,265	1,554	213,819	211,789	Cr 2,030	360
Carry Forwards from 2013/14 (see note 3)	0	Cr 1,147	Cr 1,147	0	1,147	1,147
Carry Forward from 2013/14 Delegated Authority - R&M	0	Cr 407	Cr 407	0	407	407
Adjustment to Balances	0	0	0	474	474	Cr 1,916
Revenue Support Grant	212,265	0	212,265	212,263	Cr 2	Cr 2
Business Rates Retention	Cr 42,031	0	Cr 42,031	Cr 42,031	0	0
New Homes Bonus	Cr 35,265	0	Cr 35,265	Cr 35,265	0	0
C Tax Freeze Grant	Cr 5,040	0	Cr 5,040	Cr 5,038	2	2
Local Services Support Grant	Cr 1,381	0	Cr 1,381	Cr 1,381	0	0
Collection Fund Surplus	Cr 144	0	Cr 144	Cr 144	0	0
Bromley's Requirement	2,964	0	2,964	2,964	0	0
GLA Precept	125,440	0	125,440	125,440	0	0
Council Tax Requirement	37,133	0	37,133	37,133	0	0
Council Tax Requirement	162,573	0	162,573	162,573	0	0

Budget Variations allocated to portfolios in year consists of:

1) Carry forwards from 2013/14 (see note 3)	£'000
2) Allocations from the central contingency provision (see Appendix 3)	1,554
	1,932
	<u>3,486</u>

1) NOTES

Portfolio Latest Approved Budgets analysed over Departments as follows:

	2014/15 Original Budget £'000	Budget Variations allocated in year # £'000	2014/15 Latest Approved Budget £'000	2014/15 Projected Outturn £'000	Variation £'000	Variation previously reported to Executive £'000
Education Care & Health Services	130,800	1,741	132,541	133,787	1,246	3,056
Environmental & Community Services	54,240	776	55,016	55,099	83	9
Chief Executive's Department	23,274	969	24,243	23,786	Cr 457	115
	208,314	3,486	211,800	212,672	872	3,180

2) Reversal of Net Capital Charges

This is to reflect the technical accounting requirements contained in CIPFA's Code of Practice for Local Authority Accounting and has no impact on the Council's General Fund.

3) Carry Forwards from 2013/14

Carry forwards from 2013/14 into 2014/15 totalling £1,554k were approved by the Executive and under the delegated authority of the Finance Director. Full details were reported to the June meeting of the Executive in the "Provisional Final Accounts 2013/14" report.

Care Services Portfolio Budget Monitoring Summary

2013/14 Actuals	Division Service Areas	2014/15 Original Budget £'000	2014/15 Latest Approved £'000	2014/15 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
£000's								
	EDUCATION CARE & HEALTH SERVICES DEPARTMENT							
18	Adult Social Care							
30,925	AIDS-HIV Service	0	0	0	0		0	0
	Assessment and Care Management	25,475	24,808	26,968	2,160	1	2,157	2,003
	Income from Court of Protection			Cr 110	Cr 110	1	0	Cr 110
	Management action - BCF contribution			Cr 350	Cr 350		0	0
3,897	Direct Services	3,269	3,335	3,297	Cr 38	4	Cr 7	0
2,868	Learning Disabilities Care Management	2,052	2,298	2,384	86	1	195	265
1,694	Learning Disabilities Day and Short Breaks Service	2,100	2,091	1,941	Cr 150	2	Cr 119	Cr 150
988	Learning Disabilities Housing & Support	1,562	1,383	1,281	Cr 102	3	Cr 97	Cr 102
40,390		34,458	33,915	35,411	1,496		2,129	1,906
	Operational Housing							
Cr 1	Enabling Activities	Cr 1	Cr 1	Cr 1	0		0	0
Cr 778	Housing Benefits	Cr 1,662	Cr 1,662	Cr 1,662	0		0	0
4,571	Housing Needs	4,576	5,778	5,778	0	5	0	260
	Housing funds held in contingency							Cr 260
3,792		2,913	4,115	4,115	0		0	0
	Strategic and Business Support Service							
1,945	Strategic & Business Support	2,198	2,201	2,070	Cr 131	6	Cr 121	0
331	Learning & Development	394	394	271	Cr 123	6	Cr 60	0
2,276		2,592	2,595	2,341	Cr 254		Cr 181	0
	Children's Social Care							
14,413	Care and Resources	17,238	17,223	17,393	170		290	0
	Management action - Restriction of placements			Cr 200	Cr 200		0	0
1,544	Safeguarding and Quality Assurance	1,402	1,426	1,388	Cr 38	7	Cr 38	0
3,373	Safeguarding and Care Planning	3,499	3,499	3,499	0		0	0
3,615	Referral and Assessment	3,413	3,413	3,660	247		262	180
765	Bromley Youth Support Programme	817	817	817	0		0	0
4,025	Children's Disability Service	2,433	2,433	2,357	Cr 76		Cr 76	0
27,735		28,802	28,811	28,914	103		438	180
	Commissioning							
3,311	Commissioning	3,105	3,330	3,364	34	8	3	125
0	Information & Early Intervention	1,278	1,385	1,426	41		54	41
22,327	Learning Disabilities	24,311	24,071	23,721	Cr 350	1	Cr 10	371
4,776	Mental Health Services	5,644	6,349	6,780	431	1	458	778
	Mental Health Services - Management action			Cr 108	Cr 108			Cr 190
2,843	Supporting People	2,060	2,006	1,860	Cr 146	9	Cr 146	Cr 189
10,299	NHS Support for Social Care							
	- Expenditure	4,548	6,528	6,528	0		0	0
Cr 10,299	- Income	Cr 4,548	Cr 6,528	Cr 6,528	0		0	0
33,257		36,398	37,141	37,043	Cr 98		359	936
	Public Health							
12,229	Public Health	12,230	12,230	11,794	Cr 436		Cr 371	0
Cr 12,601	Public Health - Grant Income	Cr 12,601	Cr 12,601	Cr 12,165	436		371	0
Cr 372		Cr 371	Cr 371	Cr 371	0		0	0
107,078	TOTAL CONTROLLABLE ECHS DEPT	104,792	106,206	107,453	1,247		2,745	3,022
2,398	TOTAL NON CONTROLLABLE	1,783	1,776	1,792	16		16	0
9,825	TOTAL EXCLUDED RECHARGES	10,893	10,893	10,893	0		0	0
119,301	TOTAL ECHS DEPARTMENT	117,468	118,875	120,138	1,263		2,761	3,022
	Environmental Services Dept - Housing							
179	Housing Improvement	148	148	171	23	10	23	35
	Management action to meet FYE							Cr 35
179	TOTAL CONTROLLABLE FOR ENV SVCS DEPT	148	148	171	23		23	0
Cr 325	TOTAL NON CONTROLLABLE	Cr 300	Cr 300	Cr 300	0		0	0
58	TOTAL EXCLUDED RECHARGES	354	354	354	0		0	0
Cr 88	TOTAL FOR ENVIRONMENTAL SVCS DEPT	202	202	225	23		23	0
119,213	TOTAL CARE SERVICES PORTFOLIO	117,670	119,077	120,363	1,286		2,784	3,022

Memorandum Item								
	Invest to Save projects: Savings against business case							
30	Dementia Investment Plan	Cr 515	Cr 515	Cr 237	278		278	0
216	PD Investment Plan	Cr 345	Cr 345	Cr 66	279		279	0
246	Invest to Save projects	Cr 860	Cr 860	Cr 303	557		557	0

Reconciliation of Latest Approved Budget	£'000
2014/15 Original Budget	117,670
Local Reform and Community Voices - IMHA (Exec 2/4/14):	
- grant related expenditure 2014/15	64
- grant related expenditure 2014/15	Cr 64
Local Reform and Community Voices - DOLS (Exec 10/6/14):	
- grant related expenditure 2014/15	24
- grant related expenditure 2014/15	Cr 24
Adult Social Care Investment Proposal - Demand Management (Exec 22/7/14)	
- expenditure	250
- contribution from earmarked reserve	Cr 250
New Grant - Staying Put Implementation Grant	
- expenditure	36
- income	Cr 36
Increase in insurance premiums	4
<i>Carry Forwards:</i>	
Social Care funding via the CCG under s256 (Invest to Save)	
- expenditure	449
- income	Cr 449
Impact of Care Bill / Adult Social Care Gateway Review	
- expenditure	249
- income	Cr 249
Tackling Troubled Families	
- expenditure	764
- income	Cr 764
Public Health weight management pilot	
- expenditure	98
- income	Cr 98
Carry forward - Social Care Funding via the CCG under s256 (Invest to Save)	
- expenditure	40
- income	Cr 40
Welfare Reform Implementation Funding	
- expenditure	66
- income	Cr 66
Public Health s256	
- expenditure	44
- income	Cr 44
Public Health Transition Funding	
- expenditure	42
- income	Cr 42
NHS funding transfer integration funding - expenditure	
- expenditure	992
- income	Cr 992
Provision for homelessness (impact of recession/changes to welfare benefits)	
- Bed & Breakfast	653
- Manorfields	547
Merit Awards	40
Deprivation of Liberty Safeguards	163
Total Variations	1,407
2014/15 Latest Approved Budget	119,077

REASONS FOR VARIATIONS

1. Adult Social Care and Commissioning - Care-Related Costs - Dr £1,759k

	£'000
<u>Adult Social Care:</u>	
Assessment & Care Management (18-65 and 65+)	1,700
Learning Disabilities Care Management (18-65 and 65+)	86
	1,786
<u>Commissioning:</u>	
Learning Disabilities (18-65 and 65+)	(350)
Mental Health (18-65 and 65+)	431
Mental Health (18-65 and 65+) - planned management action	(108)
	(27)
Total Projected Overspend	1,759

As reported last cycle, a new Adult Social Care "Service Reporting Code of Practice" (SERCOP) was implemented with effect from 1st April 2014. This had significant implications for budget management and financial reporting structures. In addition, "Zero Based Review" data collection changes were effective from the same date.

The main areas of change have included re-classification of all adult social care clients according to their Primary Support Reason (PSR), including those clients over 65 who were all previously classified as "Older People" irrespective of their primary care need. Further, support now has a greater degree of classification between long term and short term support.

The new PSRs include: Physical Support; Sensory Support; Support with Memory and Cognition; Learning Disability Support; Mental Health Support. There is a further category of Social Support which includes support to Carers.

There are still some issues to be resolved in relation to the implementation of the above changes, particularly final changes to some clients' PSRs and the consequent adjustments to budgets and projections.

These changes have had a significant impact on information available to monitor the budgets. Projections have been calculated based on the distribution of clients across PSRs at a point in time. Similarly, the budgets were calculated based on the profile of clients across the new PSRs in April 2014. Both of these sets of information continue to require further work and, as such, the above projections should be viewed only in total, with the expectation that the pattern of overspend will shift between individual budget heads in future months.

The projected overspend of £1.8m arises from the full year effect of 2013/14 activity combined with projected new activity in 2014/15 and 2014/15 budget savings, including £1.45m saving from the capping of Adult Social Care costs (see section below for further details)

Adult Social Care

The overspend in Adult Social Care can be further analysed as follows:

	Projected Variation £'000	Previous Variation £'000	Change £'000
<u>Physical Support / Sensory Support / Memory & Cognition</u>			
Services for 65 + - Placements	1,238	1,313	-75
- Domiciliary Care / Direct Payments	932	958	-26
Services for 18 - 64 - Placements	41	78	-37
- Domiciliary Care / Direct Payments	-179	-192	13
Management action - BCF contribution	-350	0	-350
Staffing Costs	18	0	18
	1,700	2,157	-457

The £1.45m saving from the capping of Adult Social Care costs was allocated across both placements (£1.031m, equivalent to 50 places) and domiciliary care/direct payments budgets (£0.419m) for the over 65's. Whilst placement numbers for the under 65's remain within the budget, those for the over 65's are currently showing 58 placements above budget, indicating that attempts to reduce numbers have not been successful. Since the last reported figures relating to September there has been a net reduction of 4 placements. Costs for domiciliary care and direct payments have reduced slightly, but a large overspend remains in this area.

The 2 invest to save schemes relating to Dementia (older people) and Physical Disability & Sensory Impairment have also not achieved the savings that were included in the budget, thus contributing to the overspend position. The dementia under achievement totals £278k and PD £279k. Work continues in both these areas with a view to achieving these savings.

Commissioning

Learning Disabilities - Cr £350k

The projected spend has reduced from the previous report by £340k to a projected underspend position of £350k. This is due to a number of factors but has arisen mainly from contract efficiencies, limiting inflationary increases paid to providers, reduced future spend assumptions (potential placements being deferred / not materialising / at lower cost) and attrition.

The projections include a number of assumptions on increased client needs, carer breakdowns, remaining transition cases and the effect of Ordinary Residence transfers both in and out of Bromley. These assumptions have been reviewed in detail this cycle but there continues to be an element of forward projection in the reported figures; the position is likely to change between now and year-end.

Mental Health - Dr £431k (Dr £323k after planned management action savings)

Based on current client PSR classifications in Carefirst, an overspend of £431k is anticipated on Mental Health care packages. Once planned management action has been factored in this reduces to a projected overspend of £323k. However, there appears to be a significant degree of client misclassification for Mental Health and, until this is resolved, it is difficult to manage or monitor budgets effectively. Both budgets and projections are likely to change once PSR issues are resolved. Current data indicates that the net number of Mental Health placements is increasing each cycle and it has been assumed that this trend continues for the rest of the year.

2. Learning Disabilities Day and Short Breaks Service - Cr £150k

The learning disabilities short breaks service at Widmore Road has been running since 2013, when the 2 former respite units at Bromley Road and Tugmutton Close closed. The combining of the 2 facilities on to one new site has enabled staffing efficiencies to be made and a projected underspend of £150k is now reported as the service beds down on the new site.

3. Learning Disabilities Housing and Support - Cr £102k

Some minor restructuring of the service, including the deregistration of the residential units at St Blaise and Orchard Grove and changes around the management of the service have resulted in a current projected underspend of £102k.

4. Direct Care - Cr £38k

a) Extra Care Housing - Dr £236k

There is a significant pressure on the in-house ECH budgets, mainly due to the need to provide additional support to some service users with mental health / dementia needs. There has also been an increase in the number of flats being used as 'step down' facilities by care management, resulting in subsequent loss of income (as this is not a chargeable service). There is no change to the figure reported in September. The main variations can be analysed as £296k overspend on staffing and £67k overachievement of income.

b) Transport Service- Cr £160k

Latest monitoring of the transport budget has identified a projected underspend of £160k, £36k in relation to staffing costs and £124k for transport related costs.

c) Reablement - Cr £120k

The underspend in this area relates to staffing, with increased vacancies in the service. As a result the team are carrying out less reablement of clients, which is likely to lead to increased costs within assessment and care management

d) Carelink - Dr £6k

There is a minor projected overspend in the service in relation to staffing.

5. Operational Housing

As a result of the drawdown of £653k approved by Executive on 15th October 2014, no variation is currently projected for temporary accommodation budgets. The projection assumes continued growth of 15 clients per month combined with continuing rising unit costs. This increase has been noticeable across all London Boroughs and is the result of the pressures of rent and mortgage arrears coupled with a reduction in the numbers of properties available for temporary accommodation. There are high levels of competition and evidence of 'out bidding' between London boroughs to secure properties and this has contributed towards the high costs of nightly paid accommodation.

Although no variation is expected in-year, there is a projected full year effect pressure of £260k in 2015/16. However, this only takes account of projected activity to the end of March 2015 and does not include any projected further growth in numbers beyond that point.

There will be a further revenue contribution to Capital as part of the year end closing of accounts for 2014/15, due to increased costs (overspend) associated with the Bellegrave conversion of £49k. This, the £16k shortfall previously reported relating to the Manorfields conversion, and a projected £17k overspend on furniture storage will be offset by one off in-year underspends on various staffing budgets due to delays in the recruitment and appointment of staff as part of the restructure, plus a few minor underspends on running expenses.

	Projected variation £'000
Staffing & running costs	Cr 82
Manorfields capital shortfall	16
Bellegrave capital overspend	49
Furniture storage	17
	<u>0</u>

6. Strategic and Business Support - Cr £254k

The projected underspend of £254k has arisen from a combination of: part year vacancies; underspends on running expenses (including staff advertising); significantly reduced levels of activity on training mainly as a result of delays in the delivery of Care Act training; projected net additional income from schools.

7. Children's Social Care - Dr £103k

The projected overspend in Children's Social Care has increased this month with the main areas of under / overspending being:

Placements - Cr £551k

The children's placement budget is currently projected to underspend by £551k, based on current numbers of children being looked after, plus an assumption for new children having to be looked after during the year. This is partly offset by increased costs of children leaving care, as reported below.

No Recourse to Public Funds - Dr £247k

The cost to Bromley for people with no recourse to public funding significantly exceeded the budget established for these costs in 2013-14. Additional budget was moved into this area for 2014/15, however the trend of increased costs is continuing during the current financial year, with a current projected overspend of £247k now being reported, a slight reduction from the last reported figure. The projection includes an assumption for new clients coming through the system for the remainder of the year.

Leaving Care Clients - 16/17 year olds - Dr £224k

Expenditure relating to leaving care services for 16 and 17 year olds is projected to overspend due to the numbers of children leaving care. This amount has increased slightly from the last reported figure of £200k. This could further increase if more children within this age group leave care requiring services.

Leaving Care Clients - 18 plus - Dr £155k

Expenditure relating to leaving care services for 18 year olds and over is projected to overspend as a result of delays relating to the reclaiming of housing benefits and the non recovery of some personal charges which will have to be written off. Officers are working together to ensure that all sums that should be recovered are recovered in a timely manner.

Children's Disability Service - Cr £76k

The current provision for the respite service agreement with Bromley CCG at Hollybank is expected to underspend by £45k this year. In addition costs relating to the Children's Disability team are expected to be £31k under budget.

Other miscellaneous budgets - Dr £104k

An SLA with an external provider was not renewed in 2013-14, resulting in a continuing underspend of £38k, staffing budgets across the division are projected to overspend by approximately £50k and legal costs of £91k have been incurred relating to care proceedings for which there is no budgetary provision.

8. Commissioning - Dr £34k

Although a relatively small total variation, the projected net overspend of £34k comprises:

	Projected variation £'000
Taxicard	Cr 48
Contracts (net)	Cr 18
Carers	Cr 5
Commissioning staffing and related budgets	Cr 2
Deprivation of Liberty Safeguards	107
Projected net overspend	<u>34</u>

The underspend on Taxicard arises from a TfL and London Councils re-profiling exercise and lower than budgeted take-up in Bromley, resulting in a reduced charge. The projected underspends on contracts and Carers budgets largely arise from limiting inflationary increases to third party providers.

A recent Supreme Court judgement relating to Deprivation of Liberty Safeguards has potentially significant financial implications. The background was outlined in a report to the Executive on 10th June 2014. There is evidence of a significantly higher number of assessments than in previous years and it is anticipated that there will be an overspend of approx. £107k in 2014/15 (doctors' assessments and staffing). This is a net figure and the overspend has been offset, in part, by recurrent underlying underspends on the DoLS budget. There may be further additional costs this year and, once further details of the judgement and its consequences are available and further mapping work has been carried out, likely cost implications will become clearer and included in a future report.

9. Supporting People - Cr £146k

The projected underspend of £146k on Supporting People budgets arises from inflationary savings and the effect of re-tendering / extending contracts at a reduced cost. It should be noted that any savings arising from future re-tendering or contract extensions have not been assumed in this figure so the underspend may increase. There was a £270k saving built in to the 2014/15 budget and the £146k underspend is in excess of this.

10. Housing Improvement - Dr £23k

There is a projected shortfall within renovation grant agency fee income of £18k, and other income of £8k. This is due to reduced activity on capital schemes which has had a corresponding effect on the fees earned. There are other minor variations across of the service of Cr £3k, giving rise to the net deficit of £23k.

EARLY WARNINGS

Deprivation of Liberty Safeguards

A recent Supreme Court judgement relating to Deprivation of Liberty Safeguards and the deprivation of liberty of individuals has potentially significant financial implications. The background was outlined in a report to the Executive on 10th June 2014. There is evidence of a significantly higher number of assessments than in previous years and £107k has been included in the projected spend for this and other related costs. Once further details of the judgement and its consequences are available and further mapping work has been carried out, likely cost implications will become clearer and will be included in a future report.

Waiver of Financial Regulations:

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

Since the last report to the Executive, waivers were approved as follows:

- (a) There was 1 contract waiver agreed for the continuation of a current contract of less than £50k.
- (b) There was 1 waiver agreed for a placement over £50k in Adult Social Care.

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" are included in financial monitoring reports to the Portfolio Holder. Since the last report to the Executive, no virements have been actioned.

2013/14 Actuals £'000	Division Service Areas	2014/15 Original Budget £'000	2014/15 Latest Approved £'000	2014/15 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
EDUCATION CARE & HEALTH SERVICES DEPARTMENT								
Education Division								
Cr 401	Adult Education Centres	Cr 602	Cr 601	Cr 337	264	1	259	264
275	Alternative Education and Welfare Service	104	104	226	122	2	117	0
412	Schools and Early Years Commissioning & QA	565	565	443	Cr 122	3	Cr 91	0
4,451	SEN and Inclusion	4,772	4,775	4,570	Cr 205	4	10	0
213	Strategic Place Planning	255	255	255	0		0	0
11	Workforce Development & Governor Services	11	11	11	0		0	0
Cr 2,957	Education Services Grant	Cr 2,732	Cr 2,732	Cr 2,732	0	5	0	1,004
Cr 1,415	Schools Budgets	Cr 1,493	Cr 1,493	Cr 1,493	0	6	0	0
160	Other Strategic Functions	158	158	158	0		0	0
0	Early Years	0	0	0	0		0	0
0	Primary Schools	0	0	0	0		0	0
0	Secondary schools	0	0	0	0		0	0
0	Special Schools & Alternative Provision	0	0	0	0		0	0
0	Post-16 Provision	0	0	0	0		0	0
749		1,038	1,042	1,101	59		295	1,268
Children's Social Care								
1,790	Bromley Youth Support Programme - (Youth Svce)	1,468	1,471	1,471	0	7	0	0
1,889	Referral and Assessment Children's Centres	2,143	2,442	2,342	Cr 100	8	Cr 20	0
3,679		3,611	3,913	3,813	Cr 100		Cr 20	0
4,428	TOTAL CONTROLLABLE FOR EDUCATION - ECHS	4,649	4,955	4,914	Cr 41		275	1,268
9,221	Total Non-Controllable	5,096	5,124	5,124	0		Cr 4	0
3,802	Total Excluded Recharges	3,386	3,386	3,386	0		0	0
17,451	TOTAL EDUCATION PORTFOLIO - ECHS	13,131	13,465	13,424	Cr 41		271	1,268
Memorandum Item								
Sold Services								
	Education Psychology Service (RSG Funded)	Cr 23	Cr 23	Cr 3	20	9		0
	Education Welfare Service (RSG Funded)	Cr 39	Cr 39	Cr 39	0			0
	Behaviour Support (Secondary) (RSG Funded)	Cr 61	Cr 61	56	117			0
	Workforce Development (DSG/RSG Funded)	Cr 8	Cr 8	Cr 8	0			0
	Governor Services (DSG/RSG Funded)	Cr 7	Cr 7	Cr 7	0			0
	Community Vision Nursery (RSG Funded)	0	0	Cr 49	Cr 49			0
	Blenheim Nursery (RSG Funded)	0	0	Cr 53	Cr 53			0
	Business Partnerships (RSG Funded)	0	0	0	0			0
	Total Sold Services	Cr 138	Cr 138	Cr 103	35		0	0

Reconciliation of Latest Approved Budget

£'000

Original Budget 2014/15

13,131

SEN Reform Grant Income	Cr	382
SEN Reform Grant Expenditure		382
Children's Centres carry forward		297
Non-controllable carry forward re Adult Education property		21
SEND Pathfinder Champion Grant Income	Cr	71
SEND Pathfinder Champion Grant Expenditure		71
SEND Implementation Grant Income	Cr	152
SEND Implementation Grant Expenditure		152
Increase in insurance premiums		7
Allocation of Merit Awards		9
Latest Approved Budget for 2014/15		13,465

REASONS FOR VARIATIONS

1. Adult Education - Dr £264k

A continuation of the significant overspend in 2013/14 is projected for the Adult Education Service. A reduction in grant, tuition fee and other income totalling £350k has not been matched by the same level of reductions in the running costs of the service. The overspend has increase slightly from the £259k reported for September, as although further savings have been made on staffing and premises costs, projected tuition fee income has fallen by £39k at the same time.

The service is currently being market tested as a separate 'lot' with Education services, and at the same time officers are investigating other options to help contain this overspend going forward which may need to be consulted on in due course.

	Variations	
	£'000	
Skills Funding Agency grant		163
Tuition fee income		205
Lettings and other fees and charges	Cr	18
Business rates and other premises costs		18
Recharge to WD&GS	Cr	22
Supplies and services	Cr	31
Staffing	Cr	51
		<u>264</u>

2. Alternative Education and Welfare - Dr £122k

From 2013/14, funding for Behaviour Services was delegated to schools. As a result, the Secondary Outreach team became a traded service selling to schools. At the end of July 2014, the service was closed and the staff assimilated into vacant posts within the Pupil Referral Unit's establishment, with the expectation that Bromley Trust Academy will continue the service now that the PRU has converted to academy status.

The final outturn position for the trading account is £122k overspent, slightly higher than anticipated as the service was unable to take in any additional pupils running up to the closure.

3. Schools and Early Years Commissioning and Quality Assurance - Cr £122k

The two in-house nurseries are projected to generate a total surplus of £102k, a slight increase over 2013/14. The trading accounts, set up in April 2013, are not on a full cost recovery basis, so this surplus is only funding an element of the £185k recharges allocated. The service is currently undergoing a market testing exercise which might, depending on the level of rental income and concession fee agreed, result in a reduction of net income if delivered by an external provider.

There is also an underspend of £20k in the Early Years service due to staff vacancies.

	Variations	
	£'000	
Blenheim Nursery	Cr	53
Community Vision Nursery	Cr	49
Early Years support services	Cr	20
	Cr	<u>122</u>

4. SEN and Inclusion - Cr £205k

To help authorities with the amount of work required to convert existing Statements of SEN to the new Education Health and Care (EHC) plans, and to implement the changes to working practices required, the Department for Education has created the SEN Reform Grant. LBB's allocation of this grant for 2014/15 is £382k, draw-down of which was approved by Executive on 2nd April 2014. DfE later announced the SEND Implementation (New Burdens) Grant, with £259k allocated to LBB. At it's meeting on 15th October 2014, Executive approved drawdown of £152k for 2014/15, with the remaining £107k ring-fenced for drawdown in 2015/16. At the same meeting Executive also approved drawdown of the third year £71k allocation of the ring-fenced SEND Pathfinder Champion Grant.

Due to changes to the statutory guidance around the reforms, the service has not been able to put in place the structure to implement the reforms as early as originally intended. As a result, an estimated £95k of the Reform/Implementation grants will not be spent during 2014/15.

In addition the head of service post is now being covered part time, and at a lower grade whilst the previous post holder is working solely on the reforms. This, plus temporary vacancies, and staff working reduced hours has resulted in a projected £92k underspend in the SEN assessment and monitoring team.

The current projection for the Education Psychology trading account is an overspend of £20k, a significant improvement over the £41k overspend in 2013/14, and which is partly offset by an underspend of £10k in the statutory element of the service.

There is also a minor underspend of £28k currently projected for SEN Transport.

	Variations	
	£'000	
SEN assessment & monitoring team	Cr	92
SEN Reform/Implementation grants	Cr	95
Education Psychologists	Cr	10
- Trading account		20
SEN Transport	Cr	28
	Cr	<u>205</u>

5. Education Services Grant

Current projections for the Education Services Grant (ESG) allocation is £387k less than budget. The ESG allocation is re-calculated on a quarterly basis, so the grant reduces in-year as schools convert to academies. The current projection is based on the 13 in-year conversions as at 1st December 2014 including the PRU, with a further 7 conversions approved by DfE expected to convert before April 2015. The projection also includes a further 1 conversion which is deemed likely to occur. The full year effect of these 21 conversions is £1,004k. It is currently assumed that the shortfall will be drawn-down from contingency to cover this, so no variation is being reported.

6. Schools Budgets (no impact on General Fund)

Expenditure on Schools is funded through the Dedicated Schools Grant (DSG) provided for by the Department for Education (DfE). DSG is ring fenced and can only be applied to meet expenditure properly included in the schools budget. Any overspend or underspend must be carried forward to the following years Schools Budget. There is a total projected underspend of £606k on DSG funded services as outlined below to be carried forward to 2015/16.

Current projections for SEN placements show a continuance of the underspend in 2013/14, primarily due to lower than budgeted numbers of children, with £218k underspend projected for 2014/15. There is also an underspend anticipated relating to SEN equipment.

SEN support costs for students in further education establishments, for which funding and responsibility transferred to the authority for the first time in September 2013, is currently expected to underspend by £312k. This has reduced from September monitoring figures mainly due to placement cost negotiations, and the confirmation that 6 students are the responsibility of another borough.

There is an underspend of £186k in the sensory support service, mainly due to vacant posts to support pupils who have a sensory impairment, as there are currently no pupils requiring this support. There is also a budget of £200k for Pupil Resource Agreements which will remain unspent due to changes to the funding regulations, plus a £12k underspend due to vacant posts. These budgets will be deleted from 2015/16 to help fund the Early Years inclusion funding.

The Specialist Support & Disability service is expected to underspend by £25k due to increased health contribution, partly offset by increased equipment and support costs. The Early Years SEN service (Phoenix) is projected to underspend by a total of £88k, mainly on staffing costs. This budget will be reduced in 2015/16 to help contain anticipated pressures in other areas of the Schools Budget.

The DSG funded element of the SEN Transport is currently projected to underspend by £108k. The funding regulations do not permit this budget to be increased from the previous year, so it is kept at the current level in anticipation of increased take up of lower cost in-borough placements in future years.

There is also a £50k underspend in the Early Intervention service due to a vacant post which has been deleted for 2015/16, and £36k underspend in the Home & Alternative Provision service as a result of staffing vacancies and the reduction in recharges from the termination of the outreach service, partly offset by increased use of agency tutors.

The 2014/15 budget included a sum of £600k to be allocated to early years providers. It had previously been anticipated that this would be unspent, as the funding regulations no longer permit in-year changes to the early years funding formula. DfE has since confirmed that this can in fact be distributed in-year as top-up funding, although it is expected that £91k of this will remain unspent.

An increase of £314k to the DSG allocation was made in July accounting for the increase in pupil numbers on the January 2014 Early Years Census, and there has been a subsequent increase of £224k made in November as the original figure had incorrectly been pro-rata'd. There was also an adjustment to the previous academy recoument figure of £112k to account for bulge classes.

A major pressure area in 2013/14 was Free Early Education (FEE) provision for 3 and 4 year olds, with an outturn of £529k overspend. To offset this, and to manage the anticipated continued growth in take-up, £1.3m budget growth was added for 2014/15. An underspend of £199k is now projected on the £11.4m total budget. There is also £231k of 2013/14 creditor provision which will remain unspent.

Continued growth in uptake is expected for FEE for 2 year olds in 2014/15. However, current projections suggest that a significant underspend of around £1.4m is likely on this budget. From 2015/16 onwards DfE will fund this provision on a participation basis, resulting in an anticipated reduction to the DSG allocation of £1.3m, so this underspend will not continue. As approved by Executive on 26th November 2014, a contribution of £150k from this underspend will be made to the capital scheme to help build capacity for these extra places.

The underspends above are partly offset by a continued increase in the requirement for bulge classes, resulting in an overspend of £793k on the £1m budget.

Finally there are one off costs funded by the overall underspend above for HR support for academy conversions, consultancy costs for the Pupil Referral Unit IEB, temporary classroom rentals, initial costs relating to the purchase and refurbishment of Beacon House (subject to approval from DfE to disapply the funding regulation limit on increasing the budget), and costs relating to the vacant Kingswood House.

	Variations	
		£'000
Home and Alternative Provision	Cr	26
Early Intervention Service	Cr	50
Progression Courses	Cr	16
Bulge classes		793
Nursery classes		64
Carbon Reduction Commitments re 2013/14	Cr	13
Budget share adjustments		6
Recoument adjustments (rates/dedelegation)	Cr	66

SEN:			
- Placements	Cr	218	
- Equipment	Cr	70	
- Support in FE colleges	Cr	312	
- Sensory support service	Cr	174	
- Support in mainstream	Cr	212	
- Specialist Support & Disability Service	Cr	38	
- Pre-school service	Cr	88	
- Transport	Cr	108	Cr 1,220
FEE:			
- 3 & 4 year olds provision	Cr	199	
- Inclusion support	Cr	91	
- 2 year olds provision	Cr	1,400	
- Contribution to capital		150	
- Prior year provisions	Cr	231	Cr 1,771
DSG allocation adjustments:			
- Additional Early Years allocation re 13/14	Cr	314	
- Additional Early Years allocation re 14/15	Cr	224	
- Bulge class recoupment adjustment	Cr	112	Cr 650
One-off expenditure:			
- Support for academy conversions/IEB consultancy		65	
- Temporary classroom rentals		219	
- Purchase of Beacon House		1,790	
- Beacon House refurbishment costs		8	
- PRU maintenance/carry forward		238	
- Kingswood House costs		23	2,343
			<u>Cr 606</u>

7. Youth Service

This service previously reported an expected overspend of £90k on salaries during 2014-15 whilst the total savings target of £360k were achieved. However, after the completion of the reorganisation in the summer, and a budget realignment to match the restructured universal and targeted provisions, a clearer picture of the revised service has emerged and it is now expected that there will be no overall variance.

8. Referral & Assessment Children's Centres - Cr £100k

Bromley Children's Project is forecast to underspend by £100k due to resignations and delays in appointing to vacant posts, plus an underspend on the Commissioning budget. This is partially offset by premises maintenance and NNDR liability for two former unoccupied Children's Centres.

	Variations	
	£'000	
Salaries	Cr	134
Premises costs		98
Commissioning budget	Cr	55
Other (Suppliers & Services/income)		16
Parent Partnerships vacancies	Cr	25
	<u>Cr</u>	<u>100</u>

9. Sold Services (net budgets)

Services sold to schools are separately identified in this report to provide clarity in terms of what is being provided. These accounts are shown as memorandum items as the figures are included in the appropriate Service Area in the main report.

Waiver of Financial Regulations:

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempted from the normal requirement to obtain competitive quotations, the Chief Officer has to obtain the agreement of the Director of Resources and Finance Director and (where over £100k) approval of the Portfolio Holder, and report use of this exemption to Audit Sub committee bi-annually. No waivers above £50k been approved since the last report to the Executive.

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. No virements have been approved since the last report to Executive.

2013/14 Actuals £'000	Division Service Areas	2014/15 Original Budget £'000	2014/15 Latest Approved £'000	2014/15 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
Cr 6,461 1,247	Customer & Support Services Parking Support Services	Cr 6,036 1,198	Cr 6,036 1,199	Cr 6,212 1,109	Cr 176 Cr 90	1-4 5	Cr 169 Cr 65	0 0
Cr 5,214		Cr 4,838	Cr 4,837	Cr 5,103	Cr 266		Cr 234	0
76	Public Protection - ES Emergency Planning	75	75	75	0		0	0
76		75	75	75	0		0	0
4,135 2,540 Cr 18 5,775 481 17,085 29,998	Street Scene & Green Space Area Management/Street Cleansing Highways Markets Parks and Green Space Street Regulation Waste Services	4,079 2,535 1 5,898 461 17,570 30,544	4,079 2,535 1 5,955 461 17,572 30,603	4,099 2,484 Cr 9 5,891 461 17,990 30,916	20 Cr 51 Cr 10 Cr 64 0 418 313	6 7 8 9 10	20 Cr 51 Cr 10 Cr 64 0 362 257	0 0 0 0 0 743 743
6,436 129 177 6,742	Transport & Highways Highways incl London Permit Scheme Highways Planning Traffic & Road Safety	6,611 136 171 6,918	6,864 136 173 7,173	6,728 136 173 7,037	Cr 136 0 0 Cr 136	11	Cr 23 0 0 Cr 23	0 0 0 0
31,602	TOTAL CONTROLLABLE	32,699	33,014	32,925	Cr 89		0	743
7,391	TOTAL NON-CONTROLLABLE	6,386	6,481	6,447	Cr 34	12	Cr 19	0
2,035	TOTAL EXCLUDED RECHARGES	2,095	2,109	2,109	0		0	0
41,028	PORTFOLIO TOTAL	41,180	41,604	41,481	Cr 123		Cr 19	743

Reconciliation of Latest Approved Budget

£'000

Original Budget 2014/15

41,180

Keston Ponds Dam carry-forward from 2013/14

65

Lead Local Flood Authorities

250

Increase in annual insurance premiums

98

Allocation of Merit Awards

11

Latest Approved Budget for 2014/15

41,604

REASONS FOR VARIATIONS

1. Income from Bus Lane Contraventions Dr £32k

Due to a combination of greater compliance and the impact from the works at Bromley North which has resulted in some areas becoming unenforceable from April, a deficit of income of £32k is projected.

2. Off Street Car Parking Cr £70k

Overall a surplus of £70k is projected for off street parking. There is a projected surplus of Cr £40k from Village Way multi-storey car park. Additional income of Cr £30k is projected from surface car parks: major variations are at Beckenham Leisure Centre Cr £14k relating to one-off permit income, Station Road Bromley Cr £7k, Fairfield Road and Beckenham Cr £9k.

Summary of variations within Off Street Car Parking		£'000
Off Street Car Parking income - multi-storey car parks	Cr	40
Off Street Car Parking income - other surface car parks	Cr	30
Total variations within Off Street Parking	Cr	70

3. On Street Car Parking Cr £115k

An overall surplus of £65k is projected for on street parking income. Major variations are within Bromley Town Centre with a net surplus of Cr £11k, a net surplus of Cr £12k from Petts Wood, Cr £20k from Orpington, and Cr £22k from Shortlands and other areas.

Management action is being taken to freeze the equipment budget of £50k to offset budget pressures across the other areas of the portfolio.

Summary of variations within On Street Car Parking		£'000
Income from Bromley Town Centre	Cr	11
Income from Petts Wood, Orpington & other areas	Cr	54
Management action - equipment budget	Cr	50
Total variations within On Street Car Parking	Cr	115

4. Car Parking Enforcement Cr £23k

Based on activity levels up to November 2014, there is a projected net surplus of £69k from PCNs issued by Vinci in the current year due to an increase in contraventions. Additional income is also projected for PCN contraventions in 2013/14 totalling Cr £10k.

A net deficit of Dr £55k is projected for mobile and static cameras due to the works being undertaken in Bromley North which has led to areas becoming unenforceable from April to date. This is partly offset by extra income received for tickets issued in 2013/14 of Cr £15k.

There are additional debt collection and registration fees of Dr £32k, due to the clearance of a backlog at the end of 2013/14 after the introduction of the new Parking IT system. This deficit is partly offset by a projected underspend on third party payments Cr £16k.

Summary of variations within Car Parking Enforcement		£'000
Net additional costs re Debt Collection and Registration		16
PCNs issued by wardens	Cr	79
PCNs issued by mobile & static cameras		40
Total variations within Car Parking Enforcement	Cr	23

Summary of overall variations within Parking:		£'000
Bus Routes Enforcement		32
Off Street Car Parking income	Cr	70
On Street Car Parking income	Cr	65
Management action - on street equipment budget	Cr	50
Car Parking Enforcement	Cr	23
Total variation for Parking	Cr	176

5. Support Services Cr £90k

There is a projected net underspend within staffing of £50k. This is due to a combination of not replacing the Assistant Director of Customer & Support Services, a secondment not being backfilled, and delays in recruiting temporary cover. Additionally there is an underspend of £40k within Depot premises budgets, due to a one-off business rates rebate from 2013-14.

6. Area Management & Street Cleansing Dr £20k

Within the FPN littering offence scheme there is a deficit of £20k, relating to the period April 2014 to 31st August 2014. This has arisen due to a combination of lower than anticipated income recovery rates, as well as fewer tickets issued than expected during this period, and therefore costs exceed income collected. Following renegotiation of contract arrangements, the scheme is expected to be cost neutral to the end of the financial year as any cost due to income deficits will be covered by the contractor.

7. Highways SSGS Cr £51k

There is a net projected underspend within staffing budgets including car allowances, of £17k due to the part-year effect of a vacant post.

A surplus of income is projected from skip licences of £20k. This is due to a combination of a general upturn within the economy, as well as improved management systems and processes within the SSGS division. A small surplus of income is also projected from street traders' licences of £5k, giving a net surplus of £25k for the service. This is being used to contribute towards deficits within the Street Scene and Green Space division.

Other miscellaneous income of Cr £9k has been transferred from the deposits register relating to highways works undertaken. The net projected variation for Highways SSGS is an underspend of £51k.

Summary of variations within Highways SSGS	£'000
Underspend within staffing, car allowances & leased cars	Cr 17
Surplus income - skip licences & street trader licences	Cr 25
Miscellaneous income	Cr 9
Total variation for Highways SSGS	Cr 51

8. Markets Cr £10k

Projected income surplus of £10k, due to higher customer activity than previously anticipated.

9. Parks & Green Space Cr £64k

Within staffing budgets there is a projected net underspend of £20k. This is largely due to vacancies within the Grounds Maintenance team.

Other miscellaneous income of Cr £9k has been transferred from the deposits register relating to parks works undertaken.

Management action has been taken to withhold £35k of expenditure within the parks budget to reduce the overall deficit within the divisional budget. Therefore the net projected variation for Parks & Green Space is an underspend of £64k.

10. Waste Services Dr £418k

There is currently projected to be a net overspend within waste disposal tonnages, excluding garden waste, of £286k. £42k of this relates directly to the extra disposal tonnage generated by the increase in trade waste delivered activity, as reflected from the extra income. The balance of £244k is the net effect of the anticipated growth in residual household tonnage of 2,940 tonnes and the projected reduction in recycled paper tonnage (2,100 tonnes).

In addition to the increase in residual disposal tonnage from households, the green garden waste tonnage is 1,360 higher for the first 8 months of the year when compared to the same period last year. The pattern of increased tonnages is expected to continue, and a year end variation of 2,400 tonnes is projected, resulting in an overspend of £108k.

The green garden waste collection service is projected to be underspent by £122k by the year end. This is due to a number of factors; Staffing and running expenses are expected to be £40k lower than budgeted and the fourth vehicle has only been required intermittently providing a saving of £80k. There is a projected net overachievement of income of £2k, which incorporates the continued sale of green garden waste stickers.

Reduced tonnages of paper collected from households has resulted in a projected deficit of income from paper recycling of £140k. Paper tonnages have been reducing for the last two years, and it is likely that this trend will continue into future years.

There is currently a projected deficit within income from trade waste collections of £90k. This has arisen where around 4% of commercial customers have withdrawn from the services since April 2014.

Within trade waste delivered income, there is a projected surplus of £70k, resulting from higher activity than budgeted. This offsets the disposal costs of the additional tonnage generated.

There are other projected net variations across the service of Cr £14k.

Summary of variations within Waste Services	£'000
Waste disposal tonnages	394
Underspend from green garden waste collection scheme	Cr 122
Paper recycling income	140
Trade waste collection income	90
Trade waste delivered income	Cr 70
Other net variations	Cr 14
Total variation for Waste Services	418

11. Highways (incl London Permit Scheme) Cr 136k

There is a projected underspend on salaries of £35k resulting from part-year vacant posts.

Within NRSWA income for 2014/15, there is a net deficit of £30k for defect notices which has been more than offset by the release of a bad debt provision of £50k which is no longer required relating to some older debt. There is also £18k additional income for street works. Management action is being taken across the service to freeze non-essential expenditure to the value of £15k.

Following heavy rainfall towards the end 2013-14, there is an overspend of £100k in 2014/15 relating to emergency flood works and clean-up operations. This will be met by a drawdown from the one-off provision for emergency flood damage.

Other miscellaneous income of Cr £48k has been transferred from the deposits register relating to highways works undertaken.

Summary of variations within Highways (incl London Permit Scheme)	£'000
Underspend within staffing	Cr 35
Street works income	Cr 38
Management action on non-essential expenditure	Cr 15
Overspend relating to emergency flood work	100
Drawdown from earmarked reserve set aside for emergency flooding	Cr 100
Miscellaneous income from deposit register	Cr 48
Total variation for Highways	Cr 136

12. Non-controllable budgets Cr £34k

For information here, the variation relates to a net surplus within property rental income across the Environment portfolio. Property division are accountable for these variations.

Waiver of Financial Regulations

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempted from the normal requirement to obtain competitive quotations, the Chief Officer has to obtain the agreement of the Director of Resources and Finance Director and (where over £100,000) approval of the Portfolio Holder, and report use of this exemption to Audit Sub committee bi-annually. No waivers over £50k have been actioned since the last report to the Executive.

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, no virements have been actioned.

2013/14 Actuals £'000	Division Service Areas	2014/15 Original Budget £'000	2014/15 Latest Approved £'000	2014/15 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
433	Public Protection Community Safety	313	306	306	0		0	0
322	Mortuary & Coroners Service	348	348	348	0	1	0	0
1,779	Public Protection	1,865	1,875	1,840	Cr 35	2	Cr 35	0
2,534	TOTAL CONTROLLABLE	2,526	2,529	2,494	Cr 35		Cr 35	0
191	TOTAL NON CONTROLLABLE	6	6	6	0		0	0
281	TOTAL EXCLUDED RECHARGES	94	94	94	0		0	0
3,006	PORTFOLIO TOTAL	2,626	2,629	2,594	Cr 35		Cr 35	0

Reconciliation of Latest Approved Budget

£'000

Original Budget 2014/15

2,626

Allocation of Merit Awards

3

Latest Approved Budget for 2014/15

2,629

REASONS FOR VARIATIONS

1. Mortuary and Coroners Service

There is no overall variation projected based on information received to date. Payment for 2014/15 has now been made based on estimated costs for the year. Provision has been made for a potential adjustment at the financial year end to reflect the actual costs that will be supplied by Croydon, who administer the service on behalf of a consortium of four local authorities. The new contract for the Mortuary at Princess Royal University Hospital has not yet been finalised. There is no variation projected on this budget at present, however the new contract will fluctuate with numbers compared to the existing set price contract.

2. Public Protection Cr £35k

There is likely to be a net surplus of around £35k within Public Protection. £18k is as a result of underspends on Employee costs, due to vacancies including that of the CCTV manager and £7k from minor projected variations on Supplies and Services. Although there are some minor variations on income to date but as the bulk of the licence fee income is not due until the second half year, no variation is projected.

The number of dogs being kept in kennels and associated medical costs have been less than expected, Cr £10k. This figure could be as high as Cr £30k depending on the activity during the winter months.

Summary of variations within Public Protection:

	£'000
Variations within employee costs	Cr 18
Net variations on Supplies and Services	Cr 7
Stray dogs kennelling contract	Cr 10
Total variation for Public Protection	Cr 35

Waiver of Financial Regulations:

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

- Manned Covert Surveillance - Covert Security Solutions (CSS) £60k
- Kennelling and Statutory Services for stray and abandoned dogs - Woodland Animal Care Ltd / SDK Ltd £161k

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, no virements have been actioned.

2013/14 Actuals £'000	Division Service Areas	2014/15 Original Budget £'000	2014/15 Latest Approved £'000	2014/15 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	R&R PORTFOLIO							
0	Commissioning Fund							
	Commissioning Fund	0	0	0	0		0	0
0		0	0	0	0		0	0
Cr 16	Housing Strategy & Development							
	Housing Strategy & Development	Cr 14	Cr 14	Cr 14	0		0	0
Cr 16		Cr 14	Cr 14	Cr 14	0		0	0
Cr 23	Planning							
Cr 165	Building Control	12	12	Cr 12	Cr 24	1	Cr 20	0
492	Land Charges	Cr 168	Cr 168	Cr 168	0		0	0
1,119	Planning	649	649	454	Cr 195	2	Cr 160	0
	Renewal	1,093	1,211	1,181	Cr 30	3	Cr 11	0
1,423		1,586	1,704	1,455	Cr 249		Cr 191	0
2,029	Recreation							
4,882	Culture	1,902	1,928	1,968	40	4	60	0
243	Libraries	4,656	4,914	5,114	200	5	200	0
	Town Centre Management & Business Support	240	240	240	0		0	0
7,154		6,798	7,082	7,322	240		260	0
8,561	Total Controllable R&R Portfolio	8,370	8,772	8,763	Cr 9		69	0
9,276	TOTAL NON CONTROLLABLE	2,577	2,601	2,601	0		0	0
2,215	TOTAL EXCLUDED RECHARGES	2,275	2,261	2,261	0		0	0
20,052	PORTFOLIO TOTAL	13,222	13,634	13,625	Cr 9		69	0

Reconciliation of Latest Approved Budget

£'000

Original budget 2014/15

13,222

Repairs & Maintenance

17

Local Plan Implementation

60

Business Support Scheme- Grant Related Expenditure

23

Business Support Scheme- Grant Related Income

Cr 23

Discretionary rate relief returned to the General Fund

Cr 6

Radio Frequency Identification Data

275

Biggin Hill Development

55

Increase in annual insurance premiums

7

Allocation of Merit Awards

4

Latest Approved Budget for 2014/15

13,634

REASONS FOR VARIATIONS

1. Building Control Cr £24k

For the chargeable service, an income deficit of £70k is anticipated based on information to date. This is being more than offset by a projected underspend within salaries of £100k arising from reduced hours working / vacancies. In accordance with Building Account Regulations, the net surplus of £30k will be carried forward via the earmarked reserve for the Building Control Charging Account.

Within the non-chargeable service, as a result of delays in not appointing to vacant posts, there is a projected underspend of £24k.

2. Planning Cr £195k

Income from non-major planning applications is £102k above budget for the first eight months of the year, and a surplus of £120k is projected for the year. For information, actual income received for April to November is £122k higher than that received for the same period last year.

For major applications, £237k has been received as at 30th November. Planning officers within the majors team have estimated that from the additional potential income that may be received in the coming months, around £90k will be received by year-end. This allows for delays in some of the income being received, as well as other items not being received at all. A surplus of £30k is therefore projected for major applications at this stage of the year.

There is projected surplus income of £70k from pre-application meetings due to higher than budgeted activity levels.

Across other income streams, additional income of £25k is projected - £10k from the discharge of planning conditions and £15k from street naming & numbering, largely due to several one-off items received to date in 2014-15.

Following several recent departures across the service, there is a projected underspend on staffing budgets of £20k

Within legal expenses, there is a projected overspend of £70k. This is largely due to the projected costs of a public enquiry where costs are being incurred for consultants to provide specialist advice.

Summary of variations within Planning:	£'000
Surplus income from non-major applications	Cr 120
Surplus income within major applications	Cr 30
Surplus pre-application income	Cr 70
Surplus across other income streams	Cr 25
Underspend within staffing	Cr 20
Overspend on legal expenses	70
Total variation for planning	<u>Cr 195</u>

3. Renewal Cr £30k

Within salaries, there is a projected net underspend of £30k. This has arisen due to a combination of departing staff being replaced at the lower end of the salary scale, and a secondment to Resources not being back-filled for 6 months.

4. Culture Dr £40k

A budget saving of £150k was built into the culture budget for 2014/15 in anticipation that a review of the service would deliver the necessary savings. To date only £90k savings have been identified, leaving a budget gap of £60k. Further savings have been identified to ensure a balanced budget from April 2015.

There is a projected underspend within staffing budgets of £20k due to recruitment delays, reducing the overall net deficit for the service to Dr £40k.

5. Libraries Dr £200k

As part of the budget setting process for 2014/15, savings of £300k were built into the library budget. Detailed consultations have taken place with both staff and the public over the last few months about options to reduce opening hours. The installation of the Radio Frequency Identification Data system (RFID) in the remaining 9 libraries will be undertaken in the next two months and it is expected that only part year savings of £100k will be achieved this financial year. The full £300k savings will be achieved from April 2015.

Waiver of Financial Regulations

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempted from the normal requirement to obtain competitive quotations, the Chief Officer has to obtain the agreement of the Director of Resources and Finance Director and (where over £100,000) approval of the Portfolio Holder, and report use of this exemption to Audit Sub committee bi-annually. No waivers over £50k have been approved since the last report to the Executive.

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, no virements have been actioned.

Resources Portfolio Budget Monitoring Summary

2013/14 Actual £'000	Financial Summary	2014/15 Original Budget £'000	2014/15 Latest Approved £'000	2014/15 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	CHIEF EXECUTIVE'S DEPARTMENT							
	FINANCIAL SERVICES DIVISION							
	Financial Services & Procurement							
1,552	Exchequer - Payments & Income	1,687	1,688	1,681	Cr 7	1	Cr 14	
4,270	Exchequer - Revenue & Benefits	6,697	6,432	6,113	Cr 319	2	Cr 349	
186	Finance Director & Other	193	193	193	0		0	
557	Financial Accounting	598	602	571	Cr 31	3	0	
1,580	Management Accounting & Systems	1,653	1,651	1,631	Cr 20	4	Cr 39	
337	Procurement	410	441	442	1		1	
8,482	Total Financial Services Division	11,238	11,007	10,631	Cr 376		Cr 401	0
	CORPORATE SERVICES DIVISION							
4,391	Information Systems & Telephony	4,512	4,667	4,608	Cr 59	5	Cr 42	
	Operational Property Services							
Cr 3	CDM	0	0	0	0		0	
146	Client & Facilities Services	153	154	152	Cr 2	6	Cr 2	
42	Property Services Planned	1	1	80	79		79	40
244	Property Services Reactive	176	216	265	49		38	26
1,923	Repairs & Maintenance (All LBB)	1,886	2,293	2,123	Cr 170	7	0	
	Customer Services & Bromley Knowledge							
100	Bromley Knowledge	10	10	10	0		0	
832	Contact Centre	831	898	944	46	8	46	
	Legal Services & Democracy							
1,490	Democratic Services	1,539	1,540	1,465	Cr 75	9	Cr 73	
317	Electoral	310	310	299	Cr 11	10	1	
1,625	Legal Services	1,583	1,584	1,569	Cr 15	11	Cr 7	
Cr 118	Registration of Births, Deaths & Marriages	Cr 93	Cr 93	Cr 79	14	12	9	
1,850	Admin. Buildings	1,838	1,798	1,690	Cr 108	13	Cr 86	
461	Facilities & Support	484	486	456	Cr 30	14	Cr 32	
166	Management and Other (Corporate Services)	166	166	166	0		0	
13,466	Total Corporate Services Division	13,396	14,030	13,748	Cr 282		Cr 69	66
	HR DIVISION							
1,379	Human Resources	1,521	1,525	1,451	Cr 74	15	Cr 26	
1,379	Total HR Division	1,521	1,525	1,451	Cr 74		Cr 26	0
	CHIEF EXECUTIVE'S DIVISION							
766	Audit	846	847	753	Cr 94	16	Cr 93	
110	Comms	210	210	210	0		0	
641	Management and Other (C. Exec)	588	590	634	44	17	46	
144	Mayoral	178	178	142	Cr 36	18	Cr 54	Cr 32
1,661	Total Chief Executive's Division	1,822	1,825	1,739	Cr 86		Cr 101	Cr 32
	TRANSFORMATION & REGENERATION DIVISION							
	Strategic Property Services							
254	Investment & Non-Operational Property	397	408	288	Cr 120	19	Cr 125	
559	Strategic Property Services	619	620	613	Cr 7	20	Cr 4	
Cr 4,869	Investment Income	Cr 6,345	Cr 6,356	Cr 5,618	738	21	841	429
Cr 802	Other Rental Income - Other Portfolios	Cr 780	Cr 794	Cr 811	Cr 17	22	Cr 12	
Cr 4,858	Total Transformation & Regeneration Division	Cr 6,109	Cr 6,122	Cr 5,528	594		700	429
20,130	Total Controllable Departmental Budgets	21,868	22,265	22,041	Cr 224		103	463
	CENTRAL ITEMS							
7,610	CDC & Non Distributed Costs (Past Deficit etc.)	7,450	7,450	7,450	0		0	
9,650	Concessionary Fares	9,900	10,433	10,433	0		0	
37,390	Total Controllable	39,218	40,148	39,924	Cr 224		103	463

2013/14 Actual £'000	Financial Summary	2013/14 Original Budget £'000	2013/14 Latest Approved £'000	2013/14 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
6,117	Total Non Controllable	2,032	2,032	2,032	0		0	
Cr 19,007	Total Excluded Recharges	Cr 20,013	Cr 20,013	Cr 20,013	0		0	
Cr 1,382	Less: R&M allocated across other Portfolios	Cr 1,531	Cr 1,569	Cr 1,569	0		0	
802	Less: Rent allocated across other Portfolios	780	794	811	17		12	
23,920	TOTAL CHIEF EXECUTIVE'S DEPARTMENT	20,486	21,392	21,185	Cr 207		115	463
23,920	TOTAL RESOURCES PORTFOLIO	20,486	21,392	21,185	Cr 207		115	463
	Memorandum Item					23		
	Sold Services							
Cr 4	Audit (Schools) Trading Account	0	0	0	0		0	
Cr 1	Health & Safety Schools Trading Account	Cr 3	Cr 3	Cr 3	0		0	
Cr 15	HR Schools Trading Account	24	24	18	Cr 6		Cr 9	
Cr 43	Finance Schools Trading Account	Cr 13	Cr 13	Cr 33	Cr 20		Cr 20	
8	Facilities (Caretaking) Schools Trading Account	0	0	24	24		15	
Cr 3	Reactive Maintenance Schools Trading Account	0	0	1	1		0	
Cr 58	Total Sold Services	8	8	7	Cr 1		Cr 14	0

Reconciliation of Final Budget		£'000
Original budget 2014/15		20,486
Repairs and Maintenance carry forward from 2013-14		369
Transfer budget for NNDR Discretionary Relief to contingency		Cr 218
Concessionary Fares		533
Carbon Tax		31
Customer Services Centre		40
Carry forward Requests drawn down from Central Contingency		131
Increase in insurance costs		0
Allocation of Staff Merit Rewards		20
Funding for change in Benefit legislation relating to persons from abroad		
- expenditure		9
- income		Cr 9
Real Time Information - New Burdens Funding		
- expenditure		7
- income		Cr 7
Latest Approved Budget for 2014/15		21,392

REASONS FOR VARIATIONS

FINANCIAL SERVICES DIVISION

1 Exchequer Services - Payments & Income - £7k Cr

An underspend of £7k Cr is projected for Payments & Income. This mainly relates to staffing, due to reduced hours and other staff changes.

2 Exchequer Services - Revenue & Benefits - £319k Cr

An overall underspend of £319k Cr is projected for Revenue & Benefits. £73k Cr relates to vacant posts for which there are no plans to fill this financial year. Negotiations with Liberata have resulted in reduced contract costs of £95k Cr relating to the allowance for inflation and variations in services. A variation on the provision made for incentive payments relating to 13-14 is expected to result in an underspend of £33k Cr. Further reductions in costs of £120k Cr are expected on licence and support costs for Exchequer systems. Additional income of £47k Cr is projected for court costs recovered. These underspends are offset additional costs relating to the introduction of kiosk payment facilities £24k and reduced income from payroll charges to schools of £24k. Other minor variations total £1k. Savings of £275k Cr have been built into the 15-16 draft budget relating to the contract budget, licences and support and court cost recovered.

3 Financial Accounting - £31k Cr

This variation mainly relates to staff vacancies in the Financial Accounting team.

4 Management Accounting & Systems - £20k Cr

An underspend of £20k Cr is projected for Management Accounting and Systems. £21k Cr relates to additional net income expected from Finance Services sold to schools. The remaining £1k Dr mainly relates to minor variations on salaries.

CORPORATE SERVICES DIVISION

5 Information Systems & Telephony - £59k Cr

The ISD is projecting an underspend of £59k Cr. This mainly relates to staffing. An underspend on the vacant Head of IT post, is being offset by additional acting up allowances pending further discussion about the future of the post and the structure of the division.

6 Operational Property Services £126k Dr

The latest forecast for Operational Property is a net overspend of £126k. This comprises of the following :

A net overspend of £49k is projected for the reactive service. This is made up of two areas:

There is a historic budget shortfall of £26k Dr re savings that have yet to be achieved (originally £66k but £40k has now been vired within the Corporate Services Division). In addition, a reduction in the take-up of the caretaking service is expected to result in a net income shortfall of £26k Dr. Other minor underspends of £3k Cr make up the difference.

