



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

TELEPHONE: 020 8464 3333

CONTACT: Keith Pringle

[keith.pringle@bromley.gov.uk](mailto:keith.pringle@bromley.gov.uk)

DIRECT LINE: 020 8313 4508

FAX: 020 8290 0608

DATE: 9 March 2016

To: Members of the  
**EXECUTIVE**

Councillor Stephen Carr (Chairman)

Councillors Graham Arthur, Robert Evans, Peter Fortune, Kate Lymer, Peter Morgan and Colin Smith

A meeting of the Executive will be held at Bromley Civic Centre on **WEDNESDAY  
23 MARCH 2016 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 10TH FEBRUARY 2016**  
(Pages 5 - 32)

a) to confirm the minutes of the meeting held on 10<sup>th</sup> February 2016

b) Matters Arising report

**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 17<sup>th</sup> March 2016.

**5 BUDGET MONITORING 2015/16** (Pages 33 - 84)

**6 GATEWAY REVIEW OF HEALTH VISITING AND NATIONAL CHILD MEASUREMENT PROGRAMME** (Pages 85 - 94)

- 7 **GATEWAY REVIEW OF FAMILY NURSE PARTNERSHIP** (Pages 95 - 100)
- 8 **GATEWAY REVIEW OF SEXUAL HEALTH SERVICES** (Pages 101 - 110)
- 9 **GATEWAY REVIEW OF HOLLYBANK** (Pages 111 - 122)
- 10 **DEMENTIA POST DIAGNOSIS SERVICES - CONTRACT AWARD**  
(Pages 123 - 126)
- 11 **ADOPTION REFORM GRANT DRAW-DOWN** (Pages 127 - 132)
- 12 **SEND REFORMS - DRAW-DOWN AND CARRY FORWARD OF GRANT FUNDING  
(NEW BURDENS) TO SUPPORT THE LOCAL AUTHORITY IN IMPLEMENTING  
THE SPECIAL EDUCATIONAL NEEDS REFORMS** (Pages 133 - 138)
- 13 **BASIC NEED PROGRAMME** (Pages 139 - 158)
- 14 **GATEWAY REPORT COMMISSIONING - PROPOSED TOTAL FACILITIES  
MANAGEMENT CONTRACT** (Pages 159 - 198)
- 15 **FIFTH REPORT OF THE CONSTITUTION IMPROVEMENT WORKING GROUP**  
(Pages 199 - 208)
- 16 **PETITION ON DESIGNATING PART OF PETTS WOOD AND KNOLL WARD AS AN  
AREA OF SPECIAL RESIDENTIAL CHARACTER (ASRC)** (Pages 209 - 212)
- 17 **CONSIDERATION OF ANY OTHER ISSUES REFERRED FROM THE EXECUTIVE  
AND RESOURCES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE**
- 18 **LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT  
(ACCESS TO INFORMATION) (VARIATION) ORDER 2006 AND THE FREEDOM  
OF INFORMATION ACT 2000**

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

**Items of Business**

**Schedule 12A Description**

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>19 <b>EXEMPT MINUTES OF THE MEETING HELD ON<br/>10TH FEBRUARY 2016</b> (Pages 213 - 214)</li> </ul> | <p>Information relating to the financial or business affairs of any particular person (including the authority holding that information)</p> |
|--|--|

<b>20</b>	<b>BUDGET MONITORING 2015/16</b> (Pages 215 - 218)	Information relating to the financial or business affairs of any particular person (including the authority holding that information)
		Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under the authority.
<b>21</b>	<b>DEMENTIA POST DIAGNOSIS SERVICES - CONTRACT AWARD</b> (Pages 219 - 228)	Information relating to the financial or business affairs of any particular person (including the authority holding that information)
<b>22</b>	<b>AUTHORISATION FOR AWARD OF FUNDING AGREEMENT FOR SPECIAL SCHOOL PLACES (BURWOOD SCHOOL)</b> (Pages 229 - 234)	Information relating to the financial or business affairs of any particular person (including the authority holding that information)
<b>23</b>	<b>FINALISATION OF MEARS PROPOSAL</b> (Pages 235 - 240)	Information relating to the financial or business affairs of any particular person (including the authority holding that information)
<b>24</b>	<b>ACQUISITION OF INVESTMENT PROPERTY</b> (To Follow)	Information relating to the financial or business affairs of any particular person (including the authority holding that information)
<b>25</b>	<b>SITE G: REVISED DEVELOPMENT BOUNDARY AND PROCUREMENT</b> (Pages 241 - 262)	Information relating to the financial or business affairs of any particular person (including the authority holding that information)
<b>26</b>	<b>EXTENSION TO AGENCY CONTRACT</b> (Pages 263 - 268)	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 10 February 2016 starting at 7.00 pm