An overspend of £79k Dr is projected for the planned service. There is an expected shortfall in charges to education and other capital schemes due to a reduction in the volume of work requested by schools and other establishments. This is partially offset by the deletion of one post in the team following a voluntary redundancy.

A small underspend of £2k Cr, projected on salaries within property services management, helps to offset the above.

7 Repairs & Maintenance (All LBB) £170k Cr

An underspend of £170k is projected for R & M. This relates to a budget which had been earmarked for Anerley Town Hall Subsistence works. This work was put on hold, pending discussions about the future use of the building. It is now unlikely that the work will be completed in this financial year.

8 Contact Centre £46k Dr

Proposed savings, mainly relating to channel shift, of £46k were built into the 2014-15 budget. It had been hoped that these savings would have been achieved by the transfer of functions in to the Contact Centre. Unfortunately, there have been delays in progressing the transfer of functions, and it is unlikely that the savings will be achieved this financial year.

9 Democratic Services - £75k Cr

An underspend of £75k Cr is projected for Democratic Services. A freeze in Members Allowance rates, and the removal of Members from the pension scheme from June 14, has resulted in an expected underspend of £102k Cr. This is offset by additional costs of £29k relating to the purchase of IPADs. Other net minor variations of £2k Cr make up the difference. Savings of £80k Cr on Members Allowances and £34k Cr on Members IT have been built into the 15-16 draft budget.

10 Electoral Services - £11k Cr

An underspend of £11k is projected on Electoral Services. A reduction of £16k in the costs associated with the canvassing process, recently completed, is being offset by minor variations of £5k Dr.

11 Legal Services - £15k Cr

An underspend of £15k Cr, relating to staffing, is projected for Legal Services. There are ongoing discussions with all departments to establish what level of legal services are required. There are vacant posts which will be filled following the outcome of these discussions, however, in the meantime casual staff are being employed, during the transition period, pending the restructuring.

12 Registrar Service - £14k Dr

An overspend of £14k is currently projected for the Registrar Service. This is attributed to a potential revised shortfall in income of £15k, offset by a small saving within salaries. Income received so far this year from Nationality Checking and Citizenship Ceremonies has been less than anticipated. Changes imposed by the Home Office, and backlogs, are influencing this reduction in income. There is a possibility that the position may improve later in the financial year, but, for now, a prudent view is being taken.

13 Admin Buildings - £108k Cr

An underspend of £108k Cr is projected for Admin Buildings.

A £23k Cr reduction in salary costs is expected following the flexible retirement of an office attendant and the effects of a previous re-structuring which resulted in staff working reduced hours.

A virement of £40k has been actioned from the NNDR budgets, within Civic Centre and Walnuts, to deal with budget pressures within Operational Property, thus reducing the NNDR underspend to £21k Cr (previously reported as £61k). A revised underspend of £64k Cr is anticipated on the office cleaning contract following re-tendering of the service. These underspends are offset by a shortfall in car parking income of £9k Dr. Other minor savings across the service total £9k Cr. Savings of £85k Cr have been built into the 15-16 draft budget, relating to contract cleaning and office attendants.

14 Facilities & Support - £30k Cr

An underspend of £30k Cr is projected for Facilities and Support. A vacant post within office services, and a retirement in the caretaking section result in a £33k reduction in salary costs. Both posts are being covered within the establishment. This underspend is being offset by additional running costs of £3k Dr.

HR DIVISION

15 Human Resources - £74k Cr

The HR Division is projecting an underspend of £74k Cr. Salary underspends of £79k Cr are expected, relating to HR Strategy £40k, the re-structure of HR Operations £23k Cr, delays in recruiting interns £9k, and Learning & Development £7k. This is offset by a projected overspend on running expenses of £5k.

CHIEF EXECUTIVE'S DIVISION

16 Audit - £94k Cr

An underspend of £94k Cr is projected for Audit. A reduction of £53k Cr has been negotiated on the cost of the Greenwich Fraud contract. The Audit Commission has made a one-off rebate of £21k Cr for external audit fees and reduced staff costs of £20k Cr are projected.

17 Management & Other - £44k Dr

An overspend of £44k is projected for Management & Other. A saving of £68k was built into the 14-15 budget (which has been fully identified for 15-16). In 14-15 this is partially offset by a £25k Cr reduction in employers pension fund contributions as a result of an employee no longer needing to contribute to the Pension Fund. Other minor variations total £1k Dr.

18 Mayoral - £36k Cr

An underspend of £40k Cr is projected for Mayoral Services staffing. A Mayoral attendant post has been vacant for some time and the Mayoral Service manager post has also become vacant. This has provided the opportunity to re-structure the team in order to contribute towards the saving required for the division (see note 17 above). Other minor variations total £4k Dr and reduce the overall position to £36k Cr.

TRANSFORMATION & REGENERATION DIVISION

19 Investment and Non-Operational Property (expenditure) £120k cr

The 2014/15 forecast for expenditure on Investment and Non Operational Property is an underspend of £120k. This includes the following items:

- a) Sundry Properties - An underspend of £13k cr is projected for utilities. The projections have now been refined as there has been no actual spend.

b) Anerley Business Centre - An underspend of £37k cr is projected which consists of £3k cr on utilities, £13k cr on business rates, an additional income of £11k cr is expected from The Trust (CPCDT) and additional income of £10k cr has been projected on fees and charges.

c) Properties Held for Investment - An overspend of £6k dr is projected which includes an overspend of £5k dr due to utility costs and for the cleaning costs for the walkway from the link bridge to the Glades.

d) Surplus Properties - An overspend of £104k dr is projected. This relates to additional costs of £74k dr for utilities, £21k dr for business rates and £9k dr for the security at Oakfield.

e) Bromley Old Town Hall (the building is vacant and listed) - An underspend of £180k cr is expected which consists of £25k cr on premises, £101k cr on business rates, £30k cr on other hired and contracted services, £21k cr on security costs and £3k cr on pest control.

20 Strategic Property Services £7k Cr

A variation of £7k cr is projected as a result of staff vacancies that have now been filled.

21 Investment Income £738k dr

This variation mainly relates to the projected shortfall in income from Investment Fund properties. The 2014/15 budget for these properties is £2,025k. A number of High Street properties have been purchased costing £28.7M and the income projected for these properties is £1,190k this financial year, resulting in an estimated shortfall of £835k. The full year income for these properties would be £1.669k. Further acquisitions are currently being explored.

In addition to the above, a shortfall in income of £73k is projected for the Walnuts Head Rent based upon information from Garden Property Investments Ltd and our Principal Valuer.

Other variations in rental income net out to £170k Cr.

22 Other Rental Income - Other Portfolios £17k Cr

Various minor variations net out to £17k Cr.

23 Sold Services (Net Budgets)

Services sold to schools are separately identified in this report to provide clarity in terms of what is being provided. These accounts are shown as memorandum items as the figures are included in the appropriate Service Area in the main report.

Early Warning

INTU have recently been granted planning approval for a proposed new development at The Glades Shopping Centre, which involves internal alterations and extending on to the roof to provide a Cinema and new restaurants. These works are currently estimated to cost approx. £ 14M. INTU are still working on their detailed proposals for this project, and have not yet requested Bromley's consent as Landlord and approval for funding. It is assumed, however, that they will want to proceed with this scheme in due course and Bromley's contribution to the cost of these works, under the existing leasing arrangements, would be approx. £2.1M. A detailed report will be submitted to Members, including proposed funding arrangements, once INTU have made a formal request and provided the business case.

Waiver of Financial Regulations

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

Exemption from tendering arrangements for Treasury Management Broking Services. Fees are based on percentage of investment value. Annual contract value max of £20k. New contract period Apr 14 to March 17. Whole life value max of £50k over 3 years. Approval based on CPR 13.1 - Agreement of the Chief Officer to waive the need for competitive quotes.

Exemption from tendering arrangements for Pension Fund Measurement Service. Annual contract value max of £20k. New contract period Apr 14 to March 17. Whole life value max of £50k over 3 years. Approval based on CPR 13.1 - Agreement of the Chief Officer to waive the need for competitive quotes.

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virements" are reported in the Virements Report. There are no new virements to report this cycle.

Allocation of Contingency Provision for 2014/15

Item	Original Contingency Provision	Allocations				Variation to Original Contingency Provision
		Previously Approved Items	New Items Requested this Cycle	Items Projected for Remainder of Year	Total Allocations/ Projected for Year	
	£	£	£	£	£	£
Environmental Services						
Street Environment contract	200,000			200,000	200,000	0
Renewal and Recreation						
Planning appeals - change in legislation	60,000			60,000	60,000	0
Resources						
Net shortfall of Glades income	114,000			114,000	114,000	0
Care Services						
Additional spend related to funding from NHS support for Social Care						
- expenditure	1,195,200	992,000		204,250	1,196,250	(6)
- income	Cr 1,195,200	Cr 992,000		Cr 204,250	Cr 1,196,250	Cr 1,050
Additional spend related to funding from Public Health						
- expenditure	352,800			352,800	352,800	0
- income	Cr 352,800			Cr 352,800	Cr 352,800	0
Winter Resilience Funding (grant CCG)						
- Increase Care Packages				500,000	500,000	500,000
- Increase Equipment Costs				180,288	180,288	180,288
- Income				Cr 680,288	Cr 680,288	Cr 680,288
Education						
Net impact of reduction in funding arising from LACSEG	1,960,000			519,000	519,000	Cr 1,441,000
General						
Provision for unallocated inflation	792,000	242,320		549,680	792,000	0
Provision for risk/uncertainty	1,840,000	275,000		1,565,000	1,840,000	(3)
Provision for cost pressures arising from variables	2,000,000			2,000,000	2,000,000	0
Provision for homelessness (impact of recession/ changes to welfare benefits)	1,200,000	1,200,000		0	1,200,000	(5)
Provision for risk/uncertainty relating to volume and cost pressures	1,120,000			1,120,000	1,120,000	0
Freedom Passes	614,000	533,277		0	533,277	(3)
Cost of Local Elections	500,000			500,000	500,000	0
Carbon tax	300,000	31,000		0	31,000	(3)
Grants to voluntary organisations	275,000			275,000	275,000	0
Disabled Facilities Grant Revenue Cont.to Capital	232,000			232,000	232,000	0
Impact of Auto Enrolment	200,000			200,000	200,000	0
Further increases in fuel costs	190,000			190,000	190,000	0
Discretionary rate relief budgets returned to Contingency		Cr 224,890		0	Cr 224,890	Cr 224,890
Deprivation of Liberty Safeguards			163,345	0	163,345	163,345
Biggin Hill Development			55,000	0	55,000	55,000
	11,597,000	2,056,707	218,345	7,524,680	9,799,732	Cr 1,797,268
Grants included within Central Contingency Sum						
SEN Reform Grant						
Grant related expenditure	381,937	381,937		0	381,937	(1)
Grant related income	Cr 381,937	Cr 381,937		0	Cr 381,937	0
SEND Pathfinder Champion Grant						
Grant related expenditure	44,600	71,063		0	71,063	(5)
Grant related income	Cr 44,600	Cr 71,063		0	Cr 71,063	Cr 26,463
Lead Local Flood Authorities						
Grant related expenditure	253,000	250,000		0	250,000	(3)
Local Reform and Community Voices						
Grant related expenditure	89,570	88,060		0	88,060	(182)
Grant related income	Cr 89,570	Cr 88,060		Cr 1,510	Cr 89,570	0
Adoption Reform						
Grant related expenditure	273,154			273,154	273,154	0
Grant related income	Cr 273,154			Cr 273,154	Cr 273,154	0
Tackling Troubled Families Grant						
Grant related expenditure	426,400			318,000	318,000	Cr 108,400
Grant related income	Cr 426,400			Cr 318,000	Cr 318,000	108,400
London Waste & Recycling Board						
- expenditure		Cr 145,000		0	Cr 145,000	(1)
- income		145,000		0	145,000	145,000
Welfare Reform						
- expenditure		66,463		0	66,463	(4)
- income		Cr 66,463		0	Cr 66,463	Cr 66,463
Individual Electoral Registration Process						
- expenditure		102,335		0	102,335	(3)
- income		Cr 102,335		0	Cr 102,335	Cr 102,335
Care Bill Implementation Grant						
- expenditure				125,000	125,000	125,000
- income				Cr 125,000	Cr 125,000	Cr 125,000
SEND Implementation Grant						
- expenditure		151,960		107,357	259,317	(5)
- income		Cr 151,960		Cr 107,357	Cr 259,317	Cr 259,317
Staying Put Implementation Grant						
- expenditure		36,487			36,487	(4)
- income		Cr 36,487			Cr 36,487	Cr 36,487
Additional grant for administration re change in Benefit legislation relating to persons from abroad						
- expenditure		9,225		0	9,225	9,225
- income		Cr 9,225		0	Cr 9,225	Cr 9,225
Additional grant for administration from DWP re Real Time Information - New Burdens Funding						
- expenditure		6,916		0	6,916	6,916
- income		Cr 6,916		0	Cr 6,916	Cr 6,916
Total Grants	253,000	250,000	0	Cr 1,510	248,490	Cr 4,510
TOTAL CARRIED FORWARD	11,850,000	2,306,707	218,345	7,523,170	10,048,222	Cr 1,801,778

Notes:

- (1) Approved by Executive 2nd April 2014
- (2) Approved by Executive 10th June 2014
- (3) Approved by Executive 16th July 2014
- (4) Approved by Executive 10th September 2014
- (5) Approved by Executive 15th October 2014
- (6) Approved by Executive 21st November 2014

Allocation of Contingency Provision for 2013/14 (continued)

Item	Carried Forward from 2012/13	Allocations				Variation to Original Contingency Provision
		Previously Approved Items	New Items Requested this Cycle	Items Projected for Remainder of Year	Total Allocations/ Projected for Year	
	£	£	£	£	£	£
TOTAL BROUGHT FORWARD	11,850,000	2,306,707	218,345	7,523,170	10,048,222	Cr 1,801,778
Items Carried Forward from 2013/14						
Care Services						
Social Care Funding via the CCG under S256 (Invest to Save)						
- expenditure	840,920	488,920		352,000	840,920	(3)
- income	Cr 840,920	Cr 488,920		Cr 352,000	Cr 840,920	0
Older People Day Opportunities Year 2						
- expenditure	264,390	264,390		0	264,390	(4)
- income	Cr 264,390	Cr 264,390		0	Cr 264,390	0
Adult Care Gateway review - Care Bill						
- expenditure	248,680	248,680		0	248,680	(3)
- income	Cr 248,680	Cr 248,680		0	Cr 248,680	0
Children's Social care Year 3						
- expenditure	23,600	23,600		0	23,600	(6)
- income	Cr 23,600	Cr 23,600		0	Cr 23,600	0
Public Health S256						
- expenditure	43,920	43,920		0	43,920	(7)
- income	Cr 43,920	Cr 43,920		0	Cr 43,920	0
HealthWatch start up Funding						
- expenditure	4,350			4,350	4,350	
- income	Cr 4,350			Cr 4,350	Cr 4,350	0
Adoption Reform						
- expenditure	485,269	345,700		139,569	485,269	(9)
- income	Cr 485,269	Cr 345,700		Cr 139,569	Cr 485,269	0
Tackling Troubled Families						
- expenditure	904,071	764,000		140,071	904,071	(3)
- income	Cr 904,071	Cr 764,000		Cr 140,071	Cr 904,071	0
Step Up to Social Work						
- expenditure	72,159			72,159	72,159	
- income	Cr 72,159			Cr 72,159	Cr 72,159	0
Public Health						
- expenditure	768,900	98,000		670,900	768,900	(2)
- income	Cr 768,900	Cr 98,000		Cr 670,900	Cr 768,900	0
Public Health Transition Funding						
- expenditure	42,264	42,264		0	42,264	(8)
- income	Cr 42,264	Cr 42,264		0	Cr 42,264	0
Chief Executive's						
CCG Funding to Comms Team						
- expenditure	9,806	9,806		0	9,806	(8)
- income	Cr 9,806	Cr 9,806		0	Cr 9,806	0
Cabinet Office Funding						
- expenditure	22,260	22,260		0	22,260	(8)
- income	Cr 22,260	Cr 22,260		0	Cr 22,260	0
Renewal & Recreation						
Business Support Scheme						
- expenditure	22,500	22,500		0	22,500	(1)
- income	Cr 22,500	Cr 22,500		0	Cr 22,500	0
General						
Disaster Recovery Solution	105,000	105,000		0	105,000	(8)
Contact Centre	26,342	26,342		0	26,342	(8)
Welfare Fund	441,996			441,996	441,996	(5)
Staff Merit Awards (held in Contingency)	151,941			151,941	151,941	0
Local Plan Implementation	60,000	60,000		0	60,000	(1)
Children's Centres	297,000	297,000		0	297,000	(3)
Keston Ponds Dam	65,000	65,000		0	65,000	(3)
	1,147,279	553,342	0	593,937	1,147,279	0
Grants Included within Central Contingency Sum						
Adult Social Care Data						
- expenditure	30,674			30,674	30,674	0
- income	Cr 30,674			Cr 30,674	Cr 30,674	0
Total Grants	0	0	0	0	0	0
Total Carried Forward	1,147,279	553,342	0	593,937	1,147,279	0
GRAND TOTAL	12,997,279	2,860,049	218,345	8,117,107	11,195,501	Cr 1,801,778

Notes:

- (1) Approved by Renewal & Recreation PDS 23rd June 2014
- (2) Approved by Executive 12th February 2014
- (3) Approved by Executive 16th July & 10th September 2014
- (4) Approved by Executive 6th February 2013
- (5) To be used to support a revised welfare scheme in 15-16 (per E & R PDS 8.7.14)
- (6) Approved by Executive 20th June 2012
- (7) Approved by Care Services PDS October 2013
- (8) Approved by Executive 10th September 2014
- (9) Approved by Executive 15th October 2014

Description	2014/15 Latest Approved Budget £'000	Variation To 2014/15 Budget £'000	Potential Impact in 2015/16
Education Services Grant	Cr 2,732	0	The Education Services Grant (ESG) is allocated on the basis of pupil numbers, and grant reduces in-year as schools convert to academies. The full year effect of the 21 conversions projected to take place during 2014/15 is £1,004k, and is included in the Council's draft budget for 2015/16.
Adult Education	Cr 601	264	The current projected overspend for the Adult Education Service has continued from 2013/14, and is expected to continue into 2015/16. Some efficiency savings have been implemented to help contain this, however there is a total income shortfall of £350k, with only a net reduction of £86k on running costs to offset this. Officers have been working on plans to reduce this, and a recommendation to commence consultation on one of the options will be presented at the next meeting of the Executive, subject to approval by the Portfolio Holder for Education following PDS scrutiny.
Housing Needs - Temporary Accommodation	5,778	0	The full year effect of the current projections for temporary accommodation anticipated to be a pressure of £260k in 2015/16. This includes the £653k draw down from contingency in 2014/15 for the impact of welfare reforms approved by Executive on 15th Oct 2014. However, this only takes account of projected activity to the end of March 2015, and does not include any projected further growth in numbers beyond that point. Officers are currently modelling different scenarios to quantify the effect of further possible initiatives and also the most appropriate deployment of existing initiatives to maximise the financial benefit. The full year effect is included in the Council's draft budget for 2015/16.
Adult Care Placements	48,264	1,759	The net overspend on adult care placements is forecast to produce a full year overspend of £3,117k, based on activity to 31/3/15 only (i.e. doesn't include changes to activity levels in future years). The FYE has now been reflected in the 2015/16 budget.
Learning Disabilities Short Breaks Service	649	Cr 150	The underspend currently reported in 2014/15 is expected to continue into next year. The FYE has now been reflected in the 2015/16 budget.
Learning Disabilities Housing & Support	1,383	Cr 102	The underspend currently reported in 2014/15 is expected to continue into next year. The FYE has now been reflected in the 2015/16 budget.
Commissioning	3,167	34	Based on current levels of activity relating to Deprivation of Liberty Safeguards a full year budget pressure of £125k is anticipated. The FYE has now been reflected in the 2015/16 budget.
Information & Early Intervention	1,385	41	The overspend currently reported for 2014/15 is expected to continue into next year. The FYE has now been reflected in the 2015/16 budget.
Supporting People	2,006	Cr 146	Based on current contracts a full year underspend of £189k is anticipated. The FYE has now been reflected in the 2015/16 budget.

Description	2014/15 Latest Approved Budget £'000	Variation To 2014/15 Budget £'000	Potential Impact in 2015/16
Children's Social Care - Placements	12,800	Cr 551	The full year effect of the current projection is calculated at a £271k underspend. Officers have continued to work towards increasing the number of in-house foster carers so that expensive external placements can be avoided. The FYE has now been reflected in the 2015/16 budget.
Children's Social Care - No Recourse to Public Funds	382	247	The full year effect of clients who have no recourse to public funds and Bromley are having to pay for has been calculated at £180k based on current numbers after the increase in budget has been taken into account. The Welfare Reform changes currently being implemented may impact on this amount further. Officers will monitor the position and report any changes as part of the budget monitoring process during the year. The FYE has now been reflected in the 2015/16 budget.
Children's Social Care - Leaving Care Services for 16/17 year olds and 18+	478	379	The full year effect of clients who have left care is currently calculated at £271k. This mainly relates to 16 and 17 year olds who are not able to claim housing benefits and the full cost of accommodation is payable by the council. The FYE has now been reflected in the 2015/16 budget.
Operational Property Services	371	126	The historic budget shortfall has reduced from £66k to £26k following an ongoing virement. An additional area of concern, however, is a reduction in work chargeable to capital schemes (mainly Education) which if current trends continue, would result in a full year shortfall of £40k. The Director of Corporate Services continues to explore ways of mitigating these variations.
Investment Income	Cr 6,356	738	An ongoing income shortfall of £429k is currently projected. Income of £2,025k is budgeted for the investment in Property, however the expected income, from properties purchased to date, is £1,669k resulting in a shortfall of £356k. Further property acquisitions are currently being explored. In addition a shortfall of £73k is projected for The Walnuts Rent Share.
Mayoral	178	Cr 36	An on going underspend of £32k is projected for Mayoral Services. This relates to a vacant Mayoral attendant post.
Waste	8,573	554	Actual tonnage (excluding Garden Waste) is projected to be 1,140 tonnes above budget at the year end. There is also an increase in Garden Waste tonnages, and a year-end variation of 2,400 tonnes is projected. Other deficits include paper recycling income and trade waste collected, and a surplus within trade waste delivered. At this stage, it is expected these trends will continue into 2015/16 and a full-year effect of £743k is projected. The changes in tonnages reflect national trends are largely outside of our control. The full year effect of these variances has been built into the 2015/16 budget. Other variations will continue to be monitored closely during the coming months, with appropriate management action taken to address the shortfall as part of the budget setting process.

SECTION 106 RECEIPTS

Section 106 receipts are monies paid to the Council by developers as a result of the grant of planning permission where works are required to be carried out or new facilities provided as a result of that permission (e.g. provision of affordable housing, healthcare facilities & secondary school places). The sums are restricted to being spent only in accordance with the agreement concluded with the developer.

The major balances of Section 106 receipts held by the Council are as follows:

31 March			Transfers (to)	Actual
2014	Service	Income	Expenditure /from Capital	as at
£000		£000	£000	30 Nov
				2014
				£000
<u>Revenue</u>				
679	Highway Improvement Works			679
5	CCTV		5	-
45	Road Safety Schemes			45
120	Local Economy & Town Centres			120
69	Parking		12	57
-	Landscaping			-
727	Healthcare Services	41	25	743
40	Community Facilities (to be transferred to capital)			40
10	Other	-	-	10
1,695		41	42	-
				1,694
<u>Capital</u>				
0	Local Economy & Town Centres			-
1,571	Education	370	456	1,485
4,461	Housing	748	434	4,775
-	Community Facilities			-
6,032		1,118	890	-
7,727		1,159	932	-
				7,954

Report No.
FSD15009

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker: **Executive**

Date: **11th February 2015**

Decision Type: Non-Urgent Executive Key

TITLE: 2015/16 Council Tax

Contact Officer: Peter Turner, Director of Finance
Tel: 020 8313 4338 E-mail: peter.turner@bromley.gov.uk

Director: Director of Finance

Ward: Borough wide

1. REASON FOR REPORT

- 1.1 This report identifies the final issues affecting the 2015/16 revenue budget and seeks recommendations to the Council of the level of the Bromley element of the 2015/16 Council Tax. Confirmation of the final GLA precept will be reported to the Council meeting on 23rd February 2015. The report also seeks final approval of the "schools budget". The approach reflected in this report is for the Council to not only achieve a legal and financially balanced budget in 2015/16 but to have measures in place to deal with the medium term financial position (2016/17 to 2018/19).
-

2. RECOMMENDATIONS

2.1 The Executive is requested to recommend to Council that it:

- (a) Approves the schools budget of £99.1m which matches the estimated level of Dedicated Schools Grant (DSG);
- (b) Approves the draft revenue budgets (as in Appendix 2) for 2015/16;
- (c) Agrees that Chief Officers identify alternative savings within their departmental budgets where it is not possible to realise any proposed savings reported to the previous meeting of the Executive held on 14th January 2015;
- (d) Approves a contingency sum of £13.5m (see section 5);

- (e) Approves the following provisions for levies for inclusion in the budget for 2015/16:

	£'000
London Pension Fund Authority *	509
London Boroughs Grant Committee	340
Environment Agency (Flood defence etc.) *	248
Lee Valley Regional Park *	411
Total	1,508

* Provisional estimate at this stage

- (f) Notes the latest position on the GLA precept, which will be finalised in the overall Council Tax figure to be reported to full Council (see section 11);
- (g) Considers the “Bromley element” of the Council Tax for 2015/16 to be recommended to the Council, having regard to possible “referendum” issues (see section 15);
- (h) Approves the approach to reserves outlined by the Director of Finance (see Appendix 4);
- (i) Notes that any decision on final council tax level will also require additional “technical” recommendations, to meet statutory requirements, which will be completed once the final outcome of levies are known at the full Council meeting (see 15.7);
- (j) Agrees that the Director of Finance be authorised to report any further changes directly to Council on 23rd February 2015.

Corporate Policy

Policy Status: Existing Policy

BBB Priority: Excellent Council

Financial

1. Cost of proposal: N/A
 2. Ongoing Costs: Recurring costs – impact in future years detailed in Appendix 1
 3. Budget head/performance centre: Council wide
 4. Total budget for this head £129m Draft 2015/16 Budget (excluding GLA precept)
 5. Source of funding: See Appendix 2 for overall funding of Council's budget
-

Staff

1. Number of staff (current and additional): total employees – full details will be available with the Council's 2015/16 Financial Control Budget to be published in March 2015
 2. If from existing staff resources, number of staff hours – N/A
-

Legal

1. Statutory requirement: The statutory duties relating to financial reporting are covered within the Local Government Act 1972; the Local Government Finance Act 1998; the Accounts and Audit Regulations 1996; the Local Government Act 2000; and the Local Government Act 2002.
 2. Call-in is applicable
-

Customer Impact

Estimated number of users/beneficiaries (current and projected) - the 2015/16 budget reflects the financial impact of the Council's strategies, service plans etc. which impact on all of the Council's customers (including council tax payers) and users of the services.

Ward Councillors Views

1. Have ward councillors been asked for comments? N/A
2. Summary of Ward Councillor comments: Council wide

3. Previous Reporting to Members

- 3.1 There was a presentation for the Members Finance Seminar on 12th June 2014 which is available on “One Bromley” which provides some detailed financial context.
- 3.2 The “Draft 2015/16 Budget and Update on the Council’s Financial Strategy 2016/17 to 2018/19” was reported to the Executive on 14th January 2015. Key matters reflected in the report included, for example:

(Please note appendices and sections shown below refer to the report to the meeting of the Executive on 14th January 2015)

- (a) The Economic Situation which can impact on Public Finances (Appendix 1);
- (b) Council Tax Levels, Government Funding and Spend Levels (Appendix 2 and Section 19);
- (c) Various Key Changes/Proposals/Issues that could impact on the Council’s Finances (Appendix 3);
- (d) Real Changes including Cost Pressures etc. (Appendix 5);
- (e) Proposed savings (Appendix 6);
- (f) Detailed Draft 2015/16 Budget (Appendix 7)
- (g) Options being undertaken with a “One Council” approach (Section 11 of the report);
- (h) Budget Consultation 2014 (Appendix 8);
- (i) Risk Areas within each Portfolio (Appendix 9);
- (j) Future Local Authority Landscape (Section 13).

All of the above should be considered with this report as part of finalising the 2015/16 Budget and council tax levels.

4. 2015/16 Draft Budget and changes since last meeting of Executive

- 4.1 The last report to the Executive identified a significant “budget gap” over the four year financial planning period. The main updates are shown below:
- (a) The report includes an update on inflation provision to reflect the latest annual increase in RPIX of 1.7% (2% in previous month). This change has been factored into the draft 2015/16 budget and future year projections. Significant falls in oil prices have contributed to the latest inflation position
 - (b) It is too early to gage the impact of the announcement of a quantitative easing programme worth at least €1 trillion combined with the political uncertainty in the euro zone and the resultant impact on the UK’s future economic growth.
- 4.2 A summary analysis of key variations in the draft 2015/16 Budget, compared with the 2014/15 Budget, including further saving options required to balance the budget for 2015/16 and changes since the report to the meeting of the Executive on 14th January 2015, are shown in Appendix 1 and summarised below.

Variations Compared with 2014/15 Budget

	2015/16	2016/17	2017/18	2018/19
	£m	£m	£m	£m
Cost Pressures				
Inflation	4.0	8.1	12.4	16.6
Grant Loss	11.0	22.1	37.1	44.1
Real Changes considered by Executive in January 2015	6.4	11.9	14.6	17.8
Total Additional Costs	21.4	42.1	64.1	78.5
Income/ savings				
Saving proposals considered by Executive in January 2015	-8.8	-11.7	-11.7	-11.7
Funding from Better Care Fund towards protection of social care	-3.3	-3.3	-3.3	-3.3
Impact of revised Treasury Management Strategy	-1.1	-1.1	-1.1	-1.1
Increase in property numbers (council tax base)	-0.9	-0.9	-0.9	-0.9
Total income/ savings	-14.1	-17.0	-17.0	-17.0
Other Proposed Changes				
New Homes Bonus	-4.4	-4.7	-4.7	-4.7
New Homes Bonus – contribution to Investment Fund	4.4	4.7	4.7	4.7
Collection Fund Surplus (2012/13) set aside as one off support towards meeting funding shortfall in 2015/16	-3.0	0.0	0.0	0.0
Collection Fund Surplus 2013/14	-2.3	0.0	0.0	0.0
Reduction in business rate share	0.5	0.5	0.5	0.5
	-4.8	0.5	0.5	0.5
Impact of 1.99% increase in Council tax	-2.5	-5.0	-7.6	-10.0
Remaining “Budget Gap”	0.0	20.6	40.0	52.0

The above table shows, for illustrative purposes the impact of a council tax increase of 1.99% in 2015/16. Each 1% council tax increase generates on-going annual income of £1.26m.

- 4.3 These variations are subject to any final decision on Council Tax levels. Appendix 2 derives an illustrative ‘Bromley element’ Council Tax of £1,030.14 (1.99% increase) and Appendix 3 includes the Draft 2015/16 Central Contingency Sum. Appendix 2 is based on draft portfolio/departmental budgets, the draft contingency provision and the latest assumptions for levies. This sum excludes the GLA precept.
- 4.4 The above table identifies that a balanced budget can be achieved for 2015/16 and the Council will need to identify further savings in future years to achieve a balanced budget in the medium term. The remaining “budget gap” of £20.6m in 2016/17 rising to £52.0m per annum in 2018/19 highlights that the Council, on a roll forward basis, has a “structural deficit” as the ongoing budget has increasing costs relating to inflation and service pressures as well as the ongoing loss of Government grants. These changes are not being funded by a corresponding growth in income. The “budget gap” may increase or reduce as a result of a number of variables in future years.

- 4.5 The Council has to plan for a very different future, i.e. several years of strong financial restraint. The future year's financial projections shown in Appendix 1, includes a planning assumption of ongoing reductions in Government funding in 2016/17, 2017/18 and 2018/19. Projections need to be treated with caution as there remains significant uncertainty relating to any future changes arising from the outcome of the general election in May 2015 as well as the impact of recent Government changes which includes for example, Care Act, the longer term impact of the Better Care Fund, and further funding reductions from 2016/17. It is important to recognise that the downside risks remain as well as limited opportunities for improvement in the overall financial position in future years.
- 4.6 Further changes will be required, prior to the report to full Council on 23rd February, for the finalisation of the Council Tax, to reflect latest available information on levies and the GLA precept.
- 4.7 The key growth pressures reported to the previous meeting of Executive are summarised below:

	2015/16 £'000	2018/19 £'000
Full year effect of social care overspends in 2014/15	3,022	3,022
Homelessness/impact of welfare reforms	1,100	4,300
Increase in net cost of waste services	871	1,569
Removal of contracted out national insurance from 2016/17	0	1,300
Changes in parking enforcement – reduction in income	1,000	1,000
Impact of auto enrolment	100	700
Deprivation of Liberty	628	628
Cost of freedom passes (mainly usage)	245	1,745
Provision for future years cost pressure not included above		1,700
Reduction in rate of schools converting to academies compared with 2014/15 Budget assumptions	-956	45
Other growth pressures (net)	347	1,840
Total	6,357	17,849

- 4.8 If further growth pressure continues in these areas, as well as other areas, then further cost pressures will increase the future years “budget gap”.
- 4.9 In considering action required to address the medium term “budget gap”, savings for 2015/16 were reported to the previous meeting of the Executive. These savings (see below) were reported through PDS Committees and their comments will be circulated separately prior to the meeting of the Executive.

	2015/16 £'000
Reduction in staffing and further efficiencies	3,200
Additional income	2,055
Changes in service delivery	1,893
Contract Efficiencies	1,454
Funding of staff costs through Growth Fund	164
Total	8,766

The savings of £8,766k increase to £11,669k per annum by 2016/17.

5. Draft 2015/16 Central Contingency Sum

- 5.1 Details of the 2015/16 Draft Contingency Sum of £13,534k have been included in Appendix 3. This sum allows for proper financial planning and ensures the council is prepared for changes in financial circumstances. There may be further changes to the Central Contingency to reflect allocations to individual Portfolio Budgets which will be reflected in the Financial Control Budget. This will ensure that budget holders will have all their individual budgets updated early in the financial year. Such changes will not impact on the Council's overall 2015/16 Budget.

6. Earmarked Reserves

- 6.1 At the meeting of the Executive on 14th January 2015, Members agreed as part of the draft 2015/16 Budget the setting aside of the 2015/16 New Homes Bonus (£4,400 after top-slice) as a contribution to the earmarked reserve for the Investment Fund.
- 6.2 As reported to the Executive previously, the Council has reduced its level of general reserves (general fund reserves in 1997 were £131 million). Part of the reduction reflects the funding towards the Invest to Save Fund, Growth Fund and Investment Fund. These funds will help support the achievement of sustainable savings/income to the Council. The Council will continue to seek opportunities to increase the Economic Development and Investment funds to support the purchase of investment properties (generating income) as well meet future plans to invest in employment growth areas of Biggin Hill, Bromley Town Centre and the Cray Business Corridor.
- 6.3 Reserves are one off monies and are utilised to resource investment in schemes that will deliver long terms savings, support economic development, create employment opportunities and enable income opportunities as well as have sufficient resources to manage financial risks during this unprecedented period of austerity. It is not financially sustainable to use Council reserves as part of the revenue budget to fund ongoing service costs.
- 6.4 The position on reserves is reported to Executive as part of the final accounts report in June each year as well as the Council Tax report to Executive in February each year. Bromley's overall reserves are expected to remain below average for London and have to be considered in the context of an underlying "budget gap" of over £52m per annum by 2018/19.
- 6.5 Further details of earmarked reserves are provided in Appendix 4

7. 2014/15 Financial Monitoring

- 7.1 There continue to be significant cost pressures in social care which is reflected in the 2014/15 Financial Monitoring report elsewhere on this agenda. The majority of the full year impact of the in-year overspends on social care are reflected in the 2015/16 Budget, including the impact of action to reduce the overspend and its associated full year effect
- 7.2 A sum of £1.2m was set aside in the 2014/15 contingency budget to reflect additional homelessness costs. In October 2014 Executive agreed to drawdown £653k to meet cost pressures with the remaining monies being used for a capital contribution for works at Manorfields for temporary accommodation which will generate a revenue savings and avoid costly bed and breakfast accommodation. The financial forecast assumes further costs of £4.3m per annum from 2018/19 compared with the 2014/15 Budget.

7.3 Other variations, including, for example, the future containment of costs within Portfolio Budgets have been reflected in the draft 2015/16 Budget. Directors continue to identify options to manage these other cost pressures.

8. The Schools Budget

8.1 The latest funding for the Schools' Budget was reported to the previous meeting of the Executive including an announcement of an additional £19.5m to be added to the schools block for distribution to schools for 2015/16.

8.2 The Schools' Budget includes the delegated budgets for individual schools and also other pupil-led services such as Special Educational Needs, pre school provision and pupils excluded from schools. The ring fenced Dedicated Schools Grant (DSG) funds the Schools' Budget, and so there is no funding required from the Revenue Support Grant or Council Tax.

8.3 The ringfencing of this grant results in a continuation of minimal scope to redirect resources from the Schools Budget to other services.

8.4 The use of the DSG will be subject to consultation with Members, Governors, Head Teachers, the Schools Forum and other interested parties. The Education Portfolio Holder will make a final decision, following this consultation, at his meeting on 27th January 2015.

9. Levies

9.1 Miscellaneous levies must be charged to the General Fund and shown as part of Bromley's expenditure on the Council Tax bill. The levy figures in Appendix 2 are based on the latest information but many are still provisional. Any changes will be reported at the meeting of the Council on 23rd February 2015 and will impact on the final council tax level. The London Boroughs Grants Committee is required to apportion its levy on a population basis but the other levying bodies must use the Council Tax base.

10. Collection Fund

10.1 It is a statutory requirement to maintain a Collection Fund at arms length from the remainder of the Council's accounts.

10.2 The 2014/15 Budget included the one off release of a surplus of £3.853m of which £0.889m relates to the GLA precept and allowed for the net sum of £2.964m to be set aside to reduce the "budget gap" in 2015/16. In addition, there is a sum of £2.3m, as reported in the Provisional 2013/14 Final Accounts report to Executive in June 2014 consisting of a council tax collection fund surplus of £2.9m offset by a business rate share deficit of £0.6m. There have been no changes to the council tax base since the previous meeting of the Executive.

11. The Greater London Authority Precept

11.1 The GLA's 2015/16 Draft Budget has been issued for consultation and includes proposals for a reduction of 1.3% in existing GLA precept levels for 2015/16. The final GLA precept for 2015/16 is expected to be announced after the Assembly has considered the Mayor's draft consolidated budget on 23rd February 2015.

12. Council's Capital Programme, Utilisation of General Reserves and Building Maintenance

- 12.1 The latest estimated general fund (revenue) balance at 31st March 2015 is £20.5m as shown in the "Budget Monitoring 2014/15" report elsewhere on this agenda, is provided below:

	2014/15 Projected Outturn £Million
General Fund Balance as at 31 st March 2014	20.0
Impact of net projected underspends reflected in the 2014/15 budget monitoring report elsewhere on this agenda	+2.0
Adjustment to Balances: Carry forwards (funded from underspends in 2013/14)	-1.5
Estimated General Fund Balance at 31 st March 2015 (end of year)	20.5

- 12.2 Bromley's Capital programme is mainly funded by external government grants and contributions from TfL. There are, however, a number of schemes funded from capital receipts.
- 12.3 The "Capital Programme Monitoring Q3 2014/15 & Annual Capital Review 2015 to 2019" report highlights the financial implications of the proposed capital programme and the impact on revenue balances. Members were previously advised of the importance of the financial strategy of retaining rolling programme schemes within the Council's revenue budget (final year of transfer of rolling programme to revenue was in 2009/10) and to avoid dependency on revenue reserves to support the revenue budget.
- 12.4 Alongside the introduction of the new prudential code for capital spending, the Director of Finance is required to report to the council on the appropriateness of the level of reserves held by the council and the sustainability of any use of reserves to support the revenue budget. The detailed advice is contained in Appendix 4.
- 12.5 The 2015/16 Draft Budget includes the Council's building maintenance programme. Details of the utilisation of these monies are reported elsewhere on this agenda.

13. Consultation

- 13.1 Executive, at its meeting on 14th January 2015, requested that the "Draft 2015/16 Budget and Update on Council's Financial Strategy 2016/17 to 2018/19" report and the saving options are considered by individual PDS Committees. PDS Committees comments relating to the report in January will be circulated separately. Such consideration will enable the Executive to take into account those views as part of agreeing its final recommendations to the Council meeting on 23rd February 2015 where the 2015/16 Budget and Council Tax will be agreed.
- 13.2 Two separate resident association meetings and two wider public meetings relating to "Our Budget Your Views" in November 2014 with a new web survey seeking the public's views online (with a closing date of 7 December 2014) were held and the outcome was reported to the previous meeting of the Executive.

- 13.3 Meetings have taken place with Head Teachers, Governors and the Schools Forum. Following consultation, spending decisions will be taken by the Education Portfolio Holder on 27th January 2015.
- 13.4 Consultation papers have been sent to Bromley Business Focus, Federation of Small Businesses (Sevenoaks & Bromley Branch) and the 20 largest business ratepayers in the borough. At the time of writing this report no responses have been received. Any verbal updates on responses will be provided at the meeting of the Executive.
- 13.5 Chief Officers' indicative saving options were referred by the Executive in January and, where appropriate, the consultation process is being undertaken and the outcome to date will be reported to the meeting.

14. Position by Department – Key Issues/Risks

- 14.1 There remain significant cost pressures for future years particularly relating to homelessness and social care. Although additional funding has been provided, without action to contain any further cost pressures, alternative savings would need to be identified.
- 14.2 Details of the potential risks which will be faced in future years, as part of finalising the 2015/16 Budget, were reported to the previous meeting of the Executive. The level of balances held by the Council provides significant safeguards against any adverse financial pressures.

15. Council Tax Level 2015/16

- 15.1 The current overall Council Tax (Band D equivalent) includes the "Bromley element" relating to the cost of the council's services and various levies of £1,010.07 in 2014/15 and a further sum of £299.00 for the GLA precept (providing a total Band D equivalent Council Tax of £1,309.07).
- 15.2 For 2015/16 every £1m change in income or expenditure causes a 0.8% variation in the "Bromley element" of the Council Tax. Each 1% council tax increase generates ongoing annual income of £1.26m.
- 15.3 As part of the 2015/16 Local Government Financial Settlement, council tax freeze grant for 2015/16 will continue (since 2014/15) to be included in future years base funding. The Council would receive a council tax freeze grant of £1.39m if council tax levels were unchanged. A council tax increase of 1.99% equates to income of £2.51m. Compared with a Council tax increase of 1.99% the Council would forego ongoing annual income of £1.12m.
- 15.4 If the Council agrees an increase which exceeds the referendum trigger of 2% and above, an automatic referendum will be required of all registered electors in the borough. If the registered electors do not, by a majority, support an increase of 2% and above then the Council would be required to meet the cost of rebilling of approximately £100k. The one off cost of a referendum is up to £400k.
- 15.5 The table below identifies the changes required to the draft 2015/16 Budget to achieve different levels of increases in the Bromley element of the council tax and also illustrates that a decision to freeze council tax, compared with an increase above 1.1%, will result in a permanent loss of income. An increase of 1.99% has been assumed in the 2015/16 Draft Budget, at this stage.

Increases in Council Tax Levels

Bromley Element % Increase in 2015/16	Additional Income 2015/16 £'m	Ongoing Income 2015/16 £'m
Freeze	-1.39	-1.39
1.0	-1.26	-1.26
1.5	-1.89	-1.89
1.99 *	-2.51	-2.51

*Assumed in draft 2015/16 Budget

- 15.6 Any decision on council tax levels will need to be based on a medium term view and therefore not only consider the financial impact on 2015/16 but also the longer term impact over the four year forecast period.
- 15.7 The Council tax Referendum Principles are not expected until mid-February and may change the existing calculation. Any final recommendations on council tax levels will need to take into account any changes to statutory requirements.
- 15.8 Members should note that Bromley has the lowest Band D Council tax in Outer London, using Office for National Statistics categories. Bromley had the second lowest Settlement Funding per head in London partly reflecting a low perceived need to spend. Bromley's lowest Council Tax in outer London is particularly noticeable when compared to other low grant funded boroughs that in some cases have the highest level of Council Tax. More details were included in the "Draft 2015/16 Budget and Update on Council's Financial Strategy 2016/17 to 2018/19" report to the meeting of the Executive on 14th January 2015.
- 15.9 Members are asked to consider the impact of the latest draft budget on the level of Council Tax for 2015/16, having regard to all the above factors, including the Director of Finance comments in Appendix 4.
- 16. Medium Term Financial Planning**
- 16.1 The detailed approach of the Council towards budgeting over the medium to longer term was reported to Executive on 14th January 2015 and the draft 2015/16 Budget and future years forecasts reflect the impact of this approach.
- 16.2 The Council has had to take significant action to reduce the cost base while protecting priority front line services, keeping council tax low, continuing to provide resources for investing in the future and providing sustainable longer term solutions. The scale of savings required is evidence that this remains the most challenging budget process undertaken by the Council in recent times. In order to continue to provide priority services the Council will need to radically review existing service provision, reduce overall resources to match reduced funding and continue to mitigate against cost pressures being forecast. In the future Bromley will be a different council – fewer staff numbers, probably a smaller proportion of staff in direct employment and certainly a smaller management structure.
- 16.3 Council tax has been kept low and the proposals include retaining investment resources (new homes bonus) to meet the "sustainability" requirements. There will be increasing financial volatility, uncertainty and risk and the Council faces the challenge of delivering a balanced budget over the medium term. Stewardship and delivering sustainable finances are increasingly important during the ongoing period of austerity which impacts on local government funding. It is probable that the situation will remain volatile in the medium term requiring ongoing changes in our detailed approach but the framework should be one of tight financial forecasts and control linked to a clear strategic service direction.

- 16.4 The council has taken a prudent approach to identify and deliver front loading efficiency savings. This together with being debt free and healthy reserves places the council in a strong position to respond to the challenges that will undoubtedly arise. The strategy needs to remain flexible and the Council's reserves resilient to respond to the impact of volatile external events and the structural budget deficit during this austerity period.

17. POLICY IMPLICATIONS

- 17.1 The Council's key priorities are included within the Council's "Building a Better Bromley" statement and include:
- Safer Communities
 - A quality environment
 - Vibrant, thriving town centres
 - Supporting independence, especially of older people
 - Ensuring all children and young people have opportunities to achieve their potential
 - An Excellent Council
- 17.2 "Building a Better Bromley" refers to aims/outcomes that include "remaining amongst the lowest Council tax levels in Outer London" and achieving a "sustainable council tax and sound financial strategy".

18. PERSONNEL IMPLICATIONS

- 18.1 The Corporate Trade Union and departmental Representatives' Forum receives regular updates on the Council's finances and the associated policy implications and challenges. Staff and their trade union representatives will be consulted individually and collectively on any adverse staffing implications arising from the budget options. Managers have also been asked to encourage and facilitate staff involvement in budget and service planning

19. LEGAL IMPLICATIONS

- 19.1 The Local Authorities (Standing Orders) (England) Regulations 2001 deal, amongst other things, with the process of approving the budget. Under these provisions and the constitution, the adoption of the budget and the setting of the council tax are matters reserved for the Council upon recommendation from the Executive. Sections 73-79 of the Localism Act 2011 has amended the calculations billing and precepting authorities need to make in determining the basic amount of Council tax. The changes include new sections 31A and 31B to the Local Government Finance Act 1992 which has modified the way in which a billing authority calculates its budget requirement and basic amount of Council Tax. These calculations are required to be presented to and be subject to formal resolution by the Council
- 19.2 Schedule 5 to the Localism Act 2011 inserted a new section 52ZB in the 1992 Act which sets out the duty on billing authorities, and precepting authorities to each determine whether their relevant basic amount of council tax for a financial year is excessive. If an authority's relevant basic amount of council tax is excessive, the provisions in relation to the duty to hold a referendum will apply (see 15.4).
- 19.3 The introduction of the Education Act 2005 has changed the procedure for the setting of schools budgets. The Act has introduced the concept of a funding period, which allows for the introduction of multiple year budgets rather than the setting of financial year budgets.

- 19.4 The Schools Finance (England) Regulations 2005 introduced under the provisions of the new Section 45AA of the School Standards and Framework Act 1998, place a requirement on the LEA to determine schools budgets by the 31st March. Notice of a schools determination must be given to maintained schools governing bodies. Contained within the regulations is a designated procedure that allows the LEA to predetermine schools budget and the individual schools budget. There is also a provision allowing amendment to the determination, but any reduction in budget can only be proportionate to any reduction in the dedicated schools grant that has been received.
- 19.5 The making of these budget decisions is a statutory responsibility for all Members. Members should also have regard to the changes from the Localism Act relating to council tax increases (see 15.4). As previously a lawful Council Tax must be set by 11th March 2015.
- 19.6 The Local Government Act 2003 included new requirements to be followed by local authorities, which includes the CIPFA Prudential Code. This includes obligations, which includes ensuring the adequacy of future years reserves in making budget decisions.
- 19.7 “The Public Sector Equality Duty, at section 149 of the Equality Act 2010, requires public bodies such as the Local Authority to consider all individuals when carrying out their day to day work – in shaping policy, in delivering services and in relation to their own employees. It requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people when carrying out their activities. The Act covers discrimination because of a ‘protected characteristic’- age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 19.8 In fulfilling our equalities duty, and in particular the specific equalities duty, regard has been had to the impact of budget proposals and savings options on those with ‘protected characteristics’, As part of the budget setting process where appropriate impact assessments have been performed at service level where service managers and frontline staff will be involved in implementing the changes and fully understand the customer base and likely impact on them.
- 19.9 In some instances detailed analysis will be undertaken after the budget has been set but before a policy arising from the budget is implemented. In these instances the council will comply with its legal obligations including those relating to equalities and consultation and if a proposal is deemed to be unsustainable after such detailed work or where a disproportionate impact on a protected group is identified consideration will be given to any necessary mitigation, rephrasing or substitution of the proposed service changes.

Background documents	<p>Budget Monitoring 2014/15 (Executive 11th February 2015); Capital Programme Monitoring Q3 2014/15 and Annual Capital Review 2015 to 2019 (Executive 11th February 2015); Draft 2015/16 Budget and Update on Council's Financial Strategy 2016/17 to 2018/19 (Executive 14th January 2015); Council Tax Support/Reduction – 2015/16 (Executive 14th January 2015); Growth Fund Update (Executive 26th November 2014); Temporary Accommodation Update – Use of Manorfields as Temporary Accommodation (Executive 15th October 2014); Homelessness and Welfare Reform Draw Down from Central Contingency (Executive 15th October 2014); Treasury Management – Investment Strategy Review and Q1 Performance 2014/15 (Executive 10th September 2014); Care Act 2014 Impact (Care Services PDS Committee 2nd October 2014); Approval of Better Care Fund Financial Arrangements (Executive 19th September 2014); Acquisition of Investment Properties (Executive 10th September 2014); Operational Property Review and Disposal Opportunities (Executive 10th September 2014); Acquisition of Investment Properties (Executive 10th September 2014); Provisional Final Accounts 2013/14 (Executive 10th June 2014); Economic Development and Investment Fund (Executive 16th July 2014); Deprivation of Liberty Safeguards – Funding Request (Executive 16th July 2014).</p>
Financial Considerations	Covered within overall report

Financial Forecast 2015/16 to 2018/19

	2014/15	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000
Bromley's Budget Requirement in 2014/15 (before funding from Formula Grant)	202,736	202,736	202,736	202,736	202,736
Formula Grant and Business Rate Share	-77,296	-77,296	-77,296	-77,296	-77,296
	125,440	125,440	125,440	125,440	125,440
Increased costs		4,035	8,193	12,317	16,549
Net reduction in core funding		10,989	22,148	37,148	44,148
Impact of revised Treasury Management Strategy - Interest on Balances		-1,150	-1,150	-1,150	-1,150
Real Changes and other Variations					
Education, Care and Health Services (mainly homelessness and full year effect of 2014/15 overspend)		4,346	6,448	7,026	8,535
Environment (mainly changes in parking enforcement and growth in waste services)		1,974	2,543	2,769	2,996
Renewal and Recreation (statutory planning fees)		27	54	81	108
Other (mainly council wide)		10	2,010	3,110	3,910
Provision for future years cost pressures not included above		0	800	1,600	2,300
Sub total - real changes and variations		6,357	11,855	14,586	17,849
Sub total		145,671	166,486	188,341	202,836
Better Care Fund - Funding for the "protection of social care" (assumes continuation of funding from 2016/17)		-3,250	-3,250	-3,250	-3,250
Reduction in business rate share		510	510	510	510
Collection Fund Surplus 2012/13 set aside in 2014/15 to support 2015/16 budget gap		-2,964	0	0	0
Net collection fund surplus 2013/14 (Council tax £2.9m less NNDR deficit of £0.6m)		-2,300	0	0	0
		-4,754	510	510	510
New Homes Bonus (includes top slice reduction from 2015/16)		4,400	4,700	4,700	4,700
Contribution to Investment Fund		-4,400	-4,700	-4,700	-4,700
		0	0	0	0
Remaining Sum to be met from Council Tax/Budget Options		137,667	163,746	185,601	200,096
Savings proposals considered by Executive in January 2015		-8,766	-11,669	-11,669	-11,669
Increase in council tax (assume 1.99% per annum)		-2,511	-5,040	-7,560	-10,080
Current Council Tax Income (updated council tax base from 2015/16)	-125,440	-126,390	-126,390	-126,390	-126,390
Remaining "Budget Gap"	0	0	20,647	39,982	51,957

Summary of Draft 2015/16 Revenue Budget

2014/15	Portfolio/Item	2015/16	2015/16
Budget		Draft	Band "D"
£'000		£'000	Equivalent
			£
119,542	Education	103,442	826.68
Cr 114,893	Less costs funded through Dedicated Schools Grant	Cr 99,057	Cr 791.63
4,649	Sub total	4,385	35.05
104,940	Care Services	103,991	831.06
32,699	Environment	32,316	258.26
2,526	Public Protection and Safety	2,080	16.62
8,371	Renewal and Recreation	8,353	66.76
31,769	Resources	30,020	239.91
7,450	Non Distributed Costs & Corporate & Democratic Core	7,599	60.73
192,404	Total Controllable Budgets	188,744	1,508.39
16,827	Total Non Controllable Budgets	20,997	167.80
Cr 917	Total Excluded Recharges	Cr 912	Cr 7.29
208,314	Portfolio Total	208,829	1,668.90
Cr 15,735	Reversal of Net Capital Charges	Cr 19,698	Cr 157.42
Cr 1,591	Interest on General Fund Balances	Cr 2,741	Cr 21.91
8,004	Contribution to Investment Fund and Other Reserves	4,400	35.16
-	Use of collection fund surplus	Cr 2,964	Cr 23.69
11,850	Central Contingency Sum	13,534	108.16
	Levies		
486	- London Pension Fund Authority	509	4.07
310	- London Boroughs Grants Committee	340	2.72
236	- Environment Agency	248	1.98
391	- Lee Valley Regional Park	411	3.29
212,265	Sub Total	202,868	1,621.26
Cr 42,031	Revenue Support Grant	Cr 32,769	Cr 261.88
Cr 35,265	Business Rates Retention	Cr 34,409	Cr 274.99
Cr 144	Local Services Support Grant	Cr 89	Cr 0.71
Cr 2,964	Collection Fund Surplus	Cr 2,300	Cr 18.38
Cr 1,381	Council Tax Freeze Grant	-	-
Cr 5,040	New Homes Bonus	Cr 4,400	Cr 35.16
125,440	Bromley's Requirement (excluding GLA)	128,901	1,030.14

2015/16 CENTRAL CONTINGENCY SUM

£'000

Environmental Services

Street Environment Contract 60

Renewal and Recreation

Planning Appeals - Changes in Legislation 60

Grants included within Central Contingency Sum

Reduction in Education Services Grant		400
Lead Local Flood Authorities - Grant Related Expenditure (LSSG)		216
Public Health - Transfer of 0-5 year old Services (health visitors etc.)		1,901
Government Funding to meet Cost of Service	Cr	1,901
Tackling Troubled Families Grant - Expenditure		426
Tackling Troubled Families Grant - Income	Cr	426
Transformation Challenge Award - Expenditure		344
Transformation Challenge Award - Income	Cr	344
Adoption Reform Grant - Expenditure		273
Adoption Reform Grant - Income	Cr	273
SEND Implementation Grant - Expenditure		182
SEND Implementation Grant - Income	Cr	182
Individual Electoral Registration Process - Expenditure		102
Individual Electoral Registration Process - Income	Cr	102
SEND Pathfinder SEN Reform Grant - Expenditure		71
SEND Pathfinder Grant - Income	Cr	71

General

Provision for Cost Pressures arising from Variables		2,000
Provision for Unallocated Inflation		1,864
Provision for Risk/Uncertainty		2,193
Provision for Risk/Uncertainty relating to Volume and Cost Pressures		1,950
Increase in Cost of Homelessness/Impact of Welfare Reforms		1,100
Changes in Parking Enforcement		1,000
Growth for Waste Services		300
Deprivation of Liberty		314
Impact of Automatic Enrolment (additional employee costs)		300
Retained Welfare Fund		450
Freedom Passes		326
Grants to Voluntary Organisations		275
Disabled Facilities Grant RCCO		232
Care Act - Revised Assessment of Costs		2,876
Care Act - Funding from Better Care Fund	Cr	750
Care Act - Government Funding	Cr	1,848
Other Provisions		216
		<u>13,534</u>

There will be further changes to the Central Contingency to reflect allocations to individual Portfolio budgets prior to publication of the Financial Control Budget.

LEVEL AND USE OF RESERVES AND ROBUSTNESS OF THE 2015/16 BUDGET

1. Background

With the introduction of the prudential approach to capital investment, Chief Financial Officers in local authorities are required to have full regard to affordability when making recommendations about the local authority's future capital programme. Such consideration includes the level of long-term revenue commitments. In considering the affordability of its capital plans, councils are required to consider all of the resources available to it/estimated for the future, together with the totality of its capital plans and revenue forecasts for the forthcoming year and the following two years. This requires clear and objective attention to the levels and application of the council's balances and reserves. The level of balances and reserves needs to be adequate to ensure that the longer term stewardship of the Council's finances remains effective and the Council maintains "sustainable" finances in the medium term. Medium term planning becomes absolutely key in recognition of the ongoing "structural" budget deficit facing the Council.

2. General Reserves

2.1. Bromley has estimated general reserves of £20.5 million as at 31st March 2015 as well as earmarked reserves (Section 3). Key to any financial strategy is the retention of sufficient reserves (including earmarked reserves) for the following reasons:

- (a) To provide some "contingency" reflecting the financial risks facing the Council. The scale of budget reductions and associated impact, the need to manage effectively action to reduce the longer term "budget gap" and recent government changes which include the transfer of risks from central to local government provides significant new risks for longer term planning purposes;
- (b) To provide alternative one off funding to offset the impact of any overall large overspends facing the Council;
- (c) To provide adequate resources for spend to save initiatives which, following investment, can provide real longer term financial and service benefits;
- (d) To provide support in financing the capital programme, particularly to assist in funding key initiatives;
- (e) To provide financial support (income) to the revenue budget through interest earnings, which will reduce as balances are gradually reduced;
- (f) To utilise short term monies available from any "front loading" of savings to assist in managing the key risks facing the Council and fund key initiatives preventing the further deterioration in the "sustainability" of the Council's finances;
- (g) To provide investment to seek a long term alternative to current income streams;
- (h) To provide funding (e.g. severance costs) to enable the release of longer term ongoing savings;
- (i) To set aside income available, that does not provide a permanent income stream, towards one off investment in the community for schemes that meet the Council's priorities;
- (j) To buy time to identify further savings needed whilst avoiding "knee jerk" actions to deal with future budget deficits;
- (k) To assist the council achieve as much stability as possible for both longer term service delivery and planning the moving of resources to areas of agreed priority.

- 2.2 In order to assess the adequacy of unallocated general and earmarked reserves when setting the budget, account must be taken of the strategic, operational and financial risks facing the authority. This is an important aspect of Bromley's developing approach to risk management. An "Annual Governance Statement" signed by the Chief Executive and the Leader of the Council covers, for example, the processes to fully underpin the Council's system of internal control.
- 2.3 Setting the level of reserves is just one of several related decisions in the formulation of the medium term financial strategy and the budget for a particular year. Account needs to be taken of the key financial assumptions underpinning the budget alongside a consideration of the authority's financial management arrangements.
- 2.4 Bromley's reserves have reduced from £131m to £54m (general reserves) between 1997 and 2011. The Council had previously agreed to set aside part of these reserves towards an Invest to Save Fund and to fund the Economic Development and Investment Fund. Further details were reported to Executive in September 2011 and June 2013. The latest projected level of general reserves remaining is £20.5m. It was previously estimated that reversing the current strategy of eliminating the ongoing dependency on the use of reserves to support the revenue budget and abandoning the transfer of rolling programmes to revenue would have eliminated the Council's overall general reserves by 2016/17 which is not sustainable. Further details were reported in the Annual Capital Review reports.
- 2.5 The main reasons for reducing reserves over the previous years were:
- (a) Reserves had been utilised to provide a one off contribution to partly fund the Council's revenue budget, of between £3.1m and £4.3m per annum from 2000/01 to 2007/08, to assist in keeping the Council Tax lower;
 - (b) Utilised to partly fund the council's capital programme, particularly as future capital receipts diminish.
- 2.6 The most significant gain to balances was following the housing transfer to Broomleigh in 1992. The balances have reduced considerably since then as shown above. Opportunities to generate additional capital resources and reserves through disposal of surplus assets should continue to be vigorously pursued, however, there are unlikely to be opportunities to again generate the very substantial level of reserves held in the past.
- 2.7 Latest projections in the capital programme indicate that there will be no requirement to fund capital expenditure from revenue balances over the next three years which should enable the current level of balances to be retained. This position could change if there is significant slippage in capital receipts.
- 2.8 If the existing general reserves are released now to fund continuing service initiatives and/or significantly reduce council tax further then there would be a resultant "opportunity cost" relating to the corresponding loss in interest earnings and depletion of reserves which is not recommended by the Director of Finance, particularly at this time of financial uncertainty. Funding for any increases in service levels would only be in the short term. Retaining a significant level of reserves provides a major opportunity to fund any transformation/spend to save programmes in future years, as well as provide an ongoing source of significant revenue income to the Council.

- 2.9 Executive previously agreed that the following principles be applied to determining the use of reserves:
- (a) As a prudent working balance that a target minimum level of general reserves of £15m should be set at this stage for reserves, with higher amounts being retained for specific purposes. The Director of Finance subsequently reviewed the minimum level of general reserves and recommended a minimum sum of £20m to reflect the significant financial uncertainty facing the Council and the need to address the significant ongoing “budget gap”.
 - (b) Any support for the capital programme to be focused on areas that can generate business efficiencies and maintain and enhance the Council’s core infrastructure. The programme should be driven by the Council’s asset management plan, which in turn should be derived from the key priorities of the Council.
 - (c) Any support for the revenue budget will need to be modest and sustainable in the medium term and the impact of any withdrawal built into future financial plans. From 2008/09 Members agreed to eliminate the continuing use of reserves to support the revenue budget.
 - (d) The council has limited scope to utilise general fund reserves for capital spending in excess of the current capital programme and will need to continue to progress a programme of asset disposals. Given the substantial pressures on the revenue position of the council it would be sensible to focus the spending of the general reserves in excess of the basic level on investments to increase the efficiency of the council, provide income and reduce the cost base rather than in funding the continuation of current practices and patterns of spending.
- 2.10 Balancing the annual budget by drawing on general reserves is a legitimate short-term option. However, where reserves are to be deployed to finance recurrent expenditure this needs to be explicitly considered and the sustainability of this over the lifetime of the medium term financial plan needs to be considered.
- 2.11 In the context of Bromley’s current financial position the reserves are adequate in 2015/16 and 2016/17. However, the important issue to consider is planning the future use of the reserves in the context of the authority’s medium term financial plan and not to focus exclusively on short-term considerations.

3. Earmarked Reserves

3.1 As part of developing a medium term financial plan and preparing the annual budget members need to consider appropriate use of reserves for specific purposes and the levels at which these should be set. Further details on the utilisation of earmarked reserves together with general reserves are provided in section 2.1. The current specific (earmarked) reserves and their estimated uses are:

Description	Balance at 31/3/14	Estimated Net Movement	Estimated Balance at 31/3/15	Estimated Movement	Estimated Balance at 31/3/16
EARMARKED BALANCES	£'000	£'000	£'000	£'000	£'000
LPSA/LAA Reward Grant Investment Fund	1,046	-300	746	-300	446
Technology Fund	1,801	21	1,822	25	1,847
Town Centre Improvement Fund (LABGI)	66	-	66	-66	-
Reserve for Potential Redundancy Costs	115	-18	97	-27	70
Transformation Fund	4,817	-450	4,367	-1,200	3,167
Community Fund	655	-38	617	-	617
Works to Property	100	-	100	-	100
Building Control Charging Account	68	28	96	-20	76
Government Grants (c/fwd from previous years)	2,352	-1,645	707	-707	-
Glaxo Wellcome Endowment	183	-5	178	-5	173
Public Halls Fund	8	-	8	-3	5
Investment Fund	41,193	-17,703	23,490	-20,000	3,490
Growth Fund	10,000	-250	9,750	-3,000	6,750
Invest to Save Fund	15,975	-3,565	12,410	700	13,110
Bromley Welcare	29	-	29	-29	-
One off Member Initiatives	1,162	-156	1,006	-328	678
Interest Rate Risk Reserve	1,185	-1,185	-	-	-
Infrastructure Investment Fund	2,000	-	2,000	-	2,000
Provision for Impact of Recession	1,500	-1,500	-	-	-
Commissioning Authority Programme	99	-60	39	-39	-
Health & Social Care Initiatives – Promise Programme	5,953	-	5,953	-	5,953
Key Health & Social Care Initiatives	1,700	-	1,700	-	1,700
Integration of Health & Social Care Initiatives	1,937	-500	1,437	-1,437	-
Healthy Bromley Fund	2,670	-90	2,580	-2,580	-
Winter Pressures Reserve	1,542	-	1,542	-1,542	-
Housing Strategy Trading Account	29	-	29	-20	9
Community Right to Bid & Challenge	30	17	47	-	47
Glades Refurbishment	572	-241	331	-241	90
Impact of Winter Damage – Potholes and Highways	1,000	-1,000	-	-	-
Provision for Emergency Flood Damage	100	-100	-	-	-
Refurbishment of War Memorials	25	-25	-	-	-
Cheyne Woods and Cyphers Gate	192	-24	168	-121	47
Collection Fund Surplus	-	2,964	2,964	-2,964	-
Parallel Fund	-	2,720	2,720	80	2,800
Sub Total	100,104	-23,105	76,999	-33,824	43,175
PROVISIONS					
Insurance Fund	2,981	-481	2,500	-	2,500
OTHER					
School Budget Share Funds	6,767	-1,920	4,847	-2,111	2,736
Total Estimated Reserves	109,852	-25,506	84,346	-35,935	48,411

- 3.2 The above table includes new earmarked reserves which are dependent on any final decision on council tax levels. The report includes further provision of £4,400k in 2015/16 relating to new homes bonus.
- 3.3 The report highlights the ongoing “budget gap” (see 4.4 of main report) which results in the Council, on an ongoing basis, having a “structural deficit”. To respond to this, Members have agreed over the last three years to create new earmarked reserves to support longer term investment and provide a more sustainable longer term financial position. This includes setting aside resources to support the Council’s future transformation programmes (invest to save), support acquisition of investment properties to generate sustainable income, and setting aside new homes bonus and other resources to support economic development and employment within the borough whilst generating income opportunities. These measures are important to provide sustainable solutions in the longer term.
- 3.4 A summary of other significant areas are:
- School Balances - these are unspent balances of budgets delegated to individual schools and these are legally only available to schools.
 - Insurance Reserves – self-insurance is a mechanism used by a number of local authorities including Bromley. In the absence of any other statutory basis, sums held to meet potential and contingent liabilities are reported as earmarked reserves or provisions.
 - Technology Fund - this represents IT budgets that have been put into a reserve in previous years to allow projects to be carried out across the boundaries of financial years and the utilisation of this will become increasingly important over the next few years.
- 3.5 In addition there is the pensions reserve – this is a specific accounting mechanism used to reconcile the payments made for the year to various statutory pension schemes in accordance with those schemes’ requirements and the net change in the authority’s recognised liability under IAS19 – employee benefits, for the same period. An appropriation is made to or from the pensions reserve to ensure that the bottom line in the income and expenditure account reflects the amount required to be raised in taxation. This effectively prevents the large deficit on the pension fund needing to be made good from taxation in one year.
- 3.6 The final outcome of the actuarial valuation as at 31/3/13 was that the Council’s pension fund is 82% funded with a total deficit of £128m (including other non-council employees). Decisions on the deficit repayment period of 15 years were made at the meeting of Pensions Investment Sub Committee on 11th February 2014. The triennial actuarial valuation will impact on the budget from 2015/16 to 2016/17 with a subsequent valuation impacting from 2017/18.

4. **Budget Assumptions**

4.1 Treatment of Inflation and Interest Rates

4.1.1 Previously market assumptions about interest rates increasing have not materialised which is impacting on Income from interest on balances. Low lending rates are expected to continue over the next two years due to, for example, the continuation of “funding for lending” , Bank of England is expected to keep the base rate low, and limiting the lending period to banks to reflect cautionary advice from credit rating agencies. The Treasury Management policy was reviewed and Members agreed alternative lending options including investment in a property fund, diversified growth fund and increasing of lending limits to part nationalised banks which has led to potential additional income of £1.15m per annum. There remains a need to ensure the strategy finds the right balance between Security, Liquidity and Yield – in that order. In a recent survey Bromley achieved the second highest returns against a benchmark group of 12 local authorities. The 2015/16 Budget assumes income of £2.74m. Some local authorities are achieving returns as low as 0.25% per annum. Alternative investments relating to acquisition of properties as part of a wider investment strategy is expected to deliver additional income of £1m in 2015/16 rising to £2m per annum from 2016/17 (in addition to income of £2m per annum achieved through previous acquisitions).

4.1.2 A general allowance of 1.7% has been built into the forecast for 2016/17 and future years for contractual running expenses. This compares with current general RPIX increase of 1.7% (Dec. '14).

4.1.3 The 2015/16 Budget includes the impact of the proposed salary increase for staff announced by the Resources Portfolio Holder at the Executive meeting on 14th January 2015.

4.2 **Level and Timing of Capital Receipts**

4.2.1 Details of the level and timing of capital receipts are included in the “Capital Programme Monitoring Q3 2014/15 and Annual Capital Review 2015 to 2019” report elsewhere on the agenda.

4.3 **“Demand Led” Budgets**

4.3.1 The major demand led services that currently affect Bromley's budget are Children in Care, adults and older people social care services and homelessness. These have all been based around a detailed analysis of the current position with reasonable estimates of likely changes in activity in the next financial year. For homelessness, significant increases have been built into the budget. The net full impact of the 2014/15 overspend on social care has also been built into the Draft 2015/16 Budget.

4.4 **Financial Standing of the Authority**

4.4.1 Long-term Council Tax collection rates have been consistently high at around 98/99%. Other external debt collection is also high. There are plans to continue to improve the recovery of income across service areas. Any improvement will serve to improve the Council's overall financial position. There remains, however, a risk that collection rates could suffer within the current economic climate. As a debt free authority, Bromley has relatively limited exposure to interest rate movements and changes in interest earnings on external investments have been reflected in the budget based upon likely use of reserves and current interest rates.

4.5 **Budget and Financial Management**

4.5.1 Bromley has for many years operated multi year budget planning. There have been substantial improvements in the quality and accuracy of financial planning in recent years. The introduction of cash targets for service departments has led to greater realism in the projection and management of the volume of service activity. Overspends against the budget had been **generally contained in** overall terms in previous years. Should overspending be forecast on any service in 2015/16, then balancing the budget will require very positive action if the council is not to overspend in the current and future years.

4.6 **Financial Information and Reporting**

4.6.1 The arrangements for finance staff to report to the Director of Finance, in place since April 2002, have produced far greater clarity of roles and responsibilities. This has led to the production of more accurate budgets and improved the quality of budget monitoring. However the implementation of further savings to revenue budgets for 2015/16 will require even greater scrutiny than was the case in previous years and this will include the capital programme. The Council will need to continue with a rolling service review process to be able to generate savings as part of future years' budgets. Bromley was previously graded 4 ("performing strongly") in the external audit for financial management as part of the Use of Resources (this assessment has now ceased). The main issue remaining is to ensure that service managers continue to develop even greater ownership of their budgets and have more sophisticated activity and performance information on the service which they are providing. Should there be overspending in 2015/16 then compensating savings will need to be generated.

4.6.2 The Council will need to continue to adopt a corporate "One Council" approach in addressing budget pressures and identifying saving options.

4.7 **Virement Procedures**

4.7.1 Currently Bromley does not routinely allow the carry forward of under-spending (and overspending) by service departments as part of its year-end procedures. The Director of Finance remains satisfied however, that the current virement rules allow sufficient flexibility within the year for officers/Members to manage the budget to enable them to contain overspending within overall budgets.

4.8 **Risk areas**

4.8.1 Details were reported to the previous meeting of the Executive.

4.9 **Link with other plans/strategies**

4.9.1 A budget is a service plan/strategy expressed in financial terms and there will be linkages with other strategies and plans across the Council. The proposed budget also takes into account the outcomes of the Public Sector Equality Duty on the council's proposals (see legal considerations of main report).

4.10 Insurance Fund

4.10.1 The insurance fund is protected by the existence of external catastrophe insurance, which meets large claims. There is a stop loss of £1.4 million that prevents the council from having to meet losses in excess of this amount on liability claims in any one year. The “Insurance Fund – Annual Report 2013/14”, considered by the Resources Portfolio Holder at the meeting of the Executive and Resources PDS Committee on 19th November 2014, gives more background information.

4.11 Funds and the adequacy of provisions

4.11.1 As is discussed above, the council has both general and earmarked reserves and continues to take a prudent approach to limiting the scope of future year’s capital expenditure and other commitments. It is essential that an adequate level of reserves is maintained to reflect the impact of the future years budget gap of £20.6m in 2016/17 and £52m in 2018/19, “balance sheet” liabilities (e.g. pension fund deficit) combined with the significant financial uncertainty facing the Council in this austerity period. Bad debt provisions are reviewed each year as part of the closure of accounts and are subject to audit by the council’s external auditors.

4.11.2 The scale of the medium term “budget gap”, coupled with the significant financial uncertainty in the ongoing austerity period makes it important to maintain adequate level of reserves to ensure the Council has sufficient resilience, flexibility and stability for longer term service delivery. Apart for the need to retain reserves to address risks and uncertainty there are specific reserves to fund invest to save as well as investment in the future towards economic development within the borough whilst generating sustainable income and savings to help reduce the future years budget gap. This helps ensure that key measures of sustainable finances and stewardship in the medium term can be realised. These funds retained are adequate to meet the needs of the Council in the medium term. The level of reserves will continue to be kept under review during the Medium Term Financial Plan period.

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Report No.
FSD15014

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Executive
Council

Date: Executive 11th February 2015
Council 23th February 2015

Decision Type: Urgent Executive Key

Title: CAPITAL PROGRAMME MONITORING Q3 2014/15 & ANNUAL
CAPITAL REVIEW 2015 TO 2019

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

Chief Officer: Director of Finance

Ward: All

1. Reason for report

This report summarises the current position on capital expenditure and receipts following the 3rd quarter of 2014/15 and presents for approval the new capital schemes supported by Council Directors in the annual capital review process. With regard to the annual bidding process, the main focus has again been on the continuation of existing essential programmes and on externally funded schemes, with only a limited new spending programme (two new schemes) being put forward at this stage. The Executive is asked to approve a revised Capital Programme.

2. **RECOMMENDATIONS**

The Executive is requested to:

- (a) Note the report, including the re-phasing of a total of £8,377k from 2014/15 into later years (see paragraph 3.3.7) and agree a revised Capital Programme;
- (b) Approve the following amendments to the Capital Programme:
 - (i) Reduction of £112k in respect of schemes that have reached completion (see para 3.3.1);
 - (ii) Addition of £663k in 2015/16 for Social Care Grant (see para 3.3.2);
 - (iii) Increase of £101k in 2014/15 to reflect revised grant support from Transport for London for highway schemes (see para 3.3.3);

- (iv) Addition of £395k in 2015/16 for Relocation of Exhibitions in Bromley Museum (see para 3.3.4);**
 - (v) A net reduction of £6,294k on the Council's Investment Fund scheme to reflect the latest update on successful property acquisitions (see para 3.3.5);**
 - (vi) Transfer (virement) of £113k from the budget for the Reconfiguration of Special Schools to the Basic Need budget (see para 3.3.6);**
 - (vii) Addition of £15m to the Council's Investment Fund, to be funded by capital receipts (see para 3.11).**
- (c) Recommend to Council that :**
- (i) The new scheme proposals supported by Chief Officers (listed in Appendix C) be included in the Capital Programme (see para 3.4 &3.5);**
 - (ii) An additional £15m be added to the Council's Investment Fund in the 2016/17 Capital Programme, to be funded by capital receipts (see paragraph 3.11).**

Corporate Policy

1. Policy Status: Existing Policy: Capital Programme monitoring is part of the planning and review process for all services. Capital schemes help to maintain and improve the quality of life in the borough. Affective asset management planning (AMP) is a crucial corporate activity if a local authority is to achieve its corporate and service aims and objectives and deliver its services. The Council continuously reviews its property assets and service users are regularly asked to justify their continued use of the property. For each of our portfolios and service priorities, we review our main aims and outcomes through the AMP process and identify those that require the use of capital assets. Our primary concern is to ensure that capital investment provides value for money and matches the Council's overall priorities as set out in the Community Plan and in "Building a Better Bromley". The capital review process requires Council Directors to ensure that bids for capital investment provide value for money and match Council plans and priorities.
 2. BBB Priority: Excellent Council
-

Financial

1. Cost of proposal: Estimated Cost: Total increase of £15,353k over the 5 years 2014/15 to 2018/19, mainly due to the schemes proposed in the 2014 annual review (£5.6m), an additional £663k from Social Care Grant in 2015/16, an overall net reduction of £6.3m in the scheme for properties acquisitions and the addition of £15m to the Investment Fund for further acquisitions.
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: Total £173.0 m over 5 years 2014/15 to 2018/19
 5. Source of funding: Capital grants, capital receipts and earmarked revenue contributions
-

Staff

1. Number of staff (current and additional): 1 fte
 2. If from existing staff resources, number of staff hours: 36 hours per week
-

Legal

1. Legal Requirement: Non-Statutory - Government Guidance
 2. Call-in: Applicable
-

Customer Impact

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

Ward Councillor Views

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

3. COMMENTARY

Capital Expenditure

- 3.1 This report sets out proposed changes to the Capital Programme following a detailed monitoring exercise carried out after the 3rd quarter of 2014/15 and also seeks approval to the new capital schemes supported by Council Directors in the 2014 annual capital review process. The report is divided into two distinct parts; the first (paragraphs 3.3.1 to 3.3.7) looks at the Q3 monitoring exercise and the second (paragraphs 3.4 to 3.5) includes details of the proposed new schemes.
- 3.2 Appendix A sets out proposed changes to the Capital Programme following a detailed monitoring exercise carried out after the 3rd quarter of 2014/15. The base position is the revised programme approved by the Executive on 26th November 2014, as amended by variations approved at subsequent Executive meetings. If all the changes proposed in this report are approved, the total Capital Programme 2014/15 to 2018/19 would increase by £353k, mainly due to the new schemes proposed in the 2014 annual review (£5.6m), an additional £663k from Social Care Grant in 2015/16 and a £6.3m reduction in the Council's Investment Fund scheme. Total estimated expenditure in 2014/15 would reduce by £8.7m, mainly due to the re-phasing of expenditure from 2014/15 into 2015/16. Details of the monitoring variations are included in Appendices A and B and the proposed revised programme, including the proposed new schemes, is summarised in the table below.

	2014/15	2015/16	2016/17	2017/18	2018/19	TOTAL 2014/15 to 2018/19
	£000	£000	£000	£000	£000	£000
Programme approved by Executive 26/11/14	59,176	57,316	31,707	4,582	0	152,781
Variations approved at subsequent Executive meetings (Appendix A)	1,936	2,959	0	0	0	4,895
Approved Programme prior to 3rd Quarter's Monitoring Variations identified in Q3 monitoring exercise (Appendix A)	61,112	60,275	31,707	4,582	0	157,676
Variations requiring the approval of the Executive	-275	-4,972	0	0	0	-5,247
Variations not requiring approval:						
Scheme rephasings from 2014/15 to later years (Appendix B)	-8,377	8,377	0	0	0	0
Total Q3 Monitoring variations	-8,652	3,405	0	0	0	-5,247
New schemes (Appendix C)	0	930	30	30	4,610	5,600
Investment Fund - increased provision (paragraph 3.10)	0	0	15,000	0	0	15,000
Revised Capital Programme (Appendix D for source of finance)	52,460	64,610	46,737	4,612	4,610	173,029
Assumed Further Slippage (for financing purposes)	-2,000	-5,000	2,000	2,000	2,000	-1,000
Assumed New Schemes (to be agreed in future years)	0	0	0	2,500	2,500	5,000
	-2,000	-5,000	2,000	4,500	4,500	4,000
Total revised expenditure to be financed	50,460	59,610	48,737	9,112	9,110	177,029
Rounded for financing statement (Appendix D)	50,460	59,610	48,740	9,110	9,110	177,030

Q3 Capital Monitoring

3.3 Variations requiring the approval of the Executive (£5,247k net decrease)

3.3.1 Deletion of residual balance for completed schemes (£112k reduction):

It is recommend that residual budgets totalling £112k be deleted in respect of three schemes that reached completion in 2014/15. This includes £60k on Newstead Wood Tennis centre,

£49k from the new Penge/Anerley Library at 46 Green Lane, and £3k from the Increasing Network Security scheme to protect the Council's data and to ensure compliance with Government Codes of Connection.

3.3.2 Social Care Grant – new allocation for 2015/16 (£663k increase):

2015/16 allocations for Social Care Grant have been notified by the Department for Health. We will receive £663k in 2015/16 as part of the Better Care Fund initiative and Members are asked to include this in the Capital Programme.

3.3.3 Transport for London (TfL) – Revised Support for Highway Schemes (£101k increase):

Provision for transport schemes to be 100% funded by TfL was originally included in the Capital Programme 2014/15 to 2017/18 on the basis of the bid in our Borough Spending Plan (BSP). Notification of an overall increase of £101k in 2014/15 has been received from TfL. Grant allocations from TfL change frequently and any further variations will be reported in subsequent capital monitoring reports.

3.3.4 Relocation of Exhibitions in Bromley Museum (£395k increase in 2015/16):

The museum service has been identified as a budget cut for 2015/16 towards meeting the Council's budget gap over the next four years. The Priory building is recommended to be declared surplus with effect from 1st April 2015. Details are included in a separate report 'A New approach for Bromley Museum' elsewhere on the agenda. Members are asked to approve the inclusion of £395k in the capital programme to fund the relocation of exhibitions, to be funded by capital receipts from the sale of the Priory building.

3.3.5 Property Investment Fund (£264k reduction in 2014/15 and £6,030k reduction in 2015/16):

Members are asked to approve reductions of £264k in 2014/15 due to lower costs than expected on the acquisition of 145 – 153 High Street and £6,030k in 2015/16 as a planned acquisition approved by Executive on 10th September 2014 cannot progress further as the owners have decided not to sell.

3.3.6 Virement of £113k between Reconfiguration of Special Schools and Basic Need:

There is an unallocated balance of £113k on the budget for the Reconfiguration of Special Schools which, as was approved by the Executive in November 2013, is now allocated to contribute towards the Riverside School project. The Riverside scheme is mainly funded by Basic Need grant and Members are asked to approve a virement of £113k to the Basic Need budget to ensure the funding is located where the actual spend is.

3.3.7 Scheme Rephasing

As part of the 3rd quarter monitoring exercise, £8,377k has been re-phased from 2014/15 into 2015/16 to reflect revised estimates of when expenditure is likely to be incurred. This has no overall impact on the total approved estimate for the capital programme. Further details and comments are provided in Appendix B.

Annual Capital Review – new scheme proposals

- 3.4 In recent years, we have steadily scaled down new capital expenditure plans and have transferred all of the rolling maintenance programmes to the revenue budget. Our general (un-earmarked) reserves, established from the disposal of our housing stock and the Glades Site, have been gradually spent and have fallen from £131m in 1997 to £42m (including unapplied capital receipts) as at 31st March 2014. Our asset disposal programme has diminished and any new capital spending will effectively have to be met from our remaining revenue reserves.
- 3.5 As part of the normal annual review of the Capital Programme, Chief Officers were invited to come forward with bids for new capital investment. Apart from the regular annual capital bids (Devolved Formula Capital grant to schools, DSG-funded schools access initiative, TfL-funded highway schemes and feasibility studies), two bids have been recommended for approval, with a total value of £1.02m, all of which would require funding from the Council's resources. The bids are summarised in Appendix C. Invest to Save bids were particularly encouraged, but none were received, and it is assumed that any such bids will be submitted in due course through the earmarked reserve that was created in 2011.

Capital Receipts

- 3.6 Details of the receipts forecast in the years 2014/15 to 2018/19 are included elsewhere on the agenda in a confidential appendix to this report (Appendix E). The latest estimate for 2014/15 remains at £9.2m as reported in November. Estimates for 2015/16, 2016/17 and 2017/18 are now £6.0m £6.5m and £1.0m respectively (£5.8m, £6.7m and £1.0m were reported in November). A total of £1m per annum is assumed for receipts yet to be identified in later years. The financing and balances projections shown in Appendix D reflect prudent assumptions for capital receipts.

Financing the Proposed Capital Programme

- 3.7.1 The following table summarises the estimated impact on balances of the revised programme and revised capital receipt projections, which reflect prudent assumptions on the level and timing of disposals. Total balances would reduce from £42.0m (General Fund £20.0m and capital receipts £22.0m) at the end of 2013/14 to £29.6m by the end of 2017/18 and would then reduce further to £24.6m by the end of 2019/20. It is estimated that the General Fund would not be required to make any contributions to the funding of capital expenditure through to 2019/20.

	Balance 1/4/14	Estimated Balance 31/3/18	Estimated Balance 31/3/20
	£m	£m	£m
General Fund	20.0	20.5	20.5
Capital Receipts	22.0	9.1	4.1
	<u>42.0</u>	<u>29.6</u>	<u>24.6</u>

3.7.2 A summary of how the capital programme will be financed is shown in the table below with further detail provided at Appendix D.

	2014/15	2015/16	2016/17	2017/18	2018/19	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Total Capital Expenditure	50,460	59,610	48,740	9,110	9,110	177,030
Financed by:						
Usable Receipts	2,950	11,900	18,170	4,540	4,540	42,100
Revenue Contributions	30,700	1,300	270	270	270	32,810
Government Grants	8,530	38,280	22,910	300	300	70,320
Other Contributions	8,280	8,130	7,390	4,000	4,000	31,800
Total	50,460	59,610	48,740	9,110	9,110	177,030

Section 106 Receipts

3.8 In addition to capital receipts from asset disposals, the Council is holding a number of Section 106 contributions received from developers. These are made to the Council as a result of the granting of planning permission and are restricted to being spent on capital works in accordance with the terms of agreements reached between the Council and the developers. These receipts are held in a reserve, the balance of which stood at £6,032k as at 31st March 2014, and will be used to finance capital expenditure from 2014/15 onwards. The current position on capital Section 106 receipts (excluding commitments) is shown below:

Specified capital works	Balance 31/3/14 £000	Receipts 2014/15 £000	Expenditure 2014/15 £000	Balance 31/12/14 £000
Housing provision	4,461	748	435	4,774
Education	1,571	369	456	1,484
TOTAL	6,032	1,117	891	6,258

Post-Completion Reports

3.9 Under approved Capital Programme procedures, capital schemes should be subject to a post-completion review within one year of completion. These reviews should compare actual expenditure against budget and evaluate the achievement of the scheme's non-financial objectives. Post-completion reports on the following schemes should be submitted to the relevant Portfolio Holders during 2014/15:

Bellegrove – temporary accommodation

The Hill Car Park – strengthening works

Bromley Town Centre – increased parking capacity

Former Chartwell Business Centre – improvement works

Investment Fund and Growth Fund

(formerly Economic Development and Investment Fund)

3.10 A detailed analysis of this Fund, dating back to its inception in September 2011, was included in a report to the September meeting (“Acquisition of Investment Properties”). To date, total funding of £66.1m has been placed in the earmarked reserve (formerly known as the

Economic Development and Investment Fund) to contribute towards the Council's economic development and investment opportunities. In November 2014, £10m was set aside in a new reserve (The Growth Fund) to support growth initiatives in Biggin Hill, the Cray Valley and Bromley Town Centre. A total of £34.4m has been allocated to date from the Economic Development and Investment Fund (now known as the Investment Fund), mainly on the acquisition on investment properties, and the uncommitted balances currently stand at £21.7m for the Investment Fund and £10m for the Growth Fund.

	£'000
Funding:	
Approved by Executive 7th September 2011	10,000
Approved by Council 27th February 2013	16,319
Approved by Council 1st July 2013	20,977
Approved by Executive 10th June 2014	13,792
New Home Bonus (2014/15)	5,040
	66,128
Expenditure:	
<i>Property Investment Fund</i>	
Approved by Executive 7th September 2011	1,620
Approved by Executive 6th December 2012	2,167
Approved by Executive 5th June 2013	2,888
Approved by Executive 12th June 2013	3,150
Approved by Executive 12th February 2014	18,755
Approved by Executive 19th December 2014	3,968
	32,548
<i>Other</i>	
Growth Fund Study	170
Crystal Place Development work	200
Bromley Town Centre	245
Queens Gardens Bromley	990
Strategic Property Costs	258
	1,863
Less: Allocated to Growth Fund (Executive 26/11/14)	-10,000
Uncommitted Balance on Investment Fund	21,717

3.12 In addition to the sums identified above, a further sum of £4.4m will be added to the Investment Fund as part of the 2015/16 budget proposals and Members are also asked to approve a further addition of £15m to the Capital Programme (to be met from capital receipts) to supplement the Fund in 2016/17. This would bring the uncommitted balance on the Investment Fund up to £36.7m.

4. POLICY IMPLICATIONS

4.1 Capital Programme monitoring and review is part of the planning and review process for all services.

5. FINANCIAL IMPLICATIONS

5.1 These are contained in the main body of the report and in the appendices. Attached as Appendix D is a capital financing statement, which gives a long-term indication of how the revised Programme would be financed if all the proposed changes were approved and if all the planned receipts were achieved. The phased transfer of rolling programmes of maintenance-type expenditure from capital to revenue was completed in the 2009/10 budget and the financing projections continue to assume no General Fund support to the revenue budget in

future years. They also assume approval of the revised capital programme recommended in this report, together with an estimated £2.5m pa for new capital schemes and service developments from 2017/18 onwards.

Non-Applicable Sections:	Legal and Personnel Implications
Background Documents: (Access via Contact Officer)	<p>Departmental monitoring returns January 2015. Approved Capital Programme (Executive 26/11/14). A New Approach for Bromley Museum (Executive 11/02/15) Q2 Monitoring report (Executive 26/11/14). Capital appraisal forms submitted by Chief Officers in November 2014. Report to Council Directors' meeting 10/12/14. List of potential capital receipts from Valuation & Estates as at 08/01/15.</p>

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APPENDIX A - VARIATION SUMMARY

CAPITAL PROGRAMME MONITORING - FEB 2015 - SUMMARY OF VARIATIONS FROM APPROVED PROGRAMME

Variations on individual schemes	Date of Portfolio meeting	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	TOTAL £000	Comments/reason for variation
Current Approved Capital Programme								
Programme approved by Executive 26/11/14	Exec 26/11/14	59,176	57,316	31,707	4,582	0	152,781	
Bromley Museum at the The Priory	Exec 22/07/14	-2,032	-241				-2,273	
Property Investment Fund - additional acquisition	Exec 19/12/14	3,968					3,968	
Beacon House Refurbishment	Educ 06/01/15		3,000				3,000	
Gateway Review of Housing I.T System	Exec 14/01/15		200				200	
Approved Programme prior to 3rd Quarter's Monitoring		61,112	60,275	31,707	4,582	0	157,676	
Variations in the estimated cost of approved schemes								
(i) Variations requiring the approval of the Executive								
Deletion of residual budgets re. completed scheme								See paragraph 3.3.1
- Penge/Anerley Libraries - 46 Green Lane		-49					-49	
- Increasing Network Security		-3					-3	
- Newstead Wood Tennis Centre		-60					-60	
Social Care Grant Allocation for 2015/16			663				663	See paragraph 3.3.2
Additional TfL funding for Highway schemes		101					101	See paragraph 3.3.3
Relocation of Exhibitions - Bromley Museum	Exec 11/02/15		395				395	See paragraph 3.3.4
Property Investment Fund - acquisition not progressing / reduced costs		-264	-6,030				-6,294	See paragraph 3.3.5
Virement re. Riverside School project:								See paragraph 3.3.6
From: Reconfiguration of Special Schools		-113					-113	
To: Basic Need		113					113	
Addition to Investment Fund				15,000			15,000	See paragraph 3.11
		-275	-4,972	15,000	0	0	9,753	
(ii) Variations not requiring approval								
Rephasing of schemes from 2014/15 into 2015/16		-8,377	8,377	0	0	0	0	See paragraph 3.3.7 and Appendix B
TOTAL AMENDMENT TO CAPITAL PROGRAMME		-8,652	3,405	15,000	0	0	9,753	
Add: Proposed new schemes (see Appendix C)		0	930	30	30	4,610	5,600	
TOTAL REVISED CAPITAL PROGRAMME		52,460	64,610	46,737	4,612	4,610	173,029	
Less: Further slippage projection		-2,000	-5,000	2,000	2,000	2,000	-1,000	
Add: Estimate for further new schemes					2,500	2,500	5,000	
TOTAL TO BE FINANCED		50,460	59,610	48,737	9,112	9,110	177,029	
NB. ROUNDED		50,460	59,610	48,740	9,110	9,110	177,030	

Variations on individual schemes	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	TOTAL £000	Comments/reason for variation
Rephasing of schemes						
Upgrade of Core Network Hardware	-189	189				0 Due to the number of concurrent major projects in progress with CAPITA, we will postpone the core switch implementation until 15/16. Although we are still proceeding with other hardware replacements as required, we request to rephase £189k into 15/16
Replacement of MD110 telephone switch	-651	651				0 Certain telephone lines will remain with Damovo until the gateway review of telephony circuits & minutes has been finalised. We expected further work on Anerley Business Centre, Yeoman House and Lync voice recorder system and request to rephase £651k into FY15/16
Server Virtualisation	-14	14				0 The POC (Proof of Concept) with Microsoft proved to be extremely useful and we are now looking to build a new virtualization platform based on Hyper-V. However, we do not anticipate a start until FY15/16 and request to rephase £14k into next financial year.
Replacement of Storage Area Network	-338	338				0 The major SAN replacement project has been postponed due to conflicts with other major projects until Mar 15, however we are still proceeding with some parts of the project. Request to rephase a further £338k to 15/16 to cover major SAN replacement.
Rollout of Windows & Office 2000	-441	441				0 Work is progressing and has been re-baselined. There has been a new plan for the rollout due to the problems experienced at other councils. Request to rephase £441k in FY15/16.
SharePoint Productivity Platform upgrade / replacement	-130	130				0 Initial consultancy work has been completed and work will commence pending the final agreement on the contract to be signed. Request to rephase £130k into FY15/16.
London Private Sector Renewal Schemes	-76	76				0 Anticipate a potential £10k additional expenditure to be spent by end of March. Request to rephase the remaining balance £76k into FY15/16 which will mainly be used for works relating to empty properties.
Renovation Grants - Disabled Facilities	-236	236				0 We have £567k of outstanding works on approved projects (Uniform as of Jan 15), of which we anticipate around £389k will be spent in FY15/16. There are further £1.05m of pre-approved projects which we expect to start in FY15/16 and FY16/17. We expect £1.05m of works to be completed in FY14/15 and request to rephase £236k into FY15/16
Empty Homes Programme	-250	250				0 Take-up has increased and the scheme is being heavily targeted. 25 additional potential properties have been identified and negotiations are underway. Request to rephase £250k into FY15/16
Bromley MyTime Investment Fund	-30	30				0 £330k will be spent in FY14/15 for improvements at Beckenham Spa. Request to rephase the remaining balance £30k into FY15/16
Early Education for Two Year Olds	-852	852				0 It is unlikely that the Early Years capital will be fully spent in this financial year as the schemes are not yet fully established. Request to rephase the remaining balance £852k to FY15/16 which relates to the works required at James Dixon, Poverest, and Leesons Schools.
Transforming Social Care	-52	52				0 Request to rephase £52k to FY15/16 to support the SCIS gateway review process.
Former Chartwell Business Centre	-11	11				0 Request to rephase the remaining balance £11k into FY15/16 as provision is required in relation to costs to investigate / remedy a latent defect.
FIS upgrade / replacement of unsupported software	-30	30				0 Request to rephase £30k to FY15/16. This sum is expected to be required for further enhancements relating to the Oracle R12 upgrade, Windows 7 upgrades, Version One and other financial system upgrades.
Manorfields - Temporary Accommodation	-375	375				0 Planning permission for Manorfields has not been approved yet. Request to rephase £375k into FY15/16
Care Homes - improvements to environment for older people	-2	2				0 This funding was provided to support care homes in the voluntary/independent sector to improve the environment in care homes for older people. Care homes are able to "bid" to the Council for this funding and there are criteria agreed for this. Request to rephase the remaining balance into FY15/16, as expenditure is unlikely to occur in FY14/15.
Social Care Grant	-845	845				0 Capital works to Council owned learning disability properties (agreed by Executive in 2013) is out to tender. Bid for £260k has been agreed by Executive in respect of proposed investment in older people day opportunity services and works are expected to start in FY15/16. Request to rephase remaining balance £845k into FY15/16 to support the reconfiguration of extra care housing.
Biggin Hill Leisure Centre	-95	95				0 Request to rephase the remaining balance into FY15/16 as it is unlikely that final payment (final retention) on Biggin Hill will be released before end of March
Street Lighting Invest to Save Initiative	-600	600				0 As agreed by Executive 15/10/14, project has been amended. Additional connections are being passed to UKPN as a result of a previously unknown interconnected network. We aim to complete the scheme and clear all invoices by the end of March. However, we request to rephase £600k into FY15/16 which includes £500k contingency and £100k for any unexpected delay.
Winter maintenance - gritter replacement	-34	34				0 Ongoing assessment of equipment throughout this winter season in conjunction with Highways and Area Management Colleagues. For FY14/15 we anticipate £14k of expenditure on related equipment. Request to rephase £34k into FY15/16
Star Lane Traveller Site	-100	100				0 The property division have now commenced this project and are currently working through the full specification with Thames Water. At this stage they are confident that the work will progress during the current financial year, however the full specification has not been completed yet. It is likely that the completion date will be in Qtr1 15/16. Request to rephase £100k into FY15/16.
Payment in Lieu Fund	-520	520				0 Spend for Site K allocation (start on site tranche) is now expected to be delayed until FY 15/16 based on some delays in the early stages of the development. The remaining expenditure related to the acquisition of residential properties is expected to be concluded in FY14/15. Request to rephase the remaining balance into FY15/16.
Seed Challenge Fund	-450	450				0 Await invoices for work on School. £300k of work allocated in January 2015 and it is not expected to start in this financial year. We anticipate that around 50% of the outstanding grants will not be claimed before year end (£150k). Request to rephase £450k into FY15/16
Security Works	-236	236				0 Ad hoc security works for schools. Works on Kingswood and Poverest are at tender stage. Expected a further £100k of works to be completed by Mar 15. Request to rephase the remaining balance £236k into FY15/16
Suitability / Modernisation issues in schools	-300	300				0 Request to rephase £300k as capital works at Bromley Road Primary to support reorganisation from Infant to Primary school will be carried out in FY15/16.
Capital maintenance in schools	-50	50				0 Works are managed by the Property division and approx. £1.3m of works are committed this year (which includes £100k on Burwood). Majority of works have been completed, and request to rephase £50k into FY15/16.
Children and Family Centres	-95	95				0 Castlecoble works completed during Summer 2014. Works at Mottingham (managed by Property) are due to be undertaken in the current financial year, however it is not anticipated to be completed until FY15/16. Request to rephase £95k into FY15/16.
Langley Park Boys School - BSF (Building Schools for the future)	-50	50				0 Awaiting final completion of works (subject to weather conditions) and final account being agreed with contractor. Request to rephase £50k into FY15/16 to cover outstanding costs including consultancy costs
Primary Capital Programme	-120	120				0 Scheme completed, awaiting outstanding final invoices including consultancy costs. Request to rephase the balance of £120k into FY15/16. Once all outstanding invoices are paid, any funding that may remain will need to be returned to Basic Need as allocations were made from this funding source to underpin this scheme.
Basic Need	-1,000	1,000				0 Various projects are in the planning stage, and some schemes have been tendered and works have recently started. However we do not expect the work to be completed in FY14/15 and request to rephase £1m into FY15/16. These projects includes Bromley Road, Churchfield (due to start in Summer FY15/16), Clare House and St Pauls Cray of which some are total rebuild.
Universal free school meals	-205	205				0 We expect an additional £150k of work to be completed before end of Mar 15, total value of work completed in FY14/15 to be £182k. Request to rephase the remaining balance £205k into FY15/16.
TOTAL REPHASING ADJUSTMENTS	-8,377	8,377	0	0	0	

Capital Scheme/Project	Priority	TOTAL £000's	15/16 £000's	16/17 £000's	17/18 £000's	18/19 £000's	Revenue effect		Comments
							Running £000's	Financing £000's	
Windows Server 2003 replacement program	HIGH	900	900				0	18	To migrate from Windows Server 2003 to a supported version of the operating system
Emergency Works on Surplus Sites	HIGH	120	30	30	30	30	0	2	For emergency works that may arise to facilitate the sale of a surplus property and to ensure the Council complies with its statutory obligations.
Transport for London (Highway Schemes)	HIGH	4000				4000	0	0	Schemes to be fully funded by Transport for London
Devolved Formula Capital	HIGH	390				390	0	0	100% funded by government grant
Schools Access Initiative	HIGH	150				150	0	0	Works under Disability Discrimination Act (100% revenue contribution from schools' budget)
Feasibility studies - block provisions	HIGH	40				40	0	1	Provision for 14/15 - 17/18 already in Capital Programme
GRAND TOTAL NEW CAPITAL BIDS		5600	930	30	30	4610	0	21	

COST TO THE COUNCIL (LBB RESOURCES)	15/16 £000's	16/17 £000's	17/18 £000's	18/19 £000's	TOTAL £000's
Grand total new bids above	930	30	30	4610	5600
<u>External funding for new bids</u>					
Transport for London (Highway Schemes)	0	0	0	-4000	-4000
Devolved Formula Capital	0	0	0	-390	-390
Schools Access Initiative	0	0	0	-150	-150
Funding from Council's resources	930	30	30	70	1060

100% TFL funding
 100% government grant
 Revenue contribution from schools' budget

CAPITAL FINANCING STATEMENT Executive 11/02/15 - ALL RECEIPTS										
(NB. Assumes all capital receipts - see below)										
	2012-13		2013-14		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Estimate	Actual	Estimate	Actual	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000	£000	£000's	£000's	£000's	£000's
<u>Summary Financing Statement</u>										
Capital Grants	9,610	7,755	5,560	2,971	8,532	38,282	22,912	302	302	302
Other external contributions	11,070	9,036	8,960	8,047	8,280	8,130	7,390	4,000	4,000	4,000
Usable Capital Receipts	6,520	4,636	1,400	510	2,948	11,898	18,168	4,538	4,538	3,538
Revenue Contributions	4,870	6,927	15,700	13,681	30,700	1,300	270	270	270	270
General Fund	0	0	0	0	0	0	0	0	0	0
Borrowing	0	0	0	0	0	0	0	0	0	0
Total expenditure	32,070	28,354	31,620	25,209	50,460	59,610	48,740	9,110	9,110	8,110
<u>Usable Capital Receipts</u>										
Balance brought forward	14,002	14,002	11,797	11,797	21,987	28,469	22,771	12,633	9,125	5,617
New usable receipts	7,230	2,431	10,400	10,700	9,430	6,200	8,030	1,030	1,030	2,030
	21,232	16,433	22,197	22,497	31,417	34,669	30,801	13,663	10,155	7,647
Capital Financing	-6,520	-4,636	-1,400	-510	-2,948	-11,898	-18,168	-4,538	-4,538	-3,538
Balance carried forward	14,712	11,797	20,797	21,987	28,469	22,771	12,633	9,125	5,617	4,109
<u>General Fund</u>										
Balance brought forward	31,609	31,609	20,000	20,000	20,000	20,470	20,470	20,470	20,470	20,470
Less: Capital Financing	0	0	0	0	0	0	0	0	0	0
Less: Transfer to earmarked reserves 31/3/11	0	-20,692	0	0	0	0	0	0	0	0
Less: Use for Revenue Budget	1,711	9,083	1,630	0	470	0	0	0	0	0
Balance carried forward	33,320	20,000	21,630	20,000	20,470	20,470	20,470	20,470	20,470	20,470
TOTAL AVAILABLE RESERVES	48,032	31,797	42,427	41,987	48,939	43,241	33,103	29,595	26,087	24,579
Assumptions:										
Rolling programmes - £1.5m t/f to revenue in 2009/10 (i.e. completes the transfers).										
General Fund contribution to support revenue budget - zero in 2012/13 and no further contributions thereafter.										
GF contribution to support capital programme not required in any year.										
New capital schemes - £2.5m p.a. from 2017/18 for future new schemes.										
Capital receipts - includes figures reported by Property Division as at 08/01/15 (pessimistic/realistic estimate, including Tweedy Road & Town Hall) and £1m pa from 2017/18.										
Current approved programme - as recommended to Executive 11/02/15										

Report No.
CS14075

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker: Executive

**For Pre-Decision Scrutiny by Care Services PDS
Committee on 29 January 2015 and oversight by the
Health and Wellbeing Board on 29th January 2015**

Date: 11 February 2015

Decision Type: Non-Urgent Executive Non-Key

Title: **COMMUNITY SERVICES INTEGRATION**

Contact Officer: Terry Parkin, Director, Education, Care and Health Services
Tel: 020 8313 4060 Tel No E-mail: terry.parkin@bromley.gov.uk

Chief Officer: Terry Parkin

Ward: All Wards

1. Reason for report

- 1.1 To set out the options for progressing integration of adult social care assessment and care management functions with community health services commissioned by Bromley Clinical Commissioning Group.
-

2. **RECOMMENDATIONS**

- 2.1 **Care Services PDS Members are asked to note and comment on the details of the report;**
- 2.2 **Health and Wellbeing Board Members are asked to have oversight of the proposals made in this report;**
- 2.3 **Executive Members are asked to note the options and agree that the steering group explore the options set out in para 3.3 with the borough's existing community health services provider, Bromley Health Care (BHC) and their commissioners, Bromley Clinical Commissioning Group (BCCG).**

Corporate Policy

1. Policy Status: New policy. To explore joint integrated services with Health partners
 2. BBB Priority: Supporting Independence. To align delivery of community services to maximise independence
-

Financial

1. Cost of proposal: Executive agreed in July that £250k be made available to the Director of Education, Care and Health Services, to be spent in agreement with the Care Services Portfolio Holder, the Director of Finance and Director of Corporate Services, to provide capacity to explore further options for the future delivery of adult social care and that these funds be made available from the £1.936m Department of Health funding which is held in central contingency for the purpose of integration of health and social care.
 2. Ongoing costs: Non-recurring cost
 3. Budget head/performance centre: Adult Social care
 4. Total current budget for this head: £30m
 5. Source of funding:
-

Staff

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

Legal

1. Legal Requirement: Non statutory – Government guidance detailed legal implications depend on which option is progressed post evaluation of options
 2. Call-in: Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Bromley population using health and care services
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Impacts all boroughs – not a ward specific issue
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 Bromley Clinical Commissioning Group (BCCG) have confirmed to the Director of Education, Health and Care Services their intention subject to a formal decision, to extend their existing Community Health Services contract until at least March 2017, but possibly later depending on the complexities of drawing-up such a contract.
- 3.2 BCCG recognise the benefits of integrating their community health services with Bromley Council's social care assessment and care management services in order to offer Bromley residents a fully integrated community health and care service.
- 3.3 This decision and clarity of purpose from the BCCG is welcomed and presents the Council with the opportunity to explore three options in order to work with health partners to progress this direction of travel.

Option 1: To work with BCCG on a joint specification for community services in preparation for a joint procurement to deliver a new joint service from 1st April 2017.

Option 2: To pursue option 1 but also to start looking at 'soft' integration opportunities with Bromley Healthcare to start to align the services ready for re-procurement.

Option 3: To pursue option 1 but to also start to fully test a fully integrated service by formally transferring social care staff to the existing community provider, Bromley Health Care.

3.4 Proposed work and timelines

- 3.5 The steering group is requesting authorisation to fully explore these options with the existing community health services provider, Bromley Health Care (BHC) and their commissioners, Bromley Clinical Commissioning Group (BCCG). A report can then be tabled for Executive setting out the options in more detail along with recommendations based upon the findings, which could come back to Members in June.
- 3.6 To support this work the steering group will explore the potential for a joint bid with BCCG and BHC against NHS England's new "*£200m investment fund to promote transformation in local health economies, with a particular focus on investment in the new models of care*". This funding could supply the extra capacity needed to explore how the integration of staff, budgets, and systems would work in detail and how the services could be aligned to provide best value. It would also help with the work required to analyse the scope of integration and to clarify the risks involved in pursuing any of the options set out. These tasks can be achieved internally but the investment would allow us to move at a greater pace and a shared bid would create the necessary buy-in across all parties. BCCG and the Council have already agreed to work on a joint transformation programme into integrated out of hospital services and are currently composing a specification.
- 3.7 It will be necessary to engage widely with stakeholders, including staff, in order to fully evaluate the options. Therefore it is the steering group's intention to initiate discussions with Bromley CCG, Bromley Healthcare and relevant adult social care staff (including with trade union and staff side representatives) starting in February and running through to April to inform the evaluation of the options. Recommendations will then be brought back in June for decision. This timeline covers the period of the national elections and so by necessity has to be longer than normal as Council must be conscious of the rules regarding purdah.

3.8 National Drivers

- 3.9 The attractions of integrated services in this area continues to receive a lot of public attention and is likely to be included in all parties' manifestos in the run up to the national elections. The reasons for integration have been discussed at length and include:
- That the two existing separate function of social care and health care are under severe financial pressures and the existing model does not look sustainable – integration is seen (at least in part) as being a way to sustain critical service provision
 - That residents do not understand where health starts and social care stops and vice versa and commissioning these services under one provider to achieve outcomes, such as joint assessments should improve the experience for users
 - Professionals struggle to deliver clear care pathways for residents given the number of commissioners, providers and siloed budgets involved across the current system and integration is seen as a way of addressing some of these blockages
 - National government funding streams (e.g. Better Care Fund) are likely to force the issue over time to move towards integrated models of care and local areas will need to adapt
- 3.10 Shortly before Christmas, the Chief Executive of the NHS published his 'Five Year Forward View'. Page 4 includes this important statement:

Third, **the NHS will take decisive steps to break down the barriers in how care is provided** between family doctors and hospitals, between physical and mental health, between health and social care. The future will see far more care delivered locally but with some services in specialist centres, organised to support people with multiple health conditions, not just single diseases.

- 3.11 On the same day, the Statutory Guidance for the Care Act, which applies to top tier and unitary authorities in England, was published. Paragraph 15.7 states:

A local authority must promote integration between care and support provision, health and health related services, with the aim of joining up services. To ensure greater integration of services, a local authority should consider the different mechanisms through which it can promote integration.

- 3.12 Investigation of the options given above, therefore, will ensure the Local Authority has met fully its obligations to explore integration and will allow Members to be presented with options for the future delivery of health and social care.

4. POLICY IMPLICATIONS

- 4.1 Proactively exploring the advantages of integration is in line with both national and local policy priorities including Care Act, Better Care Fund and local Corporate Operating Principles.
- 4.2 Integration also supports the Council's Building a Better Bromley aim of supporting independence by seeking to streamline community health and care services to create an efficient, joined up community service that meets residents' needs, preventing the requirement for long term bed based care packages and the need for unplanned hospital admissions.

5. FINANCIAL IMPLICATIONS

- 5.1 None arising directly from this report. The evaluation of the options will be reported to Executive in June with the associated financial implications prior to any decision being made.
- 5.2 At this stage it is not possible to identify the full financial implications of each option. There will be various factors to consider including, for example,
- (a) the budget management and control arrangements arising from each option;
 - (b) the extent to which ongoing funding will be “locked in” and how future cost pressures and saving requirements would be addressed within each option;
 - (c) the final outcome of joint procurement would not be known until late 2016;
 - (d) any costs arising from employment changes;
 - (e) future opportunity to redirect “acute care” costs/share savings.
- 5.3 Depending on what might be in the scope the Council’s services under consideration range from between £30m and £34m. This excludes the services commissioned by Bromley CCG.
- 5.4 There are considerable service benefits through integration and scope to reduce duplication and achieve economies of scale. The report seeks Members agreement for the exploration of the 3 options shown in para 3.3 which will enable the financial implications to be identified.

6. LEGAL IMPLICATIONS

- 6.1 The legal implications, should one of these options be progressed, will depend on which option is selected by members at a future date, and each is dealt with below

6.2 Option1

Legally this is the most straight forward and the Council would need to work with the CCG to ensure that any procurement is compliant with European, national and local procurement rules. There would at various stages in the process be the need to consult with service users’, employees and other interested parties. An equality impact assessment may also be required. The above requirements would also be relevant for the other two options.

6.3 Option 2

In so far as it does not involve procurement then, the main issue to be covered off will be around general consultation and structuring any agreements. If there is an element of procurement then regard will need to be given to the relevant procurement rules and the position set out below under Option3.

6.4 Option 3

The structure of BHC means that the Council would not be able to avail itself of the more streamlined means of service transfer that we could if they were a health organisation by using for example, an agreement under section 75 of the National Health Services Act 2006. The transfer of services would count as a service contract under European/national procurement rules. The position is complicated as these rules are in a stage of transition. At present the services are included in Part B of schedule 3 to the Public Contracts Regulations 2006. Part B

services are services to which the full effect of the European procurement regime does not apply although general duties around fairness and transparency do.

When the 2015 regulations come into force this will remove the distinction between Part A and Part B services although a more relaxed procurement system may still exist for some services of this nature.

If the Council was merely seeking to outsource its services then it is more likely than not that the opportunity would need to be advertised. However merger or integration of the services presents a different position. As long as BHC retain their contract with the CCG, it is effectively the only organisation with which we can integrate as there is no other organisation which can undertake the relevant services for the CCG at present.

Both the 2006 regulations and the draft 2015 regulations recognise this position. Regulation 14 (1)(a)(iii) of the 2006 regulations, provides that a negotiated procedure without notice may be applied in a case of a public contract when for technical or artistic reasons, or for reasons connected with the protection of exclusive rights, the public contract may be awarded only to a particular operator .

The position in the draft 2015 regulations is broadly similar with a specific new proviso around the protection of exclusive rights that for the exemption to apply no reasonable alternative or substitute should exist and in addition that there is no narrowing of the parameters of the procurement to achieve this.

BHC effectively have exclusive rights to deliver services for the CCG under the present arrangements. There is presently no local competitor available if we are looking at securing an integrated service.

Any joint arrangement will be for a limited period likely to be between 2-3 years before a full EU compliant tendering process is undertaken. Therefore as the objective in the medium term is to secure an integrated service then given BHC`s exclusive position on provision of services a service transfer to achieve integration is likely to be compliant with the position in regulation 14 of the current regulations and/or draft regulation 32 of the draft 2015 regulations.

- 6.5 The options outlined above have the potential to deliver social benefits to client groups through an integrated service and also may deliver economic benefits through integration. On this basis whilst more detailed analysis may be required the proposals appear consistent with the aims of the Social Value Act 2102.

7. PERSONNEL IMPLICATIONS

- 7.1 As stated in paragraph 3.5 above staff perspective and cooperation is key to any collaboration and integration with the health service. The cultural/industrial relations challenge is equally as important as the legal implications of the three options bring explored for Member consideration. There is a wealth of evidence to underline the importance of staff participation in the integration journey. Staff are aware of the financial pressure for change and the enormous benefits to service users by the integration agenda. It is a bit clichéd but the integration between health and social care is inevitable but staff and their representatives can meaningfully contribute to the debate on how to maximise the benefits of integration, the merits and demerits of the three options, and the associated skills and competencies required going forward.

- 7.2 The employment law implications will vary from option one to option three but these may include redundancy dismissal, contract variations, TUPE, etc. These issues will be raised and considered with staff and their representatives during and after the initial options appraisal

exercise. Depending on Member decision on the three options the council is required to enter into separate meaningful staff and trade union consultations to manage the staffing issues, with a view to remove or mitigate the impact on affected staff. The Council's approach is set out in the Managing Change a Procedure

Non-Applicable Sections:	
Background Documents: (Access via Contact Officer)	Adult Social Care investment Proposal 22nd July 2014

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Report No.
CS14107

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker: Executive

For Pre-Decision Scrutiny by Care Services PDS Committee on:

Date: 21st January 2015

Decision Type: Non-Urgent Executive Non-Key

Title: DEPRIVATION OF LIBERTY SAFEGUARDS UPDATE

Contact Officer: Claire Lynn, Strategic Commissioner Mental Health and Substance Misuse, Commissioning Division,
Tel: 020 8313 4034 E-mail: claire.lynn@bromley.gov.uk

Chief Officer: Terry Parkin, Executive Director, Education and Care Services

Ward: Boroughwide

1. Reason for report

This report outlines the recent Supreme Court judgement relating to Deprivation of Liberty Safeguards and to deprivation of liberty of individuals. The report considers the implications of the judgement and updates the actions to address these.

The report also outlines the financial implications of this judgement following the mapping of numbers that has been undertaken and requests that the Executive agree further funding from contingency as highlighted in the report to Executive in June.

The report also asks members to note the proposal to establish a framework arrangement to provide the assessments that are required to be undertaken by psychiatrists.

2. **RECOMMENDATION(S)**

2.1 Members of Care Services PDS are asked to note and comment on the contents of the report

2.2 The Executive is asked to

- agree the additional funding of £163,345 for 2014/15 and recommends the inclusion of £628,040 in the 2015/16 budget to meet the requirements of the Supreme Court Judgement. For 2015/16, due to the uncertainty of the potential costs, half of the funding should remain in contingency and be subject to a further report to Executive in the new financial year.
- note the intention to commission the services of doctors as required using a framework agreement, in order to fulfil the Council's duties under the Mental Capacity Act 2005.

Corporate Policy

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

Financial

1. Cost of proposal: Estimated cost £ 263,765 2014/15 £728,460 full year
 2. Ongoing costs: Recurring cost. £728,460
 3. Budget head/performance centre: Mental Capacity Act
 4. Total current budget for this head: £100,420
 5. Source of funding: Core funding
-

Staff

1. Number of staff (current and additional): 1 wte temporarily, 1.5 wte established post
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: Statutory requirement. Mental Capacity Act 2005
 2. Call-in: Call-in is applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 900-1000 people
-

Ward Councillor Views

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

3. COMMENTARY

- 3.1 The Deprivation of Liberty Safeguards (DOLS), introduced as an amendment to the Mental Capacity Act in April 2009, aimed to prevent decision making which deprived people of their liberty unless properly authorised. The safeguards cover people, regardless of the funding source, in registered care/nursing homes and in hospitals, who have a mental disorder, and who lack the capacity to consent to the care provided, where that care may include the need to deprive people of their liberty. It does not apply to people detained under the Mental Health Act 1983.
- 3.2 Hospitals and care homes are the 'managing authorities', and under the Act are responsible for identifying when a deprivation of liberty is occurring within their own service provision and for making referrals to the designated 'supervisory body'. The supervisory body is the Local Authority for both health and social care provision.
- 3.3 The assessment process for a Deprivation of Liberty Safeguard is that the hospital or care/nursing home submit a request for an authorisation to the supervisory body, Bromley Council. This request, regardless of who is funding the placement, can either be:

Urgent , if there has been an unforeseen change in need , which requires an assessment within 7 calendar days;

Standard which requires an assessment within 21 calendar days.