### **Present**

Councillor Stephen Carr (Chairman)  
Councillors Graham Arthur, Robert Evans, Peter Fortune,  
Kate Lymer, Peter Morgan and Colin Smith

### **Also Present**

Councillor Nicholas Bennett J.P., Councillor Simon  
Fawthrop, Councillor William Huntington-Thresher,  
Councillor Alexa Michael, Councillor Tim Stevens J.P.,  
Councillor Stephen Wells and Councillor Angela Wilkins

### **346 APOLOGIES FOR ABSENCE**

There were no apologies.

### **347 DECLARATIONS OF INTEREST**

Cllr Kate Lymer declared an interest by virtue of her mother working in Public Health.

Councillor Peter Morgan also declared a personal interest in view of his daughter being a Director of Kier Property Services. Cllr Morgan also declared a further interest in item 12 as a Trustee of Bromley and Sheppard's Colleges.

As a visiting Member, Councillor Simon Fawthrop (Executive and Resources PDS Chairman) declared an interest in item 11 as his wife was a Council employee with the Bromley Adult Education College.

### **348 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 13TH JANUARY 2016**

The minutes were agreed.

### **349 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING**

Seven questions were received for oral reply. Details of the questions and replies are at **Appendix A**.

**350          2016/17 COUNCIL TAX**

**Report FSD16017**

Report FSD16017 outlined final issues affecting the 2016/17 revenue budget and sought recommendations to Council on the level of the Bromley element of the 2016/17 Council Tax. The report reflected the Council's approach to not only achieve a legal and financially balanced budget in 2016/17 but to have measures in place to deal with the medium term financial position (2017/18 to 2019/20). The report also sought final approval of the schools budget. The final GLA precept was intended to be reported to full Council on 22nd February 2016.

Replacement recommendations were tabled for the meeting as was supplementary information related to positive news for L B Bromley in the final 2016/17 Local Government Financial settlement published on 8<sup>th</sup> February 2016. Details included:

- new transitional grant of £2.068m in 2016/17 and £2.052m in 2017/18 as one-off income; and
- no change for 2018/19 and 2019/20 funding levels although the Secretary of State for Communities and Local Government had indicated there would be a 100% devolution of business rates by 2019/20 combined with a new "needs assessment" of the funding formula, this being brought forward by a year.

The "budget gap" outlined in Report FSD16017 is nil in 2016/17, £8.9m in 2017/18, £12.5m in 2018/19 and £25.8m in 2019/20. This excluded the transitional grant for 2016/17 and 2017/18 which would not reduce the medium and longer term "budget gap".

Information was also tabled concerning the Better Care Fund (BCF). In view of an ambitious programme to deliver BCF objectives for 2015/16, an element of the budget would require re-profiling into 2016/17 to ensure delivery of the objectives. A one-off sum of £3.1m was therefore requested to be set aside from the Fund to a new Council earmarked reserve in order to allow continuation of agreed joint schemes and to be used as pump priming investment for more cost effective delivery models across Health and Social care in Bromley. This would be part of a formal agreement with Bromley CCG under Section 75 of the National Health Service Act 2006.

Comments from PDS Committees in considering the initial draft budget were also tabled.

The Director of Finance outlined the background of financial constraint leading to the Council's budgetary outlook. It was necessary to take a four-year view. Given the level of funding reduction and associated cost pressures e.g. those related to welfare reforms, it was necessary to continue finding savings to offset grant shortfall and cost pressures. There had been much lobbying to

have L B Bromley's case recognised and although not contributing to the Council's long term budget gap, the outcome in the final 2016/17 Local Government Financial Settlement provided positive transition funding. However, there would be further funding reductions over the next four years and there continued to be a budget gap from 2017/18. By 2019/20 it was necessary for the Council to be self-sufficient with the full devolution of business rates and the review of the needs assessment completed. The Council will need to achieve high levels of income to contribute towards a sustainable way forward. Nevertheless, further savings would continue to be necessary and the transitional funding, although welcomed, is non-recurring and will not reduce the Council's long term budget gap. The Director also referred to the Adult Social Care Precept which local authorities were allowed to levy following the Chancellor's spending review last autumn.