On receiving the request a doctor, who is qualified under section 12 of the Mental Health Act 2007, and a Best Interest Assessor are identified (usually a qualified social worker who has received accredited training) to complete the following assessments:

- Establishing the individual is over 18 years;
- Individual lacks capacity to consent to being in the care home or hospital in order to receive the care or treatment that is necessary to prevent harm to them;
- Individual has a mental disorder;
- Whether this is the least restrictive placement and whether it is in the individual's best interest to be deprived of their liberty;
- That the individual is not liable for detention or treatment under the Mental Health Act;
- Whether there is an advance decision or any other legal notice in place

The Best Interest Assessor must also identify someone to represent the person for the length of time the DOLS is in place; this is usually a member of their family. On completion of these assessments and the paperwork the Executive Director for Education, Care and Health Services authorises the DOLS. This has to be reviewed a minimum of annually although in some cases it will be more regularly than that, which requires the above process to be repeated. This process is outlined in the legislation and in the statutory code of practice on deprivation of liberty.

- 3.4 Nationally there was a year-on-year increase in the number of applications completed for Deprivation of Liberty Safeguards since their introduction in 2009/10. This was not reflected in the Bromley figures which remained reasonably static (although the numbers are small).

Year	Number of applications nationally	% increase in applications nationally	Number of applications in Bromley
2009/10.	7,157	n/a	4
2010/11	8,982	26	14
2011/12	11,382	66	6
2012/13	11,887	4	5
2013/14	n/a	n/a	15

3.5 On 19 March 2014, the Supreme Court handed down its judgments in the case of “P v Cheshire West and Chester Council and another” and “P and Q v Surrey County Council”. The full judgments can be found on the Supreme Court’s website at the following link: http://supremecourt.uk/decided-cases/docs/UKSC_2012_0068_Judgment.pdf

3.6 The Supreme Court held that the individuals, all young people with learning difficulties, had been deprived of their liberty as they were under continuous supervision and control and were unable to leave their placements. This was the case even though the individuals enjoyed lives outside their placements and seemed to be content with their situations. The Court held that the individuals were entitled to the protection afforded to them by the Mental Capacity Act 2005, which requires, among other things, a periodic review to ensure the deprivation of liberty remains in the individual's best interests.

3.7 The Supreme Court confirmed that to determine whether a person is deprived of their liberty there are two key questions to ask, which they describe as the ‘acid test’:

- Is the person subject to continuous supervision and control? (all three aspects are necessary)

AND

- Is the person free to leave? (The person may not be saying this or acting on it but the issue is about how staff would react if the person did try to leave).

This now means that if a person is subject both to continuous supervision and control and not free to leave they are deprived of their liberty. Unfortunately the Court did not define these elements.

3.8 The judgment is significant in determining whether arrangements made for the care and/or treatment of an individual lacking capacity to consent to those arrangements amount to a deprivation of liberty. The Court emphasised that even though an individual may never have tried to leave, the fact that there are measures in place to prevent them from leaving amount to a deprivation. A deprivation of liberty for such a person must be authorised in accordance with one of the following legal regimes: a deprivation of liberty authorisation or Court of Protection order under the Deprivation of Liberty Safeguards in the Mental Capacity Act 2005, or (if applicable) under the Mental Health Act 1983.

3.9 The other consequence of the Supreme Court judgements is that a deprivation of liberty can take place because of a care regime in supported living, day care or the individual’s own home and although currently the Mental Capacity Act does not cover a Deprivation of Liberty Safeguard process being followed these situations should be referred to the Court of Protection. The judgement also lowered the age of consideration for a deprivation of liberty to 16 years. This is in terms of an individual’s capacity and takes no account of whether there is parental consent for any care regime

4 UPDATE ON THE ACTIONS FOLLOWING THE SUPREME COURT JUDGEMENT

- 4.1 Following the Supreme Court judgement a report was agreed at Executive to drawdown monies from the Local Reform and Community Voices grant in order to meet the initial work that needed to be undertaken to map the implications of these judgements. This has included ensuring that staff are fully briefed, that all applications are responded to within the timeframes and that work was undertaken to identify the numbers of people who may be subject to deprivation of liberty.
- 4.2 Since the April 2014 Bromley has received 247 requests (up to 19/12/14) for people in care/nursing homes and hospitals. Information is being collected by the Department of Health to closely monitor the demand placed on Councils with this change in legislation which is reported in appendix two (Quarter 1 only). The total number of applications from 130 submitting councils in quarter 1 2014-15 was 21,600. In 2013-14 the total number of applications for these 130 councils was 12,400. There has been a further increase for quarter 2 but this detailed information has not yet been published. There are differences in the number of referrals across boroughs, in the main because of the size of the teams carrying out the work and how proactive they are able to be. For example Bexley has a team of nine Best Interest Assessors who are visiting all care/nursing homes and identifying the people subject to a deprivation rather than waiting for the homes to apply. On an on-going basis they have identified that they will need slightly less staff.
- 4.3 Mapping the probable numbers of people in Bromley that Deprivation of Liberty Safeguards (DOLS) would apply to has been difficult as identifying individuals has had to rely on detailed reading of assessments and making assumptions. It has been assumed that 50% of all people in residential/nursing homes should be subject to DOLS and the current referral rate of people in hospital who are subject to DOLS. This equates to 600 people. This level of referrals has not yet been received but can be expected from providers particularly as CQC will be making consideration of deprivation part of their inspection regime. If a referral is received we are unless there are exceptional circumstances which we must justify legally obliged to carry out an assessment within the prescribed timeframes. Damages can be awarded if these obligations are breached and not applying resources to deal with will not be accepted as exceptional circumstances.
- 4.4 For people who lack capacity and who fall outside the primary legislation, i.e. are under other care regimes apart from residential/nursing homes and hospitals, it is assumed there would be approximately 300 individuals to whom this would apply. This is a best case estimate as it assumes 100 young people under 18 who this may affect. Worst case assumes 200 taking the total to 400 people. The numbers depend on advice awaited on the position of residential schools. The Court of Protection has issued the process for cases falling outside of the primary legislation which for uncontested cases would be a paper process to a judge. This would cost £400 per case in Court fees plus assessments by a best interest assessor and Doctor, the latter costing about £300 per assessment and report. For the contested cases there would be an oral hearing costs of which could be between £5,000-£10,000 per case.
- 4.5 The current volume of work has been delivered by a small team of a senior practitioner, two best interest assessors seconded from Care Services with the use of additional assessors based in care services, a co-ordinator (seconded from Strategy and Performance) and other staff time in processing the authorisations. Independent assessors have been used for people placed outside of London and the home counties. Whilst there has been no breach of timeframes this has been difficult to maintain with a small number of staff. The staffing is on a secondment arrangement with locum staff being used to backfill their substantive posts. In all it has taken an average of 16 hours staff time (excluding the doctor and including administration) per assessment which would require at the current level of referrals between 4-5 staff to meet the demand, allowing for leave etc.

- 4.6 It has become evident that the work required to meet these legal requirements of the expected numbers is considerable and would equate to nine staff in total. (Using an average of 16 hours per assessment across 900 assessments). However as it is appropriate for some assessments to use independent assessors and best interest assessors in care services it is recommended that a central team is established with five care managers who are Best Interest Assessors, a senior care manager who will manage the processes required, and a full time administrative coordinator. These arrangement would be in line with other authorities staffing. Consideration has been given to other models of provision for example seconding best interest assessors from care services in the longer term and paying for back fill of their posts, however the costs would be equivalent and the risk is that care services would lose their more experienced staff thus destabilizing the service particularly in the safeguarding aspect of work. Reduction of the proposed staffing required, for example to meet the immediate demands only, would mean that if there was a demand over the current 4/5 assessments per week, assessments could not be completed nor could doctors be engaged to complete assessments. Therefore the authority would breach its statutory responsibility with the risks of Court awarding damages against the Council to individuals or organisations where liberty had been deprived.
- 4.7 A letter has been sent to all care providers to raise awareness of the Supreme Court judgment, as we are obliged to do by the Department of Health, and how to make a referral. Training is being updated both for providers and staff to ensure the awareness of the need to reduce restraint and restrictions and promote liberty in care plans.
- 4.8 The implications arising from this judgement both in terms of practice and also the number of Deprivation of Liberty Safeguards which will need to be considered have been detailed in this report but there may be further cases brought to Court to test circumstances and definitions which could change some of the detail of the provision, at the moment the interpretation of judgement will be left to local areas.

5 FINANCIAL IMPLICATIONS

- 5.1 The activity for Deprivation of Liberty Safeguards is funded through the Mental Capacity Act budget which is £97,180 for 2014/15. This budget is core funding. There is also £24,057 part of the Local Reform and Community Voices grant- 2014/15 which was drawn down following the agreement of the Executive in June 2014. The proposed actions and costs required to meet this statutory requirement detailed to Executive was the costing for the initial implementation which is laid out in the table below alongside the current budget spend.

Budget heading	Current budget	Implementation costs (one off)
Officers pay	£46,080	£3,857
Temporary staff	£15,700	£10,000
Training	£4,100	£7,700
IMCA Service	£25,620	NIL
Advocacy (RPR)	£5,120	£2,500
Supplies	£3,800	NIL
TOTAL	£100,420	£24,057

- 5.3 The table below shows costs additional to the existing budget including the additional costs for 2014/15 and the proposed spend for next year. The 2014 /15 costs reflect the transition process to a position in 2015/16 ensuring that all statutory responsibilities are met if the required staffing is in place.

TASK	2014/15 Part year costs	FULL YEAR COST	COMMENT
DOLS doctors	40,000	120,000	Assuming 50% (600) of people in residential/nursing lacking capacity and the level of hospital referrals remains static at an average of five per

assessments			year and that the average fee remains at £200 Including travel. There may be additional pressures if there is an increase in hospital referrals or a increase in the fees paid for assessments. In order to manage this a approved framework to call off the use of doctors is recommended.
Deprivation doctors assessments for court	15,000	90,000	Assumes 50% of people (200) in supported living including extra care lack capacity plus 100 under 18 who this may affect. Worst case (200). assumes the court will require a S12 doctor to do this at a fee of £300 per assessment.
Legal costs	20,000	141,000	The Court process has been outlined with paper consideration for all cases at £400 except where particularly complicated or is contested and therefore demands a hearing. Assuming 300 cases and the number contested (which is a total unknown) at 1%
Use of IMCA/RPR	5,000	20,000	Based on the assumption that we would require these services for 1 in 25 people subject to DOLS in the best case based on current usage based on 1000 people being assessed. Cost reflects the £5,000 in the existing budget for some of this activity.
Training	nil	20,000	If all assessment / review staff were BIA's and this was part of the care management process then the cost is £1,500 per person with a refresher required annually assuming . Best case assumes an established team of BIAS and on-going training. Additional training is required around MCA which would take it to £20,000
Staffing	83,345	237,040	To establish a central team consisting of the following: Senior Care manager (BR13) plus on costs £44,040 Five care managers (BR11) plus on costs £193,000 Co-ordinator (BR9) plus on costs 37,690 is currently costed against the existing budget
Total additional funding	163,345	628,040	
TOTAL BUDGET	263,765	728,460	

5.4 The doctors who are currently used to provide the required assessments are identified from a list of available doctors, work is offered dependent on location (to reduce travel payments) and cost. There are five doctors we use locally regularly and one we use occasionally (at his request). There are two who cover Kent, one in Essex and one in Sussex-these are used less often. On average doctors locally charge £180 per assessment and travel at 45p per mile, these costs can vary where doctors from other authorities have to be used. It is proposed, in order to meet financial regulations, as usage has increased, to procure these services from a framework of approved providers.

5.5 The additional funding required for 2015/16 could be as high as £628k. However there are some elements of uncertainty that remain in terms of the potential funding requirement. It is therefore recommended that 50% of the £628k (£314k) be agreed to be draw down for 2015/16. The remaining half would remain in contingency and be subject to a further report to Executive in the new financial year once the costs have been clarified further

6 LEGAL IMPLICATIONS

6.1 The statutory regime for the implementation and administration of what is deemed to constitute the deprivation of liberty of an individual is prescribed within sections 4-6 of the Mental Capacity Act 2005 and statutory guidance. These must be read in conjunction with any Judicial authority to interpret the requirements placed upon a local authority or hospital by the recent decision of the Supreme Court in P-v-Cheshire and others . The Supreme Court in the judgments mentioned above has identified a range of people who are subject to DOLS

6.2 We are obliged to put in place and ensure that its DoLS regime is compliant with all legal requirements and have due regard to relevant guidance and case law. Failure by the Council to adopt a lawful , correct and proportionate approach to the application of DOLS in seeking the court to authorise detention would be unlawful. If a deprivation is not authorised there is a material risk that the Local authority could be subject to an application for judicial review a

claim for breach Article 8 of the Human Rights Act (Right to Respect for Private and a Family Life), and a claim for compensation.

- 6.4 There are active advocacy groups in this area and as affected individuals are likely to have access to public funds the litigation risk of non-compliance is significant.
- 6.5 If there is non-compliance there is also a lower but still material litigation risk from care providers if they suffer loss as a consequence,

7 PERSONNEL IMPLICATIONS

- 7.1 In order to obtain the widest field of candidates with the appropriate skills and experience it would be necessary to seek authority to advertise positions both internally and externally in line with the Council's recruitment procedures.

Non-Applicable Sections:	Policy Implications
Background Documents: (Access via Contact Officer)	http://cds.bromley.gov.uk/documents/g4918/Public%20reports%20pack%20Tuesday%2010-Jun-2014%2019.00%20Executive.pdf?T=10

APPENDIX ONE

TASK		DATE TO BE COMPLETED	COMMENT
IMMEDIATE RESPONSE			
Respond to immediate increase in number of DOLS requests	Agreement that existing BIA 's (and their line management) must see any assessment as a priority	On going	Currently there are 16 BIA's. Two BIA's are based centrally to carry out the majority of the work but other BIA's are being used.
	If required pay overtime if capacity of existing staff is problematical	On going	This facility has not been required. Independent BIA's have been employed on a one off basis for individuals in placements where travel for local staff would be excessive. To date just under £4,000 has been spent on this.
	Issue letter to all settings and all partner organisations outlining the judgement.	Completed	Letter was sent to all providers both in borough and out of borough
	Provide guidance for BIAs in light of new judgement	On going	Regular meetings held with all BIA'S to continue to discuss the implications of the judgement and improving practice.
REVIEW OF CASES			
Review any DOLS decisions not granted (or expired) since 2009	Prioritise within that those most like P and Q i.e. learning disability with 1:1 support or similar	Completed	In Bromley this is twelve cases for some DOLS were authorised in light of the new criteria
Review all cases where the individual lacks capacity and direct services are being provided	Map projected numbers of DoLS Cases	Completed	It is assumed that 50% of all cases and new referrals should be subject to DOLS. Assuming 50% (600) of people in residential/nursing lacking capacity and the level of hospital referrals. Best case estimate only of the number of young people (100) under 18 who this may affect. Worst case (200). Awaiting legal advice on the position of residential schools.
	Map projected numbers of Court of Protection (Court of Protection) cases	Completed	It is assumed based on this that there would be approximately 300 individuals this would apply to.
	Prioritise cases identified		This proactive work has not yet commenced due to the volume of referrals from providers
	Establish a plan to screen through these and make applications to Court of Protection where applicable.	Completed	The Court of Protection has issued some detail of the process it will follow and it is recommended that locally the same process as a DOLS will be followed locally with the BIA preparing a report for Court in addition to the Doctors recommendation-this would be

			co-ordinated by the DOLS team.
	Map likely on-going costs to take cases to Court	Completed	The Court has detailed costs as part of the process which will be £400 for paper authorisation if it is a complex or contested case then it would be subject to an oral hearing when costs could be an average of £7,000 per case, obviously the number of these is difficult to forecast but would be a minority.
	Develop process for this Court work and how it is undertaken	Completed	It is recommended that this work is undertaken by a centrally established Deprivation of Liberty Team eventually as part of Safeguarding service using BIAs to prepare the requisite papers for the Court.
	Map and cost the impact on the use of the IMCA and RPR	Completed	An up to date costing is currently being mapped but is part of the review of advocacy services and is also dependent on awaited guidance on independent advocacy as part of the Care Act
INFORMATION/TRAINING REQUIREMENTS			
Inform all key stakeholders of the Supreme Court judgement and of the agreed actions	Key meetings to be identified	On-going	Key meetings have been identified with regular reports to BSAP Executive, PDS, Executive, ECHS MT and the CCG.
Develop tools/guidance to establish practice when providing a direct care regime, ensuring awareness of the need to reduce restraint and restrictions and promote liberty in care plans	This will include attendance at Care Homes Forum, meeting with DoLS Lead CCG & Hospital Trust Discuss with Oxleas and agree actions for mental health	On-going	This is on going
	Develop pack to be given to all individuals assessed for direct services on establishing LPA'S, Advance decisions to ensure that individuals can prepare if they may lose capacity	End of January	The CCG has secure funding for this piece of work, it is currently underway as a joint piece of work with a pack/leaflet being produced both on websites and hard copy for all health and social care providers (including GP's) to use when individuals come into contact with services. Alongside this the funding is also going to be used to produce an information leaflet for providers to issue to families when they are about to make a referral for a DOLS authorisation.
	Ensure that capacity assessments are being completed appropriately and separately on Carefirst by changing the overview assessment form to ensure that the information is captured on the capacity form only	End of June	Carefirst are working on ensuring that if the overview assessment form requires the capacity assessment is completed. The majority of teams have been visited and informed on DOLS changes, least restrictive practice and the legal requirement for capacity assessments. Further training is required and is currently being commissioned by L&D.
Offer training updates/ briefings in as many settings as possible making clear the need for	Training identified for senior managers, refreshers for staff and the need for "roadshows" Develop a training plan for	On going	Session for managers is planned for end of November, with further roadshows planned as required. Meeting to be held with the hospital to look at training of hospital staff

less restrictive options before resorting to DoLS	hospital staff		
	Visit all care management/social work and medical teams to discuss the implications of least restrictive practice	On going	The majority of teams (including children's and education management teams have been visited, this is an on-going process
	Update training materials	Completed	Meeting has been held with Training and development to scope this. Training programme is being commissioned as is a robust process to select individuals for BIA training
	Provide regular briefings as an e mail update using In Touch	On going	This has yet to be done
	Update policies and procedures in line with the acid test	End of January	These procedures are being drafted for consideration .
	Ensure that all staff are aware of the Mental Capacity Act and how to carry out assessments.	On going	Whilst the majority of staff have received training the application of the Act is variable –see comments above
Increase the number of BIA's	Staff have been identified to do the BIA training and refresher training for existing BIA's is also being procured	On going	Three staff were trained as BIA's in May and a robust process has been developed to ensure that staff who request this training can meet the demands of the course and the work.
STAFFING			
Ensure the immediate review work is resourced	Recruit temporary staff (1WTE) to carry out review work	Completed	Two BIA's have been seconded from Care services and an individual to coordinate the administration of this has been seconded from Strategy and Performance. It has been impossible to find agency BIA s on a locum basis but this continues to be pursued.
	Discussions with Legal Services as to the possible impact on their staffing as a result of the review	Completed	Legal services are unable to assess the impact until Court cases are pursued. Their view is that if experience BIA's are part of a central team then routine court papers will be of the required quality reducing the legal services workload

APPENDIX TWO

Quarter one applications for DOLS by comparator or neighbouring boroughs (who provided data to Department of Health)

LA Name	Number of Applications Q1	Number of Applications (2013/14)
Greenwich	47	27
Wandsworth	74	37
Barnet	58	48
Bexley	244	74
Bromley	39	12
Croydon	52	46
Enfield	51	66
Harrow	33	14
Havering	53	27
Hounslow	45	16
Kingston upon Thames	98	28
Merton	46	29
Redbridge	47	29
Richmond upon Thames	103	31
Sutton	50	31

Report No.
ED15039

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Executive

For Pre-Decision Scrutiny by the Education PDS Committee on:

Date: 27th January 2015

Decision Type: Non-Urgent Executive Non Key

Title: **COMMISSIONING OF SPEECH AND LANGUAGE THERAPY**

Contact Officer: Hilary Rogers, Joint Commissioner for Disabled Children, Commissioning & Partnerships
Tel 020 8464 3333 x 3059, e mail: Hilary.rogers@bromley.gov.uk

Chief Officer: Terry Parkin, Executive Director of Education, Care & Health Services

Ward: All Wards

1. REASON FOR REPORT

- 1.1 Speech & Language Therapy and Occupational Therapy for children and young people is currently commissioned from Bromley Healthcare CIC by way of two separate contracts, one with London Borough of Bromley and one with Bromley Clinical Commissioning Group (CCG)
- 1.2 New legislation contained within the Children and Families Act 2014 require local authorities and CCGs to develop robust joint commissioning arrangements where they are providing services to the same cohort of children and young people, and a more consistent and collaborative approach to service delivery will better ensure that the needs of all children can be met
- 1.3 This report seeks permission for the Council to enter into a Section 75 funding agreement with Bromley CCG to enable a single service specification, with Bromley CCG as the lead commissioner and with the Council having joint operational oversight on the contract delivery and performance.

2. RECOMMENDATIONS

- 2.1 **Members of the Education Policy Development and Scrutiny Committee are asked to note and comment on this report prior to Executive being asked to:**
 - a) **consider agreement to the Council including the funding for commissioning of Speech and Language and Occupation Therapy provision which has historically been commissioned by the Council to be included in the current Section 75 agreement with Bromley CCG and for the Council to pass lead commission responsibility to Bromley CCG.**

Corporate Policy

1. Policy Status : Existing Policy – Education Portfolio Plan 2015
 2. BBB Priority: Children & young people enjoy learning and achieve their full potential.
Ensure the health and well-being of children and young people and their families
-

Financial

1. Cost of proposal: £330,000:
 2. Ongoing costs:: This is provision that is ongoing on an annual basis
 3. Budget head/performance centre: SEN & Inclusion (136597/2507)
 4. Total current budget for this head: £331,120
 5. Source of funding: DSG
-

Staff

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

Legal

1. Legal Requirement: Statutory Requirement: Education Act 1996, Children Act 2002,
Children & Families Act 2014
 2. Call-in:: Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Approximately 200 pupils benefit from the existing Council therapy arrangements
-

Ward Councillor Views

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

3. COMMENTARY

- 3.1 The Council has been commissioning speech and language therapy and occupational therapy for pupils in special schools and for pupils in schools with unit provision and for the Inclusion Support Service (ISS) for a number of years. The provider of this service is Bromley Healthcare Community Interest Company (CIC). The value of this contract for 2014/15 is £303,406, plus 'spot purchases' and is delivered on the basis of 38 weeks per year (i.e. school term time only). This contract is specific as to which schools/units it covers and is specific as to the volume of therapy to be delivered within each school/unit.
- 3.2 The Council contract is due to end in July 2015.
- 3.3 The Council's statutory duty is to ensure that all children and young people with SEN are able to access education.
- 3.4 Bromley CCG has also been commissioning community based speech and language therapy and occupational therapy as part of a larger Community Contract with Bromley Healthcare CIC for a number of years. A substantial element of this therapy is delivered in special schools and in schools with unit provision. The estimated value of this element of the Community Contract is approximately £1.4m. The contract is for a 52 week per year basis as it includes provision over and above that delivered in schools, e.g. clinic provision which is all year round.
- 3.5 The CCG contract is currently due to end in March 2016 but it is most likely to be extended for a further period. This limits the Council's commissioning options but also ensures that the Council is not entering into a long commitment to this proposal.
- 3.6 The CCG contract does not specify the school/unit nor the volume of therapy that any school/provision is allocated. The allocation is based on the prevailing needs of all eligible pupils and is reviewed on a termly basis.
- 3.7 There is no clear documented rationale as to how the above division of commissioning arrangements was historically agreed. Appendix A notes the breakdown of current commissioning arrangements within education settings.
- 3.8 LBB commissioned sessions do not include staff training, staff meetings, clinical supervision and continuing professional development. This therefore comes out of the CCG commissioned hours.
- 3.9 Further, there is no agreed mechanism for any increase in provision as the numbers and needs of children within specialist schools and schools with unit provision increase.
- 3.10 This proposal seeks to align both contracts into one commissioning agreement by way of the Council passing its current level of expenditure to Bromley CCG via the existing Section 75 Agreement, with Bromley CCG taking the lead commissioner role.
- 3.11 The Council will take contract monitoring responsibility for service delivery into schools and the role of the Joint Commissioner will monitor assessed need.
- 3.12 The merging of these commissioning arrangements will deliver greater flexibility to service delivery, allowing for the SEN Manager and the Joint Commissioner to ensure that resources are flexibly allocated on the basis of need.
- 3.13 The merging of these contracts will provide a greater resource and opportunity for special schools and schools with units to develop an integrated approach to support for pupils and afford better opportunities for staff to develop language skills.

3.14 An annual review process will be jointly agreed between the Council and Bromley CCG to identify and agree either funding increases or decreases and/or changes to eligibility criteria which recognise the increasing needs and complexity of the SEN population.

4. POLICY IMPLICATIONS

The draft Education Portfolio Plan for 2015 identifies a key objective as being to ensure that all children and young people with SEN have good outcomes, and identifies a commitment to continue to improve the provision of SEN education in the borough. This objective and commitment is dependent upon an adequate level of therapy input within a school environment which enables appropriate access to the curriculum for pupils with SEN.

5. FINANCIAL IMPLICATIONS

- 5.1 The current split of funding across the Council and Bromley CCG in respect of total expenditure on these services is approximately 25/75.
- 5.2 Costs for this proposal will be contained within the 2015/16 budget resources.
- 5.3 Previous agreement to award the contract to Bromley Healthcare have been made on an exemption basis pending time to consider and agree a joint commissioning arrangement with Bromley CCG.

6. LEGAL IMPLICATIONS

- 6.1 The SEN Code of Practice 2014 requires local authorities to provide sufficient support, as determined by assessed need, to enable children and young people with SEN to access the education curriculum. This support includes the provision of speech and language therapy and occupational therapy.
- 6.2 The SEN Code of Practice 2014 requires that joint commissioning arrangements will include specialist support & therapies
- 6.3 A Section 75 agreement is already in place between the Council and Bromley CCG. This agreement will be added to the Schedules.

Non-Applicable Sections:	Personnel Implications
Background Documents: (Access via Contact Officer)	Report to Education PDS 2 July 2014 (No: ED15068) Report to Education PDS 23 January 2013 (Commissioning of Speech and Language and Occupational Therapy for Pupils in Bromley schools) SEN & Disability Code of Practice 2014 www.gov.uk/government/publications/send-code-of-practice

THERAPY PROVISION IN LB BROMLEY SCHOOLS SEPT 14 – JULY 15
(CCG DATA SUBJECT TO CHANGE ON A TERMLY BASIS)
PROVIDER : BROMLEY HEALTHCARE

Special Schools:

	No. pupils on role**	LBB SaLT per week	CCG SaLT per week	LBB O/T per week	CCG O/T per week
The Glebe 16 -19	150	1 day per week plus 20 hours per term	1 day		
Riverside Orpington	163	18 hours per term	4 days	12 hours per term	2 days
Riverside (Beckenham)	47	3 days		2 days	
Grovelands		20 hours per term			
Burwood		3.7hrs once a fortnight plus 30 hours per term			
Marjorie McClure	100	20 hours per term	3 days		2 days

Provisions:

Alexandra Infants	16	½ day	½ day	12 hours per term	
Burnt Ash	18		One day		
Churchfields	20		One day		
Crofton Infants	16	½ day	½ day		
Hawes Down Infants	10		½ day		
Hawes Down Juniors	12		½ day		
Hillside	18		½ day		
James Dixon	13		½ day		
Midfield	16		One day	12 hours per term	
Poverest	17		One day	12 hours per term	
Princes Plain KS2	30	½ day per week plus 3 hours per week (36 hours per term)	½ day (KS1)		
Tubbenden	23		One day		

Other Schools/Provisions:

Darrick Wood Primary and Secondary	28 on SLT role	2 ½ days	2 ½ days		
Darrick Wood Pre School for Deaf Children	Variable	½ day			
Green Street Green Language Class	21		4 days SLT & 5 days SLT assistant		
Raglan Language Class	24	5 days SLT assistant	4 days SLT		
Hayes SPALD	23	3 days			

Pre-School SEN Provision

Phoenix Pre School	48	1 day	2 days		
SPEACS	Variable, approx. 30	1 ½ days			

Other

Assistive Technology Project	variable	½ day	½ day		
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**As at SEN Audit November 2014

Report No.
CS1424

London Borough of Bromley

PART ONE - PUBLIC.

Decision Maker: Executive

For Pre-Decision Scrutiny by Care Services PDS Committee on:

Date: 21st January 2015

Decision Type: Non-Urgent Executive Key

Title: **LONG TERM CARE FOR OLDER PEOPLE - EXTRA CARE HOUSING SUPPLY AND DEMAND**

Contact Officer: Lorna Blackwood, Assistant Director Commissioning
Tel: 020 8313 4613 E-mail: lorna.blackwood@bromley.gov.uk

Chief Officer: Terry Parkin, Executive Director Education, Care & Health

Ward: (Farnborough and Crofton Ward)

1. Purpose of report

1.1 In October 2013 Care Services Policy Development and Scrutiny Committee received an update (Report CS13045) on the Council's extra care housing strategy for older people. The report set out the current provision within the borough and the position with regard to numbers of people living in extra care and residential care as well as the 2013/14 budget position. The report highlighted that there were at that time 14 voids within the extra care service and that officers would continue to monitor whether future demographics and anticipated demands on the service supported any further extra care developments in the borough.

1.2 In the intervening period the level of voids in extra has remained high (as at the end of December 2014 there are 35 voids), placing further pressure on the adult social care budget. At the same time, Affinity Sutton, which owns 3 of the extra care housing scheme buildings, has been considering the future viability of the buildings in terms of their maintenance programme, and have identified Lubbock House as not being viable in the long term due to its condition. As a result this report is seeking agreement to commence consultation with staff on the decommissioning of Lubbock House as an extra care housing scheme for older people alongside the consultation by Affinity Sutton with tenants.

2. **RECOMMENDATIONS**

2.1 **The Policy Development and Scrutiny Committee is asked to comment on the report.**

2.2 **The Executive is asked to:**

- i. Agree to the commencement of consultation with staff, trade unions and other staff representatives regarding the decommissioning of Lubbock House as an extra care housing scheme for older people alongside the consultation by Affinity Sutton with tenants; and**
- ii Note that a further report will be presented to Members on the outcome of the consultations for a final decision on the decommissioning.**

Corporate Policy

1. Policy Status: Existing Policy:
 2. BBB Priority : Supporting independence for older people
-

Financial

1. Cost of proposal: Current running cost of Lubbock House £393k (£313k net of income); estimated saving in 2015/16 £150k
 2. Ongoing costs:
 3. Budget head/performance centre: Extra care housing 829**** Older people 824***3785
 4. Total current budget for this head: £393k
 5. Source of funding: Care Services revenue budget
-

Staff

1. Number of staff (current and additional): 56.84FTE in the 4 in house schemes (of which 8.3 permanent FTE currently based at Lubbock House)
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: Statutory Requirement: Although extra care housing is not itself statutory, it is one method by which the Council fulfils its statutory responsibilities to adults who meet eligibility criteria for care services
 2. Call-in: Applicable:
-

Customer Impact

1. There are currently 301 units of extra care housing in the borough including Lubbock House
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments: Comments will be reported at the meeting

3. COMMENTARY

Background to extra care housing

- 3.1 The Council's strategy for long term care for older people is to support independence by moving away from a reliance on residential care towards a new mix of services, marked by a greater emphasis on services to support independent living at home. Since 2004 reports to Members have highlighted the potential of extra care housing for older people as an alternative to residential care.
- 3.2 The Council agreed its strategy for the development of additional units of extra care housing in 2007. At that time there were 186 units of social rented extra care housing in the borough, to which the Council had nomination rights. Five of the schemes were owned and run by Broomleigh Housing Association (now Affinity Sutton) and one by Kelsey Housing Association (now A2 Dominion). Within the schemes service users hold a tenancy with the housing association, with care being provided by the Council (either directly or via an external provider).
- 3.3 In recent years nominations to extra care housing units in the borough have been predominantly for older people, both physically frail and people with dementia, with high dependency levels who might previously have been assessed as needing residential care. Based on this experience, and the experience of other local authorities, suitably designed and staffed extra care housing was considered to be a viable alternative to residential care.
- 3.4 As a result of the report in 2007 the Portfolio Holder endorsed a formal strategy for extra care housing as an alternative to residential care for older people. Estimates at that time were that this would mean approximately 140 older people moving into extra care housing by 2020 who would otherwise have moved into residential care (in addition to the 180 plus people in existing extra care schemes in the borough who were not factored in to the future projections for residential and nursing places). In order to achieve this it was agreed to seek prospective development partners with a view to the majority of new provision being available by 2012.
- 3.5 Since 2007, two of the original extra care housing schemes have closed (Denton Court in Petts Wood and Cranbrook Court in Penge). Subsequently the Council secured three new extra care housing developments leaving a net gain in the new schemes of 115 units compared to the target of 140 new units. Current provision is shown in the table below and is amongst the highest level of provision in London Boroughs:

Scheme	Number of units	Landlord	Tenure	Care provider	Opening date
Apsley Court St Mary Cray	26	A2 Dominion	Social rented	In house Direct Care Service	Pre 2007
Durham House Shortlands	30	Affinity Sutton	Social rented	In house Direct Care Service	Pre 2007
Lubbock House Orpington	30	Affinity Sutton	Social rented	In house Direct Care Service	Pre 2007
Norton Court Beckenham	45	Affinity Sutton	Social rented	In house Direct Care Service	Pre 2007
Crown Meadow Court Bromley Common	60	Hanover Housing Association	Social rented	Mears Care	2011
Regency Court Bromley Common	60	Hanover Housing Association	Social rented	Sanctuary Care	2012
Sutherland House Penge	50	Hanover Housing Association	Social rented	Sanctuary Care	2013
Total	301				

- 3.6 The strategy assumed that by 2013/14 there would be 140 new units of extra care, with a consequent reduction in the number of people in residential care to 218. Potential savings were calculated on the basis of the reduced costs to the Council of supporting someone with high level care needs in extra care rather than residential care. Even allowing for the slightly lower number of new units (115 rather than 140), substantial savings have been achieved through the increase in extra care provision.

Current position

- 3.7 The report in October 2013 highlighted that the number of people going into residential care homes remained higher than anticipated and that there were a significant number of voids (14 at that time) in the schemes overall. Within the new schemes vacant flats attract costs for both rent/ service charge (after a period of 28 days) and staff costs. In the older schemes, although the Council is not liable for void rents, staffing costs are still borne if there are vacant flats. Coupled with other factors, this position resulted in a projected overspend for the full year 2013/14 of £285k in the extra care budget.
- 3.8 The report advised Members that officers would continue to work to establish whether future demographics and anticipated demands on service supported any further extra care developments.
- 3.9 In the intervening period voids across all of the extra care housing schemes have remained high and as at the end of December 2014 there are 35 voids.
- 3.10 In order to sustain maximum utilisation of the extra care units it would be necessary for there to be an average of 16 agreed nominations per month to extra care. From December 2012 to August 2014 the actual average number of agreed nominations per month has been 8. In 2013/14 there was an average of 34 voids per week across all 7 schemes; between April and August 2014 there has been an average of 38 voids per week. This position presents a continuing financial risk in terms of payment for staffing and rent/ service charges for voids and is not sustainable.
- 3.11 Officers have therefore given consideration to reducing the number of extra care units to better reflect current and predicted future demand. Given the void averages a reduction of around 30 units would appear to be the optimum number as this would reduce the void risk whilst still allowing for some variation in demand. Two of the older schemes, Durham House in Shortlands and Lubbock House in Orpington, each provide 30 units. Both properties are owned by Affinity Sutton who are currently considering options for the future of all of their supported housing in the borough. As part of this exercise Affinity Sutton have considered the potential future investment required to maintain their properties to an acceptable standard and have identified Lubbock House as requiring significant investment in the fabric of the building which renders Lubbock house unviable to maintain in the long term. Staff at Lubbock House have continually highlighted maintenance problems for a number of years which have not been satisfactorily resolved.
- 3.12 There are currently 8 voids at Lubbock House with only 19 tenants in residence (plus 3 flats that are used as temporary "step down" flats and so are also treated as vacant).
- 3.13 For these reasons it is proposed to commence consultation with staff on decommissioning Lubbock House as an extra care housing facility alongside Affinity Sutton's consultation with tenants. A further report on the outcome of the consultations will be provided to Members in March. In the event of a decision to decommission, officers would work alongside Affinity Sutton to assist the tenants to be rehoused in one of the other 6 extra care housing schemes in the borough.

- 3.14 Additionally, if the decommissioning were agreed, officers from the Council's Housing Division would discuss future alternative uses for the Lubbock House site with Affinity Sutton.
- 3.15 As mentioned above the Council has worked previously with Affinity Sutton to decommission two extra care housing schemes, successfully assisting approximately 90 people to move to accommodation in other extra care housing schemes. The process is carefully managed jointly by the Council and Affinity Sutton, with Affinity Sutton carrying out the required consultation with tenants and the Council's care management team carrying out reviews of tenants' care needs to ensure that the scheme they move to can appropriately meet their needs. The Council would continue to provide a high standard of service throughout any closure period. No one living at the scheme would be left to make their own arrangements.
- 3.16 The consultation process will require existing voids in the other 6 extra care schemes to be held vacant pending a final decision. This will incur costs in the short term but as there are currently vacancies these costs have been taken into account in budget projections for 2014/15. Following consultation and working with tenants and their relatives to identify suitable alternative accommodation, there would be a gradual move of tenants from Lubbock House to ensure a managed process during which time Lubbock House would remain appropriately staffed. It is anticipated that if agreed, moves would take place between April and July 2015.
- 3.17 Tenants at Lubbock House have been informed of the proposal at a meeting at Lubbock House on 20th January. Initial feedback from tenants and their families will be reported at the PDS meeting. Affinity Sutton will initiate formal consultation with the tenants during February.
- 3.18 The care service at Lubbock House was included in the market testing for the Council's direct care service but can be excluded from the package of services should Members agree to decommission the scheme. An update on the direct care service market testing appears elsewhere on this agenda.

4. POLICY IMPLICATIONS

- 4.1 The proposal takes into account the Council's objective to ensure that services provide value for money.

5. FINANCIAL IMPLICATIONS

- 5.1 The current cost of Lubbock House in 2014/15 is £393k (£313K net of client contributions).
- 5.2 The draft budget for adult social care for 2015/16 assumes a reduction of £150k in the cost of extra care housing. There may be costs in the short term by leaving any voids vacant but by utilising the voids in the other schemes, Lubbock House could be decommissioned and costs saved.
- 5.3 More detailed financial implications will be presented to Members once the consultation is completed and the final proposals have been made.
- 5.4 Tenants are entitled to a statutory Home Loss Payment in these circumstances which includes allowance for removal costs – this would be funded by and paid by Affinity Sutton directly to tenants.

6. PERSONNEL IMPLICATIONS

- 6.1 There are currently 56.84FTE in the 4 in house schemes which make up a pool of staff across all 4 schemes. 8.3 permanent FTE are currently based at Lubbock House with vacant posts being covered by temporary agency staff. Staff and their representatives have been informed of the content of this report and if the recommendations are agreed formal consultation will commence with all staff potentially affected, along with staff representatives. Staff and trade union perspectives on the decommissioning proposal will be presented to a further meeting of this committee and the Executive for Member consideration alongside any other stakeholder feedback. If Members agree the proposal, having considered staff and trade union comments, the Council will seek to manage the implications in line with its legal obligations to avoid redundancies or mitigate the impact on affected staff through redeployment, vacancy management, etc.

7. LEGAL IMPLICATIONS

- 7.1 Although extra care housing is not itself statutory, it is one method by which the Council fulfils its statutory responsibilities to adults who meet eligibility criteria for care services

Non-Applicable Sections:	
Background Documents: (Access via Contact Officer)	CS13045 October 2013 Extra care housing strategy for older people - update

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Report No.
CS14118

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker: Executive

Pre Decision Scrutiny by Care Services PDS Committee on:

Date: 21st January 2015

Decision Type: Non-Urgent Executive Non-Key

Title: **GATEWAY REPORT ON TENANCY SUSTAINMENT SERVICES FOR YOUNG PEOPLE**

Contact Officer: Wendy Norman, Strategic Manager, Procurement and Contract Compliance
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Chief Officer: Terry Parkin, Executive Director of Education, Care and Health Services
Tel: 020 313 4030 E-mail: terry.parkin@bromley.gov.uk

Ward: Boroughwide

1. Reason for report

- 1.1 This report reviews the provision of tenancy sustainment services to young people and makes recommendations for commissioning when the current contracts finish on 30th August 2015.
-

2. **RECOMMENDATIONS**

Members are asked to agree:

- 2.1 that officers undertake a tendering exercise to procure a tenancy sustainment service for young people including those young people with higher support needs. The tender will require the provider to make arrangements for the provision of accommodation appropriate for the contract.
- 2.2 the contract period will be for 3 years from 31st August 2015 with the option to extend for a further 2 periods of 1 year each.
- 2.3 To delegate authority to the Chief Officer in consultation with the Portfolio Holder to award a short extension to the existing contract for up to 6 months if necessary.
- 2.4 to authorise Officers to use a negotiated procedure if procurement option (e) is preferred.

Corporate Policy

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

Financial

1. Cost of proposal: Estimated cost Current cost £438,870 per annum for One Support contract plus £1,307,000 (estimated) for semi independent placements
 2. Ongoing costs: Recurring cost. £438,870 +£1,307,000
 3. Budget head/performance centre: : 749000 -Supporting People Services ; 807110 - Leaving Care Team; 826900 - Unaccompanied Asylum Seeking Children
 4. Total current budget for this head: £1,751,340 Supporting People; £690,980 Leaving Care Team; £320,730.00 Unaccompanied Asylum Seeking Children.
 5. Source of funding: Revenue Support Grant
-

Staff

1. Number of staff (current and additional): LBB staff are engaged in contract monitoring and quality assurance of these services.
 2. If from existing staff resources, number of staff hours: .25FTE
-

Legal

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

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 92 young people at any one time.
-

Ward Councillor Views

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

3. COMMENTARY

- 3.1 Tenancy support services are delivered by one Support to care leavers and to homeless young people aged 16 plus. The service is either delivered as part of the tenancy agreement for young people living in supported accommodation, or to young people placed in private accommodation or social housing. The young people accessing this service are not able to access the support service run by South London YMCA in Charles Darwin and Lewis King House as there is a lower age limit of 20 imposed for the YMCA services.
- 3.2 The support service provides support hours delivered as 1;1 or in groups during which staff assist young people to develop the life skills essential for sustaining a tenancy. This includes practical support with budgeting, paying for rent and bills, claiming benefits as well as support into education and training. The support service also provides overall management of the schemes and liaises with local agencies and police in order that the schemes maintain a reasonable profile in the neighbourhood.
- 3.3 There is not a statutory requirement to fund this service, however by providing the service the Council is able to meet its responsibilities to young people who are covered by the Southwark Judgement. This is a House of Lords ruling that every 16-17 year old presenting themselves as homeless to their local authority must have their needs assessed by their local children's services. If they are deemed to be a Child in Need they must be accommodated under Section 20 of the Children Act. For the Council this means that a 16 or 17 year old applying as homeless to their housing authority may fall under the Child in Need category and would be able to access a range of support owed to certain children 'looked after' by a local authority. The council funds a Senior Practitioner Social Worker post based in the Housing Support and Resettlement Team to undertake the assessment of 16 and 17 year olds and determine which services would best meet their needs. The tenancy support service provides an appropriate service for a significant proportion of those young people assessed and diverts many young people from becoming Looked After Children.

- 3.4 The annual value of the contracts is:

Supported Accommodation	£343,616 per annum
Floating Support	£ 95,255 per annum
Total	£ 438,871 per annum

These contract prices have been frozen since 2011.

- 3.5 The table below gives basic information about each supported accommodation scheme. The support levels H, M, L, (high, medium or low) refer to the average number of individual support hours provided in the schemes to each the young person each week.

Support provided by One Support	Number of units available	Support Level	Landlord
1-3 Anerley Station Road	8	H	Look Ahead
34 Thicket Road	7	M	Look Ahead
The Hub	6	L	Look Ahead
98 Wiverton Road	4	L	London & Quadrant
43 Stembridge Road	4	L	Casa Support (Amicus Horizon)

142 Croydon Road	5	M	Casa Support (Amicus Horizon)
4 Hawes Road (Teenage Parents)	6	M	Casa Support (Amicus Horizon)
11 Highland Road	5	M	A2 Dominion
Drake Court	14	M	A2 Dominion
TOTAL UNITS	59		

- 3.6 The Floating Support Service delivers 112 hours per week to young people living in independent tenancies in private or social housing. This service also supports teenage parents. One Support use their staff group flexibly across both services in order to achieve the best matches of staff and users. The outcomes achieved by young people leaving the floating support services are positive and are set out against the different targets in Appendix 1.
- 3.7 In addition to the contracts with One Support the Council funds spot placements in accommodation with more intensive support for young people whose needs cannot be met in the One Support schemes. There are no block contracts for these schemes. Unaccompanied minors directed to Bromley by the Home Office are also included in this group.
- 3.8 Expenditure for 53 young people placed in semi-independent accommodation in 14/15 is forecast to outturn at £1,307,000.

History of Contracts

- 3.9 Tenancy support schemes for young people were developed during the late 90s by a range of different support providers and housing associations. Officers amalgamated and re-tendered these contracts in 2011 in order to reduce duplicated costs across several providers and to increase efficiency in the service. This amalgamation resulted in annual savings in the contract value of £245k.
- 3.10 One Support won a two year contract for tenancy support to young people in 2011 which had an option to extend for 2 periods of 1 year each. Both extensions have been taken up after consideration of a gateway report by the Executive.
- 3.11 The current contract with One Support expires on 30th August 2015 and there are no further extensions available.
- 3.12 The implementation of the current contract was complex as the new provider had to enter into 4 agreements with 4 different landlords, all of whom run slightly different arrangements. If the service is retendered and another provider is successful this exercise will have to be repeated. We would estimate that the implementation of the new contract could take 9 months to a year.

Contractor's Performance

- 3.13 Officers meet with One Support regularly in order to ensure that the service is utilised efficiently and that key performance indicators are being met.
- 3.14 Overall the Contractor's performance is satisfactory. Appendix 1 details performance since the beginning of the contract against KPIs and the outcomes that young people identify through their support sessions.
- 3.15 One Support are working pro-actively with their staff to ensure that the service is led by the motivated staff who can respond to the fluctuating needs of the users. They are also stressing the importance of the organisation providing diversionary community activities to support young people living away from their families.

Profile of the Service in the Community

- 3.16 Supported accommodation schemes can be unpopular with neighbours and from time to time issues arise due to antisocial behaviour, noise, parties. These issues tend to occur during evenings and weekends. The current contract only covers the cost of 24 hour support in one of the schemes. However CCTV cameras have been installed in most of the schemes which enable staff to monitor activity and identify which tenants have been involved in problems. Community police are regularly called to the schemes.
- 3.17 The tenants are inclined to get involved in drug taking, petty theft, gangs, threatening behaviour and violence. Young women are prone to involvement in abusive relationships. The provider has reported 41 incidents during the last year. The majority of these take place during the evening or at weekend.

Demand for the Service

- 3.19 Demand for the service remains high. The service has not met utilisation targets over the last year because Landlords have failed to carry out maintenance at the schemes in a timely manner. There have also been times when the support needs profile of the young people referred has been higher than the provider or the Landlord could accept into schemes where the support provided is at a lower level. In this instance young people may be placed in bed and breakfast accommodation with floating support.

Suitability of Accommodation and Maintenance

- 3.21 Ownership of the accommodation is set out in Table 1. The landlords Look Ahead and A2 Dominion were support providers under the previous contract. When the support contract was awarded to One Support these organisations contracted One Support to take responsibility for day to day housing management and took a less active interest in the properties.
- 3.22 Over the period of the contract there has been a noticeable decline in the standard of maintenance of the accommodation. As part of the support service One Support assists young people to liaise with their landlord regarding repairs and other emergencies as required. However, responses are very slow, or inadequate. Council officers and One Housing Group Officers have spent significant amounts of time chasing landlords to make repairs and maintain the properties. Most issues are only resolved after a number of months. The reluctance of the landlords to complete maintenance and repair work to the schemes is becoming a major concern.
- 3.23 During the contract One Support have demonstrated commitment by spending £46k of their own funds on renovating and securing the Hub which included installation of a new CCTV system. They have also indicated their willingness to jointly invest with the landlord in CCTV for Stembridge and Croydon Road schemes where recent incidents have highlighted the need for CCTV to be installed in all the schemes to facilitate better management of incidents.
- 3.24 Officers have considered the suitability of the current accommodation as part of this review. The conclusions are set out below:

Name of Scheme	Units	Support Level	Notes
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1-3 Anerley Station Road Look Ahead	8	H	This property is a pub which was converted into supported accommodation around 2000. The building is listed. The layout of the building makes the scheme difficult to manage as staff cannot observe or control the entrance. There is only one tiny communal room which accommodates 2 people at a time. The individual accommodation is in poor repair and bathrooms are shared. This is not ideal for a high support scheme.
34 Thicket Road, Anerley Look Ahead	7	M	This property was converted in 2005 and was specifically designed for this purpose. It has a staff office at the front of the building, a communal area and an informal training kitchen. All the units have self-contained facilities
The Hub St Mary Cray Look Ahead	6	L	Converted from a pub in 2004. These units are above a youth centre. There are no offices or communal facilities within the scheme.
98 Wiverton Road Sydenham L&Q	4	L	Converted from a house before 2000. There are no communal facilities or offices.
43 Stembridge Road Casa Support	4	L	Converted from a house prior to 2000. No office or communal facilities. These units are self-contained and are used as move on from schemes where there is more support.
142 Croydon Road Anerley Casa Support	5	M	Converted from a house prior to 2000. There is a small office on site. These units are self-contained and are used as move on from schemes where there is more support.
4 Hawes Road (Teenage Parents) Bromley Casa Support	6	M	Converted from a house in 2005. This was purposely designed to accommodate mothers and babies. It has both office and communal accommodation which is well used.
11 Highland Road Bromley A2 Dominion	5	M	Converted from a house in the 1990s this scheme has no office or communal facilities. It has self-contained accommodation for an appropriate adult who provides some very limited support to tenants of the scheme.
Drake Court Orpington A2 Dominion	14	M	Purpose built scheme in 1980s. Units are not self-contained but there is a self-contained flat which can be used for an appropriate adult.
TOTAL UNITS	59		

3.25 Officers recognised that the accommodation being used was not suitable in that it made schemes management difficult. In the purpose built schemes it is easier for the staff to control access by non-residents or to record it on CCTV.

3.26 One Support have indicated that they would be prepared to make longer term investments in accommodation in Bromley, either by purchasing and refurbishing some of the existing

schemes, or by building a bespoke scheme which has been designed specifically to deliver supported housing. In order to pursue one or both of these options One Support would require a longer term contract with the Council.

- 3.27 The property landlords are unwilling to share longer term plans for the properties prior to being informed of the Council's commissioning intentions for the support service.

Market Situation

- 3.28 The market for supported housing has changed during the last few years. All local authorities have undertaken procurement exercises and have radically reduced the service costs. Whereas ten years ago the providers ranged from small local voluntary sector organisations to national charities the profile has changed so that most contracts are now won by a handful of large independent sector organisations. These organisations may still be registered social landlords, but many have closed down their support functions.
- 3.29 The Council made good use of the Southwark and Lewisham Supporting People Framework in order to minimise procurement work and achieve competitive contract prices. This framework expired on 31.3.14, but a new framework is currently being procured with Bromley as a named partner. The new framework should be available for use from April 2015.
- 3.30 The hourly support rate has dropped from £25 per hour to £15 per hour. The Council achieved significant savings through re-tendering in 2011 and would not achieve a similar reduction unless the service specification was seriously reduced.

Options

- 3.31 There are a range of inter-dependencies that have been considered whilst determining the future options for this service, all in the context of an uncertainty about future available budget. The options considered are listed below:

Service Options

- a) To cease funding both services entirely. This would have a negative impact on the housing department and Children's Social Care budgets as the Council would still have statutory duties under housing and care legislation. The estimated cost of providing an alternative service would be £1.5m per annum.
- b) To continue to support the accommodation based units but to cease funding the floating support service entirely. This would impact on young people's ability to adjust to independent living and sustain tenancies. The estimated cost to the Council would be £125k assuming that 10% of recipients would lose their tenancies.
- c) To continue with floating support, but to cease funding the support service into accommodation based services. The impact of this would fall on the housing department as the landlords of the accommodation would be unlikely to continue to allow the properties to be used by young people with no element of support or supervision. The estimated costs of alternative arrangements would be £1.3m per year.
- d) To reduce the current service specification and the number of supported accommodation schemes in order to concentrate funding on those where accommodation is more fit for purpose and easier to manage. Reducing the number of units would still impact on other departments as above.

- e) To retain the floating support service (43 units) and accommodation based tenancy sustainment service (59 units) and to add the provision of spot placements for young people who have higher needs to the requirement. Officers will be seeking efficiencies within the service.

Procurement Options

- a) to undertake a procurement exercise using the current service profiles to test the market to see if further savings are achievable. It would be cost effective to use the Supporting People framework when available, although this may require a short extension to the existing contract.
- b) to undertake a procurement exercise using the current service specification, but requiring the provider to bring their own or develop new build accommodation appropriate for the contract. This option would require a short extension to the existing contract.
- c) as above, but expand to undertake a more complex procurement exercise which expands the current specification to include the provision of semi-independent accommodation and support as required. This may deliver some savings for Children's Services.
- d) to build on relationship with existing provider and negotiate a new 3 year contract with One Support within existing resources using existing accommodation and assuming that landlords will continue to make the properties available.
- e) to build on existing provider relationship and negotiate a new contract for a longer period with One Support on the basis that they will purchase and remodel some existing schemes and / or develop a purpose built facility to replace current stock. If this option is pursued Officers would be using a "negotiated" procedure.

Conclusions

3.32 Officers recommend

- that the Council retain the floating support service (43 units) and accommodation based tenancy sustainment service (59 units) and to add the provision of spot placements for young people who have higher needs to the requirement. Officers will be seeking efficiencies within the service, (service option e)
- that Officers undertake a procurement exercise which to include the provision of semi-independent accommodation and support as required. This may deliver some savings for Children's services (procurement option c)

These options will provide the best solution for the Council, as this will allow the market to be tested for all 3 services. The solution will also formally transfer the entire responsibility for the provision of accommodation to the provider(s).

4 POLICY IMPLICATIONS

- 4.1 National and local policies expect that appropriate accommodation and support is provided for homeless young people and care leavers. These services are key to fulfilling the statutory duties of Care Services towards young homeless people as well as Children's Service responsibilities for under 18 care leavers and younger teenage parents.

5 FINANCIAL IMPLICATIONS

- 5.1 The 2014/15 budget for contracted Supporting People services is £1,751,340. Within the budget the allocation for these young people's contracts is £438,870. The budgets for Placements of Care Leavers and Unaccompanied Asylum Seeking Children are £690,890 and £320,730, totalling £1,011,620. The estimated total expenditure for 2014/15 is £1,307,000.
- 5.2 This report recommends that a procurement exercise is undertaken to let a new contract for these services. The report acknowledges that the current contract price benchmarks favourably against comparable services and that it is most unlikely that further significant savings will be achieved via market testing. It is possible that some savings in the price of semi-independent places may be achieved through a tender process.
- 5.3 The new contract will include the flexibility to enable the Council to request further efficiencies/savings or to terminate should the need arise during the extension period.

6 LEGAL IMPLICATIONS

- 6.1 Contract Procedure rules require officers to undertake a tendering exercise in order to establish best value for money when awarding this contract.
- 6.2 The properties at which the services and accommodation are provided are not owned by the Council. The new contract will require providers to identify and make arrangements for making accommodation units available.
- 6.3 Officers obtained authority to enter into the new framework agreement being set up by Southwark and Lewisham Councils in 2012.
- 6.4 Changes to UK procurement regulations will be announced during 2015 in response to the changes to EU Regulations. The procurement process may be affected by these changes, depending on the time scale for the implementation of the new regulations and timing on the issues of EU Notices (if required).

Non-Applicable Sections:	Personnel implications
Background Documents: (Access via Contact Officer)	ACS 10043 Commissioning Arrangements for Supporting People Services for Young People. ACS 10059 Commissioning Arrangements for Supporting People Services for Young People. ACS 11023 Award of contract for Supporting People

	<p>Services</p> <p>ACS12031 Supporting People Services Joint Framework Agreement</p> <p>Gateway review of One Support Services – January 2014</p> <p>CS14042 Contract Award Tenancy Support Services for Young People – June 2014</p>
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Gateway Report – Tenancy Sustainment Services for Young People

PERFORMANCE RETURNS

AVAILABILITY – target 90%

	2012/2013				
Supported Housing	Q1	Q2	Q3	Q4	Average %
Teenage Parents	100.00	100.00	100	100	100.00
Vulnerable Young People	100.00	100.00	100	98.11	100.00

2013/2014				
Q1	Q2	Q3	Q4	Average %
100.00	100.00	100.00	100	100.00
100.00	100.00	98.11	100	99.54

2014/2015				
Q1	Q2	Q3	Q4	Average %
100.00	100.00			100.00
98.63	100.00			99.32

UTILISATION – target 90%

	2012/2013				
Supported Housing	Q1	Q2	Q3	Q4	Average %
Teenage Parents	92.49	98.90	85.88	95.83	93.09
Vulnerable Young People	84.62	94.98	96.52	88.19	91.23

2013/2014				
Q1	Q2	Q3	Q4	Average %
100.00	95.58	97.62	89.01	95.55
87.46	77.80	81.23	71.49	79.46

2014/2015				
Q1	Q2	Q3	Q4	Average %
83.70	100			92.03
80.64	93.51			87.12

AVAILABILITY AND UTILISATION

These exceeded targets up until Q3 of 2014. At this point Casa Support stopped accepting referrals for 2 properties pending the transfer of housing management responsibility to One Support. This situation has been temporarily resolved until future commissioning intentions are made clearer.

STAFFING

Staff are used flexibly across the services. The average achieved to date for 2014 / 15 is 98.52%

THROUGHPUT

Target – 125%

* As short-term services the throughput figure should be in excess of 100%.

(The throughput of a service is based on the number of service users who have used the support service during the quarter. The calculation takes account of the number of service users who have departed as well as those that continue to use the support service).

2012/2013					
Supported Housing	Q1	Q2	Q3	Q4	Average %
Teenage Parents	116.67	116.67	100.0	100.00	166.67
Vulnerable Young People	94.34	105.66	101.89	103.77	133.96

2013/2014				
Q1	Q2	Q3	Q4	Average %
100.00	116.67	116.67	116.67	133.33

101.89	107.58	90.57	98.11	135.85

2014/2015				
Q1	Q2	Q3	Q4	Average %
100.00	116.67			133.33
94.3494 .34	98.11			105.66

There have been voids for longer periods than expected in one scheme due to delays in maintenance and repairs. Referrals have been stopped to 2 other schemes pending the agreement to new arrangements on housing management.

PLANNED DEPARTURES

Target – 90%

2012/2013					
Supported Housing	Q1	Q2	Q3	Q4	Average %
Teenage Parents	100.00	100.00	100.00	0.00	100.00
Vulnerable Young People	75	60	85.71	100.00	83.33

2013/2014				
Q1	Q2	Q3	Q4	Average %
0.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	86.67	95.45

2014/2015				
Q1	Q2	Q3	Q4	Average %
100	100			100
100	100			100

A planned departure is recorded where a young person moves out of a scheme into other accommodation having completed a programme of support.