The Deputy Leader thanked all concerned in lobbying to pursue L B Bromley's case. The new transitional grant would be helpful for the next two years albeit not continuous. The Leader also requested that the Director of Finance be included amongst those to be thanked.

The Deputy Leader referred to the transitional funding being a separate matter to any council tax decision making as it is non-recurring.

The Portfolio Holder for Resources also highlighted the value of income from investment, including returns from the Council's property portfolio. Councillor Peter Fookes (Penge and Cator) highlighted concerns for day centres for the elderly in the borough.

Further detail was awaited on the four-year funding offer outlined in provisional funding allocations from 2016/17 to 2019/20 and how any associated process might operate. The Leader felt that more clarity would be helpful and an opportunity to work with Government to secure further detail would be welcomed.

**RESOLVED that:**

- (1) Council be recommended to:**
  - (a) on the basis of two further schools having converted to Academy Status, approve a revised schools budget of £83.7 million which matches the estimated level of Dedicated Schools Grant (DSG) after academy recoupment;**
  - (b) approve the draft revenue budgets for 2016/17 (as at Appendix 2 to Report FSD16017) including the following updated changes -**
    - (i) reduction in Independent Living Fund (ILF) Grant from £701k estimated in the draft budget to £666k (the proposed methodology for the value of the grant and the allocation of**

the funding is subject to consultation which ends on 22<sup>nd</sup> March 2016);

(ii) increase in SEND Implementation Grant from £177k to £201k (£24k increase) with a corresponding increase in expenditure held in central contingency;

- (c) consider the utilisation of the transitional funding from central Government of £2,068k in 2016/17 and £2,052k in 2017/18 in the light of the views expressed by the Executive;
- (d) set aside a sum of £3,100k in 2015/16 as an earmarked reserve related to the continuation of various joint schemes and pump priming investment as detailed in the further supplementary paper to Report FSD16017;
- (e) agree that Chief Officers identify alternative savings within their departmental budgets where it is not possible to realise any proposed savings reported to the Executive's previous meeting on 13<sup>th</sup> January 2016;
- (f) approve the following provisions for levies to include in the budget for 2016/17:

	£'000
London Pension Fund Authority *	464
London Boroughs Grant Committee	320
Environment Agency (Flood defence etc)	238
Lee Valley Regional Park *	362
<b>Total</b>	<b>1,384</b>

*\*awaiting written confirmation*

- (g) approve a revised Central Contingency sum of £15,341k to reflect the changes in (b) and (f);
- (h) approve the revised draft 2016/17 revenue budgets to reflect the changes detailed above;
- (i) set a 3.99% increase in Bromley's council tax for 2016/17 (1.99% general increase plus 2% Adult Social Care Precept) compared with 2015/16 and, based upon their consultation exercise, an assumed 6.4% reduction in the GLA precept;
- (j) note 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 of Report FSD16017);
- (k) approve the approach to reserves outlined by the Director of Finance (see Appendix 4 to Report FSD16017);



- (l) request that Executive consider whether it is minded to accept the four year funding offer (see Section 16 of Report FSD16017);
  - (m) receive any further changes from the Director of Finance;
- (2) Council Tax 2016/17 – Statutory Calculations and Resolutions (as amended by the Localism Act 2011) -

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

	2015/16 £	2016/17 £	Increase/ decrease (- ) %
<b>Bromley (general)</b>	1,030.14	1,050.67	1.99
<b>Bromley (ASC precept)</b>		20.60	2.00
<b>Bromley (total)</b>	1,030.14	1,071.27	3.99
<b>GLA *</b>	295.00	276.00	-6.44
<b>Total</b>	1,325.14	1,347.27	1.67

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

(3) Council be recommended to formally resolve as follows -

- (i) the Council Tax Base for 2016/17 be noted as 126,656 'Band D' equivalent properties;
- (ii) the Council Tax requirement for the Council's own purposes for 2016/17 be calculated as £135,683k;
- (iii) the following amounts be calculated for the year 2016/17 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992, as amended (the Act) -
  - (a) £537,293k being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act;
  - (b) £401,610k being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act;
  - (c) £135,683k being the amount by which the aggregate at (iii) (a) above exceeds the aggregate at (iii) (b) above, calculated by the Council in accordance with Section 31A (4) of the Act as its Council Tax requirement for the year;

(d) £1,071.27 being the amount at (iii) (c) above, divided by (i) above, calculated by the Council in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year;

(iv) to note that the Greater London Authority (GLA) has issued a precept to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below (NB. the GLA precept figure may need to be amended once the actual GLA budget is set);

(v) that the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the table below as the amounts of Council Tax for 2016/17 for each part of its area and for each of the categories of dwellings.

**LONDON BOROUGH OF BROMLEY**

Valuation Bands							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
714.18	833.21	952.24	1,071.27	1,309.33	1,547.39	1,785.45	2,142.54

**GREATER LONDON AUTHORITY**

Valuation Bands							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
184.00	214.67	245.33	276.00	337.33	398.67	460.00	552.00

**AGGREGATE OF COUNCIL TAX REQUIREMENTS**

Valuation Bands							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
898.18	1,047.88	1,197.57	1,347.27	1,646.66	1,946.06	2,245.45	2,694.54

(vi) that the Council hereby determines that its relevant basic amount of council tax for the financial year 2016/17, which reflects a 3.99% increase (including Adult Social Care Precept of 2%), is not excessive. The Referendums Relating to Council Tax Increases (Principles) (England) Report 2016/17 sets out the principles which the Secretary of State has determined will apply to local authorities in England in 2016/17. The Council is required to determine whether its relevant basic amount of Council Tax is excessive in accordance with the principles approved under Section 52ZB of the Local Government Finance Act 1992.

**351 CAPITAL PROGRAMME MONITORING Q3 2015/16 & ANNUAL  
CAPITAL REVIEW 2016 TO 2020**

**Report FSD16018**

The current position on capital expenditure and receipts was summarised following the third quarter 2015/16 with new capital schemes presented for approval in the annual capital review process.

In regard to the annual bidding process, the main focus had again been on a continuation of existing essential programmes and on externally funded schemes with no new bids being put forward at this stage.

Members were asked to approve a revised Capital Programme and in so doing noted and approved the recommendations in Report FSD16018.

**RESOLVED that:**

**(1) Report FSD16018 be noted, including the re-phasing of a total of £5,456k from 2015/16 into 2016/17 (see paragraph 3.3.6 of Report FSD16018) and a revised Capital Programme be agreed;**

**(2) the following amendments to the Capital Programme be approved -**

**(i) increase of £79k in 2015/16 to reflect revised grant support from Transport for London for Highways and Traffic schemes (see paragraph 3.3.1 of Report FSD16018);**

**(ii) a net reduction of £6,347k in 2015/16 for the Council's Property Investment Fund scheme to reflect the latest update on successful property acquisitions (see paragraph 3.3.2 of Report FSD16018);**

**(iii) deletion of £13k residual balance on The Hill Multi-Storey Car Park and Bromley Town Centre Car Parking capacity schemes, which have both reached completion (see paragraph 3.3.3 of Report FSD16018);**

**(iv) the remaining Highways Section 106 balance of £6k be allocated to the relevant schemes - Gosshill Road (£4k) and Orpington Railway Station scheme (£2k) (see paragraph 3.3.4 of Report FSD16018);**

**(v) Section 106 receipts from developers - net increase of £283k to reflect the funding available, and the remaining unallocated balance (see paragraph 3.3.5 of Report FSD16018); and**

**(3) Council be recommended to agree the inclusion of the new scheme proposals listed at Appendix C to Report FSD16018 in the Capital Programme (see paragraphs 3.4 and 3.5 of Report FSD16018).**

**352 PROPOSAL FOR THE COUNCIL'S PUBLIC HEALTH BUDGET  
2016/17 AND 2017-18**

**Report CS16002**

There had been an in-year 6.1% reduction to the Public Health Grant (announced by the Department of Health in July 2015) amounting to £919k for L B Bromley and a proposed mechanism was outlined to manage the grant reduction in 2016-17 and 2017-18.