Overall performance improved after the first few months of this contract. Planned departures have been 100% in the first 2 quarters of 14/15. Q3 is expected to show a lower percentage due to a number of evictions actioned in the Young, vulnerable peoples schemes. The performance for the Teenage Parent scheme has been consistently 100%. The other schemes varies according to whether young people have to be evicted. An average of 95% planned departures was achieved in 2013/14 against a target of 90%

Outcomes achieved to date for 93 departures across the four services from April 2013 to November 2014

Outcomes Domains↓	Young People Supported Housing 52 departures		Young People - Floating Support 29 departures		Teenage Parent Supported Housing 6 departures		Teenage Parents Floating Support 6 departures	
	No. requiring support	Outcome achieved	No. requiring support	Outcome achieved	No. requiring support	Outcome achieved	No. requiring support	Outcome achieved
Economic Wellbeing Maximising income	45	38 (84%)	17	15(88%)	5	5 (100%)	4	4 (100%)
Managing debt	23	17 (74%)	7	6 (86%)	3	2 (67%)	3	3 (100%)
Paid work	25	5 (20%)	9	2 (22%)	0	0	1	0 (0%)
Enjoy and Achieve Training and education	38	24 (63%)	14	10 (81%)	5	4 (80%)	4	2 (50%)
Be healthy Substance misuse	14	6 (43%)	2	1(50%)	0	0	1	1 (100%)
Stay safe Maintain accomm.	48	34 (71%)	15	12 (80%)	6	6 (100%)	5	5 (100%)
Positive Contribution	18	17 (94%)	6	4(67%)	0	0	0	0

Comments

Outcomes Achieved

Through the support planning process young people nominate outcomes they want to achieve . The success in achieving the outcomes is measured when the young person leaves a service.

One Support's performance is consistently good at assisting young people with:

- Improving Economic Wellbeing
- Maximising income
- Managing debt
- Accessing training and education
- Staying safe
- Making a Positive Contribution

Overall service outcomes are consistent with those achieved in 13/14In 2014/15 One Support have improved their performance on supporting young people to deal with substance misuse issues.

One Support are less successful in assisting young people into paid work.

There has been an improvement in outcomes for people seeking assistance with substance misuse problems.

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Report No.
ED15055

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **Executive**
(via Education Portfolio Holder)
For Pre-Decision Scrutiny by the Education PDS Committee on

Date: 27 January 2015

Decision Type: Non-Urgent Executive Key

Title: **REFURBISHMENT OF BEACON HOUSE**

Contact Officer: Jane Bailey, Assistant Director: Education
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Robert Bollen, Head of Strategic Place Planning
Tel 020 8313 4697 E-mail: robert.bollen@bromley.gov.uk

Chief Officer: Executive Director of Education, Care & Health Services

Ward: Bromley Town Ward

1. Reason for report

1.1 This report updates Members on the feasibility undertaken at Beacon House and provides information on the cost and refurbishment timetable to enable Beacon House to open as Burwood School's alternate KS4 and KS5 provision.

2. **RECOMMENDATIONS**

2.1 **That the Education PDS Committee notes the outcomes of the feasibility study at Beacon House and proposal for the refurbishment of Beacon House.**

2.2 **That the Portfolio Holder for Education agrees the outline scheme proposals and cost estimate and recommends the scheme to the Executive and Full Council.**

2.3 **That the Executive approves the scheme and recommends to Council its admission to the Council's Capital Programme.**

2.3 **That the Portfolio Holder for Education agrees the continuation of design development to the stage where a planning application can be submitted for approval whilst Executive and Council approval is obtained.**

2.4 **Authorise the Executive Director of Education, Care and Health Services to seek planning permission for scheme at the appropriate time when required.**

Corporate Policy

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

Financial

1. Cost of proposal: Estimated Cost £3,267,000
 2. Ongoing costs: Non-Recurring Cost
 3. Budget head/performance centre:
 4. Total current budget for this head: £
 5. Source of funding:

DSG,£3,000,000	
DfE Basic Need Capital Grant	£267,000
-

Staff

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

Legal

1. Legal Requirement: Statutory Requirement
 2. Call-in: Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 120 per year
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments: No comments have been received to date.

3. COMMENTARY

Background

- 3.1 Burwood is a SEMH school for boys who have statements of special educational need/EHC plans due to their emotional and behavioural difficulties (under the new SEND Code of Practice 2014 this is now termed SEMH: social, emotional, mental health difficulties). The current provision is based at Avalon Road Orpington and is limited in what it can offer in order to deliver the right outcomes for pupils. There is currently no provision for girls or KS5/post 16 provision in the borough .
- 3.2 There have been historical issues with both the performance of the Burwood School and the condition and suitability of the school premises.
- 3.3. Although the school is judged by Ofsted as 'Requires Improvement' a recent HMI unannounced Section 8 inspection indicates that it would be likely that the school would be put into an Ofsted category when it undergoes a full section 5 inspection.
- 3.4 To drive the improvement of the school the local authority, with the agreement of the DfE, has replaced the governing body of Burwood School with an Interim Executive Board. The aim of the IEB is to secure a sound basis for the future improvement of the school and promote high standards of educational achievement.
- 3.5 £400,000 is currently being invested in the current facilities at Burwood to ensure that the existing school is compliant with fire and health and safety regulations and improve safeguarding. However, it is recognised that the current facilities fail to provide an adequate range of learning and subject options for pupils.
- 3.6 Beacon House, a light office and manufacturing facility on Old Holmesdale Road, recently became available and was purchased in July 2014 by the Council. The premises was previously used by an organisation that provided alternative education provision to pupils that had similar needs to the Burwood client group.
- 3.5 The purchase and refurbishment of Beacon House will allow the Council to significantly improve provision for SEMH children in Bromley and expand the existing provision to support girls and KS5 pupils.
- 3.6 This project will allow Bromley to create a purpose built provision for young people whose significant special needs affect their ability to engage with a mainstream curriculum. By designing the right provision the benefits will be significant to pupils and their communities. In addition the new facilities will enable secondary schools to purchase part time places for young people who need a more practical curriculum alongside the high degree of support that a special school is able to offer.
- 3.7 It is considered critical that the facilities are available at the earliest opportunity to maximise the benefits to Bromley pupils and drive the improvement of the school. The new facilities will also improve the ability of Burwood School to attract and retain staff.

Feasibility

- 3.8 In Autumn 2014 the Council commissioned consultants to review Beacon House and make recommendations on how the facilities could be adapted to meet the needs of SEMH pupils. Proposals have been developed in conversation with staff from Burwood School and the Council.

- 3.9 The feasibility report highlights the poor condition of the existing building including inadequate accessibility, lighting and ventilation and a number of health and safety risks. In its current condition it fails to comply with BB103 the DfE guidelines on school buildings.
- 3.10 A proposed layout has been developed to deliver the intended curriculum. It maintains the necessary separation between practical and class based space. It also makes all areas of the building accessible and addresses the key inadequacies identified through improvements to lighting, ventilation and the compliance with health and safety regulations.
- 3.11 The proposed layout will allow for the delivery of vocational courses in hair and beauty, carpentry, brickwork and decorating, plumbing, catering and motor mechanics. It will also include classrooms for mainstream subjects and specialist spaces for science, ICT, media and music. Necessary provision is also made for dining, toilets and welfare, social amenity and administration.
- 3.12 There are also plans to improve the street facing aspects and elevations of the building and improve access and parking.
- 3.13 The final feasibility report indicated a programme completion date of 31.8.2016. Officers are working with consultants to establish a programme that ensures delivery at the earliest date without compromising the require outcomes of the project. In order to achieve this officers are exploring the following:
- Opportunities to compress the length of time to gain approvals without compromising the Council's procurement and award processes, such as seeking delegation from the Executive to award the contract.
 - The use of enabling packages for instance to start demolition and strip out of the building in advance of the award of the main works package. This can have significant advantages in terms of de-risking the project.
 - Considering the phased delivery of works and whether this could provide some of the facilities in advance of completion. This may have implications on the cost and programme and add additional health and safety risks when considering the client groups.
 - The outcome of consideration of the above items will be presented to the Executive when the project is admitted to the Council's capital programme.

4. POLICY IMPLICATIONS

The need to ensure sufficient school places, the quality of those places and their efficient organisation is a priority within the Council's Strategy 'Building a Better Bromley' and contributes to the strategy to achieve the status of being an excellent Council. This policy also contributes to key targets within the Education Portfolio Plan.

5. FINANCIAL IMPLICATIONS

- 5.1 It is proposed that the works are funded through a combination of Dedicated Schools Grant (DSG) (£3,000,000) and Basic Need Capital Grant (£267,000). The use of DSG was agreed by Schools Forum on 15 January 2015 but is subject to agreement by the DfE.

5.2 It is anticipated that the construction would begin during 2015-16 and therefore the majority of spend would be during the 2015/16 and 2016/17 financial years. The expenditure profile, shown in the table below, will be monitored and reviewed through the design development process in liaison with the Council's cost consultants.

	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
Contract Payments		1,935	352	58	2,345
Fees	100	120	70	12	302
Furniture & Equipment			387		387
Contingency (10%)		193	35	5	233
Total	100	2,248	844	75	3,267

6. LEGAL IMPLICATIONS

The distribution and application of monies received from central government is subject to guidance and advice from the Department for Education. Under Section 14 of the Education Act 1996 the Council has a statutory duty to ensure that there are enough primary and secondary school places available to meet the needs of pupils in its area. In the award of contracts the Council has complied with its own Financial Regulations & Contract Procedures and Public Contracts Regulations 2006 (as amended).

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

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Report No.
DR15/012

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Executive

Date: 11 February 2015

Decision Type: Non-Urgent Executive Key

Title: HAVELOCK ROAD RECREATION GROUND, BROMLEY -
LA FONTAINE FREE SCHOOL

Contact Officer:

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Chief Officer: Executive Director of Education, Care & Health Services, Director of
Regeneration & Transformation

Ward: Bromley Town;

1. Reason for report

This report seeks Members' agreement to make part of Havelock Road Recreation Ground, Bromley available for the development of permanent accommodation for la Fontaine Free School on a conditional basis, including the grant of planning permission..

2. **RECOMMENDATIONS**

Members are recommended to:

- 2.1 **Agree to the principle of approximately 4 acres of Havelock Road Recreation Ground, Bromley, being made available for the development of a permanent building for La Fontaine Free School on a conditional basis, including the grant of planning permission.,**
- 2.2 **Note that agreement to recommendation 2.1 above will require the Council to advertise its intention to dispose of public open space be advertised in accordance with S123 (2A) of the 1972 Local Government Act.**
- 2.3 **Agree that the EFA be permitted, under licence, to carry out ground investigation surveys at Havelock Road Recreation Ground.**

Corporate Policy

1. Policy Status: Existing Policy:
2. BBB Priority: Children and Young People Safer Bromley Not Applicable:
-

Financial

1. Cost of proposal: As set out in the Part 2 report
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):
2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: Statutory Requirement: Section 123 Local Government Act.
2. Call-in: Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Approx 500.
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments: Any comments received will be reported at the meeting.

3. COMMENTARY

- 3.1 La Fontaine School, opened under the Government's Free School policy in September 2014 in temporary accommodation at Princes Plain School, Bromley. Although the school had intended to open as a 3 Form Entry School, its initial intake was of 2 reception classes and a Year 1 and Year 2 class. It is planning to admit a further 2 reception classes in September 2015. The school is able to occupy this accommodation until July 2016, at which time it must be relocated as the accommodation will be required for the expansion of Princes Plain, which is now part of the Aquinas Trust.
- 3.2 La Fontaine is a primary school which has a specialism in French and it was the academy's intention that it be located in an accessible, central Bromley location to enable children to be recruited from the local area and from further afield, the latter making use of Bromley's rail links for travel. The academy's admission criteria are based on taking 50% of their roll from children living nearest to the school and the rest via random selection. The Education Funding Agency (the EFA) has been working with the Council to identify a permanent site for the school to meet its requirement to be located in or near central Bromley. 3.3 There are currently insufficient school places in planning area 4 (central Bromley – Bromley Town, Plaistow and Sundridge and Bickley Wards). Without La Fontaine there is a deficit of 53 places (including the 5% surplus for choice and contingency) in 2014/15 rising to 108 by 2025/26. Initial school admissions data suggests that there have been at least 49 applications for school places at La Fontaine for September 2015 from within a mile of Havelock Road Recreation Ground.
- 3.4 The EFA identified sites in Bromley town centre and reviewed their suitability for the school. The area of search meant that, effectively, it was not possible to find a suitable, undeveloped site which was free from any planning designation which would seek to preclude development. As a result of its exercise to identify sites the EFA identified Havelock Road recreation ground as its favoured option for the location of the school. The recreation ground has an area of approximately 9 acres and the EFA has advised that the school requires a site of approximately 4 acres. The recreation ground is in its preferred location, close to the town centre and the EFA considers that it offers an excellent opportunity to develop a new school in an area where school places are required.

Havelock Road Recreation Ground is allocated in the saved policies of the UDP as urban open space. Development of sites with this designation will only be permitted when:

- (i) the development is related to the existing use (in this context, neither residential nor indoor sports development will normally be regarded as being related to the existing use); or*
- (ii) the development is small scale and supports the outdoor recreational uses or children's play facilities on the site; or*
- (iii) any replacement buildings do not exceed the site coverage of the existing development on the site.*

Where built development is involved; the Council will weigh any benefits being offered to the community, such as new recreational or employment opportunities, against a proposed loss of open space.

There is a former sports pavilion in the southern corner of the site which is now used as a children's day nursery and is let on a 50 year lease expiring in 2056. This is not affected by the proposals put forward by the EFA. The rest of the recreation ground is undeveloped, with no facilities provided. It is no longer used for formal sports activities because the condition of the site is unsuitable as a result of the presence of buried bricks and tiles dating back to its former

use as the site of a Victorian brick and tile factory. It is surrounded by residential properties, having no road frontage. Vehicular access is obtained from Marlborough Road at the south of the site, and there is a pedestrian access via a footpath from Homesdale Road on the western boundary.

The EFA has identified a site of approximately 4 acres in the southern part of the recreation ground, backing onto properties in Havelock Road, which would meet its needs. Access would be obtained via Marlborough Road. The exact configuration and location of the site have yet to be discussed, but if Members are prepared to agree to the principle of the development of the school on this site, the exact location and shape of the site would have to be agreed. The Council would wish to ensure that the access to and use of the remaining area of the recreation ground were not significantly compromised by the development. The EFA has asked the Council to enter into an agreement to transfer the site to it, or to the school's sponsoring trust as appropriate, on a 125 year standard academy lease, the agreement to be conditional on the outcome of ground investigation surveys and the grant of planning permission for the school.

Issues

There are significant issues relating to the development of part of this recreation ground which would require resolution before any development could take place:

i) Loss of public open space

The development proposed by the EFA would result in a significant reduction in the size of the recreation ground. In discussions on the possibility of developing the school on part of the recreation ground the EFA has been advised that, if the principle were to be agreed, it would have to be on the basis that the remaining area would be upgraded with landscaping and the possible addition of a children's play area. An approximate cost for this work has been estimated by Council officers and the EFA has agreed that it would, effectively, pay this sum as its consideration for the site. Details of this are included in a separate Part 2 report on this agenda.

If a local authority proposes to dispose of public open space it is required under S123 (2A) of the 1972 Local Government Act to advertise its intention to do so. The Council would have to consider any responses to the advertisement before making a final decision on the disposal of the land. If Members are prepared to agree to the principle of transferring land for the development of the school, it will be necessary to advertise its intention to do so and for the responses to be considered before, or at the time of making the final decision.

ii) Planning

As stated above, the recreation ground is allocated as Urban Open Space (UOS). The EFA is aware of this designation and that any agreement in relation to this site would have to be conditional on the grant of planning permission determined on the basis of local, regional and national planning policy.

The development of a school on UOS would be contrary to UDP Policy G8 which would resist such a proposal. Although the draft emerging Local Plan Policy G8 increases flexibility on existing education sites, this is not given significant weight at this stage of its preparation.

Much of the east of Bromley Town Centre and Bickley lies within an area deficient in Local Parks of 2 hectares (4.9 acres) or more. The proposed development would reduce the available park below the Local Park threshold during school hours (although possibly not outside school hours/term time dependent upon the detail of the proposal). This would increase the area of deficiency in Bickley and to the east of Bromley Town Centre, where there are significant increases in flatted development,

The London Plan policy 7.18 advises that “loss of local protected open spaces must be resisted unless equivalent or better provision is made within the local catchment area” but advises that “replacement of one type of open space with another is unacceptable unless an up to date needs assessment shows that this would be appropriate”.

The National Planning Policy Framework places great weight on the need for school places. However it also advises that existing open space should not be built on unless an assessment has been undertaken which has clearly shown the open space, buildings or land to be surplus to requirements; or it would be replaced by equivalent or better provision in terms of quantity and quality in a suitable location; or the development is for alternative sports and recreational provision.

School proposals would be subject to a planning application and / or may be considered through the Local Plan school sites allocations process currently being undertaken which will assess the range of potential sites in light of existing and emerging Local Plan policy to determine whether allocations on protected open space are necessary and justified. The scheme proposers are encouraged to participate in pre-application planning discussions and to carry out their own local public consultations on the proposal. Any planning decision can only be made at a future stage when the full details of, and justification for, the proposals are known.

iii) Ground Conditions

It is known that, as a result of previous uses of this site, there could be ground conditions that will add considerably to the cost of development which might make the use of the site by the school uneconomic. The EFA wishes to undertake ground condition investigation works, which could include intrusive investigations such as the sinking of bore holes, as a priority. If Members are prepared to agree to the principle of the use of this site for the development of the school, it is recommended that the EFA be allowed, under licence, to enter onto the site in advance of a final decision, to undertake ground investigation surveys. Under the terms of the licence the EFA would be required to reinstate the land to the Council’s satisfaction.

Conclusion

At this stage Members are asked whether they are prepared to agree to the principle of the release of approximately 4 acres of Havelock Road Recreation Ground for the development of a permanent building for La Fontaine School. The school needs to relocate from its current temporary accommodation by the end of July 2016 and ideally this would be to its permanent building. However, before a binding commitment could be made the exact location and configuration of the site within the recreation ground will have to be agreed in principle to allow the advertisement of the proposal to dispose of public open space to be progressed. The responses from the advertisement would then have to be considered by the Council in coming to its decision. The EFA has requested that, if Members agree to the principle of the release of the site, this exercise be carried out quickly to allow a final, binding decision (subject to the grant of planning permission) to be made at the Executive’s meeting in March. A delay beyond this could have a serious impact on the school because of the impending purdah period before the General Election and the likely standstill period following the election which could result in problems in providing accommodation from August 2016.

4. POLICY IMPLICATIONS

- 4.1 Bromley Council has an established policy for the review and strategic planning of school places and related school organisation. The need to ensure sufficient school places, the quality of those places and their efficient organisation is a priority within the Council’s strategy ‘Building

a Better Bromley' and contributes to the strategy to achieve the status of being an excellent Council. This policy also contributes to key targets within the education portfolio plan.

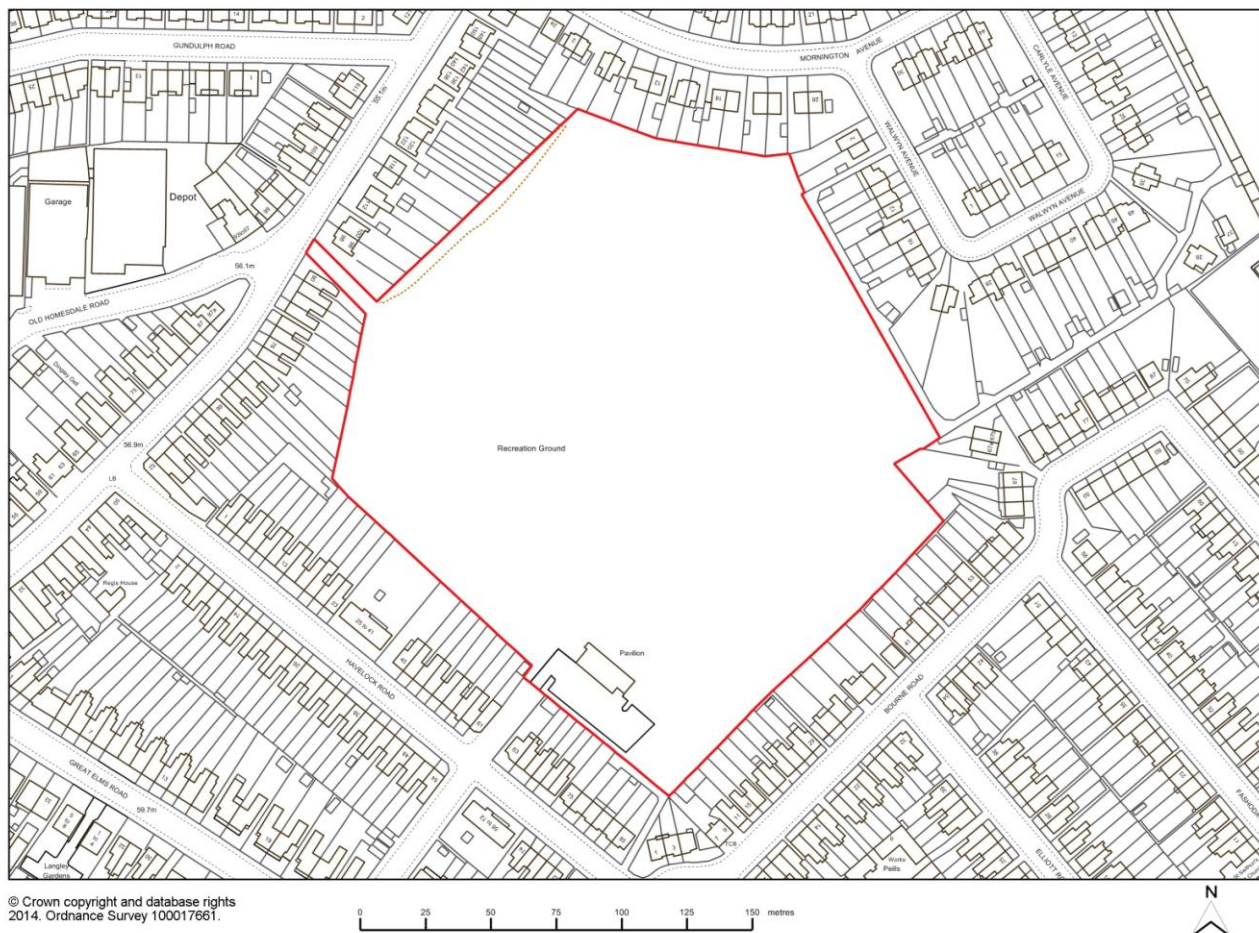
5. FINANCIAL IMPLICATIONS

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

6. LEGAL IMPLICATIONS

The Council would have to comply with S123 (2A) of the Local Government Act 1972; This section provides that the Council cannot dispose of land consisting of or forming part of an open space unless it has advertised its intention in a local paper for two consecutive weeks and considered any objections to the proposed disposal.

S123 also requires the Council to secure the best consideration reasonably obtainable when disposing of land (other than on a lease of 7 years or less) unless it has the benefit of an express or general consent of the Secretary of State.



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Non-Applicable Sections:	Personnel Considerations
Background Documents: (Access via Contact Officer)	

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Report No.
DRR15001

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Executive

Date: 11th February 2015

Decision Type: Non-Urgent Executive Key

Title: **GATEWAY REVIEW 0,1 & 2 APPROVAL OF 2015/16 OPERATIONAL BUILDING MAINTENANCE BUDGETS, PLANNED MAINTENANCE PROGRAMMES AND PREFERRED PROCUREMENT OPTION**

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Andrew Brook, Head of Operational Property
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Chief Officer: Director of Corporate Services

Ward: (All Wards);

1. Reason for report

This report sets out the criteria used to assemble each programme based on the draft budget proposals.

The report also addresses the strategic assessment and business justification for the programmes and the preferred procurement option for completing them.

The proposed planned maintenance programme is contained in Appendix C.

2. **RECOMMENDATIONS**

2.1 **Members are asked:**

(i) subject to the Council agreeing the budget, to approve an overall expenditure of £1,923,610 for the Building Maintenance budget in 2015/2016, as set out in paragraph 5.1:

(ii) to approve the planned maintenance programme in Appendix C

(iii) to delegate authority to the Director of Corporate Services to vary the planned programme to accommodate any change in the approved budget or where such action is considered necessary to either protect the Council's assets or make the most effective use of resources.

(iv) to approve the criteria used to assemble the planned maintenance programme and the preferred procurement option, as set out in paragraph 10 of this report.

(v) to delegate authority to the Director of Corporate Services to select the most economically advantageous tender for any individual item of expenditure under the approved programme referred to at (i) – (iv) above.

(vi) to agree that the Director of Regeneration and Transformation be authorised to submit planning applications where appropriate in respect of schemes set out in this report.

Corporate Policy

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

Financial

1. Cost of proposal: £1,923,610
 2. Ongoing costs: Recurring Cost:
 3. Budget head/performance centre: Operational Property Services
 4. Total current budget for this head: £1,923,610
 5. Source of funding: Funded from Revenue Budgets
-

Staff

1. Number of staff (current and additional): Not applicable
 2. If from existing staff resources, number of staff hours: Not applicable
-

Legal

1. Legal Requirement: Statutory Requirement:
 2. Call-in: Applicable:
-

Customer Impact

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

Ward Councillor Views

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

3. COMMENTARY

- 3.1 The Operational Property Service is responsible for the maintenance of the Council's portfolio of operational buildings.
- 3.2 There have been significant efficiency savings to the operational maintenance budgets and planned maintenance programme since 2012. Officers have commented on the impact of the savings under the individual budget heads.
- 3.3 As a result of previous savings, there is no longer a budget for Disability Discrimination Act works, Minor Improvement works or Internal and External Redecorations.
- 3.4 The maintenance budget heads are described in more detail below.

PLANNED MAINTENANCE

- 3.5 This budget is used to fund planned maintenance works on operational premises (see Appendix B for composition of Operational Property Portfolio) and on investment properties for which the Council has repairing obligations under the terms of the lease or tenancy agreement. This budget head will be £453,440 in 2015/16, if the draft budget is approved.
- 3.6 The planned maintenance programme is compiled by Strategic and Operational Property Services by identifying, costing and prioritising works needed to safeguard the long-term life of the Council's property portfolio.
- 3.7 The planned programmes for both education (to be reported separately) and operational properties are compiled using condition survey data and maintenance data. In addition it is recognised that the local knowledge of client departments is invaluable in identifying maintenance issues. They have therefore continued to be involved in the development and management of the programme.
- 3.8 The condition survey predicts when maintenance expenditure may be required in the future. Each element of a building is assessed and given a condition and priority classification by an inspecting surveyor or engineer. The surveys use the following grading criteria:

Condition

Grade A – Good. Performing as intended and operating efficiently.

Grade B – Satisfactory. Performing as intended but exhibiting minor deterioration.

Grade C – Poor. Exhibiting major defects and/or not operating as intended.

Grade D – Bad. Life expired and/or serious risk of imminent failure.

Priority

Priority 1 – Urgent work that will prevent immediate closure of premises and/or address an immediate high risk to the health and safety of occupants and/or remedy a serious breach of legislation.

Priority 2 – Essential work required within two years that will prevent deterioration of the fabric or services and/or address a medium risk to the health and safety of occupants and/or remedy a less serious breach of legislation.

Priority 3 – Desirable work required within three to five years that will prevent deterioration of the fabric or services and/or address a low risk to the health and safety of occupants and/or remedy a minor breach of legislation.

Priority 4 – Long term work required outside the five year planning period that will prevent deterioration of the fabric or services.

3.9 Members should be aware that because of the continuing pressure on budgets only the very highest priority schemes are programmed for completion. This strategy carries two significant risks:

3.10 Firstly, some building elements for which work is scheduled for later years may fail earlier than anticipated. For 2015/2016, as in previous years, the following criteria have been applied to arrive at a programme of work that can be contained within the available funding:

- Include only those items that meet condition grades D or C and/ or Priority 1 and which are considered by officers to have the highest risk of failure.

3.11 Secondly, a budget driven programme is likely to produce a backlog of planned maintenance projects and will increase the demand on the reactive budget as building elements deteriorate to a point where they become critical.

3.12 Nine projects with a total estimated cost of £453,500 have been identified for inclusion in next year's programme. They have a priority grading of C/D1. Appendix C outlines the projects, their estimated cost, and the reasons for giving them the C/D 1 priority.

3.13 Previously the Director of Corporate Services has been authorised to vary the programmes during the course of the year where such action is considered necessary to either protect the Council's assets or make the most effective use of resources. It is proposed that this authority continues.

REACTIVE MAINTENANCE

3.14 Funding for reactive maintenance is allocated to individual service headings based on previous year's expenditure. Members will appreciate that this budget is used to fund works of an unplanned or emergency nature enabling the Council to keep operational buildings open and to enable the Council to provide services to the people of Bromley. This budget head has been slightly increased. The pressure on this budget increases as fewer planned maintenance projects are undertaken. It is important that the Director of Corporate Services retains the flexibility to re-direct funding to areas of greatest need. The draft 2015/16 budget for Reactive Maintenance is £957,520.

CYCLICAL MAINTENANCE

3.15 This budget enables the Council to meet its statutory obligations with regard to gas and electrical safety, fire safety and the servicing of mechanical and electrical plant. This budget will be £348,970 in 2015/16 and has been slightly increased to minimise risk.

ASBESTOS MAINTENANCE

3.16 This budget enables the Council to meet its statutory obligations for the management of asbestos in its buildings, which includes annual condition monitoring, maintenance, testing and removal. Robust asbestos management over a number of years has reduced spend on asbestos management and the Council is able to comply with its statutory obligations. The proposed budget for 2015/16 is £78,330, which has been slightly increased.

3.17 Prior to 2012/13, this budget would also have been used for asbestos inspection and removal prior to the commencement of building projects, including those in the planned programme. Asbestos inspection and removal is now a cost against the individual project. Each project within the planned programme now shows a contingency of 2.5% for asbestos costs.

WATER TREATMENT WORKS

3.18 This budget enables the Council to meet its statutory obligations with regard to the control of Legionella and water hygiene. The Council has been able to fulfil its obligations, but further funding may be required if remedial works are identified as a result of the monitoring process. It is proposed that this budget for 2015/16 is set at £85,350, which is slightly more than last year.

DISABILITY ACCESS

3.19 The budget for these works was withdrawn in 2013/14. The Council has a responsibility under the Equality Act, to ensure that, where a public service is offered, it is available to all members of the public. Individuals cannot be discriminated against because of their physical disabilities. In many instances compliance can be provided by a change in the way that service is provided. However in some cases physical adaptations to the building are required to ensure accessibility. Disability Access works to operational buildings have been carried out over a number of years and the majority are now compliant with the Act. If any adaptations are required in the course of the year in order to comply with the Act, then funding will have to be vired from one of the other budget heads.

REDECORATIONS (INTERNAL & EXTERNAL)

3.20 The programme of redecoration at operational buildings has been suspended. The original programme was based on 5-year external and 7-year internal cycles. The suspension of the redecoration programme will result in a deterioration of key timber building elements and more significant repairs at a later date.

MINOR IMPROVEMENTS

3.21 The budget for these works was withdrawn in 2012/13. Departments have to fund such works from their own budgets or wait until major works are undertaken to the areas concerned.

CONDITION SURVEYS

3.22 It is essential to have up to date condition surveys. The survey data is used for the following purposes:

- to compile the planned maintenance programme
- to inform the property reviews and rationalisation plans
- to ensure that the authority is fulfilling its duty of care to its staff and the public by ensuring that its buildings are well maintained and safe

3.23 A number of Condition Surveys have been carried out this year using the contingency sum in the planned maintenance programme with some additional departmental funding. In July 2014 the Executive approved funding for condition surveys for the remaining operational buildings, which will be carried out this year. Following completion of all surveys a new 5 year programme will be compiled.

3.24 Condition surveys will only be carried out on operational property, which is being retained by the authority and surveys will not be carried out if the property has been or is likely to be declared surplus and disposed of.

4. POLICY IMPLICATIONS

4.1 As less funding is available for maintenance of the operational property portfolio, it is essential that the Council optimises the utilisation of its assets and ensures that it retains only those properties that meet the corporate and service aims and objectives. A series of property reviews have been undertaken to ensure that this remains the case in the light of the ongoing efficiency savings.

5. FINANCIAL IMPLICATIONS

5.1 The building maintenance budget is controlled by Operational Property Services (excluding education properties) and the draft budget for 2015/16 is £1,923,610 which is broken down under its various budget heads in the table below:-

	2015/16
	£'000
Planned Maintenance	453,440
Reactive Maintenance	957,520
Cyclical Maintenance	348,970
Asbestos	78,330
Water Treatment	85,350
	<u><u>1,923,610</u></u>

5.2 In recognition of the risks arising from the significant reduction in the building maintenance budget, there is an earmarked reserve for an Infrastructure/Renewal Fund. The Fund has an uncommitted balance of £1.637m, after allowing for Condition Surveys (reported previously to the Executive). These resources will help ensure there is provision within the Council's overall resources to mitigate partly against such risks. If there is a request for additional in year resources during 2015/16 a full Business Case will need to be reported to the Executive which will take into account the alternative funding options, the need to reduce the budget to a sustainable level, as well as any reprioritisation of works required.

6. LEGAL IMPLICATIONS

6.1 There are, as is outlined in this report, a range of specific duties which require the Council to undertake certain maintenance of its properties. Failure to ensure that its properties and buildings are maintained to a level to avoid risks to its staff and members of the public can lead to criminal and civil liability. The proposed efficiency savings have been allocated against the different budget heads in a way that will ensure that the Council fulfils these obligations. The savings mean that there will be year on year deterioration to the operational buildings.

6.2 The Council's Contract Procedure Rules (CPR) outline the various procurement routes available, depending on the value of the works. The Council selects tenderers from Constructionline, an approved list of contractors. This ensures value for money through a fair and transparent supplier selection procedure. Local Small Medium Enterprises (SMEs) are able to participate in the process. EU compliant frameworks will also be considered, where these are deemed to be advantageous to the Council. Exceptionally a waiver of a formal process would be sought in accordance with CPR 13.

6.3 Individual contracts are recorded in the Corporate or Department Contracts Register, depending on the value of the work. Contracts are monitored in accordance with the CPR and Financial Regulations.

7. PERSONNEL IMPLICATIONS

7.1 None

8. CUSTOMER PROFILE

8.1 The programmes outlined in this report represent the cornerstone of Operational Property Services' responsibilities. The ongoing maintenance of the Council's operational buildings has an impact on all Council staff, customers and visitors.

9. STAKEHOLDER CONSULTATION

9.1 Focus Groups are held with each department. They provide the local knowledge used in the compilation of the programme and their representatives will be notified of any planned programmed works being undertaken in the buildings connected with their services.

10. OUTLINE CONTRACTING PROPOSALS & PROCUREMENT STRATEGY

10.1 The programmes outlined in this report comprise a number of discrete building maintenance projects. The works range from minor/ reactive maintenance costing less than £100 to planned maintenance projects up to £200,000.

10.2 The **planned maintenance programme** makes up 24% of the cost of the total maintenance budget.

10.3 Historically the procurement route for this programme has been via the traditional JCT form of contract, tendered competitively. Where appropriate projects of a similar type, such as window replacements, have been grouped and tendered together.

10.4 Contractors are selected by random selection within certain parameters from an approved list managed by Constructionline. This has the benefit of ensuring fairness in the short listing process as all contractors registered on Constructionline are given the opportunity to tender.

10.5 All compliant tenders are assessed and contracts are awarded in accordance with Bromley's Contract Procedure Rules. In the case of discrete building maintenance projects the contracts are awarded on the criteria of lowest price.

10.6 The **reactive and cyclical maintenance programmes** which make up 76% of the cost of the total maintenance budget will be procured mainly via trade based, competitively tendered, Measured Term Contracts.

11. SUSTAINABILITY IMPACT ASSESSMENTS

11.1 The Council's Sustainability Policy covers economic, social and environmental considerations. Operational Property Services endeavour to ensure compliance with this policy through its maintenance programmes.

11.2 Consideration has been given to optimising the opportunities from these programmes for SMEs. The Service's reactive and cyclical maintenance contracts have been designed to specifically encourage participation by local SMEs.

11.3 The larger planned maintenance programme offers a range of small/medium projects that will attract SMEs via the traditional JCT form of contract.

11.4 All successful contractors will be asked to support and facilitate the use of sustainable arrangements in the delivery of the service. This in turn will contribute to the reduction of the Council's carbon footprint.

Non-Applicable Sections:	None
Background Documents: (Access via Contact Officer)	

APPENDIX A

The Gateway Process examines a project at critical stages in its lifecycle to provide assurance that it can progress successfully to the next stage. It is designed to be applied to projects that procure services, construction/property, IT-enable business change projects and procurements utilising framework contracts. The Gateway Review process applies equally for those Directorates that already have strategic partnering arrangements in place.

There are six Gateways during the life cycle of a project, four before contract award and two looking at service implementation and confirmation of the operational benefits. The process emphasises early review within the projects for maximum added value.

Gateway Review 0 – Strategic assessment

This Gateway relates to the report of procurement needs resulting from a Best Value or service review and the suggested implementation plan. Elements of the other Gates may be rolled up into this process; for example options around Procurement routes/Strategies where they need to be predetermined to enable project progression. They should, however, be confirmed as the appropriate solution at the relevant stage.

Gateway Review 1 – Business Justification

This Gateway relates to the option appraisal stage of a procurement exercise.

Gateway Review 2 – Procurement Strategy

This Gateway confirms the preferred procurement option and method to be used, (open, restricted, competitive dialogue or negotiated etc.).

APPENDIX B

Composition of Operational Property Portfolio

Allotments	51
Car Parks	24
Multi Storey Car Parks	3
Depots (includes Park Depots)	7
Information Centre	1
Open Spaces	143
Park Buildings/ Public Conveniences	21
Pavilions/ Changing Facilities	25
Public Conveniences (High Streets)	5
Adult Education	5
Education Non Schools	20
Residential Homes/ Day Care Centres	12
Community Buildings	2
Libraries	14
Museums	3
Office and Admin Buildings	3
Sports Centres/ Pools	6
Cemetery Chapels/WCs	6
	351

APPENDIX C

Projects Proposed for Year 2015/16

Premises	Work Element	Estimated Cost (£s)	Comments
Anerley Business Centre & Public Hall	Subsidence	100,000	A structural engineer was appointed to advise on the work required to remedy subsidence and to provide a budget estimate for it. The estimated cost is £270,000. The sum of £170,000 has been set aside and carried forward from previous years' programmes. An additional provision of £100,000 has been included in next year's programme to ensure that the full estimated amount is available should it be decided to proceed with the work to remedy the subsidence. An additional sum will be required to carry out repairs/redecorations internally, which have been caused by the subsidence. The extent of the making good work cannot be ascertained until the subsidence repairs have been carried out but are estimated to cost in the region of £30k. Making good works will have to be carried over into a forthcoming year. If the subsidence work does not proceed, there are several high priority projects in reserve that could be substituted.
Community House	Renew remaining timber windows	22,000	The timber window frames are rotten and water is penetrating the building. Some windows have already been replaced and this project represents a further phase of replacement.
Walnuts Boiler Plant	Feasibility Report on Replacement Options	5000	The District Heating System is approximately 35 years old. It provides heating and hot water to Orpington College, Walnuts Leisure Centre, Saxon Day Centre, Orpington Library and Offices and the Walnuts Shopping Centre. The system is functioning well at the moment, however because of its age, breakdowns will become more likely and replacement parts are already becoming scarce. It is proposed to carry out a feasibility report to consider replacement options and costs.
Petts Wood Library	Roof Replacement	70,000	This roof has been repeatedly patched for a number of years and has now reached a point where further repairs will be ineffective and a new roof is required.
Churchill Theatre	Replacement of Passenger Lift	60,000	The passenger lift has reached the end of its life and is subject to breakdowns. A functional lift is required to comply with the requirements of the Equality Act (DDA)
Norman Park Pavilions 1 and 2	Replacement of fascias and soffits	21,500	The fascias and soffits at the pavilions have been damaged by vandals. They are asbestos and have to be removed by a licenced asbestos removals contractor and replaced.
Coney Hall Pavilion	Installation of Fire Alarm	5000	This building is occupied jointly by a sports club and a nursery and has no fire alarm and detection system. The installation of a system

			has been identified as a high priority by the condition survey and fire risk assessment.
Hill Multi-Storey Car park	Replacement of Passenger Lifts	150,000	The lifts have reached the end of their life and are subject to breakdowns. Functional lifts are required to allow the public to fully utilise the car park and comply with the requirements of the Equality Act (DDA)
Den Barn Farm	Reconstruction of Boundary Wall	20,000	The flint boundary wall requires reconstruction. The wall forms part of a building and has to be reconstructed in its current form.
TOTAL		453,500	

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Report No.
DRR15/002

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Executive

For Pre-Decision Scrutiny by the Renewal and Recreation PDS Committee on:

Date: 29th January 2015

Decision Type: Non-Urgent Executive Non-Key

Title: THE FUTURE OF ANERLEY TOWN HALL

Contact Officer: Neil Thompson, Principal Valuer
Tel: 020 8313 4603 E-mail: neil.thompson@bromley.gov.uk

Chief Officer: Director of Regeneration & Transformation

Ward: Crystal Palace;

1. Reason for report

- 1.1 This report reviews the current position at Anerley Town Hall and identifies options for its future.
 - 1.2 This report is available to the public. Confidential and commercially sensitive information, including the Financial Considerations, is contained within a separate Part 2 version of this report.
-

2. **RECOMMENDATIONS**

PDS Members are asked to scrutinise the Report and make any comments available to Members of the Executive.

For the Executive:

- 2.1 **Having considered the options, if it is Members' preferred option to dispose of the property, it is recommended that Anerley Town Hall is marketed on a flexible basis to enable a full financial appraisal of options C and D to be considered alongside options A and B, which will be the subject of a future report.**
- 2.2 **Members are asked to note that a decision about the installation of a new telephone system at Anerley Town Hall is to be considered in the Part 2 report.**

Corporate Policy

1. Policy Status: Existing Policy Maximising the Council's assets:
 2. BBB Priority: Excellent Council:
-

Financial

1. Cost of proposal: Estimated Cost As set out in the table in 6.3 of the Part 2 report
 2. Ongoing costs: As set out in the table in 6.3 of the Part 2 report
 3. Budget head/performance centre: Anerley Business Centre
 4. Total current budget for this head: £52k
 5. Source of funding: Existing revenue budgets
-

Staff

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

Legal

1. Legal Requirement: Statutory Requirement S 123 of the 1972 Local Government Act :
 2. Call-in: Applicable:
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): see 3.3 and 3.5 of the report
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Members views are being sought.

Summary of Ward Councillors comments: These will be reported at the meeting

3. COMMENTARY

- 3.1 Anerley Town Hall (refer to attached plan) is a freestanding 2 storey building owned by the Council. It has a floor area of 12,745 sq. ft (1,184 sq. m), which occupies a site with a total area of 1.04 acres (0.421 ha). It dates from 1878 and was extended in 1911. It is Locally Listed and is one of the few landmark buildings in this part of the Borough. It is located on Anerley Road close to Anerley Station.
- 3.2 The building currently has several functions. The Anerley Business Centre occupies approximately half of the building on the ground and first floors, whilst the Civic Halls and the former Anerley Library occupy the remainder of the ground floor. A former caretaker's flat, which is currently vacant but previously used as offices, is on the remainder of the first floor. The building is surrounded by car parking and in particular there is a parking area known as the "overflow car park" which has an area of 0.21 acres (0.083 ha), and which has a frontage to William Booth Road.
- 3.3 The Business Centre was established in 2004 following the relocation of the Council's social services offices to Yeoman House. The space, which is largely cellular, was refurbished mainly using Single Regeneration Budget (SRB) (£245k) to provide 28 serviced office rooms of varying size. Offices are let on "easy in / easy out" terms primarily to small or fledgling businesses. Leases are granted for 12 months, but with a landlord and tenant break option after 6 months, and are contracted outside the security of tenure provisions of the Landlord and Tenant Act 1954, so can only be renewed with the consent of the Council. The rents are inclusive of utilities, repairs, business rates, cleaning and internet and are competitive with other local business centres. Whilst occupancy levels have been as high as 90%, these are currently at 60.9%. Many of the tenants have relied upon public sector contracts and have left the Centre following reductions in funding. As the costs of operating the centre are largely fixed (other than maintenance), profitability directly depends on occupancy levels.
- 3.4 Whilst in previous years a small surplus has been achieved, in the year ended 2013/14, the Centre made a net loss. Current projections show an estimated loss for 2014/15.
- 3.5 On site management of the Business Centre is provided by the Crystal Palace Community Development Trust (the Trust) for an annual fee. The Trust also leases the Civic Halls facility at a peppercorn rent and receives the income from the lettings, but bears its share of the costs except for the external repairs. This enterprise was making a loss before 2004 when the Trust took it over. The service provided is very popular and the Trust estimates that there are in excess of 40,000 visits per year. A paper provided by the Trust is attached.
- 3.6 Anerley Library is now vacant following the recent opening of the new Penge Library in Green Lane, Penge. The Executive in July 2014 agreed that an automated book lending facility supported by eight Peoples Network terminals would be set up in the Town Hall and managed by the Trust as part of a 'Community Library' offer. The automated book locker has now been delivered and is awaiting connection to the Council's Library Management System by Capita, which is expected to be completed shortly. The Executive further agreed that an annual management fee be paid to the Trust to manage the Community Library. The Trust has also expressed an interest in utilising the vacated library space to the rear of the Town Hall, effectively taking responsibility for the whole building.
- 3.7 The automated book locker and Peoples Network terminals are all portable and can be moved to an alternative location should the need arise. The cost of this will depend upon the location chosen and availability of suitable data handling cables.

Condition of Anerley Town Hall

- 3.8 The IT and telephone systems in the Business Centre lack the functionality of present day systems making it difficult to retain and attract new tenants and are now in need of replacement / upgrade.
- 3.9 The telephone system operates as an extension of the Council's main telephone system with a local branch line handling incoming and outgoing telephone calls. Unfortunately this system is now at the end of its life and will no longer be supported after 31 March 2015. The main Civic Centre telephone system is being replaced with Lync, but this system does not allow for a multi-tenanted solution which is needed for the Anerley Business Centre. Therefore, a new stand-alone system needs to be installed to provide the level of functionality required to support the tenants and the Trust. If the telephone system is not replaced, it will mean that with effect from 1 April, there is a risk that the telephone system at Anerley could fail and repairs will not be possible. This could leave the Trust and the business tenants vulnerable to business failure and the Council would be at risk of claims for failure to provide a telephone service. Irrespective of what Members decide about the future of Anerley Town Hall, and because the Business Centre cannot be closed immediately, a new telephone system is required urgently. Following a competitive tendering exercise, the costs of providing a stand-alone system have been established, These costs can be funded from the existing revenue budget for Anerley Town Hall. If necessary, it will be possible to remove and reuse the new system at another site or it could be sold. Whilst the timing of this issue is regrettable, Members are recommended to approve this expenditure.
- 3.10 The Council's telephone and IT communications link between the Civic Centre and its offices at Yeoman House currently operates using CCTV fibre which runs via the communications room at Anerley Town Hall. Whilst the Town Hall remains in the freehold ownership of the Council (even if this became subject to a lease) and in a similar use, this arrangement could continue by reserving access to this room. However, if the building was sold these communication links would have to be replaced and the best way of doing this would be to buy into a commercial operator's infrastructure. This will result in a capital cost and, as there are currently negligible annual running costs in providing the current link, there will also be additional revenue costs if it is changed. It should be noted, however, that the Council's lease at Yeoman House is due to expire in August 2018 and that it has not yet reviewed whether or not it wishes to renew the lease.
- 3.11 A recent Physical Condition Survey undertaken by the Council's consultant, the Oakleaf Group, has revealed that there is significant backlog maintenance to the building. In addition to this the front wall of the building is subsiding. The Condition Survey also identified a significant repairs liability over the next 10 years.
- 3.12 Thus, whilst the Civic Halls facility provided by the Trust is thriving and proving to be a valuable asset to the local community, a large part of the building (the former library) is currently vacant, the Business Centre is losing money and the building is in need of £1.273m of repairs, both immediate and over the next 10 years, as explained above. Given that the building has a significant degree of functional obsolescence and that it is not considered economic to undertake the repair works, there is clearly a need to review the future of Anerley Town Hall.

Planning Guidance

- 3.13 Anerley Town Hall is on the local list. It is a two storey town hall built in 1878 in the gothic revival/municipal gothic style. The Anerley Town Hall building is a landmark on Anerley Road which is not characterised by other buildings of this quality.

- 3.14 A locally listed building is a type of 'non designated heritage asset'. Paragraph 135 of the National Planning Policy Framework (NPPF) states that "The effect of an application on the significance of a non-designated heritage asset should be taken into account in determining the application. In weighing applications that affect directly or indirectly non designated heritage assets, a balanced judgement will be required having regard to the scale of any harm or loss and the significance of the heritage asset."
- 3.15 Under UDP policy BE10 (Locally Listed Buildings) permission for the replacement of the building will only be granted where applicants have demonstrated that all reasonable options for the retention of the building have been considered and that the proposed new building is of an exceptionally high standard of design.
- 3.16 Any development of the site needs to make provision for existing community facilities or for their relocation. This is so as to comply with Policy C1 of the UDP
- 3.17 The site contains a Business Use and the UDP Policy EMP5 allows for redevelopment provided that the characteristics of the site make it unviable for Business Use (B1, B2, B8 use class) and full marketing confirms the unsuitability and financial non-viability of the site for Business Uses.
- 3.18 The site is in an urban setting and residential development, including conversion, is in principle acceptable subject to the above policies. If residential units were to be provided on this site, this would trigger an affordable housing contribution of up to 35% (UDP Policy H2).

4. OPTIONS

A. Retain As Existing

- 4.1 As detailed in 3.11, to retain the existing property would result in the Council having to fund the significant maintenance and repair costs. There will be a high level of disruption during the underpinning works and this will result in a loss of rental income. In addition to this, investment is also required for the replacement / upgrading of the I T system. This should help secure new tenants going forward which would in turn improve the financial position of the Business Centre. This option could therefore be of significant cost to the Council and does not address the issue of a future use for the former library.
- 4.2 This option would not prevent the Council from disposing of the overflow car park and achieving a capital receipt.

B. Lease to the Trust

- 4.3 In its paper, the Trust makes reference to this solution which has previously been discussed with officers. This involves granting a 40 lease of the whole building to the Trust on full repairing terms at a peppercorn rent, but excluding the overflow car park which could be sold. Having a lease of this sort of length would enable the Trust to lever in external funding which could be used to maintain the building and address the backlog repairs. Under this scenario, the Trust would continue to operate the Civic Halls and the Business Centre at Anerley Town Hall and expand its operation to include the former Library accommodation. The Trust has however strongly indicated that it would require the Council to resolve the subsidence issue and upgrade the Business Centre IT. There would also be a loss of rent whilst the works were undertaken prior to the grant of the lease.

- 4.4 This solution would maintain the existing building and current facilities, and transfer all of the revenue income and expenditure to the Trust and would save the Council paying the management fee to the Trust. If the Trust proved unable to continue to operate its business in the future, the property would revert back to the Council, and under this scenario the Council would then still have the benefit of the asset.

C. Sale Subject to Existing Uses

- 4.5 The property could be offered for sale as a going concern in its existing condition, with the Trust and the current business tenants in place. The sale of the existing building requires the Council to resolve the issue of the IT link with Yeoman House. This would require a capital investment and on-going revenue costs over at least the next three years, but potentially longer if the Yeoman House lease is renewed. An alternative solution would be to reserve the right to take a lease-back of the communications room at a peppercorn rent, but this is likely to have a detrimental impact upon the potential capital receipt. Under this option there is the possibility that the new owner could subsequently close the Business Centre and / or the Civic Halls.
- 4.6 The sale could be subject to a claw back to ensure that the Council received a share of the increase in value (if any) if the property was subsequently converted or redeveloped. Whilst there may be interest in the business centre and the vacant library space, this interest would be dampened by the on-going repairing liabilities and the planning requirement to provide a community facility. It is very difficult to provide an accurate estimate of the potential capital receipt using conventional valuation methods. Should Members wish to pursue this option, it would be necessary to test the market.

D. Disposal of The Town Hall / Construction of a New Community Facility

- 4.7 This option would involve closure of the building and disposal of it and the surrounding land (excluding the overflow car park) on the open market. Given the locally listed status, the demolition of the building would be resisted and marketing should include planning guidance on the issues outlined under planning considerations above. The existing building layout does not readily lend itself to adaptation and conversion and the repairs would need to be addressed by the purchaser, but these could perhaps be undertaken more economically if the building was vacant and as part of an overall refurbishment project. Subject to planning, the existing building might be suitable for a variety of uses including residential conversion, hotel or possibly some other commercial use. Again, it is difficult to value the building with vacant possession using conventional valuation techniques because of the uncertainty over future use. Only when the market is tested would the potential receipt be known.
- 4.8 If a robust case were to be made for the demolition of the building (or even parts of the building) by proposing replacement buildings of an exceptionally high standard of design, the property would be significantly more attractive to developers because they would not be restricted by the existing layout nor faced with the repairs liability. However, it should be noted that the planning requirement to provide buildings of an exceptionally high standard of design will increase the cost of development and is unlikely, in this location, to result in a corresponding increase in value of the scheme. However, it is anticipated that were demolition permitted a higher capital receipt could be achieved.
- 4.9 This proposal would also have to demonstrate that the business use is no longer viable (policy UDP Policy EMP5). The Business Centre tenants would have to be served with notices of up to 6 months in length for the most recent tenants to bring the leases to an end. However, it is suggested that all of the tenants could be served notice to take effect on the same date, but with an option for the tenant to leave earlier. This would give the tenants more time to relocate

and would maintain income to cover the fixed costs for as long as possible. It is thought that there is sufficient suitable accommodation available at other local business centres. This option would also require the re-provision of the communications link to Yeoman House, however, the new telephone system could be relocated to the new community facility in due course. The contract with the Trust and other contracts (e.g. cleaning) will need to be terminated. The relocation of the automated book locker and Peoples Network terminals would incur additional cost.

- 4.10 To satisfy the requirements of Policy C1, the community facility would need to be re-provided, and, in the absence of a suitable off site location, this would have to be provided on site. To avoid conflict between the community users and future users of the existing building, it would be better to provide this in a separate building and on its own discreet site. This would simplify future management of the site and avoid service charges in respect of shared facilities. Also, if the retained part is held as a separate legal entity, the potential for a future freehold disposal will be retained, should the replacement building subsequently become surplus. The library facility, which is also a community use, has already been re-provided at the new library in Penge.
- 4.11 The existing community facility has a gross internal floor area of approximately 375 sq m and, subject to planning (particularly on-site parking requirements), it should be possible to construct a new community building on the overflow car park. The Council could market the property on the basis that the purchaser constructs the new building as part of the sale package, but in order to exercise greater control over the specification and construction, it would be better for the Council to arrange the construction separately. The alternative would be to contract with the purchaser to build the new facility as part of a package, but this is not recommended because of the loss of control. Subject to planning a more intensive development on this site could also be investigated, perhaps with residential upper floors over the ground floor community facility. Whilst this would involve greater cost, it would also generate some additional value.
- 4.12 This option has not yet been discussed with the Trust and it assumes that it is prepared to move to and operate new facilities. Terms will need to be agreed with the Trust for a lease of the new community facility.
- 4.13 An Equality Impact Assessment has been prepared by the Council and will be published on the Council's website in accordance with the procedure. This document is attached as an appendix to this report.
- 4.14 Users of the Civic Halls facility and the tenants of the Business Centre have been consulted about the options. The deadline for receipt of responses is 22nd January. All responses received will be forwarded to Members as soon as possible.
- 4.15 If Members wish to consider the disposal of the property (options C and D), it is suggested that the property could be marketed on a flexible basis to enable options C and D to be considered alongside options A and B. The outcome of marketing could then be reported back to Members with a full and accurate financial appraisal of the options.

5. POLICY IMPLICATIONS

- 5.1 The Council's aims include being an authority that manages its assets well.

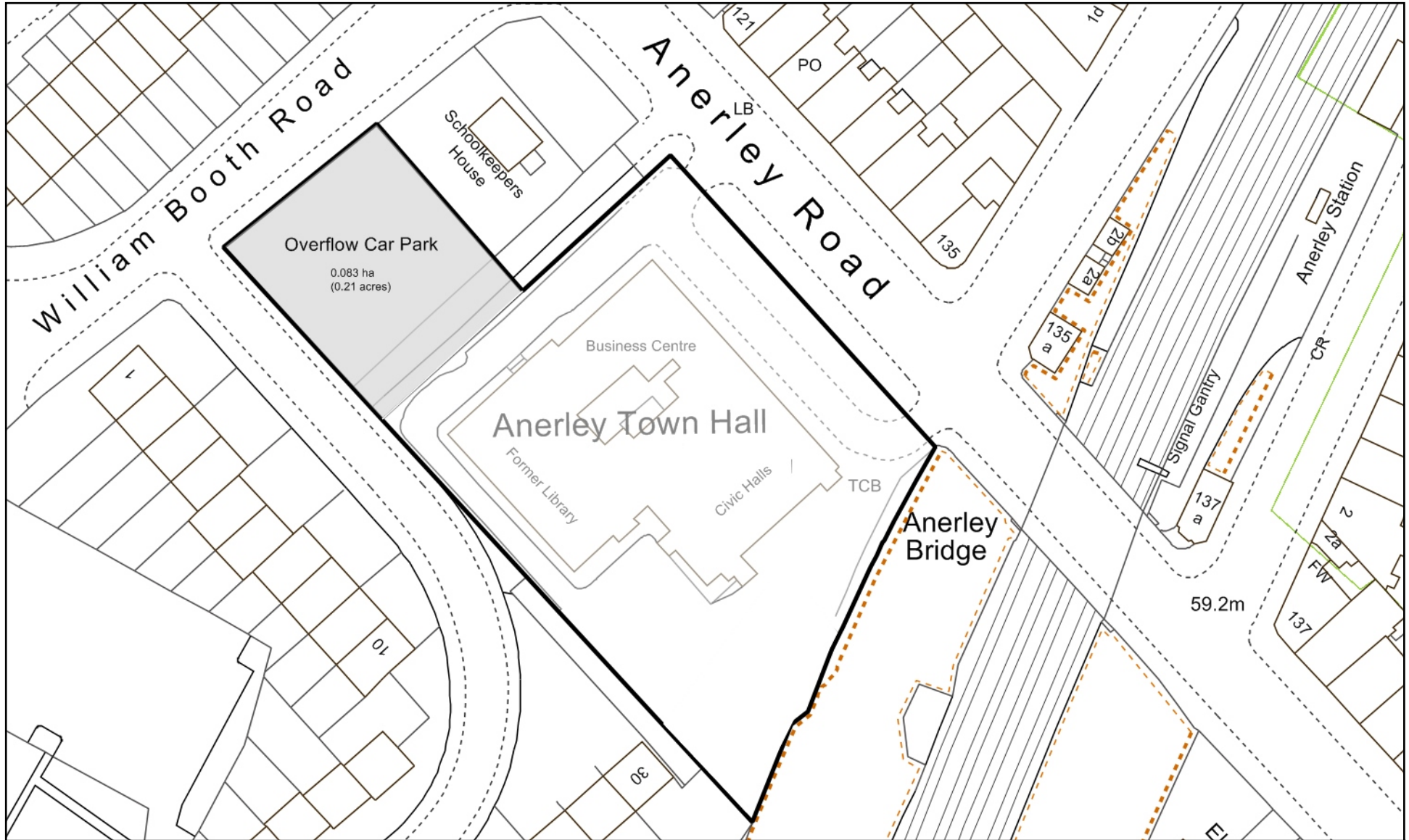
6. FINANCIAL IMPLICATIONS

- 6.1 The Council owes an overall fiduciary duty to its council tax payers as a whole and as such needs to ensure it delivers value for money when considering any options around disposal of assets. Detailed figures are given in the Part 2 report elsewhere on the agenda.