Proposals to reduce the Council's Public Health budget were included in the Draft Budget report considered by Executive on 13th January 2016 and full Council were recommended to agree the proposals as part of the Council's 2016/17 budget setting process.

To achieve the necessary saving it was proposed to:

- focus on the provision and commissioning of statutory and mandated Public health services;
- re-prioritise the use of some elements of the Public Health grant to focus on addressing wider determinant of health; and
- achieve further general efficiencies.

These proposals would be implemented over a two-year period (2016-17 and 2017-18) due to the nature of different contractual arrangements and other constraints to achieve savings earlier.

Report CS16002 listed the Public Health services to be commissioned or provided in 2016-17 and 2017-18 along with services where commissioning and provision would either reduce or cease.

Further efficiencies within the Public Health Division were also proposed with restructuring necessary to reflect the revised priorities. Formal consultation with staff and trade unions commenced on 15th January 2016 with the consultation period ending on 15th February 2016. A summary of feedback was tabled as were dates of consultation meetings. The Council would endeavour to avoid or minimise redundancies wherever possible by seeking to redeploy staff to alternative roles.

Noting that the consultation period was due to end on 15<sup>th</sup> February the Leader expected that a full update and brief would be available on consultation outcomes at the Council meeting.

It was currently uncertain how much Public Health Grant would be provided over the next two years. Councillor Angela Wilkins (Crystal Palace) expressed concern for the public health service predicting problems for society with a reduced level of services which could ultimately prove costly. Councillor Wilkins was particularly concerned about cessation of a commissioned service for school nursing in 2017-18 and alternative funding being

considered to cover the service for 2016-17. She felt that any loss of school nursing (in 2017-18) was an important issue.

On services where commissioning and provision would be either reduced or ceased, the Leader suggested that progress was being made in smoking cessation and obesity, particularly in view of past hard hitting messages.

The Director of Public Health indicated that services needed to focus on significant issues and what is statutorily required and cost effective. Obesity was a sizeable problem, not solely confined to weight management for which there is an action plan (the obesity programme for children would continue in 2016-17 but cease as a commissioned service the following year).

Although School Nursing was not a statutory responsibility, it was proposed to have a new modernised service model for children's services to 2019. It was not proposed to cut the service but consider a new source of funding and look at what is now needed. This would be considered with the health authorities to provide a service targeted to needs.

To further improve public health in the borough, a focus was suggested on where change is needed along with a smarter approach. A more London-wide approach was also advocated which could help in areas such as smoking cessation. The importance of looking at outcomes was further highlighted as were the advantages of prevention.

**RESOLVED that:**

**(1) the tabled outcome of consultation be noted; and**

**(2) subject to the final outcome of consultation with all stakeholders:**

- **Council be recommended to agree that the Public Health grant for 2016-17 and 2017-18 is utilised as proposed in Report CS16002; and**
- **subject to Council approval of the above (in context of the overall Council budget), notice be given to relevant contracts.**

**353            CONTRACT AWARD FOR SUPPORTED LIVING SERVICES -  
                  SCHEME 1 (3 PROPERTIES) - SUMMARY REPORT**

**Report CS16017**

Report CS16017 provided a summary of the process for tendering three learning disability supported living schemes with details of the tendering and evaluation outcome provided in a linked Part 2 report. The schemes related to supported living services for eleven people with significant disabilities living in three properties. The services would also be required for future service users to prevent a move to expensive residential care. In commissioning, an

emphasis was placed upon the continued safety and wellbeing of vulnerable service users whilst achieving efficiency savings.

Executive agreed on 15<sup>th</sup> July 2015 that the procurement procedure should be commenced with the schemes grouped for tendering in order to drive the best possible quality/pricing. Potential providers were required to implement innovation into future service development/delivery so providing improved outcomes for those living in the properties and efficiencies for the Council.

A two-stage open tender procedure was used. Following evaluation of the Pre-Qualification Questionnaire, eight suppliers were shortlisted to proceed to the second 'service specific' stage of the process, this being evaluated on the basis of award criteria questions and pricing schedules from the suppliers. The tender submissions were evaluated on a 40% finance/ 60% quality split, as agreed by Executive on 15<sup>th</sup> July 2015.