7. LEGAL IMPLICATIONS

- 7.1 Section 123 of the Local Government Act 1972 requires a local authority to secure the best consideration reasonably obtainable when it disposes of land (other than on a lease for 7 years or less) unless it has the benefit of an express or general consent from the Secretary of State. Marketing property is the usual method of ensuring compliance with this requirement.
- 7.2 However, the General Disposal Consent (England) 2003 does permit a local authority to dispose of land at an undervalue if the amount of undervalue is less than £2m and the authority considers that the purpose for which the land will be used will contribute to the promotion or improvement of economic, social or environmental well-being in the whole or any part of its area, or of all or any persons in the whole or any part of its area. If Members are satisfied that this purpose is met, they could therefore agree to the proposal for the letting of the building to the Trust, or to the re-provision of the community facility and the letting of that to the Trust provided that the amount of any undervalue in capital receipt (or the capital receipt foregone) will be less than £2m.
- 7.3 One further legal consideration is that part of the Town Hall has been listed as an Asset of Community Value under the provisions of the Localism Act 2011. Sale of a listed asset would normally be subject to the statutory moratorium provisions in the 2011 Act, meaning that community organisations would have time to decide if they wished to bid and then further time to put together a bid (albeit with no guarantee that the seller would accept that bid). However, if a property is partly listed then, provided specified conditions are met, the property can be sold without engaging the moratorium provisions, notwithstanding the listing. In this case, Anerley Town Hall does fit within one of the exemptions (paragraph 11 of schedule 3 to The Assets of Community Value (England) Regulations 2012) so the Council is free to market the property without having to comply with the moratorium notice and delayed sale requirement.

Non-Applicable Sections:	Personnel Implications
Background Documents: (Access via Contact Officer)	Physical Condition Survey, Oakleaf Group Equality Impact Assessment



Valuation & Estates

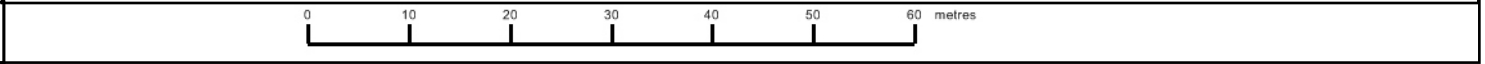
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November 05, 2014

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The Future of Anerley Town Hall

The Crystal Place Community Development Trust (CPCDT) has carefully considered its options in relation to its current occupation and management of Anerley Town Hall. This included a view on the costs and liabilities of taking the building on a 40 year rent free full repairing lease, the future of current users of the community facilities and business centre and the continuing ability of the Trust to provide services to the people of Anerley such as its youth programme, and its role as Town Hall manager to ensure that the Town Hall is a vibrant building accommodating a mix of services and activities.

At a meeting of the Trustees of CPCDT in June 2014 they decided to try to secure from the London Borough of Bromley a permanent future for the building as a community and business facility in Anerley and assist Bromley Council with, subject to CPCDT being successful with leveraging in external funds for the full repair and modernisation of the Town Hall prior to taking on its ownership via a leasehold of 40 years at a peppercorn rent

Why should Anerley Town Hall be preserved as a Community and Business Facility?

Because of its history as a community asset

CPCDT believes that in addition to the heritage value of the asset – a locally listed building with a history as a local landmark in the area and a location for a large range of public services including a library – the Town Hall provides community facilities with a unique character that is loved by local people.

Because it will be very difficult to replace

It is one of the few community facilities in the area with a large capacity and ancillary facilities such as a kitchen, toilets and car parking that enable larger events to take place in historic surroundings. Replacing the Town Hall if Bromley decided to sell and redevelop the site with a similar facility in terms of space and character would be expensive and unlikely to compete in terms of monetary value with redevelopment for commercial retail or residential development of the site.

Because it is a place for business as well as community

The Business Centre contained in the Town Hall is one of the few facilities in Anerley in this use, providing easy in-easy out terms for small businesses who may otherwise find it difficult to cover the costs of premises of their own and to procure and pay for services provided by the Trust in terms of reception and bureau services.

Currently there are 16 tenants in the building, employing a total of 55 people. These businesses represent a wide range of different service sectors – ranging from health care and IT to fostering. Some are self-employed sole traders or small voluntary and community organisations that are unincorporated, others are registered charities or private companies.

Their location in the Town Hall means the businesses and their employees are spending income locally, helping to support other local shops and service suppliers in the local economy.

The Future of Anerley Town Hall

Why should CPCDT own and manage Anerley Town Hall?

Because CPCDT meets local community needs

Being in the Town Hall enables CPCDT to address a variety of needs in the community. CPCDT is an organisation that develops projects and initiatives to meet community needs in its own right in addition to its role as a manager of Anerley Town Hall.

In 2013-2014 CPCDT has delivered services for local people that are valued by those that use them and continue to grow and develop. In 2013-2014 this included:

A Youth Club of over 179 young people have benefitted from sessions that they have helped to develop for their sessions 40 per session twice per week in term time. Activities have included training, education and social and sports activities delivered in partnership with St John's Ambulance and the Bellingham Boxing Academy

Arts Group 25 under 18's attend this group every week, which works with 3 arts tutors to produce art work. This is funded by CPCDT's own resources from running the community facilities in Anerley Town Hall as well the funding support CPCDT has secured from Affinity Sutton.

The Eagles Club CPCDT secured funding so that twice a week the over 50's can get together. At the club they get to socialise and take part in healthy activities like badminton, table tennis and pool or spend quieter time playing card games and having a cuppa.

Citizens Advice Sessions in 2013-2014 over 240 clients have accessed this service. CPCDT provides the space for the session at no cost to the Citizens Advice Bureau twice per week.

Kingswood Community Shop (Southwark) – CPCDT runs a wide range of health, social, advice and educational activities in the shop as a result of funding from the Lottery – IT support, podiatry, knitting and sewing and employment related courses all take place there for residents of the estate. The Shop functions as a local hub for people to join in and contribute to, whether helping in the garden, helping to run art classes for children or just welcoming other visitors. One of the volunteers at the shop received an award from the Mayor of Southwark for their work supporting the shop and its users.

Because CPCDT has been a successful manager of Anerley Town Hall since 2004

CPCDT have managed the community facilities and business Centre on Bromley's behalf and has had considerable success in increasing its use by local people and businesses.

Community Facilities at the Town Hall

Under its stewardship the community facilities in the building are used by a wide range of people and organisations. Figures 1 and 2 show community use of the Town Hall in 2013-2014.

The Future of Anerley Town Hall

26 voluntary and statutory organisations used the centre and there are 15 regular hirers. These groups provide services of their own for local people – citizen’s advice, elderly lunch clubs, training sessions and youth activities.

We estimate there were in excess of 40,000 uses of the community hall space Apr 13 - Mar 14 (as detailed below) participating in a wide range of events covering every kind of activity from birth to end of life and relevant to all ages and cultures – education and training, leisure and recreation (meditation, zumba, yoga), worship, and social celebrations (christenings, birthdays, anniversaries and funerals).

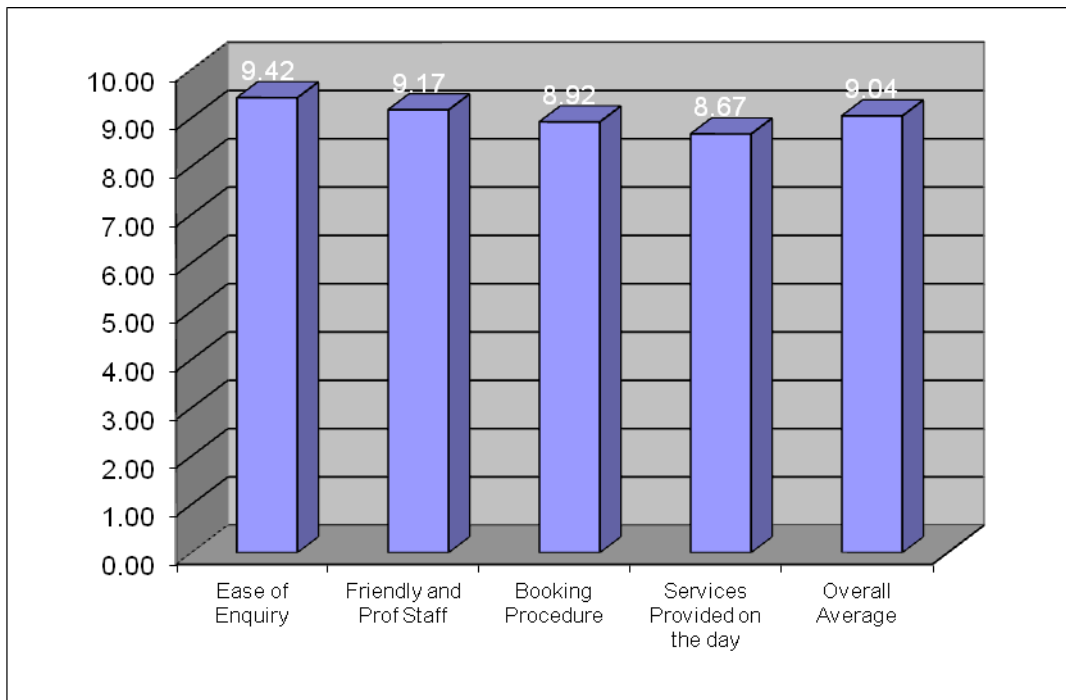
Figure 1 Summary of usage	Sessions	Individuals	Total visits
Major Event Type			
Eid Prayers	1	400	400
Weddings	24	156	3745
Christenings	8	146	1170
Birthday Parties	21	149	3135
Funerals	6	190	1140
Anniversary Parties	3	50	150
Family Functions	4	134	535
Community Clubs	12	289	3470
Training Sessions	25	10	725
Totals	104	1524	14470
Regular Hirers			
Pineapple Luncheon Club	96	80	7680
Citizens Advice Bureau	48	15	720
Youth Club	80	40	3200
Art Class (Young People)	40	25	1000
Christadelphians	48	25	1200
National Careers	26	4	104
Christ Embassy	48	8	384
Weightwatchers	48	25	1200
Zumba Classes	40	25	1000
Yoga X 2 Classes	84	30	2520
Meditation	48	20	960
Singing group	48	20	960
Over 50's (Eagles)	96	15	1440
Under 5's	48	8	384
Blood Donors	4	80	320
Totals	776	416	22968
22 Other Activities	93	1568	2637
Grand Total	999	3512	40179

The Future of Anerley Town Hall

Figure 2: Groups Using Anerley Town Hall 2013-2014		
Affinity Sutton	Galton Associates	Rainbow Foster Care
Bromley College	Ibadan Nurses Association	Royal Elites
Bromley Healthcare	Jamaican Nurses Association	Somali Community
Capel Manor College	LB Bromley	Somali Well Woman Association
Chrysalis Care	LB Southwark	St Johns Ambulance
Community Link	Lighthouse Family Centre	Unity Association
Crystal Early Years	Megagame Makers	
Ethnic Communities Project		

In addition, CPCDT provides consistently high quality services to community facility users of the Town Hall. We conducted a survey of users in relation to satisfaction with our services in 2014 which shows high levels of satisfaction with our staff and procedures as shown in Figure 3 below.

Figure 3: Satisfaction Survey 2014



Business Space at the Town Hall

Although the Business Centre occupiers in the Town Hall have a lease with the London Borough of Bromley and pay their rent to Bromley (In 2013 this income to Bromley was £77,175. CPCDT manage their occupation of the building and provide bureau services to them for which they are charged by CPCDT.

Since CPCDT started to manage the building, occupancy of the business spaces has increased from its original level at 29%. There are 28 units containing a total of 69 desk spaces. Currently 9 units are

The Future of Anerley Town Hall

vacant though 2 of these are not currently lettable due to the cracks in their walls, resulting in a loss of potential rent per year of £19,260.

Room	Name
1	CPCDT
2	Pineapple
3	Vacant
4	Vacant
5	Vacant
6	Capital Care & Foster
7	Vacant
8	Vacant
9	JR Plumbing
10	Domestic Ambassadors
11	Ionic Education
12	Vacant
13	Vacant
14	Vacant
15	Vacant
16	Aspire (part of room 6)
17	Wickham Partnership/BMPS
18	Access Mobility
19	Help me grow
20	Artur Wilczynski
21	Diplomats
22	Dareth Healthcare
23	Hanson & Ass
24	Elite Care & support
25	Ethnic Community Project
26	Dareth Healthcare
27	Christ Embassy
28	Vacant

The Business Centre part of the Town Hall currently accommodates a wide range of businesses, all of which are registered locally. Figure 4 shows the businesses and the number of people they employ.

Currently the management of the building is split between the CPCDT and the London Borough of Bromley:

London Borough of Bromley

Is responsible for all repairs, maintenance and cleaning arrangements and ensuring that the building is compliant with health and safety.

Is responsible for all costs associated with the building except those for the Community facilities within the Town Hall which CPCDT covers

It retains all income from business centre users and is responsible for promoting the business space.

CPCDT

Is responsible for managing the building day to day including reception, reporting repairs, overseeing cleaning, caretaking and other contractors on Bromley's behalf in return for an annual management fee of £50,000.

Promoting and booking all community facilities in the Town Hall and carrying out all associated financial and other administration.

Paying the costs of the community facilities in relation to utilities and so on.

Because with CPCDT's help London Borough of Bromley can secure grants to repair and improve the building for the community

CPCDT considers that it is possible for the Town Hall to be a financially viable building if it can be repaired and improved with grant aid. We believe that improvements could:

- Help drive down the fixed costs of running the building – utilities, water, cleaning and caretaking costs by renewing and upgrading systems so that they use less energy and
- Reconfigure and improve some spaces so that they are hireable for a larger range of uses and provide more space for businesses.
- Enable existing activities that are provided from the building to be continued

The Future of Anerley Town Hall

There are significant grant regimes available now and due to be opened for bids including Heritage Enterprise Lottery Fund and Power to Change. Many of these grant providers also provide development funding to enable full technical and business feasibility to be carried out. This funding is not available to local government.

Because if the Town Hall were to be the responsibility of one owner/manager savings could be made, more use made of the building and better maintenance and management of the building will be possible, protecting it into the future

Currently management of the building is split between CPCDT and the London Borough of Bromley. This increases transaction costs and liaison time that would not be necessary if the building were run by one organisation.

In addition Bromley has a large portfolio of assets and cannot provide dedicated, proactive promotional activity for the Town Hall and Business Centre as a location for business and a venue for community activity. It also means that investment in planned preventative maintenance of the Town Hall has to compete with other property priorities within Bromley for both professional assessment and resources for capital works.

CPCDT has representation from the London Borough of Bromley on its governing body and can provide an accountable link to the Council as freeholder of the building if CPCDT were to take a leasehold interest in the building, safeguarding an interest for Bromley in the future of the Town Hall.

What Next?

CPCDT would like to work with Bromley to:

Commit to an agreement for a lease with CPCDT subject to the capital funds necessary being raised and works being implemented before the lease is signed.

Work up an agreed plan and programme to fully specify works needed and secure capital funds for the building to address its issues of subsidence and need for repair and upgrade.

EQUALITY IMPACT ASSESSMENT FORM

Anerley Town Hall-The Future of

Stage 1 – screening to establish if the function has any relevance to any equality issue and/or monitored group i.e.

- Could the function affect one or more equality group in a different way to another group?
- Establish whether different equality groups have different needs
- Establish whether the function contributes to or hinders equality of opportunity

1a	<p>Please give a brief description of the function and its purpose*</p> <p>Anerley Town Hall is a Locally Listed 2 storey building owned by Bromley Council. It dates from 1878 and was extended in 1911. The building currently has several functions. The Anerley Business Centre occupies approximately half of the building on the ground and first floors, whilst the Civic Halls and the former Anerley Library which is currently vacant occupy the remainder of the ground floor. On site management of the Business Centre is provided by the Crystal Palace Community Development Trust (CPCDT / Trust) Bromley Council is responsible for repairs, maintenance and cleaning arrangements and ensuring that the building is compliant with Health and Safety.</p> <p>Anerley Business Centre- The Business Centre was established in 2004, and has 28 offices to rent of different sizes. Offices are let on easy in /easy out terms to small or fledgling businesses. Leases are granted for 12 months, with a landlord and tenant break option after 6 months and are contracted outside the security of tenure provisions of the Landlord and Tenant Act 1954, so can only be renewed with the consent of the council. The rents are inclusive of utilities, repairs, business rates and the internet and are competitive with other local business centres. Of the 28 available units, 10 are currently vacant, Whilst previously occupancy rates have been as high as 90%, the current occupancy rate is just 60.9%. As the costs of operating the centre are largely fixed (other than maintenance), profitability depends directly on occupancy levels.</p> <p>Community Halls-The CPCDT has a lease of the Civic Halls at a peppercorn rent. The service provided by the Trust is very popular and it estimates that there are in excess of 40,000 visits to the facility per annum</p> <p>Library Provision- Anerley Library is now vacant following the recent opening of the new Penge Library in Green Lane, Penge. The July 2014 Executive agreed that an automated book lending facility supported by eight People's Network terminals would be set up in the Town Hall and managed by CPCDT as part of a 'Community Library' offer. The automated book locker has now been delivered and is awaiting connection to the Council's Library Management System by Capita which is expected to be completed shortly. The automated book locker and People's Network terminals are all portable and can be moved to an alternative location should the need arise.</p> <p>Planning Guidance- Anerley Town Hall is a locally listed building of the type 'non designated heritage asset'. Paragraph 135 of the National Planning Policy Framework (NPPF) states that "The effect of an application on the significance of a non-designated heritage asset should be taken into account in determining the application. In weighing applications that affect directly or indirectly non-designated heritage assets, a balanced judgement will be required having regard to the scale of any harm or loss and significance of the heritage asset"</p> <p>The following policies must be referred to and considered when reviewing provision at Anerley town Hall</p> <ul style="list-style-type: none">• UDP Policy BE10 (Locally Listed buildings)• Policy C1 of the UDP• UDP Policy EMP5
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- UDP Policy H2

Whilst the Community Halls facility provided by the Trust is thriving and proving to be a valuable asset, a large part of Anerley Town Hall (the former library) is currently vacant, the Business Centre is losing money, and the building is in need of significant expenditure on repairs immediately and over the next 10 years, and the IT and telephone systems need upgrading. The Council is therefore reviewing the future of Anerley Town Hall and will consider options when its Executive meets on 11th February 2015. Four options have been identified:

Description of proposed options

A-Retain as existing-This option seeks to retain the existing property under current arrangements. This would result in Bromley council having to fund the significant maintenance and repair costs,

B-Lease to the Trust- The Crystal Palace Community Development Trust is a community based, not for profit enterprise that operates for the benefit of those who live and work in the neighbourhoods that comprise the Crystal Palace area. This option involves granting a 40 year lease of the whole building of the Trust on full repairing terms at a peppercorn rent, but excluding the overflow car park which could be sold. Having a lease of this length would enable the Trust to lever in external funding to maintain the building and address the repairs. In taking on the lease, the Trust requires the Council to undertake the structural repairs and upgrade the telephone and IT systems. Grant regimes including bids would also enable the trust to ensure that existing activities currently provided from the building can be continued and extended.

C-Sale subject to Existing Uses- In this option the property could be offered for sale as a going concern in its existing condition, with the Trust and the current business tenants in place. The sale of the existing building requires the Council to resolve the IT link between the Civic Centre and Yeoman House, which is routed via Anerley Town Hall This would require a one-off capital cost and on-going revenue costs over at least the next three years or possibly longer. The sale could be subject to a claw back to ensure that the council received a share of the increase in value (if any) if the property was subsequently converted or redeveloped. Even though there are planning policies to retain the Community use of the building, there is no guarantee within this option that any new owner would keep open the Community Halls and the Business Centre

D-Disposal of the Town Hall/Construction of a New Community Facility-This option would involve closure and disposal of the building and surrounding land (excluding the overflow car park) on the open market .Given the locally listed status, it is likely that the demolition of the building would be resisted. Subject to planning the existing building may be suitable for a variety of uses including residential conversion, hostel, hotel or other commercial use. If a robust case were to be made for demolition of the building (or even parts of the building) by proposing replacement buildings of an exceptionally high standard of design, the property would be significantly more attractive to developers because they would not be restricted by the existing layout nor faced with the repairs liability. This proposal would have to demonstrate that the business use is no longer viable- in compliance with policy UDP Policy EMP5

To satisfy the requirements of Policy C1, the community facility would need to be re-provided and in the absence of a suitable location, this would have to be provided on the site. To meet the needs of both community users and future users, the ideal solution would be to provide this in a separate building on its own discreet site. Another advantage of that arrangement is that it would simplify future management of the site and avoid service charges in respect of shared facilities. Whilst the Community facility would be re-provided, the Business Centre would be not be retained, notice would be given to tenants and they would have to seek alternative office accommodation.

	<p>The options detailed above are to be considered by the Council's Executive. If the preferred option is to dispose of the property, it is recommended that it is marketed on a flexible basis to enable a full financial appraisal of options C and D to be considered alongside options A and B, which will then be the subject of a future report.</p> <p>*Function can mean process, service, policy, proposals, changes or project</p>		
1b	<p>How would you classify the function type?</p> <p><input type="checkbox"/> The service is provided on the basis of an application and /or targeted then go to question 1c</p> <p><input checked="" type="checkbox"/> The service is open to all go to question 1d</p>		
1c	<p>Is the function accessible for all groups? Either tick the box 'Accessible to all groups' and provide <u>relevant evidence</u> OR tick the box for each group to whom the function is <u>not accessible</u> or for whom there may be needs or considerations to accommodate.</p> <table border="1" data-bbox="210 689 1426 985"> <tr> <td data-bbox="210 689 852 985"> <input type="checkbox"/> *Accessible for all groups <input type="checkbox"/> Age <input type="checkbox"/> Disability <input type="checkbox"/> Gender <input type="checkbox"/> Marriage & civil partnership </td> <td data-bbox="852 689 1426 985"> <input type="checkbox"/> Pregnancy & maternity <input type="checkbox"/> Race <input type="checkbox"/> Religion & belief <input type="checkbox"/> Transgender or Transsexual Sexual orientation </td> </tr> </table>	<input type="checkbox"/> *Accessible for all groups <input type="checkbox"/> Age <input type="checkbox"/> Disability <input type="checkbox"/> Gender <input type="checkbox"/> Marriage & civil partnership	<input type="checkbox"/> Pregnancy & maternity <input type="checkbox"/> Race <input type="checkbox"/> Religion & belief <input type="checkbox"/> Transgender or Transsexual Sexual orientation
<input type="checkbox"/> *Accessible for all groups <input type="checkbox"/> Age <input type="checkbox"/> Disability <input type="checkbox"/> Gender <input type="checkbox"/> Marriage & civil partnership	<input type="checkbox"/> Pregnancy & maternity <input type="checkbox"/> Race <input type="checkbox"/> Religion & belief <input type="checkbox"/> Transgender or Transsexual Sexual orientation		
1d	<p>Is it likely that there will be a negative impact on one or more of the equality groups, or is it clear at this stage that it will be equality neutral? (No negative impact on the groups) Please tick in the box equality neutral OR tick the box for the group(s) that will suffer a negative impact. If you have ticked the box 'equality neutral' please provide evidence.</p> <table border="1" data-bbox="210 1137 1426 1505"> <tr> <td data-bbox="210 1137 852 1505"> <input type="checkbox"/> Equality neutral <input checked="" type="checkbox"/> Age <input checked="" type="checkbox"/> Disability <input type="checkbox"/> Gender <input type="checkbox"/> Marriage & civil partnership </td> <td data-bbox="852 1137 1426 1505"> <input type="checkbox"/> Pregnancy & maternity <input checked="" type="checkbox"/> Race <input checked="" type="checkbox"/> Religion & belief <input type="checkbox"/> Transgender or Transsexual Sexual Orientation </td> </tr> </table> <p>If you consider that the impact is Equality Neutral then go to question 1h Otherwise go to question 1e</p>	<input type="checkbox"/> Equality neutral <input checked="" type="checkbox"/> Age <input checked="" type="checkbox"/> Disability <input type="checkbox"/> Gender <input type="checkbox"/> Marriage & civil partnership	<input type="checkbox"/> Pregnancy & maternity <input checked="" type="checkbox"/> Race <input checked="" type="checkbox"/> Religion & belief <input type="checkbox"/> Transgender or Transsexual Sexual Orientation
<input type="checkbox"/> Equality neutral <input checked="" type="checkbox"/> Age <input checked="" type="checkbox"/> Disability <input type="checkbox"/> Gender <input type="checkbox"/> Marriage & civil partnership	<input type="checkbox"/> Pregnancy & maternity <input checked="" type="checkbox"/> Race <input checked="" type="checkbox"/> Religion & belief <input type="checkbox"/> Transgender or Transsexual Sexual Orientation		
1e	<p><i>What are the negative impacts associated with this function? Please list and give details then go to question 1f</i></p> <p>There is a slight negative impact associated with Options A and B. There are potential negative impacts associated with Option C. Additionally there are several negative options relating to Option D</p> <p>Negative Impacts Option A-Retain Anerley Town Hall as existing</p> <ul style="list-style-type: none"> • High level of disruption to tenants and Community Hall users during the works <p>Negative Impacts Option B -Lease the entire building to the Trust and sell the overflow car park</p> <ul style="list-style-type: none"> • High level of disruption to tenants and Community Hall users during the works 		

	<p>Negative Impacts Option C-Sell the entire property subject to Existing Uses</p> <ul style="list-style-type: none"> • High level of disruption to tenants and Community Hall users during the works if the new owner decides to undertake the works. • There is no guarantee that the new owner will keep open the Community Halls and the Business Centre, although there are planning policies to retain the community use. • The Business Centre and Community halls could close if the new owner does not retain them <p>Negative Impacts-Option D-Sell the entire building and relocate the community uses to a new community facility</p> <ul style="list-style-type: none"> • Closure of Anerley Business Centre • Closure and disposal of the whole Anerley Town Hall building • Impact on tenants-The business Centre tenants would be served with notices to bring their leases to an end • High level of disruption during the re-building of new Community facilities
1f	<p><i>Are there positive impacts associated with this function? If yes, please list and give details.</i></p> <p>The Positive impacts associated with each of the options for the future of Anerley Town Hall are listed below</p> <p>Option A-Retain as existing</p> <ul style="list-style-type: none"> • The upgrading and improvements of the facilities available at ATH would benefit the residents of Crystal Palace ward. This option would ensure that maintenance and repairs to be carried out to the building and IT equipment and telephony also be upgraded. This would be an advantage to tenants and the community going forward and would provide an incentive to attract new tenants and users of the community spaces ensuring equality of opportunity for all. • Continuation of existing services. • Compensation for disruption-There will be a high level of disruption during the building works, noise etc. <p>Option B-Lease to the Trust</p> <ul style="list-style-type: none"> • Upgrading and improvements as above • Compensation for disruption as above. • To continue to respond to community need, providing the local community including the 9 equalities strands with a trusted community space to meet and use as a hub and meeting place for local groups to meet • CPCDT has been a successful manager of Anerley Town Hall since 2004 , this option would enable them to continue providing business and community facilities to residents and users, preserving continuity • Enable existing activities and functions that are provided from the building to be continued and potentially improved. • A long lease would enable CPCDT to secure grants and funding to repair and improve the building, adding value for the community. • A long lease would also enable CPCDT to reconfigure and improve some spaces so that they are hireable for a larger range of uses and provide more space for businesses. <p>Option C-Sale Subject to Existing Uses</p> <ul style="list-style-type: none"> • This option would enable the property to be offered as a going concern, with the Trust and the current business tenants in place. • Although not guaranteed, the current services could continue to be provided, with scope for the new owners to develop and extend. • The new owners of the property could undertake the required improvements and modernisation works required, improving the quality of the building significantly

	<p>Option D-Disposal of the Town Hall/Construction of a New Community Facility</p> <ul style="list-style-type: none"> • In order to satisfy requirements of Policy C1 the community facility must be provided. A modern building would result in much improved facilities benefitting the local community. • If the CPCDT agreed to move to and operate new facilities the new community Halls would provide upgraded modern facilities and retain the continuity of being provided by a trusted organisation • The new Community Facility would be situated within the same site, providing ease of access • The Library book locker facility could be relocated into the new facility
1g	<p><i>At this stage, what plans could be built in to address any negative impacts, and/or to add measures which promote a positive impact, or could you consider an alternative approach which may better achieve the promotion of equality?</i></p> <p>This review is being considered due to financial constraints, as the Council must make further budget savings of more than £60 million from a budget of £206 million over the next four years and is looking at the future of every Council service. This was highlighted by a recent on-line consultation entitled 'Our budget-Your views' which enabled residents to voice their opinions on their priorities for Council spending. As part of this process, full consideration now needs to be given to the most cost efficient way of offering provision at Anerley Town Hall. With the exception of option A, the three other options would save the council money, generate income from possible property disposal. Options B and D would have the potential to improve facilities and to benefit the community.</p> <p>Additionally plans are being built in at this early stage to address any negative impacts resulting from options C and D and promote a positive impact as detailed below.</p> <ul style="list-style-type: none"> • Ensure than an externally managed facility or new community facility offers at least the current opening hours with the scope for extension • Offset any adverse impact of Option D by implementing plans to construct a new community building, possibly on the overflow car park. This would retain access for the equalities groups, as the current provision is easily reached by public transport • The negative impact of Option C could be offset if the new owners decided to keep open the Community Halls and Business Centre • Continued provision of activities which are inclusive to all. This is particularly important to groups at risk of social isolation e.g. isolated older people, new parents • Enable the new Community facility to deliver sustainable services with a focus on local need.
1h	<p><i>The Council has a responsibility to promote positive attitudes to equal opportunities in public life. Has this responsibility been discharged in the application of this function? If yes give examples.</i></p> <p>This proposal supports the responsibility of the council to promote positive attitudes to equal opportunities in public life. Examples of how this responsibility has been discharged in the application of this function are as follows. All the options under consideration by the report consider the needs of the 9 equalities groups and the residents of the Crystal Palace Ward currently using the facilities provided by the CPDT at the Anerley town Hall site. The 4 options under consideration set out how each option would offer alternative provision for those currently using the community provision element of the service which is heavily used by many of the 9 equalities groups e.g. lunch clubs for the elderly, training sessions and pre-school and youth activities. If option D is the preferred option then in order to meet the requirements of Policy C1 the community facility would be provided in a modern purpose built community facility building, better suited to meet the needs of the equalities groups in terms of access whilst remaining rooted within the local community. If Option C is chosen, it is possible that the new owner will keep the Community Halls and Business Centre as set out in planning policies, in order to retain community use.</p>

1i	<p>Are there any Human Rights Issues? If so what are they?</p> <p>The implications of this proposal have been assessed using the flow chart in “Human Rights: Human Lives: A handbook for public authorities’ Department of constitutional affairs. This proposal does not interfere with human rights.</p>
1j	<p>Is a full impact assessment required?</p> <p><input checked="" type="checkbox"/> YES – If you have established that there may not be equality of opportunity in 1c or assessed that there would be negative impact on an equality group in 1 d go to Stage 2</p> <p><input type="checkbox"/> NO - please sign off the process (stage 3) and fill in any actions identified, if any in the action plan.</p> <p><input type="checkbox"/> Don't know. I.e. not enough evidence. Please go to stage 2.</p>

Stage 2 – full impact assessment

2a	Does the function affect or impact on the public, whether directly or indirectly?		
	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> Don't know
	<p><i>Provide any relevant information here.</i></p> <p>Options A, B would have no real impact on the public, Both Options C and D could have a direct impact on current service users and an indirect impact on the local community and Bromley residents using the services and facilities. The direct impact on the 16 tenants of the business centre who employ a total of 55 people and 26 voluntary and statutory organisations using the Community facility would be more significant. However although situated at the Anerley Business Centre, not all of the Business Tenants actually live in the local area, and their businesses are targeted at a wider audience outside Crystal Palace ward .</p> <p>Anerley Town Hall is situated in Crystal Palace Ward within the London Borough of Bromley. The Census 2011 showed that Bromley has an overall population of 309,400 while Crystal Palace ward has a population of 12,255. The ward population has been analysed as follows to ensure that considerations with regard to equality issues have been made, taking into consideration the needs of the 9 equalities Groups who could potentially use the facilities at Anerley Town Hall.</p> <p>Age The Age structure of those resident in Crystal Palace Ward is detailed below</p> <ul style="list-style-type: none"> • Age 0 to 15-19.3% • Age 16 to 29-19.4% • Age 30 to 44-33.4% • Age 44-59-16.5% • Age 60-74-7.7% • Age 75 to 89-3.2% • Age 90 and over-0.6% <p>Gender Of the usual resident population of the Crystal palace ward, the gender is defined below</p> <ul style="list-style-type: none"> • Male-49% • Females -51% <p>Disability Census 2011 data provides the following health related statistics for Crystal Palace Ward</p> <ul style="list-style-type: none"> • Very good health-48.1% • Good Health-34.3% • Fair Health-12.3% • Bad Health-4.2% 		

	<ul style="list-style-type: none"> • Very bad health-1.1% <p>Race The ethnic groups of the 12,255 residents of Crystal Palace Ward as defined by the Census 2011 are detailed below</p> <ul style="list-style-type: none"> • White- 61.8% • Black -23% • Asian-5.6% • Mixed Race-8% • Other-1% <p>Religion The religion of Crystal Palace Ward residents identified by the Census 2011 is detailed below</p> <ul style="list-style-type: none"> • Christian-51.4% • No religion-30.4% • Religion not stated-9.5% • Muslim-5.8% • Hindu-1.2% • Buddhist 0.8% • Jewish 0.2% • Sikh-0.1% • Other religion-0.6% <p>Marriage/Civil partnership The marital and Civil Partnership status statistics for Crystal Palace Ward residents aged 16 and over obtained from Census 2011 are detailed below</p> <ul style="list-style-type: none"> • Never/not married/civil partnered-54.1% • Married 26.8.1% • In a registered same sex civil partnership-0.5% • Separated-4.6% • Divorced of formerly in a civil partnership(legally dissolved)-9.8% • Widowed or surviving partner from same sex civil partnership-4.1% <p>Sexual Orientation It is not possible to estimate the number of residents of Crystal Palace Ward who are LGBT as no national census has asked people to define their sexuality</p> <p>Pregnancy and maternity- no information available</p> <p>Gender re-assignment- no information available</p>			
2b	<p>Have complaints or feedback been received about the function and its effect on different equality groups?</p> <table border="1" data-bbox="209 1648 1433 1715"> <tr> <td data-bbox="209 1648 612 1715"><input type="checkbox"/> yes</td> <td data-bbox="612 1648 1007 1715"><input type="checkbox"/> no</td> <td data-bbox="1007 1648 1433 1715"><input checked="" type="checkbox"/> Don't know (at this stage until consultation completed.)</td> </tr> </table>	<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> Don't know (at this stage until consultation completed.)
<input type="checkbox"/> yes	<input type="checkbox"/> no	<input checked="" type="checkbox"/> Don't know (at this stage until consultation completed.)		
	<p><i>Provide evidence by documenting all reliable up to date information.</i></p> <p>The users of the Building (both of the Halls and the Business Centre) are being consulted about the options and the results of this will be reported to the Council's Executive.</p> <p>Comments on these proposals have been made by Ward Councillors. Any comments made at the Executive meeting will be reported in the minutes and will then be included in an updated version of the Equality Impact Assessment which will be produced after the meeting.</p>			
2c	<p>Outsourced services - if the function is provided by external organisations/agencies on behalf of the Council please detail any arrangements you have to ensure that the function</p>			

	promotes equality; this may include contract conditions.
	<p><i>Provide evidence by documenting all reliable up to date information.</i></p> <p>Crystal Palace Community Development Trust (CPCDT) has managed the community facilities and business centre on behalf of the London Borough of Bromley since 2004. This arrangement promotes equality as the services provided at Anerley Town Hall Are inclusive, representing the diverse cultures and age groups in the Crystal Palace Community, and are available to all including the 9 Equalities groups. Responsibility for and management of the building is split between CPCDT and the Council. Future management arrangements will need to be agreed, depending on which Option is preferred by the Executive.</p>
2d	<p>Does the function have employment implications for Council staff</p> <p><input type="checkbox"/> yes <input checked="" type="checkbox"/> no <input type="checkbox"/> Don't know</p> <p><i>Provide evidence by documenting all reliable up to date information.</i></p> <p>The proposals for the future of Anerley Town Hall do not have any implications for Council staff. There are no Bromley Council Staff working at Anerley Town Hall.</p>
2e	<p><i>If you have established that the function does have an adverse impact on one or more of the groups, then you must identify whether this is justifiable. If not, then the function must be changed. Please set out the adverse impact and the business justification for continuing with this situation.</i></p> <p>The business justification for considering the Future of Anerley Town Hall is as follows. Bromley council must make further budget savings of more than £60 million in the next four years. This is in addition to substantial savings already made, so there will be very difficult decisions to be made regarding savings. Under the current arrangement for Anerley Town Hall whilst in previous years a small surplus has been achieved, in the year ended 2013/14 the Centre made a net loss. Current projections show an estimated loss for 2014/15.</p> <p>Of the options under consideration Option D (Disposal of the Town Hall/Construction of a New Community Facility) would involve closure of the Town Hall building and disposal of it and the surrounding land (excluding the overflow car park) on the open market. This will generate a capital receipt .Under Option C –(Sell the entire property subject to the existing uses) the building would be offered for sale as a going concern in its existing condition, with the Trust and current business tenants in place but there is no guarantee that any new owner will keep open the Community Halls and the Business Centre open, Of the negative impacts associated with this function , the following action will be taken to mitigate potential impacts, especially relating to options C and D:</p> <p>Age-The age breakdown of the residents of Crystal Palace Ward has been analysed. 71.2% of the ward population are aged 18-65 making them the largest ward population group. Under 18's make up 21%% of the ward population and those aged 65+ constitute 7.9%. To analyse further 33% of the ward population are aged 30 to 44 making them the most populated age group overall in the borough. The needs of older people over 65 have been carefully considered by this EIA. Social isolation is an issue for many older people, particularly those who live alone 6% .Low income is an issue for many pensioners, Census figures show that 25% of people aged over 60 in the Crystal Palace Ward are claiming benefits relating to low income.</p> <p>Adverse Impacts-Age</p> <p>Initial analysis of the use of Community Facilities at the Town Hall shows high use by Over 50s groups who made up 25% of regular hirers from April 13-March 14 and under 16's who accounted for 21% of regular use. The following action will be taken to mitigate potential negative impacts justifying the proposed service changes</p> <ul style="list-style-type: none"> • Communications to the new service provision including any permanent closure,

temporary or interim arrangements to be made clear including public transport and parking options.

- 47.5% of the Crystal Palace Ward residents have access to a car to enable them to access alternative provision if Option C was chosen and the Business units and Community Halls were not kept open by the new owner or if option D was chosen and the Business Units were displaced. The ward is well served by bus, train and tram routes to allow residents to access alternative provision.
- To put forward the overflow car-park as a location for the relocation of the new Community Hall in the absence of any suitable location being identified. This would ensure that elderly residents or young families are not disadvantaged by the relocation of this service.

Disability-There is no way of determining the number of visitors to the facilities currently offered at Anerley Town Hall who are disabled as this data is not available. Of the usual resident population of Crystal Palace Ward in very good health is 48.1% the highest compared to just 1.1% who are in very bad health, the lowest. The remainder of the population range from bad health to good health at varying levels. Additional census data shows us that 62.7% of Crystal palace residents aged 16-64 say their day to day activities are not at all limited by health whilst 7.5% say their day to day activities are limited by health a lot. The needs of those with disabilities were taken into account when assessing the impact of the options .

Adverse Impacts-Disability

See mitigating actions listed above in the age section as justification. Additionally the following action will be of benefit to this group

- Any new Community Hall building to be fully DDA compliant to meet the needs of those with disabilities currently using or potentially using the Community Halls
- To ensure that alternative provision for the Anerley Business Centre provides the same level of access in order to be easily accessible for staff and customers with disabilities
- Signpost those with disabilities working in or using the Community Halls and Business Units to alternative local DDA compliant provision if the building is sold and these facilities are not retained by the new owner

Race-Analysis of the Census 2011 data shows that within the Crystal Palace Ward 38.2% are from BME backgrounds. After White and other white the 3 groups that are most significantly represented in the local community are Black African, Black Caribbean, and Mixed/ Ethnic Groups. White and Black Caribbean.

Adverse Impacts-Race

A wide range of groups reflecting the diversity of the community meet regularly in the Community Halls, these include Jamaican Nurses, Ethnic Communities Project, Somali Community, Somali Women's Association and Ibadan Nurses Association. The Ethnic Community Project and Artur Wilczynski are among the business centre occupiers

See mitigating actions listed above in the age and disability section as justification. Additionally the following action will be of benefit to those of minority ethnic backgrounds and all other ethnic groups who have been considered in this EIA.The following additional action will be taken to mitigate potential negative impacts justifying the proposed service changes

- Communications and marketing relating to any closure or relocation of facilities and any new Community Hall provision including parking and public transport to be made available in a wide range of Community languages

Religion and belief- In the 2011 Census 51% of the residents of Crystal Palace Ward described themselves as Christian.30.4% stated they had no religion whilst 5.8% were Muslim. The remainder of the population of the ward either stated no religion or belonged to other religions. Eid prayers were held in the Community Halls attracting 400 visitors.

	<p>Christ Embassy have held 48 meetings at the Community Halls attracting 384 visitors to their meetings. The use of this facility by local faith groups further demonstrates the value of the Community Halls to local religious groups as a trusted space where all are welcome.</p> <p>Adverse Impacts-Religion and belief See mitigating actions listed above in the age and disability and race section as justification. Additionally the following action will be taken to mitigate any impact</p> <ul style="list-style-type: none"> • Communications and marketing relating to the New Community Hall provision or closure to be available in a wide range of Community languages • Full information on any temporary or permanent closure dates to be advertised in a timely manner in order to allow any religious groups to arrange alternative premises in which to hold their meetings and celebrations. <p>Adverse Impacts-Gender Whilst there are more women resident in Crystal Palace ward than men. There is no evidence to show that women are the biggest users of Anerley Town Hall. Therefore there are no impacts anticipated for this category, but consultation will seek to establish whether there are specific impacts</p> <p>Adverse Impacts-Pregnancy and maternity Whilst there are more women resident in Crystal Palace ward than men, there is no evidence to show that pregnant women or those on maternity leave are the biggest users of the facilities at Anerley Town Hall. Therefore there are no negative impacts anticipated for this category. Consultation will seek to establish whether there are specific impacts</p> <p>Adverse Impacts-Marriage/Civil Partnership There are no impacts anticipated for this category, but consultation will seek to establish whether there are specific impacts</p> <p>Adverse Impacts-sexual orientation There are no impacts anticipated for this category, but consultation will seek to establish whether there are specific impacts</p> <p>Adverse Impacts-Gender reassignment There are no impacts anticipated for this category, but consultation will seek to establish whether there are specific impacts</p>			
2f	<p>Monitoring – give details of any monitoring being carried out on existing functions.</p> <p>The following monitoring has been carried out on existing services by CPCDT</p> <ul style="list-style-type: none"> • Annual satisfaction Survey • User Feedback • Attendance figures • Usage figures • Business Centre occupier statistics 			
2f (i)	<p>If this is a new function, or not currently monitored, are you planning to monitor the impact of the function</p> <table border="1" data-bbox="212 1727 1425 1798"> <tr> <td><input checked="" type="checkbox"/> yes</td> <td><input type="checkbox"/> no</td> <td><input type="checkbox"/> Don't know</td> </tr> </table> <p>If yes add details to action plan-See completed action plan p 15 If no please explain why it is not considered appropriate to do so. n/a</p>	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> Don't know
<input checked="" type="checkbox"/> yes	<input type="checkbox"/> no	<input type="checkbox"/> Don't know		
2g	<p>Consultation – If you have not carried out consultation, or if you need to carry out further consultation who will you be consulting with and by what methods? Add details to action plan</p>			

	<p>Consultation on the Options is currently being undertaken with the users of the community halls facility and the Business Centre tenants including those with protected equalities characteristics who wish to respond. Commencing in December 2014 the consultation will run until 22nd January 2015. Responses are being collated by the CPCDT. Consultation findings will be reported to the Executive. As consultation is being conducted, no details to be added to the action plan in this area.</p>
2h	<p><i>Evidence – what further evidence do you have about considerations with regard to equality issues that you have made concerning this function? e.g. audit reports, minutes from meetings or survey results</i></p> <p>In order to inform this EIA, evidence regarding equality issues has been gathered from the sources listed below and analysed to ensure that the needs of all residents of Crystal Palace ward including those of the 9 equalities groups are considered as part of this process</p> <ul style="list-style-type: none"> • The Future of Anerley Town Hall-CPCDT report • Census 2011 data • CPCDT Satisfaction survey 2014 <p><u>Community Facilities at the Town Hall</u></p> <p>Services at the Anerley Business Centre and Community Halls are delivered from Anerley Town Hall which is within the Crystal Palace Ward .A population figure of 12,255 was recorded for the ward in the 2011 Census.</p> <p>In 2013-2014 CPCDT has delivered services for local people that are valued by those using them and continue to grow and develop. In 2013-2014 this included a youth club with over 40 young people per session twice weekly during term time. Activities have included training, education and social and sports activities delivered in partnership with other activities e.g. St John’s ambulance. Arts Group for under 18’s with additional funding from Affinity Sutton. The Eagles club runs twice a week funded by CPCDT secured funding for the over 50’s. Under the stewardship of the CPCDT the community facilities in the building are used by a wide range of people and organisations including those detailed above.</p> <p>Figures 1 and 2 show community usage figures of the Town Hall in 2013-2014 which were included in the recent Future of Anerley Town Hall report by CPCDT .This data shows that 26 voluntary and statutory organisations used the centre during this period. Additionally there are 15 regular hirers. These groups provide a valuable range of services of their own for local people ranging from citizen’s advice, elderly lunch clubs, training sessions and youth activities which all empower local people, increasing their opportunities and enhancing the quality of life of residents.</p> <p>CPCDT estimate that there were in excess of 40,000 uses of the community hall space in the period spanning from Apr 13 - Mar 14 (as detailed below-Fig 1). Visitors to the Community Hall space participated in a wide range of events relevant to all ages and cultures including education and training, leisure and recreation including meditation, Zumba, yoga, worship, and social celebrations including christenings, birthdays, anniversaries and funerals</p> <p>Of the individual groups using the halls include local authorities including Bromley and also LBB Southwark. Other organisations from the Borough hold events in the Town Hall including Bromley College and Bromley Healthcare in addition to cultural and religious groups. The success of the Town Hall facilities is attributed to the fact it is one of the few facilities in the area with a large capacity and excellent facilities including kitchen, toilets and car park making it accessible and economically affordable to all.</p>

Figure 1-Attendance at Community Events

Major Event Type	Sessions	Individuals	Total visits
Eid Prayers	1	400	400
Weddings	24	156	3745
Christenings	8	146	1170
Birthday Parties	21	149	3135
Funerals	6	190	1140
Anniversary Parties	3	50	150
Family Functions	4	134	535
Community Clubs	12	289	3470
Training Sessions	25	10	725
Totals	104	1524	14470

Regular Hirers	Sessions	Individuals	Total visits
Pineapple Luncheon Club	96	80	7680
Citizens Advice Bureau	48	15	720
Youth Club	80	40	3200
Art Class (Young People)	40	25	1000
Christadelphians	48	25	1200
National Careers	26	4	104
Christ Embassy	48	8	384
Weightwatchers	48	25	1200
Zumba Classes	40	25	1000
Yoga X 2 Classes	84	30	2520
Meditation	48	20	960
Singing group	48	20	960
Over 50's (Eagles)	96	15	1440
Under 5's	48	8	384
Blood Donors	4	80	320
Totals	776	416	22968

22 Other Activities	93	1568	2637
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Grand Total	999	3512	40179
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Figure 2: Groups Using Anerley Town Hall 2013-2014

Affinity Sutton	Galton Associates	Rainbow Foster Care
Bromley College	Ibadan Nurses Association	Royal Elites
Bromley Healthcare	Jamaican Nurses Association	Somali Community
Capel Manor College	LB Bromley	Somali Well Woman Association
Chrysalis Care	LB Southwark	St Johns Ambulance
Community Link	Lighthouse Family Centre	Unity Association
Crystal Early Years	Megagame Makers	
Ethnic Communities Project		

In 2014 CPCDT conducted a survey of users to measure satisfaction amongst community facility users .Analysis of the findings shows high levels of satisfaction with both CPCDT staff and services and procedures as shown below in Figure 3

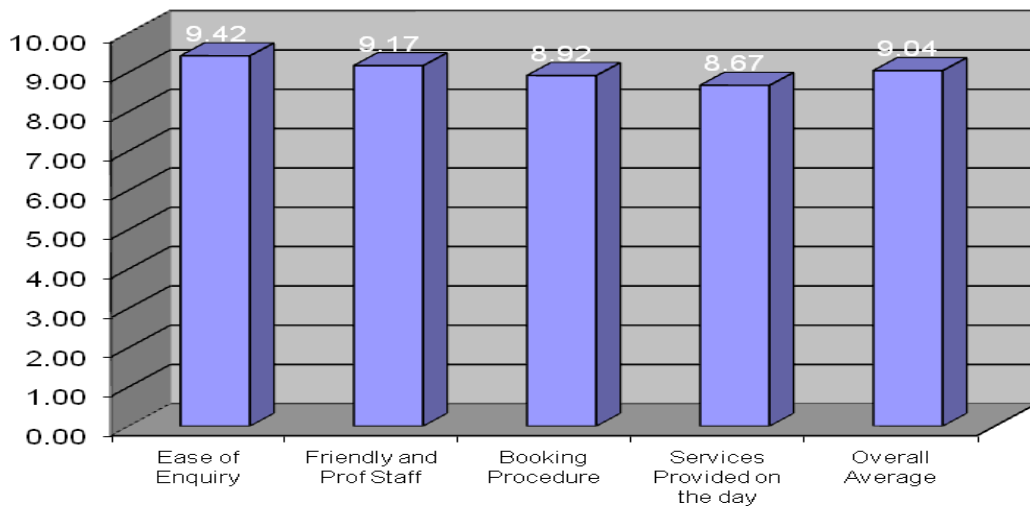


Figure 3- Service Satisfaction

The Business Centre part of the Town Hall currently accommodates a wide range of businesses, , although not all of these are operated by local residents. Figure 4 shows the businesses and organisations and the number of people they employ.

Table 4: Business Centre Occupiers	
Room	Name
1	CPCDT
2	Pineapple
3	Vacant
4	Vacant
5	Vacant
6	Capital Care & Foster
7	Vacant
8	Vacant
9	JR Plumbing
10	Domestic Ambassadors
11	Ionic Education
12	Vacant
13	Vacant
14	Vacant
15	Vacant
16	Aspire (part of room 6)
17	Wickham Partnership/BMPS
18	Access Mobility
19	Help me grow
20	Artur Wilczynski
21	Diplomats
22	Dareth Healthcare
23	Hanson & Ass
24	Elite Care & support
25	Ethnic Community Project
26	Dareth Healthcare
27	Christ Embassy
28	Vacant

2i	<p>Publishing – if the equality impact assessment forms part of an overall review then the results should be published as part of any report that goes forward to Elected Members. If not the findings of the impact assessment should be published on our Council’s web site.</p> <p>Add details to action plan</p> <p>See updated action plan on page 15</p>
2j	<p><i>Training and development - please list any staff training issues that have arisen as a result of conducting the impact assessment</i></p> <p><i>Add details to action plan</i></p> <p>No staff training issues have arisen after conducting the EIA so no action recorded in the action plan for this section.</p>

Stage 3 - GENERIC EQUALITY IMPACT ASSESSMENT ACTION PLAN please list actions that you plan to take as a result of this assessment, continuing on a separate sheet if necessary. If appropriate these actions should be added to any business/service plan for the function.

Issue	Action to be undertaken	Desired outcome	Action owner	Target date
<u>Consultation</u> Consultation of the Halls and Business Centre users is currently being undertaken	To be reported to the Council's Executive.			
<u>Communication</u> The EIA highlighted the need to ensure that staff and Anerley Town Hall users are fully aware of the o consultation and also the proposed service change and its implications	Arrange an effective marketing campaign to raise awareness of the changes and possible options including <ul style="list-style-type: none"> • Posters • Leaflets The above to be provided in a range of community languages as required	To ensure that staff and the groups using the Anerley Tall Hall business centre and community halls are made aware of the results of the consultation and the option chosen. The desired outcome of the marketing campaign would be to advertise the changes to the service so that users are informed so they can plan ahead securing alternative premises for regular events	tbc	tbc
<u>Monitoring</u>	To record and monitor statistics for the Community Halls and undertake annual Customer Satisfaction Surveys.	To ensure that <ul style="list-style-type: none"> • Visitor figures • Usage figures • Service satisfaction Are monitored	CPCDT	tbc
<u>Publishing</u>	Arrange for the EIA to be included in any report that goes forward to Elected members or be published on the Councils website	To ensure that <ul style="list-style-type: none"> • The EIA is publishes on the Council's website • The EIA is included in any reports to elected members 	tbc	tbc

Signed: Paula Young
Date: 19 Jan 2015

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The Future of Anerley Town Hall
Appendix to Part 1 and 2 Reports
Executive 11th February 2015

Summary of Responses to the Consultation on the Options with the Users of the Halls and Business Centre
Tenants.

(Copies of the full responses are attached for reference).

Ref	Respondent	Views
1	James Dixon Parent Forum	Loss of library facility already a big blow to resource for children and little consultation about this. Fear this will be repeated. Anerley needs good community facilities. Town Hall ideal. Significant building which should be repaired. Anerley would benefit from upgraded facilities.
2	Alina Kondrat (parent of child at James Dixon School)	Saddened by closure of Library which was extra resource for schools. Anerley needs good community facilities. Town Hall ideal. Significant building which should be repaired. Anerley would benefit from upgraded facilities.
3	Glyn Pritchard (Governor of James Dixon School and local resident)	Opposed to Town Hall becoming anything than a centre for public use.
4	Isabel Parry (Parent of children at James Dixon School)	Saddened by closure of Library, but looking forward to opening of new automated booker locker system. Building of historical value with many public uses. Regular visitor for blood donor sessions.
5	Mrs Marie Read (Governor of James Dixon School)	Saddened by closure of Library which was extra resource for schools. Penge Library is a long walk away. Anerley needs good community facilities and the Town Hall is ideal.

		<p>Significant historical building which should be repaired.. Town Hall is perfect venue to support new businesses and social enterprise. Anerley would benefit from upgraded facilities.</p>
6	Sophie Leighton (Parent of child at James Dixon School)	<p>Saddened by closure of Library which was extra resource for schools. Anerley needs good community facilities. Town Hall ideal. Significant building which should be repaired. Anerley would benefit from upgraded facilities.</p>
7	Veryan Wilkie- Jones (Friend of parent with child at James Dixon School)	<p>Saddened by closure of Library which was extra resource for schools. Anerley needs good community facilities. Town Hall ideal. Significant building which should be repaired. Anerley would benefit from upgraded facilities.</p>
8	Nick Goy	<p>ATH is historic landmark building, part of heritage, heart of Anerley, valuable to local economy and employment, home to CPCDT. Community and business uses should continue to be maintained and improved. The fabric of the building should be maintained. Its functions supporting the community should continue. All localities of the Borough should be supported, not least those at its edges. Comments about CPCDT tenancy and its management role. Town Hall is special and unique as a social centre. Loss of car park make the Town Hall less attractive and displace to residential streets. CPZs not the answer. Supports CPCDT's proposals.</p>
9	Rosie Hunter (Parent of child at James Dixon School)	<p>Saddened by closure of Library which was extra resource for schools in a deprived area. Anerley needs good community facilities. Town Hall ideal. Provides an anchor building for community and business hub. Building of significant interest; piece of social infrastructure.</p>

		Anerley would benefit from upgraded facilities.
10	Louise Enticknap	Supports Town Hall remaining in public use for benefit of community. Building inviting and well used; much potential to develop its uses. Consultation should be extended to local community.
11	Noreen Meehan (Resident of Gipsy Hill)	Saddened by closure of Library; helpful learning resource. Anerley needs good community facilities. Town Hall ideal. Significant building which should be repaired.
12	Oliver Iglesias-Whittaker (parent of children at James Dixon School)	Important building would be terrible loss if demolished or allowed to fail. IT has potential to provide facilities to benefit and encourage growth of community. Should be saved and invested in. Beautiful example of its period of architecture.
13	Sarah Grierson (Parent of child at James Dixon School)	Concerned about potential threat to sell or demolish ATH. Saddened by closure of Library which was extra resource for schools. Anerley needs good community facilities. Town Hall ideal. Significant building which should be repaired. Concerned that no open consultation on closure. Anerley would benefit from upgraded facilities.
14	Ray Sacks	Splendid Victorian building; architectural and community significance. CPCDT done a great job so far. Strongly supports Option 2 (<i>referred to as B in the Report</i>) to enable continuation and expansion of current activities. Sale of overflow car park should provide funds to repair and upgrade building.
15	Christ Embassy Norwood (Tenant of Business Centre)	Supports Option 2 (<i>B</i>). Expects to see some improvements in the building.

16	Kate McGhee (Parent of children at Crystals Early Years nursery and James Dixon School)	Short sighted for the Council to allow this historic building to be destroyed. Considerable demand for good quality community space and business facilities. Potential for mixed use. A café would be great addition. Saddened by loss of library. Pressure on parking, which the current facilities help alleviate.
17	Ross Banford (prospective new tenant at Business Centre)	Fully informed that ATH is under review, but still proceeding as facilities perfectly suit needs. Impressed by work of CPCDT. Town Hall is important place for community and would be disappointed if this did not continue. Also important place for the business tenants. Supports Option 2 (B). Also supports disposal of the overflow car park if proceeds could be directed towards the required structural improvements.
18	Tom Chance (Green Party spokesperson for Housing, Candidate for Lewisham West and Penge)	Regrettable that the Council closed the library. Business Centre is keeping 55 people employed. Closure would impact on the local economy and other businesses (e.g. shops in Anerley Road). Building has valuable role in local community. CPCDT has solid track record. No alternatives to this facility in the area. Redevelopment would be a huge loss in this deprived area. Supports Option 2 (B). The Council should guarantee payment for the subsidence works and work with CPCDT to upgrade the telephone systems. Sympathetic to selling part of the car park for development, but with care not to impact on viability of facilities and with a transport plan to reduce private car usage.

19	Barbara Scialo (Halls user)	Wants to continue use of Halls to provide regular free meditation classes. Supports Option 2 (B). The CPCDT understands how to make the most of the facilities, including the former library.
20	Aaron Duncan The Mixtape Project (Local Penge resident and Halls user)	Uses Halls for recording studio and youth arts organisation. Includes explanation of its work. Loss of facility would result in young people not having access to these opportunities, and impact on anti-social behaviour. Supports Option 2 (B).
21	Patrick Lambe (Tenant of Business Centre)	Recent tenant, not warned specifically that building under review. Property clearly in need of maintenance. Attractive landmark building. Businesses contribute to the local economy. Expected business centre should feed in well to the Mayor of London's urban renewal policies.
22	Freeway Union (Hall user)	Supports Option 2 (B). CPCDT allowed free of charge use for a community lunch attended by 100 people. Historic building, which should remain available to residents for a diverse range of services. One of biggest social spaces in the area, inclusive in terms of physical and cultural access. Supports work of CPCDT. Halls are well used.
23	Barbara Hibbert (Tenant of Business Centre)	Strongly supports Option 2 (B). Wants the phone and IT systems upgraded. The business centre provides a useful base for local residents and community activities.

24	John Getgood (Chair, Penge Forum)	<p>Supports Option 2 (B). CPCDT is a worthy guardian and has been successful in developing a wide range of community activities. No alternative facilities are readily available. Business Centre losses largely resulted from infrastructure shortcomings, which can be resolved. High level of demand for this business facility in the area and growth in self-employment. Should also take into account Mayor of London's plans for regeneration of Crystal Palace as a Strategic Outer London Development Centre and the part ATH could play in this. Option 2 is the only one that allows realistic chance of continuing community and business use and retain historic building. More efficient operation and access to grants for refurbishment. Supports CPCDT's reasonable requests that the Council should address the subsidence and upgrading of the IT. Sale of the car park can offset these costs.</p>
25	Yvonne Walker and Roslyn Burton Elite Care and Support (Tenant of Business Centre)	<p>One of the best buildings in the area. Supports Option 2 (B).</p>
26	Agnes Jeary (Curriculum Development Manager Bromley AEC)	<p>Supports Option 2 (B). Bromley AEC has successfully delivered computing and digital literacy courses at ATH in 2013 /14. Worked in partnership with CPCDT. Engaged with those who could not get to mainstream centres. CPCDT has capacity to develop amenities. Selling the building in the hope that another can be built on a reduced plot cannot be guaranteed to sustain the activities. Use of library would increase capacity for further courses. With new residential development in the area, retention of community hub will be of benefit to new residents.</p>

27	Norman Skinner Secretary of Norwood Christadelphians (Halls user)	<p>Aware of the need for underpinning, but hope this does not mean demolition of the building and loss of facilities. Not aware of the financial details, but cannot support the loss of the facility. Well known and well-loved Victorian landmark. Provides details on history and features. Regular users for 20 years, and lack of other similar facilities. Direct and local management of the Halls provided by CPCDT is far preferred. Demand for the Halls is high. Closure would be a great loss. Option 2 (B) is preferable. CPCDT has considerable experience in managing the property. This will existing building will be preserved, former library included (perhaps as a Day Nursery) and finance raised from sale of car park to fund repairs.</p>
28	Marcus Mikely, HMG Fostering (Tenant of Business Centre)	<p>Prefers Option 2 (B). Option 3 (C) is non-starter; purchaser would not recoup its outlay. Under Option 4 (D) there would be no business centre. Understands financial situation and need for austerity, but the Council should recognise the superb work carried out. Business Centre has given opportunity to develop business in a secure, safe and cost effective location. ATH is steeped in history and is carrying out an excellent function.</p>
29	Rebecca Knowles (Kingswood Community Shop Co-ordinator, CPCDT, Dulwich)	<p>Comments on each option: 1 (A). Difficult to comment on as funding for repairs not disclosed. ATH should be considered as a whole building, including library. If works are cost effective, the whole building should be considered for business centre and community use. 2.(B). CPCDT managed building for 10 years, with great success. Continuing this service and the CPCDT brand is invaluable to the local community. Important that the Council continues a positive partnership to support CPCDT.</p>

		<p>3. (C). Unrealistic and risky in present financial climate. Business Centre unlikely to continue as purchaser's interest will be purely commercial, putting the CPCDT at risk. Lead to adverse impact on local community.</p> <p>4. (D). Historic landmark building. Disposal or redevelopment would be great loss to the community. Risk of demolition for commercial gain.</p>
30	Naomi Thomson, HMG Fostering (Tenant of Business Centre)	Regarding Option 1 (A), the library could be rented out as another function hall or split into a few functions rooms, as this facility seems to be lucrative for the Town Hall.
31	Carla Dixon (Hall user)	Supports Option 2 (B). This would bring stability to the Halls and a way forward. Running Yoga classes for 8 years at the Halls. Halls should be preserved for historic and community reasons.
32	Andrea Axon (local resident)	Anerley and Penge are deprived of good and safe community facilities. Rise in number of small businesses, and these need premises. Cannot support any option which puts the CPCDT at risk. New community facility is attractive, but this risks Town Hall being demolished, a valuable part of local landscape and heritage. Allowing redevelopment as a supermarket or for residential use would halt spread of increasing activity from Crystal Palace. Option 1 or Option 2 are the only feasible and realistic options, but Option 2 is preferred to provide a decent community and business centre.
33	Pineapple Club (Tenants of Business Centre and Halls user)	This organisation has been at ATH since 2007 and seeks to address poverty, isolation and marginalisation amongst the local African Caribbean community. Over 100 people attend per week and these have been consulted. Options 1 (A)and 3 (C) are not possible; they will leave much uncertainty. Option 4 (D) will take years to complete, be costly and will need to

		<p>be funded by the Council and will lose the Business Centre, which is vital to local employment. Thus, not an option.</p> <p>Prefer Option 2 (B). CPCDT are experienced in managing the building; it provides a range of activities; no other Halls in the area which meet our needs, the CPCDT would be able to obtain funding for repairs; building is important to street view; CPCDT would be more innovative in managing the Business Centre and using the vacant space.</p> <p>The letter has many signatories.</p>
34	Douglas McHardy The Over 50s Club (Halls user)	<p>This club has been at ATH since 1992 under an arrangement with Crystal Palace Football Club, when originally known as “The Eagles Club”, set up for the promotion of sport in the community. Explains current activities.</p> <p>Urges the Council to adopt Option 2 (B), including selling the overflow car park.</p>
35	Lorenzo Wilkinson	Prefers Option 1 (A).
36	Jordon Hallsworth	Prefers Option 1 (A). It is a community structure, used by community for over 150 years, and great asset to the community.
37.	Harry Jones	Prefers Option 1 (A). ATH has been around for years, good for the community and young people in the area.
38.	David Campbell	Prefers Option 1 (A). Its good and been around for years.
39.	Joe Lowrie	Prefers Option 1 (A). Building been around for over 100 years and it means a lot to the community.
40.	Levi-Elijah Lester	Prefers Option 1 (A). ATH is a suitable place for all ages to stay out of trouble and for young adults and the older generation to socialise.
41.	Agnelo Monteiro (Caretaker, CPCDT)	Prefers Option 2 (B). The old age groups are happy and healthy because of the Activities at ATH. Raised issue of redundancy.

42.	Louise Costello (Mason) (Parent of children at James Dixon School)	Building is a key component in regeneration and community activity in north of Borough. Encouragement of social enterprise and community partnership is essential ; repaired / well run ATH would offer range of opportunities. Shocked that Council is relying on the vacant library (which it closed) and repair condition (following neglect) to promote sale and potential demolition.
43.	Mr and Mrs Steve Clements (Local resident and Halls user)	ATH is unique building: two function rooms of different sizes offer facilities to all; on-site parking; close to the station. Allows social and commercial use on a continued basis and would be badly lost to the community.
44.	The Board of Trustees of CPCDT (Operators of the Halls and Managers of the Business Centre)	Please refer to the CPCDT's detailed response within the consultation papers.

Interim Business Plan
The Crystal Palace Community Trust (“CPCDT”)
Anerley Town Hall (“ATH”)
(Updated) January 2015



CPCDT’s “Mission” at Anerley Town Hall

To provide services and facilities for local people, groups and businesses to use in an accessible, affordable, safe and enjoyable way that enables them to thrive socially and economically and that ensures Anerley Town Hall remains a vibrant, valued and well used asset in Anerley for years to come.

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1. Purpose of the document

To provide a clear, realistic and concise overview of the opportunities and challenges facing CPCDT if it is to retain and increase its presence in Anerley Town Hall, in the London borough of Bromley, for the benefit of the local community and local economy.

2. Context

CPCDT has an “over-arching” strategic plan (2014) that sets out the trust’s aims, ambitions, ethos and how CPCDT sees itself striving to fulfil its mission of “enabling the communities of Crystal Palace and surrounding areas to play an active part in the regeneration of their neighbourhood” It is a broad document and leaves space for separate more detailed business plans for our 2 current significant and geographically separate projects. Anerley Town Hall (ATH), Anerley Road, Anerley (Bromley) and the Kingswood Community Shop (KCS) Kingswood Estate (Southwark). The latter already has its own business plan, last updated in 2013.

3. Executive Summary

See [“Conclusion”](#) on page 20

4. History of CPCDT

CPCDT has been established for over 10 years (2004) and has for all of that time been managing Anerley Town Hall's business centre and community space on behalf of Bromley Council. It oversaw the capital element (£365k) of the Kingswood Community Shop Project (“KCS”) from 2008 and its successful launch and operations since 2010

Whilst CPCDT has a 5 borough remit (Bromley, Croydon, Lambeth, Southwark and Lewisham) focused on a mile or so radius from Crystal Palace, this (ATH) is its most significant and important project. CPCDT was set up out of the remains of the 5 year SRB funding that was overseen by Bromley Council, and Anerley Town Hall has been its base since its inception, ensuring regenerative work envisaged into the future has a strong Bromley presence.

5. The current Position (Dec 14)

CPCDT’s current position is that it remains managing 28% of the building, the community hall space (and enjoying the rental income), managing the 48% business centre on behalf of Bromley Council, who collect the associated income, and who pay CPCDT a £50k pa management fee, and may shortly (2015?) be given the recently (Aug 14) vacated library space to utilise on a temporary basis whilst the building’s long term future is determined. CPCDT pays Bromley council for its proportion of building running costs for the areas from which it takes income. CPCDT also enjoys as manager of the building rent free space from which to function. At the moment there is only a “tenancy at will” and a “gentleman’s agreement” of being given 6 months notice to terminate this arrangement.

The building has, over the last few years, been lacking in investment, believed mainly due to the uncertainty of it beyond the relocation of the public library to a new one in nearby Penge. It has also suffered from visible subsidence for in excess of 5 years and this has yet to be addressed by Bromley Council who currently have responsibility for the building’s physical state and upkeep.



We have declared our interest to Bromley of taking on the building, subject to it being in such a condition that we felt confident of being able to use it in a way that would enable us to generate enough usage and associated income to “balance the books” whilst fulfilling our contractual commitments to keep the building in good order. We have had ongoing dialogue with Bromley council officers (for circa 2 years) and a proposal to give CPCDT the building to manage in its entirety on a circa 40 year, rent free, but full repairing lease has been deemed one they are prepared to recommend to the council executive, subject to certain conditions being met (primarily the agreement of how much they would need to invest to bring the building up to the standard at which CPCDT could realistically consider taking it on)

The building (the community hall space and ex library, but not the business centre) was **part listed as an “Asset of Community Value” on 03/10/14** and this will give CPCDT the opportunity to bid to purchase the land or buildings, should it be offered for sale although

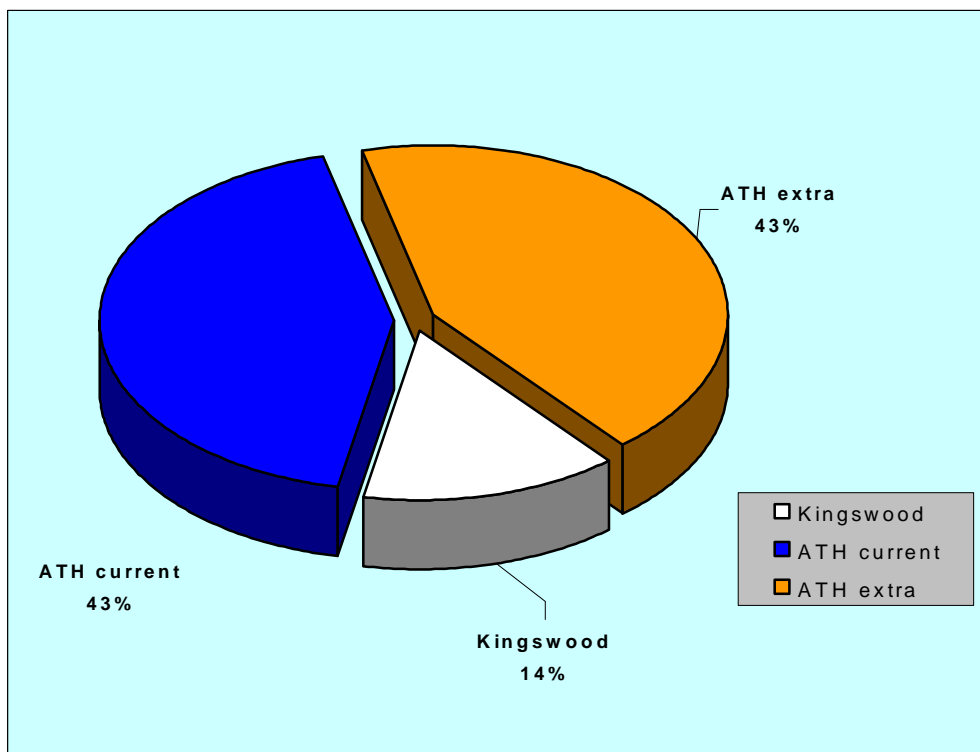
not necessarily the 6 month moratorium usually afforded to fully listed buildings. An application for £52k feasibility funds to further explore the physical elements of the project was made in September but was turned down (Dec 14) on the grounds of over-subscribing, and potentially in light of the building only being part-listed as an ACV

If such a scenario panned out that the building was marketed and CPCDT wished to bid for it, the table below shows what the annual (12 x monthly) repayments would be to pay off a loan of £1 Million and the 4% for 10 years figure is **highlighted** as an example. An adjustment of 1/10th can therefore be made for each £100,000 variation i.e. 10 years on 4% for £600,000 would be £121.5k – (4 x £12.1k) = £73.1k.

Based on £1,000,000

Years / Interest Rate	2%	3%	4%	5%	6%
5	-£210,333	-£215,624	-£220,998	-£226,455	-£231,994
10	-£110,416	-£115,873	-£121,494	-£127,279	-£133,225
15	-£77,221	-£82,870	-£88,763	-£94,895	-£101,263
20	-£60,706	-£66,552	-£72,718	-£79,195	-£85,972
25	-£50,863	-£56,905	-£63,340	-£70,151	-£77,316

The ATH project in broad terms (income vs expenditure) represents 75% of what CPCDT currently does, with KCS being the other 25%. The likelihood is that the changes proposed would double CPCDT’s financial commitment to the ATH project and therefore change its proportion of the overall business to circa 85%, as shown in the chart below.



6. Bromley Council's Commitment

Bromley council have published (2014) their "Local Plan" outlining their commitments to local individuals businesses and communities. Under Section 6, "Communities" it details;

"6.1 Community Facilities

The council will promote the quality of life and the health and well being of those living and working in the Borough and engage with providers and agencies to ensure the provision, enhancement and retention of a wide range of appropriate social infrastructure, including facilities for health and education; recreation, sports and play facilities, places of worship and venues for culture and social activities.....

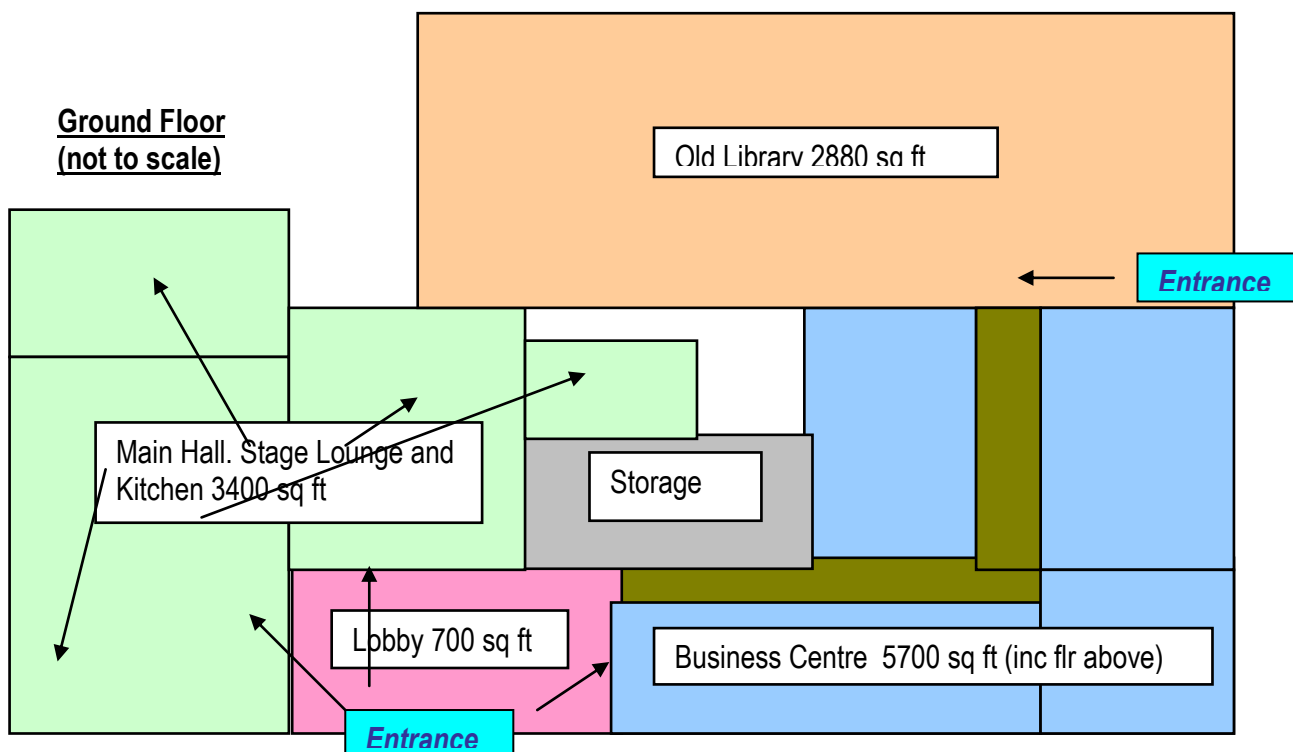
6.2 Opportunities for Community Facilities

The Council will support the maximisation of opportunities for the enhancement or the creation of social infrastructure, Address the needs of existing and future residents of all ages, particularly in renewal areas and more accessible locations such as retail centres and existing retail frontages by:

- i. allowing the temporary use of vacant buildings as community facilities,*
- ii. enabling community uses in Town and District secondary frontages, neighbourhood local centres and local shopping parades,*
- iii. encouraging the development of community "hubs" providing a range of social infrastructure on accessible existing community sites or in local centres or within new major developments,*
- iv. supporting the provision and enhancement of sports and recreational facilities, especially where there are recognised deficiencies or where they present a tool for renewal and regeneration,.encouraging the cultural and leisure use of the public realm"*

In the context of the above CPCDT hope that Bromley Council will fulfil these aspirations of investing in its local communities, and particularly an existing council building currently serving its residents in one of the less affluent districts

7. The Building



The building has 3 distinct sections;

- the business centre (in blue), which houses 28 offices and 69 workstations covering 4,500 sq ft in an overall internal space of 5,700 sq ft. The business centre extends to the first floor above its ground floor footprint and additionally (approximately) above the lobby and storage areas marked above
- the community halls (in green), comprising a main hall and stage, separately accessible lounge and an adjacent kitchen, comprising 3,400 sq ft

The above 2 areas are accessed separately from a shared lobby (in pink), 700 sq ft

- what was up until Aug 14 the Anerley public library (2,800 sq ft), which has its own separate entrance to the right side (north) of the building

Anerley Town Hall has been a building in the public realm since 1878 and was extended in 1923 to include what is now the vacated library space. It is locally listed and a building of architectural merit that lights up the Anerley street scene. It is pivotal building to Anerley, one of Bromley's less affluent districts, and is for many the first noticeable feature they come across in Bromley if they travel south through London

As well as the building's physical presence and appeal detailed above the function of the building, which has changed over the years, has in the main been one of serving local residents, community groups and small local businesses.

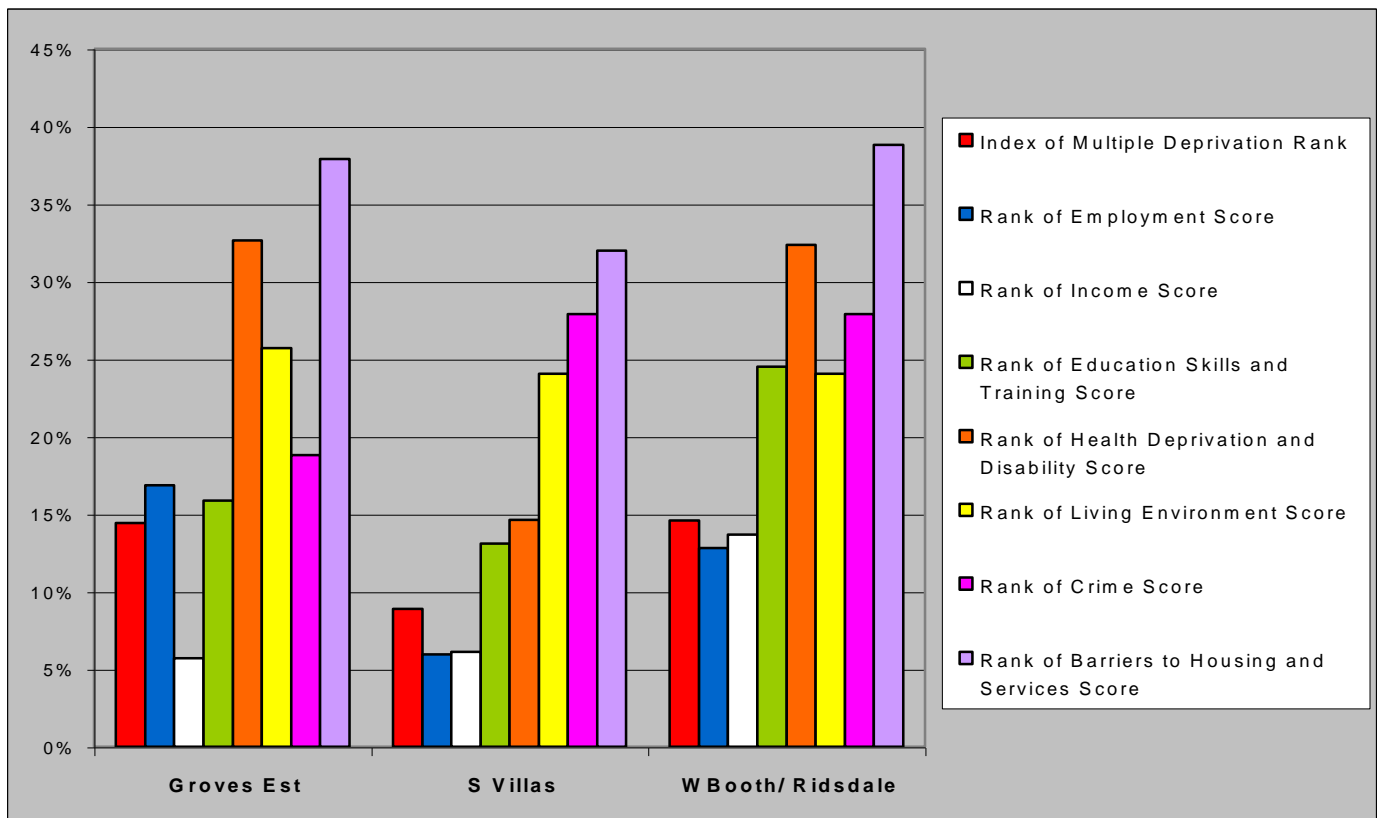
8. Demonstrating the Community Need

The most compelling argument for the building's need is the historical record of usage. It is estimated that there were over 40,000 visits to services provided from the community space in the last year, representing 1,000 different sessions, alongside an average take up of the business centre representing 57% of the maximum, despite the building lacking investment in its fabric and

infrastructure, which has made it look tired and uncared for, not to mention the large cracks in offices and general areas that would most likely put off new business and worry existing. With regard to the vacant library space, a petition was signed to retain its presence in ATH by circa 800 local people and LB Bromley are to provide a reduced book order service and public accessible / free to use IT suite offer (8 terminals) from what is a vacant part of the business centre..

The demography of the area

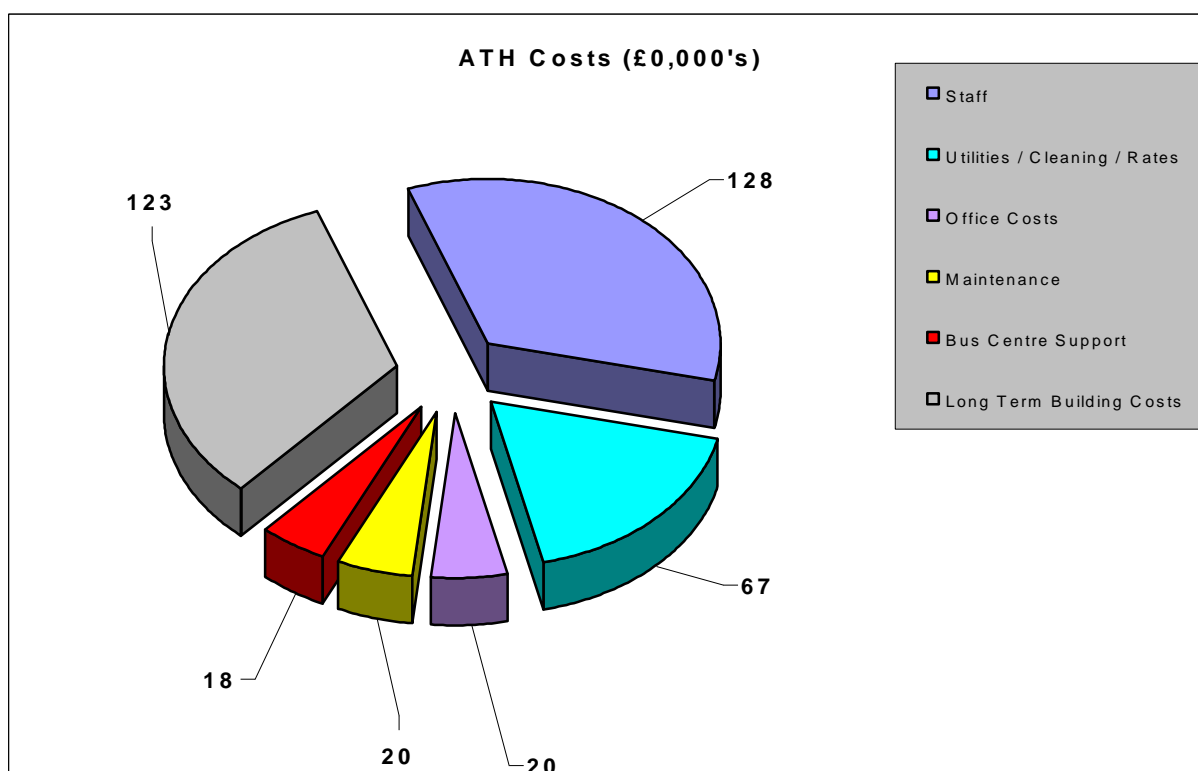
Detailed below is a table of ONS statistics (2011) showing the 3 (“super output”) areas immediately surrounding Anerley Town Hall, They represent 3 of the most deprived areas of both Crystal Palace, and the borough of Bromley. All 3 have employment (blue), income (white) and education skills (green) as their most negative features.



The analysis of the ethnic mix for the 7 Crystal Palace wards show that it has become more diverse, with black/mixed race people now making up 33% of the population (2011 census) compared to 23% (2001 census). This current (2011) 33% figure compares to a London average of 18%. CPCDT has a proven track record of attracting people from ethnic minorities into its activities (e.g. 67% of attendees to the Youth Club and Art Classes were registered as black or mixed race - 2012) and we will continue to aim to provide services that reach out and appeal to all sections of the local community.

More work needs to be done to understand the needs and changing needs of small local businesses and what CPCDT c/o ATH can do to meet these, and indeed how the other parts of the building could potentially link in with this (training area, conference facilities, creative workspaces etc). Additionally CPCDT will need to further assess the market and competition to see how other nearby alternative venues are approaching attracting and retaining custom, through marketing, pricing, facilities on offer etc, and then how well they are doing

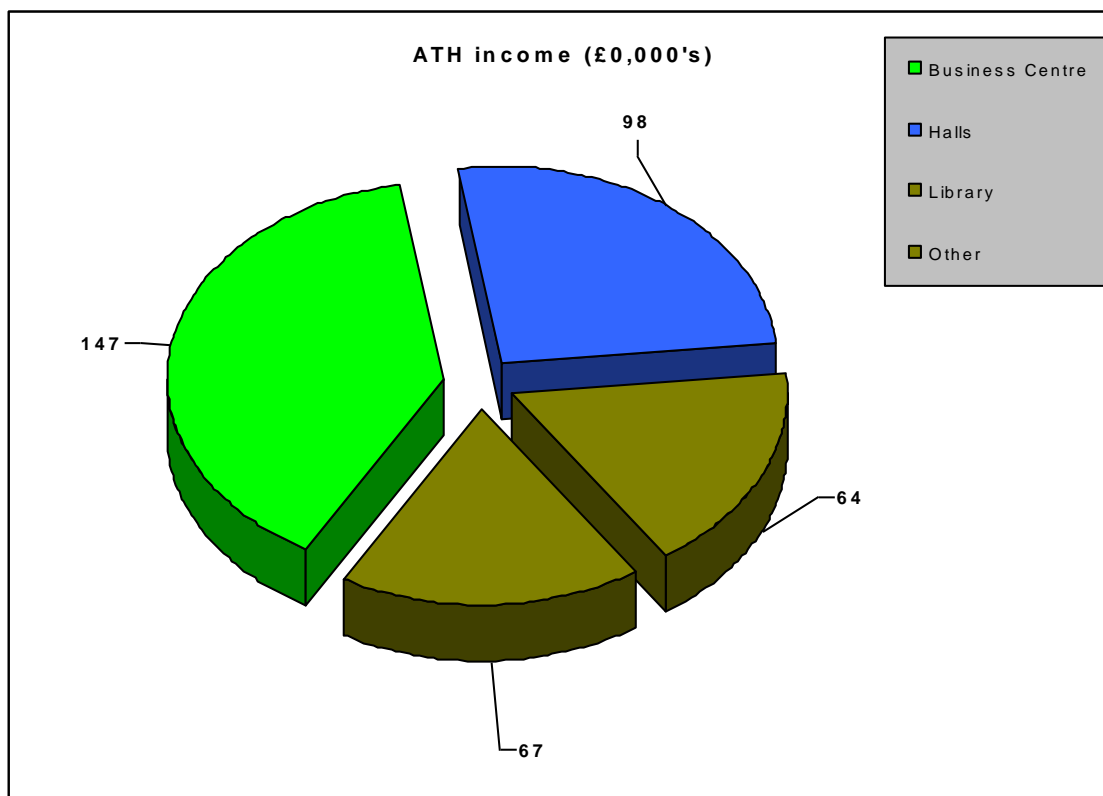
9. Costing / Income Model



The above costs total **£376k** pa, and are an estimation of the likely costs for running the building in the scenario stated previously. Certain assumptions have been made as follows:

- **Staff** – this allows for the cost of existing staff whose work is primarily focused on running ATH. (Trust Manager (1 fte) , Reception / Admin (1.2 fte), Caretakers (equiv of 1.6 fte) and ad hoc project staff. It does not allow for the Youth Club staff or The Trust Development Manager, both of which are essentially grant dependent. It also allows for an **extra £25k** resource
- **Utilities, Cleaning etc** - these figures have been calculated based on what we are currently recharged for the proportion of the building we take income from
- **Office Costs** – these are as current for CPCDT and covers such things as stationary, telephones, IT maintenance, equipment purchase, audit fees, printing and equipment hire
- **Maintenance** – Allows for daily repairs and maintenance contracts for CCTV, Automatic doors etc. The figure is based on adjusted costs supplied by LB Bromley for 2012/13
- **Business Centre Support** – IT provision to support Business Centre phones and data – based on quotes received
- **Long Term Building Costs** – based on an exercise using the Davis Langdon Building Calculator and uses 100% of that figure, circa £3 million over 25 years. Various other figures have been reviewed and range from circa £45k pa (LB Bromley) up to this figure. The approximate figure for backdated building repair costs is thought to be in the region of £500k - £600k. A full independent conditional survey would provide a clearer picture on this large element of the project's cost

Summary Costs	ATH Costs (£0,000's)
Staff	128
Running Costs:	125
<i>Rates 7</i>	
<i>Utilities / Cleaning / 60</i>	
<i>Office Costs 20</i>	
<i>Maintenance 20</i>	
<i>Bus Centre Support 18</i>	
Long Term Building Costs	123
	£376



	<i>Existing</i>	<i>New</i>	<i>Total</i>	<i>Business Centre</i>	<i>Halls</i>	<i>Library Space</i>	
	<i>£ 0000's</i>	<i>£ 0000's</i>	<i>£ 0000's</i>	<i>sq ft %</i>	<i>48%</i>	<i>28%</i>	<i>24%</i>
Expenditure							
Trust Manager	44		44	21	12	11	
Admin / Reception	18	25	43	20	13	10	
Caretakers	37		37	6	28	3	
Project Staff etc	4		4	4			
Staff Costs	103	25	128	51	53	24	
Utilities, Cleaning etc	11	49	60	29	16	15	
Maintenance Contracts		20	20	10	6	5	
Rates		7	7	3	2	2	
Bus Centre Support		18	18	18			
Office Costs etc	20		20	10	6	5	
Other Costs	31	94	125	70	30	26	
Sub Total	134	119	253	121	83	50	
Long Term Repairs		123	123	59	34	30	
Expenditure Total	134	242	376	180	117	80	
Income							
Hall Hire	-98		-98		-98		
Bus Centre	-50	-97	-147	-147			
Library		-64	-64			-64	
Other		-67	-67	-32	-19	-16	
Income Total	-148	-228	-376	-179	-117	-80	
Profit / Loss	-14	14	0	0	0	0	

The above potential income represents a return of £24 per square foot for the Business centre, £27 for the community Halls and £20 for the vacated library space.

The “Other” figure of £67k has been arrived at by reviewing the other parts of the Town Hall building and the surrounding grounds, in an attempt to identify further potential for income. Further information on this thinking is detailed further on [\(see page 16\)](#)

10. Staff Resources

Budget constraints mean at this stage the staffing budget is pretty “tight”, and with more assurance of proven income at the required levels, it is likely the staffing resource would be strengthened. The overall outcome of CPCDT’s role in overseeing the ex-library space will probably influence the size and mix of skills that are deemed necessary to carry this out effectively and professionally. The changes proposed irrespective of this will mean extra duties to include;

- the effective marketing of the vacant business space,
- monitoring the satisfaction levels of businesses and the timely resolving issues to improve the retention rate
- collecting the associated rent and service charges from business users
- improving the take up of community hall use via effective marketing and relationship building
- being responsible for the buildings services and repair; commissioning and ordering services, enabling the proper upkeep of the fabric and plant of the building in a cost effective way.

11. The 4 Income “Areas” of the Town Hall Building

11.a The Business Centre (managed by CPCDT on behalf of Bromley Council)

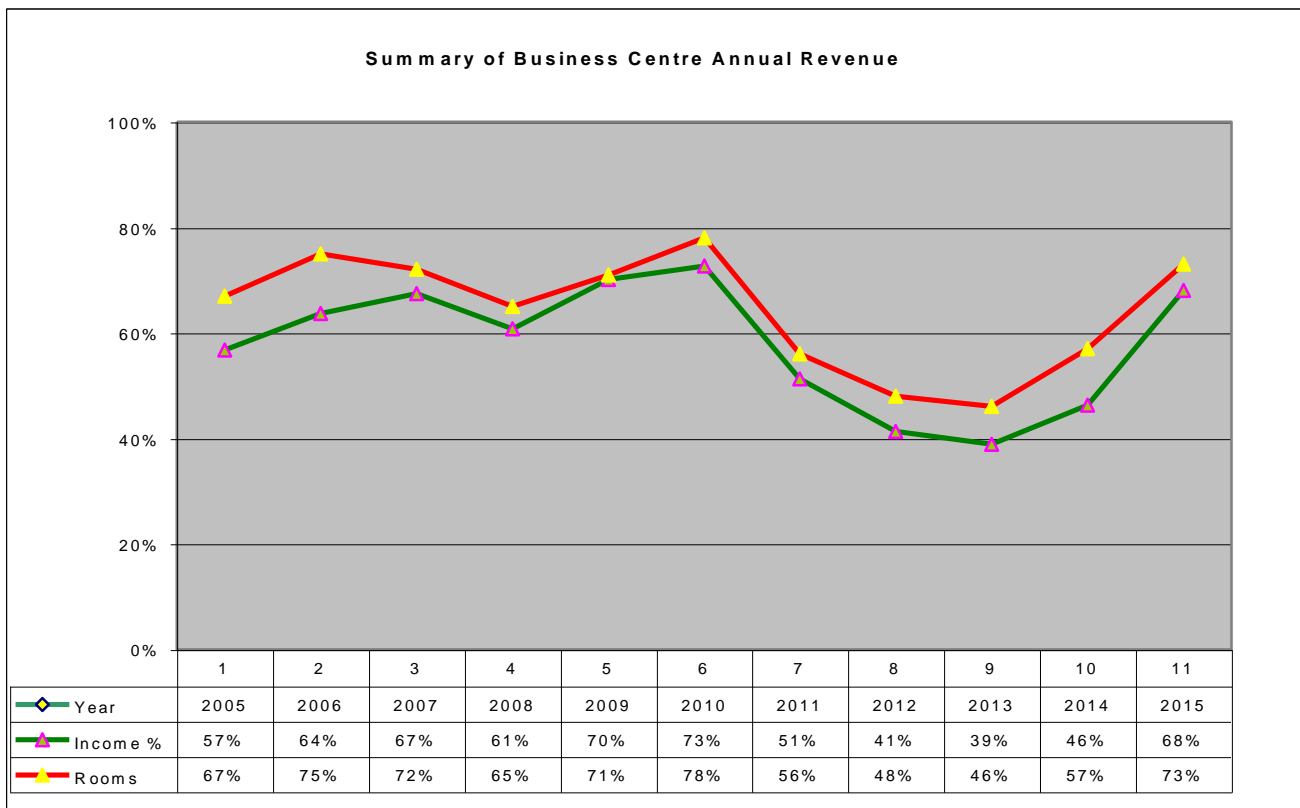
The business centre lies over the ground and 1st floors, and represents 26 offices, 69 desks and occupies 5,700 sq ft, At current rental rates it has an income potential of £198.5k p.a.

There are 2 other offices not detailed in the table below, Room 1 occupied by CPCDT and Room 2 occupied by a community group, The Pineapple Luncheon Club serving the local Caribbean community



No. Desks	1	2	3	4	6	Total
Ground Floor	1		4	3		8
1st Floor	6	5	2	4	1	18
Total Rooms	7	5	6	7	1	26
Total Desks	7	10	18	28	6	69

The graph below summarises the historical income and occupation levels of the business centre during its 10+ year life, with Bromley council overseeing the letting and CPCDT providing an on site reception and management service

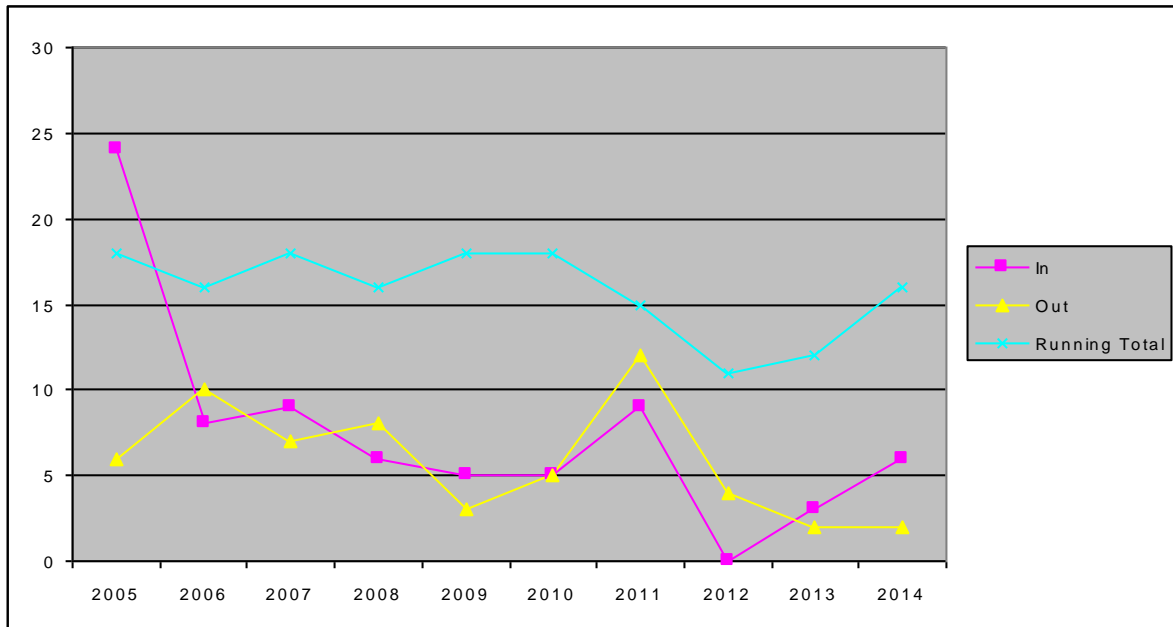


Notes on ATH Business Centre Usage / Income 2005-14 (last 10 years)

- Average income per year = £114k or 57% of potential max. Average room use 16 (out of 26) or 60%
- Last price increase (13%) was in 2006
- Current (Jan 15) % of revenue received is 68% of max (£135k vs £198k) following a recent upturn in interest from new businesses
- Current % of Desks Occupied is 67% (46/69)
- Current % of Rooms occupied is 73% (19/26) - (ignores rooms 1 and 2)
- The average annual trend of income is up 1.9 % pa since opening in 2005, and has picked up in 2014 into 2015, and is now (Jan 15) 68% of the potential maximum. 51% was the average for 2014
- Average number of desks in occupied rooms is 2.1 vs 3.5 in unoccupied / Average cost of rented rooms is £560 vs £760 for those unoccupied
- The first floor offices have delivered 70% (£77k/ £110k) of the income from 64% of the desks (44/69) or 66% of sq ft (2959/4501)
- Of the 10 rooms currently unoccupied, 4 (Rooms 5,7,8,12) have been unused since 2010, and Room 14 since 2007. These represent £49k of annual lost income

- Rooms with 1 desk have received 76% of their income, 2 desks 68%, 3 desks 54 %, 4 desks 40% and 6 desks 66% (see Appendix X)
- 75 businesses have come in and -59 businesses have left since 2005 (= 16 rooms currently occupied). The "churn" is therefore circa 5.9 rooms per year, on an average occupancy of 15.8 = 37%. So roughly 1 in 3 businesses move out each year (see graph below)

Number of businesses coming and going:



Analysis of data and possibilities

The above figures suggest there are elements of the business centre that are more popular than others. The larger the room the less likely it is to be rented out. The first floor is marginally more lucrative than the ground. The business centre hasn't really flourished over the years in terms of occupation, despite prices being held since 2006.

The condition of some of the rooms have suffered from the lack of investment and the long standing issue of subsidence has caused large cracks in some areas which would be likely to put existing and new customers off. These have been there for years.

Recent feedback from business centre residents highlighted issues with the cleaning, IT provision, and inability to get problems resolved, all of which are things currently out of CPCDT's hands. They did like the friendliness and approachability of CPCDT staff. (Some also said they would prefer lower rent!)

CPCDT is not fully aware of the extent of Bromley's efforts in marketing the centre and will need to ensure, if given the chance, it markets the facility in such a way that it out performs the last 10 year average (57%). The cost / income projection detailed above requires an occupation level of circa 74% to deliver the £147k needed. This compares to the 68% current level (Jan 15). The maximum achieved across a year was in 2010 at 73%. There has been no flexibility in the pricing structure across the project's 10 year life to date.

It is felt with a local focus, an on site management presence that builds on understanding the needs of existing and potential new local businesses, reacting to problems speedily, improving the environment (over time), improving the IT provision to high end broadband / wifi, addressing the issue of cleaning, toilets etc, CPCDT has a strong chance of achieving an average occupation level of 75%

11b. The Community Hall Space

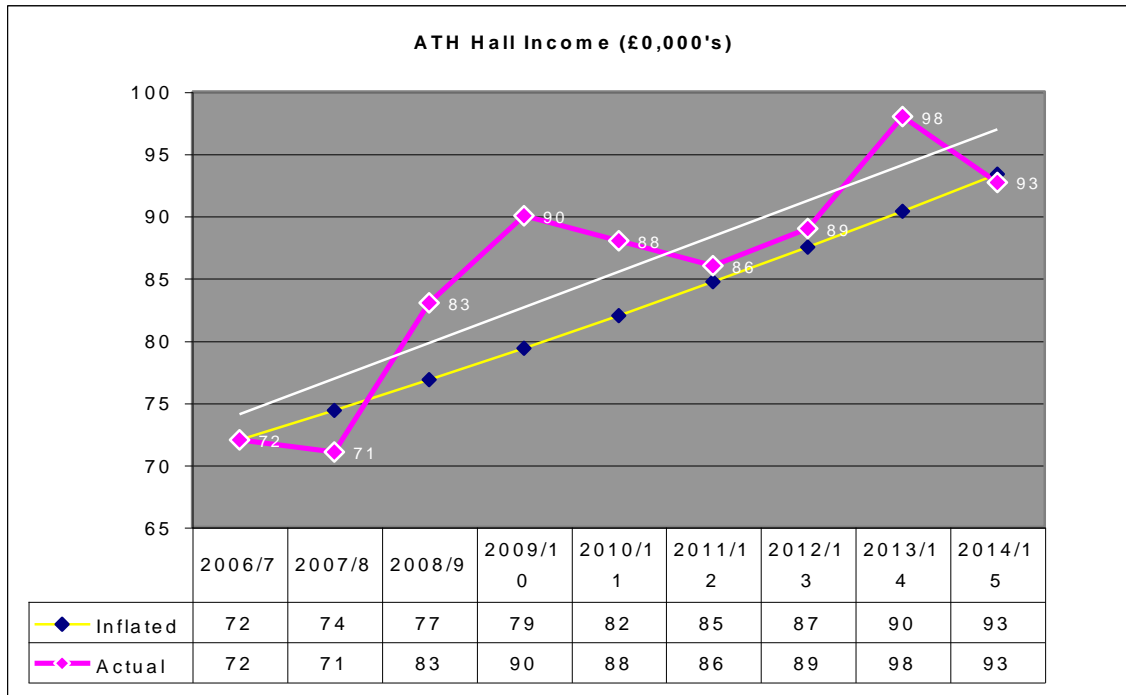
The Community Halls comprise of the main hall and stage (as in the picture above, a smaller room called the “Lounge” and adjacent to that a kitchen) The main hall and lounge can both be accessed separately from the front lobby. The Kitchen cannot be accessed directly from the main hall. It accounts for about 28% of the buildings internal space at 3,400 square feet



It is estimated that there were circa 40,000 visits in the last year, from 1,000 separate bookings / sessions. Such activities including faith groups, elderly caribbeans, a twice weekly youth club / youth art classes, christenings, weddings and funerals, blood doning, a council polling station, weightwatchers, zumba and meditation, careers and CAB advice. See Appendix A for a more detailed breakdown.

Feedback from users, both private and community based has been good, with an overall average satisfaction rating of 90.4%. from private hirers and 92% from community groups. They liked its location, facilities, sound system, use of kitchen and thought it was well taken care of. A negative was the lack of dedicated changing facilities.

Specialist activities like the twice-weekly Youth Group (circa 40 weeks p.a.) received positive feedback from the beneficiaries (attendance approx 35 per session), 82% said they benefited from meeting new people, 54% believed it had made them more confident and 46% said it had improved their health and fitness.



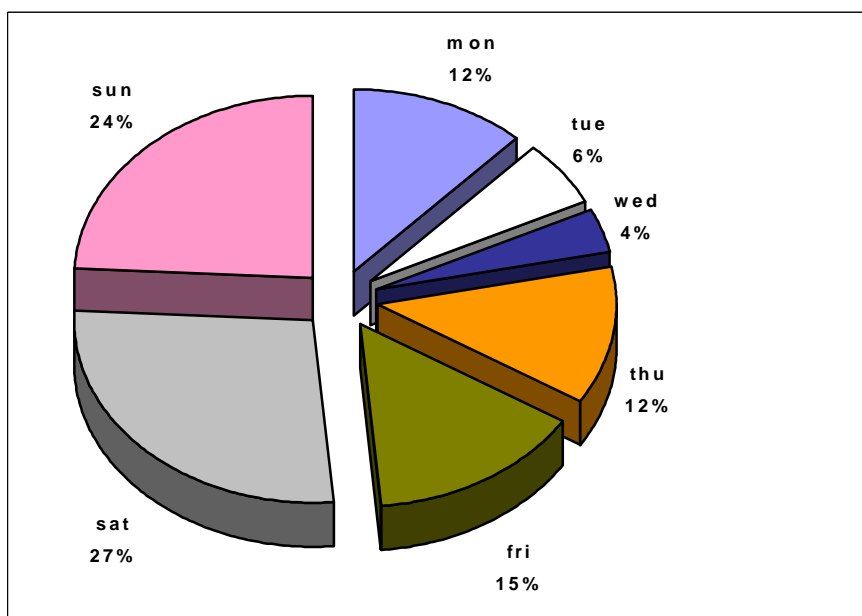
Analysis of data and possibilities

The trend for Hall income is one going up by 3.3%. Whilst some years have been more lucrative than others, there seems to be a clear ongoing demand for the space to be used for community, business and private hire. Weekends are particularly profitable when weddings and parties use the grand space, with its high ceilings and airy feel. The trend line indicates we should be *on course to take £93k (net) this financial year, a figure slightly below that needed in the break-even projection shown earlier. Factor in money received from sponsors of funded activities and this figure is achieved.*

	Main	Lounge	Total
Peak	2840	2040	4880
Off Peak	1963	2430	4393
Total	4803	4470	9273
	52%	48%	

Using June 2014 as a sample month, it shows that the main hall and the lounge areas delivered roughly the same contribution, as did the Peak (Fri eve through to Sunday eve) and Off Peak (all other) tariffs currently applied, as shown in the adjacent table.

Across the days of the week however there were large variances and potentially scope for improving take-up and consequent increased revenue. (% if income received detailed in chart below)



11c. (Ex) Public Library Space

Splintered over a few rooms the total is 2887 sq ft and the main body of the area can be seen in the photo below. It has a separate side entrance and its own basic facilities, including just 1 toilet



The Anerley public library was merged with Penge in Aug 14 despite a petition signed by 800 local people Bromley Council have pledged to the building a reduced library service which will be based close to the main (front) lobby area and will comprise a book “order to collect” service alongside 8 computer workstations for free use by the public. This will be overseen by CPCDT for a fee

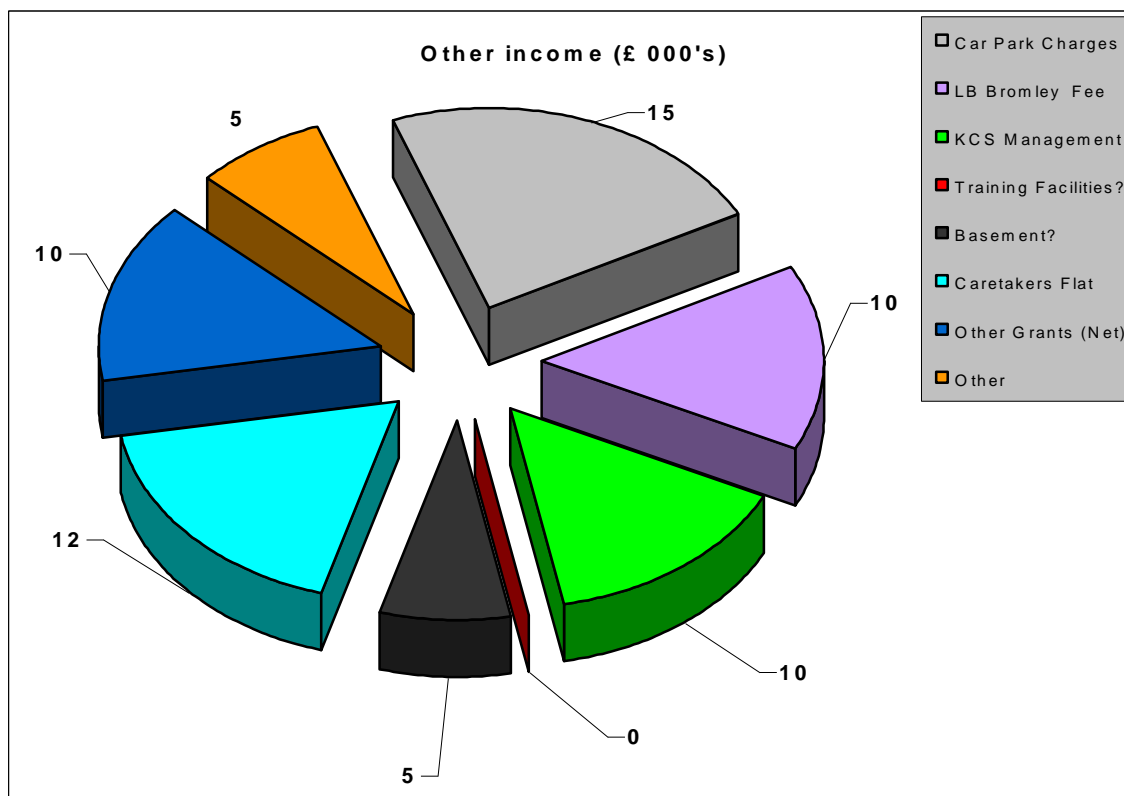
The use of the vacated space in the long term has yet to be determined and is the greatest unknown in terms of what services can be provided that meet the needs of local people but that also are able to generate the sort of income needed to pay for its physical upkeep and safe management. The suggested income needed £58k p.a. is in line with the other areas of the building (£20 per sq ft vs £24 for the business centre and £27 for the community Halls) but in the short term, from a standing start and being a part of the building that is not necessarily an ideal shape or design, to achieve that is a big ask. Further consultation with local people, groups and businesses will be crucial in determining in shaping the use of the space. CPCDT is looking to work alongside the GLA (who have Crystal Palace tagged as an area in need of regeneration) in establishing the local needs of the area south of Crystal Palace, where ATH is based.

An initial idea is for the area to be dual use, hiring out for private functions at weekends only, which should enable it to have greater financial freedom through weekdays, offering something affordable and useful to local people. In consideration of the demography of the immediate area (see page 7) a resource centre providing access to learning materials and advice, coupled with specialist provision from partner agencies such as CAB and careers advice plus training sessions from local colleges etc will provide a useful facility to help those wishing to improve their economic position.

11.d “Other “ areas

With the burden of a full repairing lease, CPCDT will be aware of the financial pressure this will exert and will therefore need to be vigilant in its efforts to derive as much income from the asset, including the surrounding grounds, as is practicable.

The following list is therefore not exhaustive and in some instances may not turn out to be practical, but it is a suggestion of how an additional £67k p.a. may be derived from realising the potential value of the space and services



Car Parking

There are currently 41 car park spaces immediately around the town hall within its grounds and are currently free to use and effectively un-policed. If CPCDT could oversee charging £2.50 per day 5 days a week and achieve a take-up of 60% this will derive **£15k** income per annum.

Fee from Bromley Council for overseeing the reduced Library / IT resource offer.

A figure close to **£10k** has suggested as payment to CPCDT for the space used and the resource needed to manage this function

KCS Management

CPCDT oversees from ATH the management of the KCS project and this should deliver circa **£10k** a year of income from the sponsors of that project (it does at the moment)!

Training Facilities

No figure has been included as a location within the building or a specific demand for the facility hasn't been identified as yet, but it maybe something if the demand is proven that could generate income from within the building after the initial setting up investment

Basement

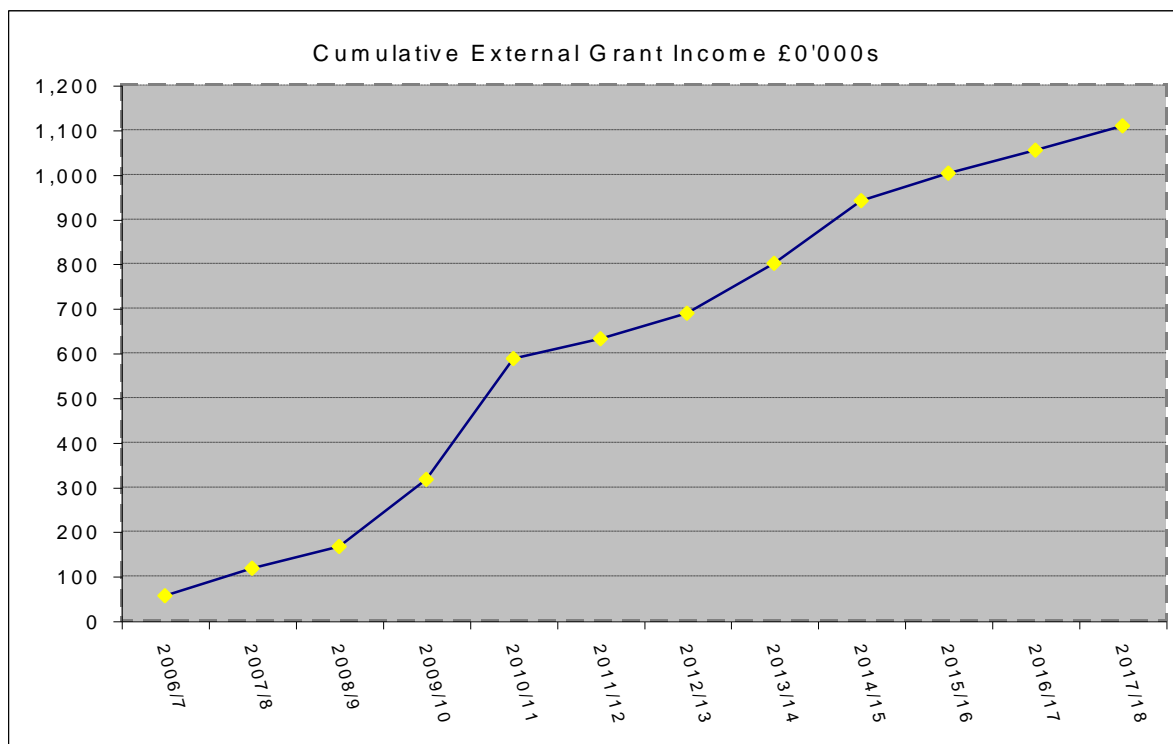
There is an area under the stage that is currently being used as a sideline to the youth project in the shape of a music making / recording project for hard to reach young people. It isn't in great condition and is currently used rent-free but with some adjustment it could have the potential to realise some income (£5k allowed)

“Caretakers Flat”

There is a self contained flat at the 1st floor rear of the building that has its own entrance, is currently unused and would be suitable if nowt else, as to be privately let. With 5 rooms + kitchen and bathroom a figure of £1k per month looks conservative. £12k allowed

Other Grants

CPCDT has tried not to be too heavily grant dependent in the past and this scenario requires a net figure of £10k p.a. which seems “do-able” and consistent with previous years. Identifying the supported activities (i.e. Kids Art classes) from within the building and their demonstrable positive benefits should pave the way to meeting and surpassing this figure. CPCDT has since 2006 secured over £1.1 Million in external grants as shown in the chart below



Other

There's always got to be something else yet to be identified! £5k! The Pineapple Luncheon club currently use a room not included in the above, that would deliver a figure close to that

12. Qualifying the Income / Expenditure projections

The allocation of costs are mainly generic, using the proportion of floor space used for most. and this may not be a true reflection of trust's resources dedicated to the separate areas, particularly staff time.

The likelihood is that the library space will struggle to deliver close to the business centre and community halls in terms of £ per sq ft, at least in the initial years, and this will put greater pressure on deriving income from the other areas, or reducing the amount of expenditure. Whilst salaries and bills

for rates, utilities, cleaning, communications, maintenance contracts etc will all need to be met when they occur, there maybe scope to defer or reduce spend on the long term repairs of the building.

To this end attached (Appendix B) is a layman's view on the figure and how it could be reduced by 25% without potentially harming the crucial parts and services of the building. Partnerships like that currently being enjoyed with the community payback scheme, who are decorating the ground floor main hall, lobby, lounge, first floor flat and potentially the library space utilising unpaid ex offenders, will save CPCDT money on such things, alongside utilising spare caretaker time and this will most likely be the way forward.

A reduction of 25% on long term repairs would save CPCDT circa £31k pa and if this is solely applied to the library income requirement, would reduce the need from £64k to £33k pa, (£10 pr sq ft)

The previous scenarios are all about breaking even and of course the trust would hope to outperform on the targets set above, delivering a profit to give it greater financial solidarity and the ability to ensure it is around to fulfil its obligations for the long run, and in the long term reinvesting any gains in the regeneration of this part of the Crystal Palace area. CPCDT (its staff, volunteers, trustees) will need to be at the top of its game, utilising the following qualities as detailed in our strategic vision:

- **Clear in its objectives** - Knowing its focus and priorities and reviewing these regularly
- **Outcome focused** - Concentrating on making a demonstrable, positive difference
- **Inclusive to all** - Provide services and support that appeals to the full spectrums of age, ethnicity, gender et al
- **Financially sustainable** - Assesses the risks of new projects and seeks to be not heavily dependant on grant funding for core running costs / Always looking at least 24 months ahead
- **Democratic and open** - Seeking a broad spectrum of stakeholders (users, trustees, partners) that reflect the diverse local community and be open to new ideas and initiatives
- **Communicative and helpful** - Knowledgeable and customer focused / professional level of customer service
- **Responsive to local needs** - Listens to and takes action on feedback from the community / service users
- **Engendering a sense of community and pride in the local areas** - Providing services and support that promotes the local area in a positive way
- **Partnership orientated** - Positive approach to working alongside similar organisations and ensuring we complement rather than duplicate, bringing in and sharing knowledge and expertise –
- **Positive – a “can-do” mentality** - Prepared to be open minded and ambitious about existing and new opportunities / challenges
- **Creative and Inspirational** - Provide services that draw on the resources experience and expertise of the Trust's key members, e.g. staff, volunteers, service partners and trustees
- **Empowering** - Seek to enable others to learn from their CPCDT experiences and be able pass onto others in a positive way
- **Professional** - Deliver services and support that is of high quality and remains objective and non-judgemental at all times. Always maintaining a sense of perspective.
- **Adopting a “Quality” approach** - Seek to ensure that all of its actions and activities serve a useful purpose and all of its infrastructure, including staff, volunteers, service partners and board of trustees provide added value to the organisation and help it in achieving its aims

The above costings look at 1 year in isolation and will need to be extrapolated over years to ensure that income doesn't get outstripped by inflationary cost increases, although the assumption here is that they will cancel each other out for the foreseeable future (i.e. CPCDT's charges to customers will go up by an equivalent amount)

13. Sensitivity / Risk Analysis

The 4 Business areas:

The **community hall space** (26% of total projected income) has a track record for 10 years (see page 14) of regularly delivering what is included in these projections and it is felt unlikely that another local building that would compete with the space and value ATH offers.

The **business centre** (39% of total projected income) may suffer from either competitors offering more modern or cheaper usage, although the grandeur of the building and the cubic space offered is unlikely to be matched or bettered and this is arguably ATH's "USP". Working alongside GLA's architect consultants (October 14) should arm CPCDT with greater understanding of the market needs and particularly those of the surrounding area. CPCDT will also need to be aware of future trends of working that may make "business centres" like that at ATH less appealing / appropriate in modern times

The **library space** (16% of total projected income) has yet to be passed to CPCDT and its condition and layout isn't one that immediately assures a steady income from whatever activities are delivered from within. CPCDT has received some offers from local providers such as a nursery and local faith group suggesting they would be willing to pay in the region of £25k a year to rent the space. The projections in the long term will need to be far in excess of this unless other areas of the building outperform. Possibilities of dual use, whereby we have flexible space that can be safely used for different purposes at different times is something for further investigation as.

The "**Other**" areas (19% of total projected income) have varying degrees of assurance, from the management fee for the KCS project which should be "nailed on", to currently unexplored areas such as renting out the caretakers flat and charging for car parking. There needs to be further work on the realism of these ideas alongside exploring other opportunities yet thought of or detailed here. Additionally a fuller exercise on resourcing these, such as overseeing a chargeable car parking facility, could have some bearing on the staff costs allowed for in this document.

External Grants

The above scenarios allow for only £10k of **grant funding** to support the activities and building's core running costs and there may be a risk of not achieving that. It is however felt more likely that this is a conservative outlook and CPCDT will be successful in achieving more than this figure on an ongoing basis.

Variations to Income Projections

At £376k projected income p.a. CPCDT will be able to meet all of its costs including the £123k towards long term building repairs. A 10% dip in revenue will mean £37k less income. It is expected that the long term repairs will in many cases be deferrable and could be used to "cushion" dips in business and community income, but this would not be sustainable year on year, where only, in this scenario only 70% of repair costs could be met (basically each 1% of lost revenue = 3% of the long term building maintenance allocation)

The figure of £123k needs further scrutiny to see if it can be reduced down to a level that doesn't endanger the building's effectiveness or safety yet still supports a building people admire and enjoy using. To this end negotiations with Bromley council will need to ensure the building is handed over in a state that allows CPCDT not to be burdened with immediate massive repair bills.

A variation on income –25% to + 25% is shown below and “Variance A”, in blue, is the figure that would be available for long term building maintenance.

Income	-25%	-15%	-5%	0%	+5%	+15%	+25%
Halls	-73500	-83300	-93100	-98000	-102900	-112700	-122500
Business Centre	-110250	-124950	-139650	-147000	-154350	-169050	-183750
Other	-50250	-56950	-63650	-67000	-70350	-77050	-83750
Library	-48000	-54400	-60800	-64000	-67200	-73600	-80000
Total	-282000	-319600	-357200	-376000	-394800	-432400	-470000
Costs							
Staff	128000	128000	128000	128000	128000	128000	128000
Office Running	125000	125000	125000	125000	125000	125000	125000
Total	253000	253000	253000	253000	253000	253000	253000
Variance A	-29000	-66600	-104200	-123000	-141800	-179400	-217000
Long Term Building Reps	123000	123000	123000	123000	123000	123000	123000
Variance B	94000	56400	18800	0	-18800	-56400	-94000

14 SWOT Analysis

Strengths	Weaknesses
<p>Hands on Experience - 10 years managing building</p> <p>Existing customer / partnership base / Creative & Cultural community</p> <p>Good relationship with LB Bromley (Freeholder)</p> <p>£135k reserves forecast / currently financially sound</p> <p>Prev experience of overseeing Capital project (KCS)</p> <p>Separate income opportunities spread financial risk</p> <p>Location of ATH - main road / near station buses etc</p> <p>Appearance of ATH - feature of Anerley street scene - historic value</p> <p>CPCDT been operating for 10 years</p> <p>Awareness of what works and what doesn't</p> <p>Close & working relationship with BME communities / youth</p> <p>Skilled Board of Trustees</p> <p>providing free community activities / venue space for unfunded groups</p>	<p>Limited resources restricted by uncertainty over income</p> <p>Location of ATH can make it seem inaccessible by pedestrians</p> <p>Lack of volunteer base./ Circular business structure</p> <p>Uncertainty over building future causing uncertainty within CPCDT and ATH users</p> <p>High maintenance cost of old building</p> <p>Current lack of FM experience (Plant repair etc)</p> <p>Lack of regeneration expertise</p> <p>Lack of community / stakeholder engagement / input</p> <p>Lack of "brand" image in Anerley / Advertising and Marketing</p> <p>Current Condition of ATH</p>
Opportunities	Threats / Challenges
<p>Expand on income</p> <p>Greater autonomy to reap rewards</p> <p>Ability to be creative and flexible with Library Space, Flat etc</p> <p>Greater presence in Anerley for > potential impact</p> <p>Experience to carry forward onto other projects in CP</p> <p>Greater freedom to manage the building more effectively i.e. Business Centre</p> <p>Ability to manage the building holistically - i.e. synergies</p> <p>Ability to look at cost effective ways of limiting spend</p> <p>More opportunities for external grant support</p> <p>ATH could be the biggest & best community/cultural centre in SE London</p> <p>Ability to market business space as it becomes available</p> <p>build stronger links with local community, stakeholders & partners</p> <p>Establishing an awareness in the district for ATH and the activities it supports.</p>	<p>Changing demand for services could damage finances</p> <p>Greater financial risk</p> <p>Larger project may put greater pressure on staff and trustees</p> <p>Income may restrict spend on buildings repairs and maint</p> <p>Capital Loans may put greater pressure on - expectancies</p> <p>Other facilities springing up may reduce custom</p> <p>Funding availability may jeopardise TDM / Youth Club</p> <p>Creating a website that really engages people.</p> <p>Major incident (i.e. fire) would disrupt income / High level of fixed costs</p> <p>Need to get all areas of the building delivering simultaneously</p> <p>Unforeseen major structural failure</p> <p>external political changes</p>

15. Conclusion / Summary

CPCDT will need to manage the ATH building and its services more effectively and more lucratively than it has been in the last 10 years (partly under Bromley Council) to sustain the building and the associated provision of services to local individuals, groups and businesses for the benefit of Anerley, it's people and its surrounds

This report seeks to break down potential income streams into 4 key identifiable areas (Business Centre, Community Halls, ex- Library and "Other") and focuses on what each one will need to do to meet its contribution target. The overall cost figure is £376k p.a., made up of £128k Staff, £125k Office/ Building costs and £123k Long-term building maintenance. Allocating the costs (primarily on a square foot basis) to the 3 defined areas of the building, delivers an income target of:

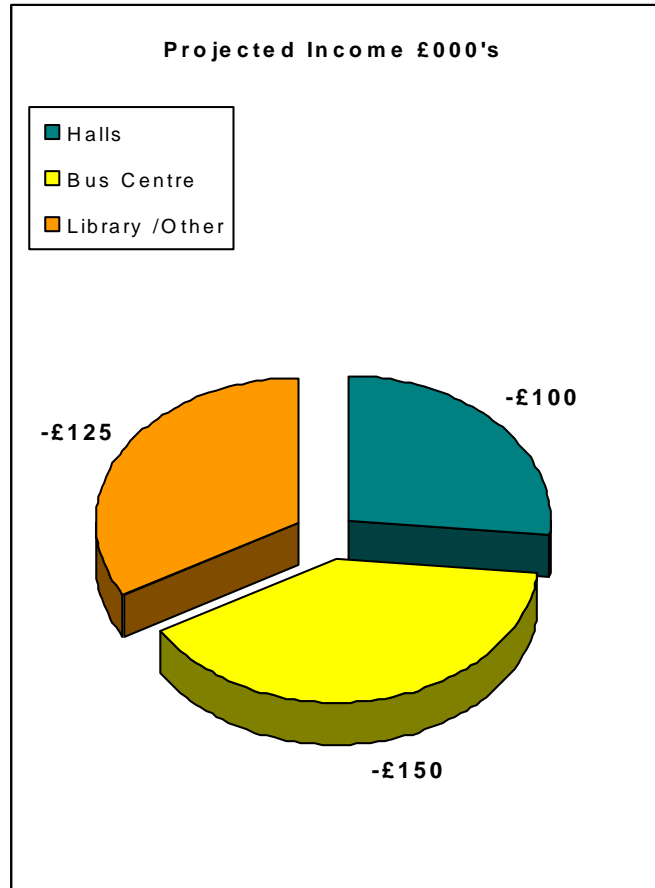
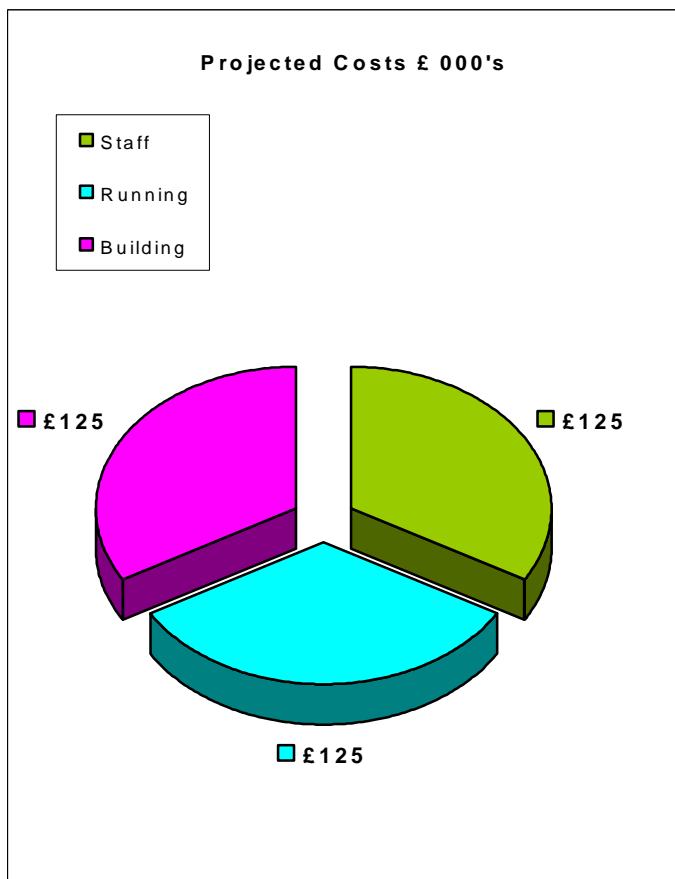
- £147k for the business centre (= 75% occupation vs 57%, 10 year average and 68% current),
- £98k for the community halls (current forecast for this year = £102k), and
- £64k for the vacated library space (no previous to compare it to).

These figures are arrived at after the "Other" income figure of **-£67k** (car parking, caretakers flat rental, library management fee, KCS project management fee, hire of basement, grants and room hire) has been distributed to them on a square footage basis – see below

	£ 0000's	£ 0000's	£ 0000's	sq ft %	48%	28%	24%
Expenditure	Existing	New	Total		B Centre	Halls	Library
Staff Costs	103	25	128		51	53	24
Office / Running Costs	31	94	125		69	30	26
Sub Total	134	119	253		121	82	50
Long Term Repairs		123	123		59	35	30
Total	134	222	356		179	117	80
Income							
Hall Hire	-98		-98			-98	
Bus Centre	-50	-97	-147		-147		
Library		-64	-64				-64
Other		-67	-67		-32	-19	-16
Total	-143	-213	-356		-179	-117	-80
Profit / Loss	-9	9	0		0	0	0

Whilst the Staff and Office / Running costs appear fairly rigid, there maybe scope to reduce the burden of the cost of long term building repairs which comprises just over a 1/3 of the overall total. This could potentially be done by creative ways of maintaining the building and CPCDT's on-site presence and local focus as well as ensuring that it's in a decent condition at handover. This would have the benefit of releasing some of the pressure of the 4 income streams detailed above.

Another way of looking at it is that the income derived from the hall hire and business centre (if achieved as set out above) will more or less cover the staffing, office and day to day running costs (-£245k vs £253k) and therefore the amount CPCDT could afford for long term building maintenance will be whatever it makes from the ex-library and "other" areas and/or is able to acquire from external grant support. This is summarised, with rounded up figures, in the 2 pie charts below



Missing from the above costs are the current Trust Development Manager's role (0.6 fte), and Youth Workers who run the existing youth group. It remains CPCDT's intention to retain both of these for the foreseeable future and have been removed from the above to focus on what is essential to the building's basic function. Currently both are grant funded and that will be how we will seek to support them into the future until such a time that the building secures sufficient income to do so.

The project is therefore a big challenge for CPCDT but one that looks "do-able" if it is "on its game" and harnesses the right skills, enthusiasm, experience, knowledge and energy throughout its structure, from trustees to manager's, clerical staff, caretakers, sessional workers and volunteers.

There seems no reason why CPCDT shouldn't ring fence any profit made from the project to be reinvested in the building or the immediate area of Anerley. Additionally CPCDT would be happy and willing to share its knowledge and experience of running the project with Bromley Council, adopting a partnership approach to what will hopefully be the continuation of Bromley's commitment to regeneration in Anerley.

There are [some key areas that need further investigation](#) and thought and they include:

- Ex - Library space –
 - what can it be used for that serves local needs in an affordable way and yet delivers the necessary income?
 - What adjustments need to be made to the space to make best use of it
 - What capital funding might be available to enable the above
- Business Centre
 - what are the existing and changing requirements of local businesses that we need to cater for?

- is the figure of 1 in 3 businesses leaving each year too high and something that could be tackled and if so what?
- how can we adapt and improve the ATH business centre to ensure the occupancy level is what we need it to be?
- What capital funding might be available to enable the above
- **Community Halls –**
 - how can we improve on our 10 year historical performance to bring in additional funds that will ease the financial pressure on other revenue areas, particularly those days of the week that contribute circa 1/5 of others?
 - Does the community space meet current needs and if not what physical adjustments could be made
 - What capital funding might be available to enable the above
- **Other Income –**
 - how can we maximise the value of other parts of the building and surrounds, ensuring appropriate services are available to local people and businesses, but that deliver the necessary income?
 - Are these manageable by the resources we have allowed (existing £103k + £25k), and if not, what do we need to adjust?
- **Building Space**
 - Are there opportunities for greater “synergies” between what are currently viewed as separate operating areas of ATH that will improve the overall “offer” to new and existing users?
- **Building condition –**
 - how can we ensure we take on a building that is in a condition that we can afford to look after and one that is attractive and functional for new and existing clients, either through negotiations with the freeholder, LB Bromley or by establishing the means by which we can lever in external funding suitable for projects such as this?
 - Are there savings to be made on such things as utilities, by investing in the building’s plant and fabric that could return a saving in the long run
- **Staff Resource –**
 - Do we have the enough of, and the right mix of, skills, knowledge and abilities to manage the new larger project with what has been allowed (existing £103k + £25k?)

Report No.
DRR14/116

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Executive

For Pre-Decision Scrutiny by the Renewal and Recreation PDS Committee on:

Date: 29 January 2015

Decision Type: Non-Urgent Executive Non-Key

Title: A NEW APPROACH FOR BROMLEY MUSEUM

Contact Officer: Colin Brand, Assistant Director Leisure and Culture
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Chief Officer: Executive Director of Environment & Community Services

Ward: Orpington; Bromley Town Centre;

1. Reason for report

- 1.1 The museum service has been identified as a budget cut for 2015/16 in the 14 January 2015 Executive Committee report, as part of the £60million savings that are required to be made within the next four years.
- 1.2 Bromley Council's recent 'Our Budget, Your Views' survey has shown the museum service to be the lowest priority for residents in the context of all other culture, leisure, arts and sport services the Council provides. Heritage and arts is considered to be a higher priority.
- 1.3 These survey findings corroborate with previous consultation results from 2013, which showed that residents consider the current museum service to be weak, but value the borough's heritage and want to have access to related learning and participation opportunities. It is therefore timely to consider a new approach to providing an improved quality heritage offer for residents, without an ongoing revenue requirement.

1. RECOMMENDATIONS

- 2.1 That the Renewal and Recreation Policy, Development and Scrutiny Committee note the content of this report and provide comments to the Renewal and Recreation Portfolio Holder.

- 2.2 That the Portfolio Holder agrees, and recommends to the Executive, the approach as set out in this report, namely that The Priory is declared surplus to operational requirements with effect from 1 April 2015 and authority is given to offer the property for sale on the open market.**
- 2.3 At its meeting on 11 February 2015, the Executive comments on the outcome of consultation; and that subject to any issues that may have arisen during consultation, endorses the proposal to close the museum service.**
- 2.4 The Executive approve the allocation of £395k from capital receipts for the relocation of exhibitions and to add the scheme to the capital programme.**

Corporate Policy

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

Financial

1. Cost of proposal: Estimated Cost £395k
 2. Ongoing costs: Recurring Cost Net revenue saving of £44k for 2016/17 and £74k for 2017/18 (provided the building is sold)
 3. Budget head/performance centre: Priory Museum
 4. Total current budget for this head: £152k
 5. Source of funding: Existing revenue budget and capital receipts
-

Staff

1. Number of staff (current and additional): 3FTEs of which 1FTE is vacant.
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: Statutory Requirement : S 123 and S123(2A) of the Local Government Act 1972.
 2. Call-in: Applicable:
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Currently the museum receives 19,000 visitors pa. It is estimated that a museum at Central Library will receive 200,000 visitors pa.
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments:

Orpington Councillors have received a large number of letters from pupils at primary schools in the area in support of museum facilities in Bromley. It is only due to the current financial circumstances that Orpington Councillors reluctantly accept the closure of the museum at the Priory in Orpington. The sale of the land immediately surrounding the Priory is not supported by Orpington Councillors. The car park is used by local people, particularly in the evenings, visiting restaurants and the British Legion Club, so a covenant for public use should be considered.

3. COMMENTARY

- 3.1 The 'Draft 2015/16 Budget and Update on Council's Financial Strategy 2016/17 to 2018/19' report no. FSD15001, considered by the Executive on the 14 January, recommends that Bromley museum service's budget is cut for 2015/16 as part of the Council's £60million savings.
- 3.2 The results from the Council's 'Our Budget, Your Views' survey undertaken in Winter 2014 showed the museum service to be the lowest priority for residents in relation to the Council's wider culture and leisure offer. In contrast the survey showed heritage and arts to be a higher priority, and recent petitions and letters from schools have emphasised the need for the Council to continue providing access to the museum collection and learning about local history. These findings are corroborated by the public response to the Priory Revisited HLF bid consultation in 2013, which showed that residents feel strongly that the borough should provide a good quality heritage and cultural offer.
- 3.3 Bromley Museum is the Council's primary heritage offer. Currently the museum is open Monday to Friday and every other Saturday and receives up to 19,000 visits each year. The museum is responsible for a collection of almost 20,000 artefacts, including the nationally significant Lubbock collection.
- 3.4 Bromley Council is responsible for the Priory building, the Roman bath house on Poverest Road, and a collection of almost 20,000 objects and paintings. The Priory is Grade 2* listed and the oldest building in the borough. It is nationally significant and has an important and eminent history starting in the year 1290 as a stop for the Prior and his entourage's journey from Canterbury to London.
- 3.5 In 2013 extensive public consultation was undertaken to inform both the development of the Heritage Lottery Fund museum bid, and to assess the quality of the existing museum. The public response showed that the current museum offer is unsatisfactory. Common complaints were the lack of facilities, the difficult to access location, the lack of welcome and way finding, inaccessible building layout, and the poor standard of exhibitions.
- 3.6 In addition to Bromley Museum there are six other main sites in the borough regularly open to the public:
- Bethlem Museum of the Mind, West Wickham, a charity linked to the Maudsley NHS Foundation Trust, open Monday to Friday;
 - Crystal Palace Museum, open weekends and run by volunteers;
 - Gerald Moore Gallery, open Saturdays, part of Eltham College;
 - Chislehurst Caves, open Wednesday to Sunday, a commercial visitor attraction;
 - Down House, Downe, seasonal open hours, managed by English Heritage;
 - Crofton Roman Villa, Orpington, open during the summer and run by the Kent Archaeology Rescue Unit.
- The locations of these sites means that there are areas of the borough without easy access to heritage and cultural activity. There is no provision in Bromley Town Centre which has good public transport links to other areas of the borough.
- 3.7 In addition there are many heritage related Friends groups and local interest societies in the borough, such as the Chislehurst Society and Bromley Arts Council. These groups and the variety of activities they offer are relatively unknown to many residents. Several of these societies are brought together under the umbrella of the Bromley Heritage and Arts Forum which was set up in 2013 to promote heritage and arts activity in the borough.
- 3.8 The borough has a richer historic landscape, than many other neighbouring parts of London. The borough's heritage is valued by residents.

- There are 391 listed buildings in Bromley, a higher number than in many neighbouring boroughs including Bexley (112) and Croydon (149).
- There are eight Grade 1 listed buildings in Bromley, more than in Lambeth and Southwark.
- There are five registered parks and gardens, 45 Conservation Areas and nine scheduled ancient monuments.

- 3.9 In summary, Bromley has a rich historic landscape and heritage, however the borough's heritage and cultural offer is in some cases unsatisfactory, as in the case of Bromley Museum, and in other instances under promoted. Residents value having access to a local history museum, however the Council's existing primary offer, Bromley Museum at the Priory, is low quality and not providing good value for money. The cost to the Council is £8 per visit. Therefore a new approach to heritage and the provision of a local museum, without a revenue budget, is required.
- 3.10 Since the HLF bid was withdrawn Officers have met with museum staff and volunteers, local community groups and the Orpington BID, Bromley's heritage organisations, and a community interest company. All these stakeholders have been asked for their ideas of big changes that could be made at the museum to significantly reduce the running costs.
- 3.11 Ideas ranged from moving the museum to Bromley Central Library and finding a new use for the building (such as a school, fine dining restaurant, or wedding venue); to demolishing the 1950s library extension, building flats in its place and using the income to refurbish the museum in the Priory to enable it to increase its income to cover the cost of running the service. The feasibility of all ideas was considered.
- 3.12 The business planning work carried out as part of the HLF bid showed that even if the Priory is refurbished and additional income streams are created, such as a café, the revenue costs of managing and maintaining the museum at the Priory cannot be covered. Additionally the community interest company who declared an interest in the Priory during the recent stakeholder consultation determined that the cost of the capital works required to bring the Priory to a standard that allowed a range of activity to take place and increased access, prohibited the development of a community facility.
- 3.13 The Council does not have provision in its revenue budget to maintain and conserve the important Priory building. Therefore it is recommended that if the Executive agree to cut the museum service budget from 1st April 2015 the Priory site is disposed of on the open market and a proportion of the monies raised are effectively reinvested in the borough's heritage offer. Only a part year revenue saving will be achieved in 2015/16 as there will be utility, security and other associated costs incurred to protect the building in the interim period, until the building is sold.
- 3.14 If members agree to the closure and sale of the Priory, access arrangements and the Priory building's outside space will need to be determined prior to marketing, as it is situated in a public park and adjoining a public pay and display car park with shared access arrangements. It is proposed that the public car park in front of the Priory should close and be included in the sale, together with a small area of land to the rear and side of the building, to provide it with its own curtilage. Appendix A shows the area of land proposed for inclusion in the sale. Further information is detailed in Part 2 report DRR14/118 which should be read in conjunction with this report.
- 3.15 Members are recommended to declare the Priory surplus to Council requirements and agree that it is offered for sale on the open market. Any proposals by a purchaser to change the building will require Listed Building Consent and its important historic features should therefore

be safeguarded. The building has been used to provide a community facility, and, therefore, if the purchaser proposes to use it for a different purpose they will have to satisfy the Council's planning policies which resist the loss of community facilities unless there is no longer a need for them or alternative provision is made in an equally accessible location. In this circumstance the Council will provide supporting information regarding the reprovision of community facilities. The policies of the London Plan and the National Planning Policy Framework in relation to social infrastructure will also be relevant.

- 3.16 It is proposed that the museum exhibitions are relocated to Bromley Central Library where they can be more easily accessed by residents, and benefit from the library's facilities and resources. Two spaces in Central Library have been identified as suitable for museum exhibitions. One of these spaces would be dedicated to the Lubbock collection, a Nationally important collection which the Council is obliged to keep on public display, the other will exhibit star objects from the local history collection. The Council has an agreement with the Lubbock family that the Lubbock collection is not split up or sold; that the collection remains in the borough of Bromley and is accessible for inspection as a resource for historians and the general public; and that if these conditions cannot be met the Lubbock family may reclaim the collection or come to an agreement with the Council on another suitable home.
- 3.17 The Central Library currently receives 200,000 visitors each year, ten times more than the museum. Additionally, moving the museum to the library will complement the local studies and archives service located there. A design scheme has been developed for two high quality museum exhibitions in Central Library. Appendix B illustrates the proposed Central Library exhibition designs.
- 3.18 Members are therefore recommended to agree to allocate £395k of capital receipts to meet the costs of relocating the exhibition space to the Central Library, in effect reinvesting the capital receipt from the sale of the Priory in to the borough's heritage offer, primarily the installation of new museum exhibitions at Central Library. This approach of reinvesting money from heritage in to new quality heritage schemes without revenue requirements is recommended to form the basis of the borough's new approach to heritage.
- 3.19 In the event that the Executive agree to close Bromley Museum at the Priory, the two museum staff will be at risk of redundancy. Formal consultation began with the museum staff at risk of redundancy on the 9 January for a 30 day period. The outcome of this consultation will be reported back to the 11 February 2015 meeting of the Executive committee.
- 3.20 Due to current staffing arrangements (the Museum Curator is commencing maternity leave in February) the museum will only be able to offer a reduced service for the last two months of the 2014/15 financial year. Existing bookings will be honoured, however opening hours will be reduced.
- 3.21 The museum's collection of almost 20,000 objects and paintings will need to be rationalised. This process and the setting up of the new exhibitions at Central Library will require specialist resource, including an expert removal and handling company to transport artefacts, and an exhibition designer to professionally design the new exhibitions. The exhibition at Central Library will not be staffed. The collection is currently stored in a building in the Parks' Depôt in Priory Gardens, and even after the rationalisation process is undertaken the stores will be required to hold all the remaining collection which is not on display as alternative space in the Central Library has not been identified.
- 3.22 To enable improved public access to the rationalised collection, it is proposed that the collection catalogue is digitised. To increase residents' access to heritage and culture activity across the borough, it is proposed that a heritage promotional booklet is created to promote the borough's

local interest societies and heritage visitor attractions, so that more residents are aware that this offer exists.

3.23 Table 1 provides the capital costs of closing the Priory building and installing a new museum exhibition space at the Central Library:

Capital costs	2015/16 £'000
Creation of two new exhibition spaces and displays, including production of a digital catalogue, travelling exhibition facility and heritage promotional booklet	250
Specialist temporary resources for project management, rationalisation of the collection exhibits, closing the existing museum and the installation of the new exhibitions in the Central Library	115
Costs associated with the sale and disposal of furnishings, packing materials and rubbish removal	15
Costs associated with ceiling repairs, decoration and provision of new storage, and installation of a community display space for the Central Library	15
	<u>395</u>

4. POLICY IMPLICATIONS

4.1 The 2015/16 Budget paper to the Executive on the 14 January 2015 set out a range of budget options for consideration by Members, including deleting the museum service at the Priory. The report highlighted the financial pressures facing the Council and the need to maintain strict financial control .

5. FINANCIAL IMPLICATIONS

5. 1 This report is recommending that the Priory is declared surplus to requirements and that it is offered for sale on the open market.

5.2 The Executive is requested to agree that £395k of capital receipts are allocated to meet the costs of creating an exhibition space in the Central Library for the museum artefacts as detailed in Table 1 above. There would be no on-going running costs associated with the new exhibition space.

5.3 The table below summarises the revenue implications: -

	2015/16 £'000	2016/17 £'000	2017/18 £'000
2015/16 budget	152	152	152
Less estimated costs re utilities, business rates etc	-77	-30	0
Less net loss of parking income	0	-3	-3
Revenue saving	75	119	149
Less budget option outstanding from 2014/15	-75	-75	-75
Net revenue saving	<u>0</u>	<u>44</u>	<u>74</u>

- 5.4 It should be noted that the savings from the business rates will only be realised when the building is sold.
- 5.5 Should redundancy costs become payable, they will be met from the central contingency provision set aside for redundancy/early retirement costs arising from budget options.

6. LEGAL IMPLICATIONS

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

7. PERSONNEL IMPLICATIONS

- 7.1 The proposals set out in this report to Members recommend to the Executive that the Priory Museum is declared surplus to operational requirements with effect from 1 April 2015 and this has implications for the two members of staff at the Museum who will be at risk of redundancy if the proposal is agreed. The Executive on 11 February will consider the comments from staff, trade union, staff side secretary and departmental representatives following the period of formal consultation on the proposals for the Museum which commenced on 9 January 2015 for a period of 30 days. The Executive will also consider any comments from the R and R PDS Committee. If the Executive Members agree to the recommendations any staffing implications arising from these recommendations will need to be carefully managed in accordance with Council policies and procedures and with due regard to the existing framework of employment law.

Non-Applicable Sections:	
Background Documents: (Access via Contact Officer)	22 nd July 2014 Bromley Museum at the Priory, DRR14/070



STAGE D
 The London Borough of Bromley
 PROJECT: Church Hill, Croydon, RM8 6PH
 DRAWING TITLE: 046 050
 LOCATION: B

DATE: 1.02.08 @ A1 - 1.12.08 @ A3
 DRAWN: [Name]
 CHECKED: [Name]
 APPROVED: [Name]
 SCALE: 1:500

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North Arrow

Site Plan

General Notes:
 Never scale dimensions from this drawing. Use written dimensions only.
 All dimensions are in millimetres unless otherwise stated.
 Note that this drawing is based on a combination of dimensions
 surveys by others, therefore site verification of dimensional information is
 required.
 Please in conjunction with other information from CAI and other consultants.

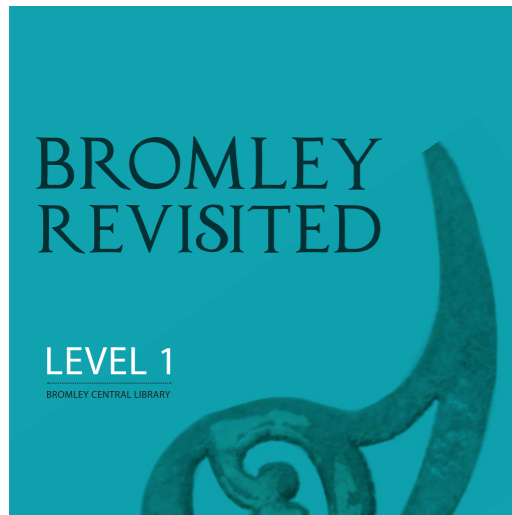
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1	05/05/2014	CD	OC
2	05/05/2014	CD	OC
3	05/05/2014	CD	OC

Revision
 Date
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LONDON BOROUGH OF BROMLEY

BROMLEY LIBRARY EXHIBITIONS

VISION DOCUMENT



The Bromley Revisited exhibition will tell the story of Bromley's past through the theme of innovation and creativity. The exhibition will display the most interesting and important objects in the collection, with the exception of the John Lubbock artefacts which will have their own dedicated space upstairs within Local Studies and Archives. Objects on display will include a child's patchwork dressing gown made in Chislehurst Caves during WW2, an Anglo Saxon urn, a Tudor sundial, a Bank of England Bullion Balance made in St Mary's Cray, and David Bowie's jacket. These objects will be clustered in to three sub-themes within the Priory Revisited gallery: beauty and creativity, technology, and spirituality. The minimal case and wall interpretation will be accompanied by hand held boards which will contain further information for interested visitors.

Bromley Museum cares for over 19,000 objects split in to seven collections.

Archaeology: 7792 artefacts collected largely through excavations across the borough. The Anglo-Saxon objects are of most significance, along with a rare Tudor English sundial.

Social history: 6583 objects principally acquired by donation. Consists of household goods, commemorative items, World War II objects, ephemera, and a small costume and textile collection. There are also a number of items relating to the Crystal Palace and local famous people.

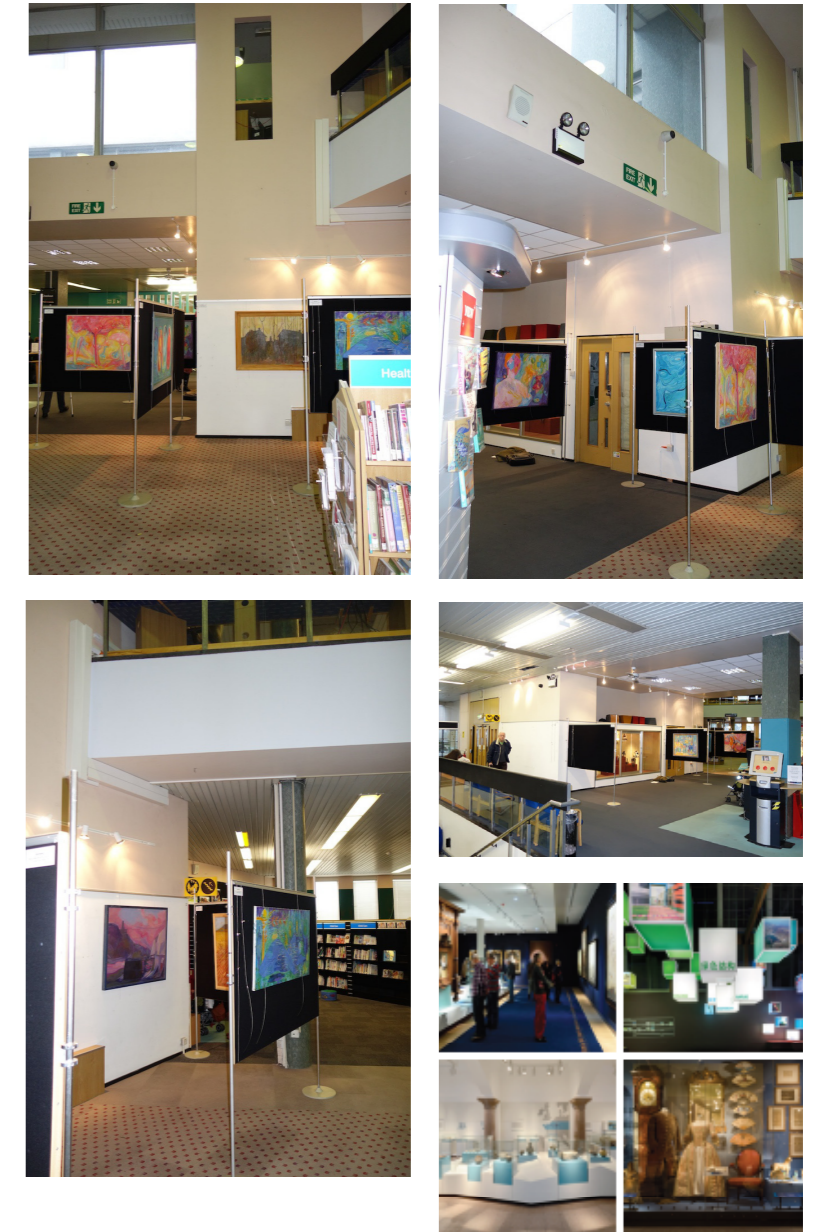
Fine art: 1636 paintings, prints and drawings that are mainly either by London Borough of Bromley artists, or works depicting Bromley landscapes and people. These date back to the 18th century and include watercolours painted by John Inigo Richards in 1775. In addition, the museum holds a collection of prints that were assembled by the borough's education department during the 1970-80s, including work by Mary Fedden and Robert Tavener.

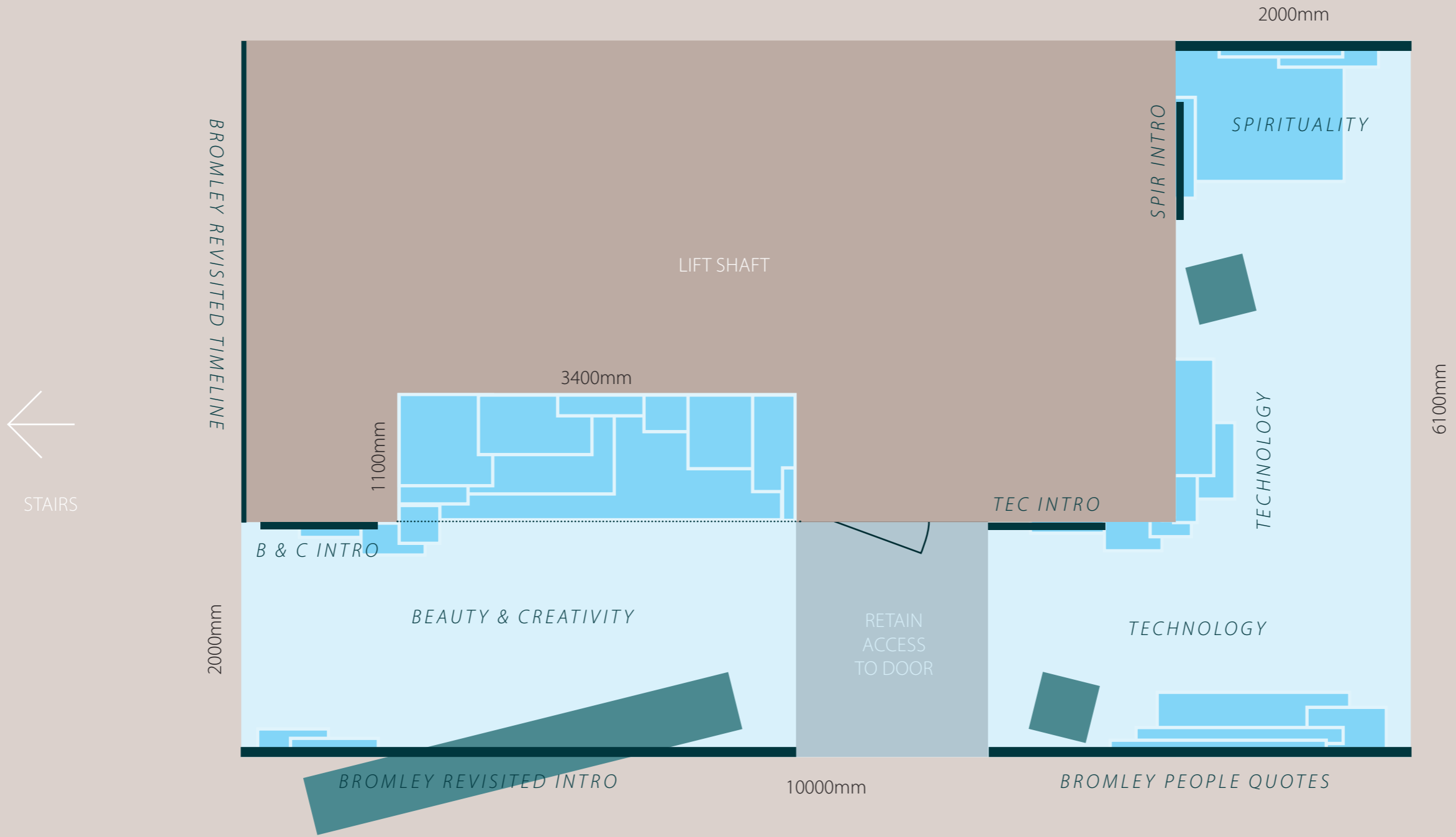
Numismatics: 1462 items, including coins, medals and tokens both gifted to the museum and from excavations and fieldwork, including hoard finds in the London Borough of Bromley.

Natural history: 1098 artefacts including birds eggs and geological specimens.

Ethnography: 469 objects mainly from Uganda, Africa, acquired by public donation.

John Lubbock: 700 strong nationally significant collection largely of archaeology from British and European sites and ethnography from around the world. It includes works of art, including the reconstructions of prehistoric life by Victorian artist Ernest Griset.





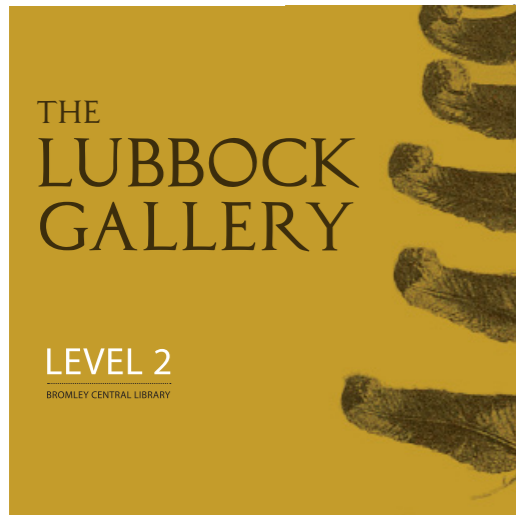
PROPOSED LAYOUT FOR

BROMLEY REVISITED

Level 1 - Height upto 3500mm
 Column Wrap Around L
 Main Foyer
 31.94m²







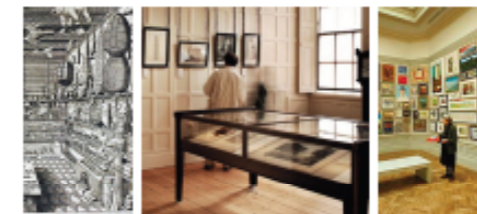
The Lubbock Gallery will place John Lubbock within the context of the tradition of Victorian collecting and anthropology, and how this practice led to the development of the Victorian world view and the development of modern science. The displays within this gallery will be broken down into three narratives, each of which address Lubbock's substantial contributions to our understanding of the world.

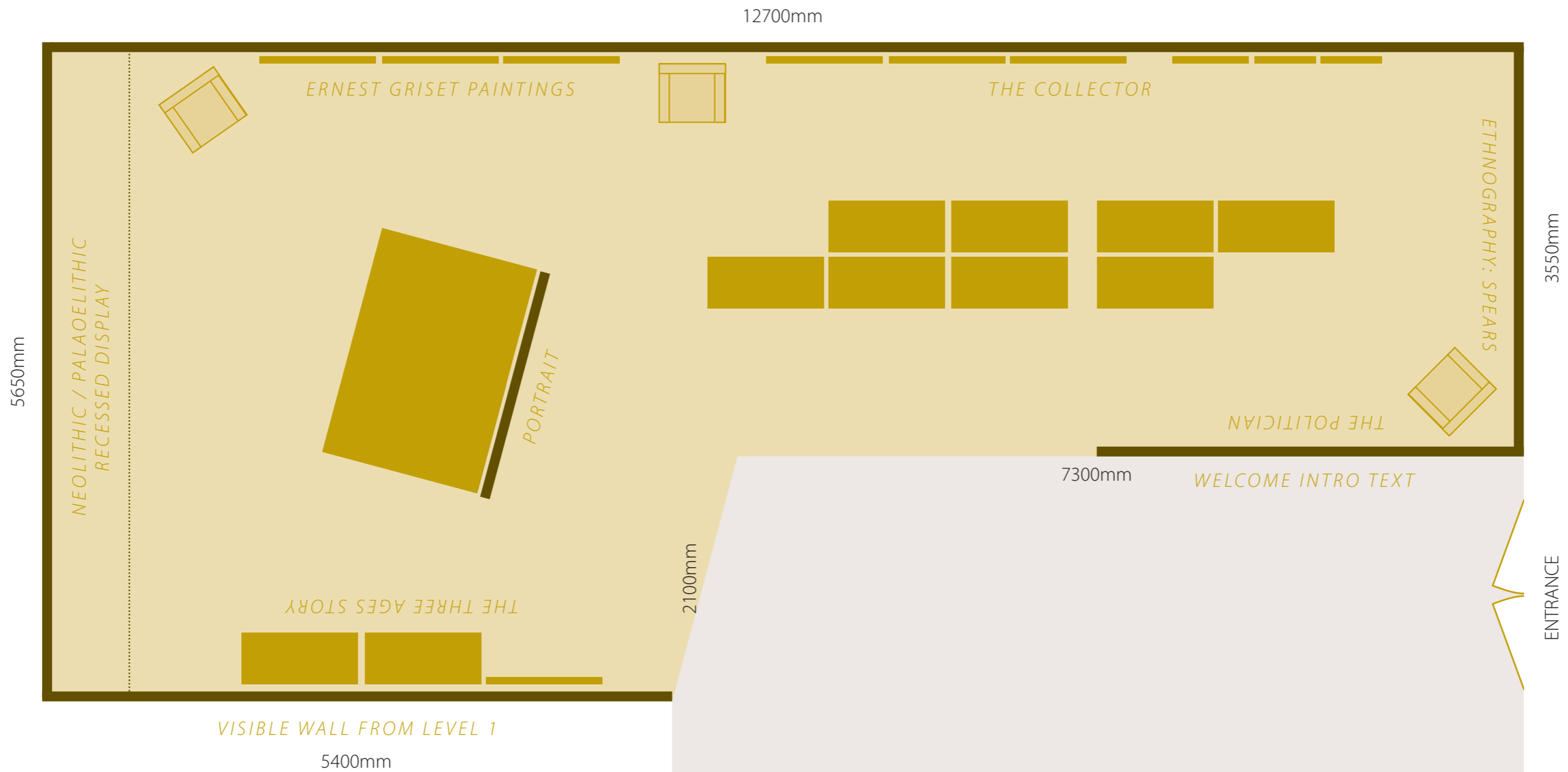
Early man and the three ages system: Central to the Lubbock Gallery will be a case that interprets Lubbock's contribution to the Danish 'Three Ages' system. The invention of "Neolithic" and "Palaeolithic" periods will be explored, using the sample of hand axes from his collection which he used as evidence when devising the terms. Stone Age pots will also be exhibited to challenge perceptions of early man and illustrate Stone Age man's appreciation of the aesthetic, as they were created to be beautiful, not just practical.

John Lubbock the collector: This theme will explore Lubbock's ethnographic collection, which has many beautiful pieces from around the world, and will demonstrate his interest in world cultures. Lubbock's relationships with other Victorian collectors will be explored using the Congo Idol and Hooker and Evans medals. The case will show that Lubbock rarely travelled outside of Europe and relied on his relationship with other collectors to learn about these different cultures.

John Lubbock the MP: Although there are fewer objects to support this interpretive sub-theme, Lubbock's contribution as an MP is an important aspect of his story. Graphic interpretation will explore his contribution to social history, including involvement in the introduction of the Public Libraries Act, the Bank Holidays Act, and legislation such as the Ancient Monuments Act that demonstrates how his interest in archaeology and anthropology informed his actions as a Member of Parliament. The wall space will be used to hang a notable series of paintings by Ernest Griset commissioned by Lubbock. These depict what prehistoric man may have looked like and are the first of their kind.

Bromley Museum was gifted the Lubbock collection by the Lubbock family on the condition that it is displayed within the borough for local residents to access.





PROPOSED LAYOUT FOR

THE
LUBBOCK
GALLERY

Level 2 Height 3000mm
Subsection of main room
Adjacent to Local Studies
56.25m²



THE LUBBOCK GALLERY

The Lubbock Gallery tells the story of Sir John Lubbock MP through his contributions to science and archeology which were the result of his anthropology studies and collecting.

Report No.
ES14094

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Executive

For Pre-Decision Scrutiny by the Environment PDS Committee on

Date: 20th January 2014

Decision Type: Non-Urgent Executive Key

Title: CLOSURE OF BECKENHAM, BROMLEY AND WEST WICKHAM PUBLIC TOILETS

Contact Officer: Peter McCready, Head of Area Management
Tel: 020 8313 4942 E-mail: peter.mccready@bromley.gov.uk

Chief Officer: Nigel Davies, Executive Director of Environment & Community Services

Ward: Bromley Town, Copers Cope and West Wickham Ward

1. Reason for report

This report outlines a proposal to save £67k from the closure of Beckenham, Bromley and West Wickham High Street public toilets, declares the Beckenham property surplus and confirms the arrangements of Community Toilet Schemes as an alternative approach to the provision of public toilets in these town centres.

2. **RECOMMENDATIONS**

That the Executive agrees to:

- 2.1 **The closure of Beckenham, Bromley and West Wickham High Street public toilets from 31st March 2015;**
- 2.2 **Declare the Beckenham public toilet surplus and offer it to the market, on the basis that if offers are not forthcoming that it should be demolished; and**
- 2.3 **Authorise the expansion of the Community Toilet Scheme as the alternative provision set out in paragraph 3.7.**

Corporate Policy

1. Policy Status: Existing Policy
 2. BBB Priority: Quality Environment Vibrant, Thriving Town Centres
-

Financial

1. Cost of proposal: Estimated net saving of £22k in 2015/16, rising to £67k in 2016/17. A capital receipt could be generated from the sale of the Beckenham public convenience.
 2. Ongoing costs: Recurring saving
 3. Budget head/performance centre: Public Conveniences
 4. Total current budget for this head: £131k
 5. Source of funding: Existing revenue budget for 2014/15
-

Staff

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

Legal

1. Legal Requirement: Non-Statutory - Government Guidance
 2. Call-in: Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Visitors and businesses in Beckenham, Bromley and West Wickham High Streets
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments: To be advised at the meeting

3. COMMENTARY

3.1 In January 2009 the Committee, and subsequently the Portfolio Holder received a report on “Community Toilets – Feasibility”. As a result of this it was agreed to conduct a feasibility study around the provision of community toilets in Bromley. The feasibility study included an assessment of each of the Council’s facilities and from this list of potential areas the community toilet scheme (CTS) has been widened with the following principles:

- Community toilets should at least match, and if possible improve, on the kind of provision made by the Council both in terms of opening hours and facilities for the disabled, baby change etc.
- Where ever possible provision should not be exclusively provided through public houses, since many people for reasons of faith or personal choice, including children, will not want to use these facilities. At least one “non-pub” facility should be available in each area during normal daytime shopping hours.
- Facilities provided by businesses should be of a standard that attracts shoppers and visitors to the area and therefore contributes to the business viability to the area.
- Potential participants should have clear internal signage to the toilet facilities.

3.2 In addition to the toilets provided by the Council other organisations and private companies also provide facilities, with town centres having more than ever before with cafes and major shops being the main providers. The exercise of reviewing the facilities on offer by these organisations and the perceived demand for toilets has determined the feasibility of introducing the initiative in conjunction with closures.

3.3 At the full Council meeting on the 28th February 2011, a decision was taken to agree to the closure of public toilets as part of the savings proposals presented.

3.4 Where public toilets have been closed a saving on routine cleaning and associated running costs (e.g. rates, utilities and maintenance liability) has been identified for the Streetscene and Greenspace revenue budget to assist with meeting the Council’s financial savings.

3.5 An assessment of the Council’s remaining provision has included the toilets in the borough’s town centres of Beckenham, Bromley, Penge and West Wickham. The provision of a public toilet in Orpington has been provided by the Orpington First BID since March 2014 following a refurbishment by the BID. In October 2014 Members received a report (Report no. ES14085) to extend the CTS initiative in Penge High Street with a closure proposed in January 2015. In conducting the feasibility of extending the CTS for the town centres, it would be intended to follow the approach already established in Beckenham, Bromley and West Wickham.

3.6 The general condition of these toilets is acceptable but the quality of the interior decoration limits the standard of cleanliness compared with higher standards achieved by the alternative provision of shops and local businesses. This is partly due to the whole facility being more modern than the Council’s public toilets, the fact that their use can be closely monitored, and the fact that they are less likely to become a focus for vandalism.

Proposal

3.7 This report proposes to close the Beckenham, Bromley and West Wickham High Street public toilets and to extend the CTS initiative with fourteen new entrants and retain the five pre-existing arrangements. The high street business partners include three new entrants and three pre-existing premises in Beckenham; six new entrants and two pre-existing arrangements in Bromley, and five new entrants in West Wickham (no pre-existing arrangements). The majority

of the agreements have no revenue cost implications which are either based upon the 'Open London' scheme or utilise other premises with no fee-paying requirements. The total additional cost of the new entrants to the scheme equates to £2k pa. A list of the high street Community Toilet Scheme business partners are tabled in Appendix A of this report.

- 3.8 The existing contract for the cleansing of public conveniences was awarded to Kier and commenced on 29th March 2012 for a five year period, with an option for a two year extension. Negotiations are in progress with the contractor (Kier) regarding the reduction in the total tendered sum for the cleansing of the Beckenham, Bromley and West Wickham toilets. At any time during the term of the contract the Council may decide to implement a variation to the service requirements, which may arise through no fault of the contractor.
- 3.9 With this proposal, the total aggregated value of the variation of the service has exceeded 10% of the original total tendered sum and the contractor would therefore be eligible for claiming a compensation event for the loss and expense with the entire effect of a change of service. The compensation event is assessed as the effect of the event on the forecast cost for work not yet done – this would relate to the remaining period of the contract (e.g. from the date of the notification of closure to 28th March 2017).
- 3.10 The Council has requested a written quotation from the contractor for assessment of the compensation event. The quote will be assessed using the procedures in the contract and the sum would be agreed by both parties. Firm details from the contractor were not available for inclusion within this report however the Head of Area Management has advised that an indicative cost of a one-off compensation fee in the region of £20k for this contract variation and would be met from within the Streetscene and Greenspace budget for 2015/16.
- 3.11 If the Executive agrees to the proposed closure, arrangements will be made to declare the Beckenham property surplus to Council requirements and would recommend marketing it, on the basis that if offers are not forthcoming that it should be demolished. If it proved impossible to sell the facility, the cost of service disconnection, demolition and reinstatement of the site is estimated at a cost of £15k for the location. There is no available budget provision within the Property Division to undertake this work, therefore the costs of demolition would need to be met by the Streetscene and Greenspace budget. The West Wickham property is attached to the adjoining Public Library and as part of a much larger landholding it is recommend that the building is retained until further consideration of the library is given. The Bromley property is located within the town centre redevelopment plan designated as Opportunity Site G. As the proposals for this site were not available at the stage of report writing, the property would be retained until confirmation of the development was made.
- 3.12 The closure of the three public conveniences would result in a net annual saving of £22k for 2015/16, after allowing for the one-off costs for compensation and demolition. Annual savings of £67k would be achieved from 2016/17 onwards.

4. POLICY IMPLICATIONS

- 4.1 A significant number of local authorities have adopted the means of making existing toilets in private premises available to the general public under the Community Toilet Scheme initiative.
- 4.2 Research in Bromley has shown that people feel safer using a toilet in a shop or other retail premises rather than in an unattended public convenience. Some older people are apprehensive about being away from home because of the lack of toilet facilities, or their fear of using them. The availability of Bromley's Community Toilet Scheme contributes towards supporting independence and to the promotion of vibrant and thriving town centres as well as a quality environment.

- 4.3 The Council's Equality Impact Assessment (EIA) for the Community Toilet Scheme was developed in September 2008 and last reviewed in August 2010. The EIA set out to analyse the policy of replacing selected public conveniences with community toilet facilities. The policy parameters confirmed that levels of toilet provision to be no less than those currently provided by the Council and sufficient to meet the current and anticipated demands of users, including any special needs of the area and its users. The EIA will be reviewed and updated with qualitative data obtained from local consultation through the placement of public notices. This information was not available for inclusion within this report however the feedback will be reported to Committee Members prior to the Environment PDS and Executive meetings.

5. FINANCIAL IMPLICATIONS

- 5.1 The table below summarises the savings that would result from the proposed closure of Beckenham, Bromley and West Wickham High Street toilets from 31st March 2015:-

Analysis of savings	Part Year	Full Year
	2015/16	2016/17
	£'000	£'000
Cleansing contract	34.0	34.0
Running expenses - energy, water etc	14.0	17.0
Maintenance	11.0	11.0
Business Rates (provided sold/demolished)	0.0	7.0
Savings	59.0	69.0
Less additional cost of community toilets at West Wickham	-2.0	-2.0
Less estimated one-off compensation payable to contractor	-20.0	0.0
Less potential demolition costs of Beckenham	-15.0	0.0
Net savings achieved	22.0	67.0

- 5.2 It should be noted that the savings from the business rates will only be realised when the buildings are either sold or demolished.
- 5.3 A capital receipt could be generated from the sale of the Beckenham public convenience.

6. LEGAL IMPLICATIONS

- 6.1 Section 87 of the Public Health Act 1936 gives local authorities a power to provide public toilets, but imposes no duty to do so. The provision of public toilets varies according to the local authority however more recent legislation (Local Government Act 2000) places a duty on local authorities (through their community strategy) to:

Enhance the quality of life of local communities and contribute to the achievement of sustainable development in the UK through actions to improve the economic, social and environmental well-being of the area and its inhabitants.

Members should note that Bromley's Community Toilet Scheme intends to achieve this aim.

- 6.2 The Council enters into Legal Agreements with businesses participating in the Community Toilet Scheme and provide an annual payment of £1,000 subject to the facilities available, plus VAT, payable in quarterly instalments. In return the Council publicise the scheme and locations of the facilities through media sources and the installation of appropriate street signage.
- 6.3 The Annual Sum can be varied at the Council's discretion subject to number of toilet facilities available by the businesses. The Council may suspend payment in the event that the facilities are unavailable to the public.

- 6.4 The scheme covers a variety of outlets to ensure that toilet facilities are available for a wide range of users, over a substantial part of the day and night. Participating businesses retain the right to refuse admission of any person to their premises including toilet facilities.

Non-Applicable Sections:	Personnel Implications
Background Documents: (Access via Contact Officer)	<p>Public Toilet Provision – Report for Pre-Decision Scrutiny by Environment PDS on 23rd September 2014 and Executive on 15th October 2014;</p> <p>Review of Public Toilets/Community Toilets Scheme – Report to Environment PDS on 1st June 2009;</p> <p>Community Toilets Feasibility – Report to Environment PDS and Environment Portfolio Holder on 8th and 15th January 2009;</p> <p>Community Toilets Feasibility Study – Report to Environment PDS 22nd September 2008;</p> <p>Review of Public Toilet Provision – Report to E&LS PDS on 20th May 2008;</p> <p>Report of the House of Commons Communities and Local Government Committee – “The Provision of Public Toilets” dated 6th October 2008.</p>

List of Current and Additional High Street Community Toilet Scheme Business Partners**Beckenham**

- Beckenham Civic Halls (new entrant, no revenue cost)
- Costa Coffee (pre-existing arrangement, £1k pa)
- Odeon Cinema (pre-existing arrangement, no revenue cost)
- Sainsbury's (new entrant, 'Open London' scheme, no revenue cost)
- Spa Leisure Centre (new entrant, no revenue cost)
- Waitrose (pre-existing arrangement, 'Open London' scheme, no revenue cost)

Bromley

- BHS (new entrant, no revenue cost)
- Central Library (pre-existing arrangement, no revenue cost)
- Civic Centre (pre-existing arrangement, no revenue cost)
- Marks & Spencer (new entrant, 'Open London' scheme, no revenue cost)
- McDonalds (new entrant, 'Open London' scheme, no revenue cost)
- Pavilion Leisure Centre (new entrant, no revenue cost)
- Sainsbury's (new entrant, 'Open London' scheme, no revenue cost)
- Waitrose (new entrant, 'Open London' scheme, no revenue cost)

West Wickham

- Café Nero (new entrant, additional £1k pa)
- Marks & Spencer (new entrant, 'Open London' scheme, no revenue cost)
- Sainsbury's High Street (new entrant, 'Open London' scheme, no revenue cost)
- The Swan Public House (new entrant, additional £1k pa)
- West Wickham Leisure Centre (new entrant, no revenue cost)

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