Members confirmed that they had no questions to ask or points to discuss on the linked Part 2 report. As such, it was agreed to take the decision on award of contract under Part 1 proceedings for the meeting.

Accordingly, Members **RESOLVED** that:

- (1) the summary of the tendering process be noted;**
- (2) the Contract for provision of Supported Living Services at three properties be awarded to Southside commencing on 25<sup>th</sup> April 2016 until 24<sup>th</sup> April 2019, with the potential to extend for a further period of up to two years; and**
- (3) authority to extend the Contract for a period of up to two years be delegated to the Chief Executive in consultation with the Portfolio Holder for Care Services.**

**354 HOUSING IT SYSTEM (CONTRACT EXTENSION)**

This item had been withdrawn.

**355 GATEWAY REVIEW 0,1 & 2 APPROVAL OF 2016/17 OPERATIONAL BUILDING MAINTENANCE BUDGETS, PLANNED MAINTENANCE PROGRAMME AND PREFERRED PROCUREMENT OPTION**

**Report DRR16/023**

Members considered Operational Building Maintenance for 2016/17, Report DRR16/023 outlining criteria used to assemble each maintenance programme based on the draft budget proposals. The report also addressed strategic assessment and business justification for the programmes, along with the preferred procurement option for completing them.

The proposed planned maintenance programme was appended to the report and officers endeavoured to ensure that buildings remained safe and suitable for use within the budget and programme. Twelve projects, having a priority grading of C/D1, with a total estimated cost of £455,125, had been identified for inclusion in the programme.

Subsidence at Anerley Business Centre and Public Hall appeared to have stabilised and a reduced value of subsidence works in the region of £60k was now anticipated for the building. It was therefore proposed that £75k of the underspend from the original sum allocated for the matter be vired to Operational Property to cover a 2015/16 shortfall linked to an overspend (the overspend resulting from school conversions to academies and a resulting reduction in 10% management fee recharged to capital schemes).

The maintenance programme also included a reserve project concerned with re-constructing brickwork at the Central Depot. There was, however, a shortfall in funding of £53k for the project and Report DRR16/023 requested that this amount be drawn-down in 2016/17 from the Infrastructure Investment Fund earmarked reserve. In this regard, Members noted a recommendation from the Executive and Resources PDS Committee that should spend be less than expected, the proposed draw-down should not take place.

Details of procurement procedures to be used for the Planned Maintenance Programme (according to the value of works) were also outlined as were arrangements for procuring works for the Reactive and Cyclical Maintenance Programmes.

In noting that the redecoration programme at operational buildings had been suspended, it was suggested that this action was short-sighted in view of water ingress and damage that could be caused to buildings. A regular and ongoing programme of exterior maintenance was instead advocated as a prudent approach. However, it was highlighted that funds could be drawn-down from the Infrastructure Investment Fund when needed to mitigate risks arising from a reduced building maintenance budget. Effectively, the budget savings to be made would be kept in contingency and it was not necessarily intended to make savings on outside decoration - flexibility was instead needed and resources were available as and when necessary. It was also necessary to consider disposing of assets where there might be a long term liability for the Council, with a corporate view needed soon on properties surplus to requirements.

Background was provided on the reserve project at Central Depot and the need for hot and cold water pipe replacement at various premises.

Cllr Angela Wilkins (Crystal Palace) suggested that there could be a risk to staff should proper maintenance not be undertaken, requesting copies of reports for some of the properties listed in the planned maintenance programme. She referred to commentary in the list highlighting a high risk of exposure to legionella bacteria from work activities and water systems at a

number of the premises. Cllr Wilkins suggested that management control is key and she was unclear how overall risk is evaluated.

It was explained that additional monitoring had been undertaken. The operational property maintenance team were undertaking what is necessary to ensure the matter is managed. Records and systems existed but there had been a concern for proper communication. It was an important matter which officers would address. The system was good enough and the necessary works would be undertaken. A further report would be provided on progress.

**RESOLVED that:**

- (1) subject to Council agreeing the budget, an overall expenditure of £1,928,930 be approved for the Building Maintenance budget in 2016/17, as set out at paragraph 5.1 of Report DRR16/023;**
- (2) the planned maintenance programme at Appendix B to Report DRR16/023 be approved;**
- (3) the proposal to carry forward any underspend in the sum set aside for works to Anerley Business Centre, as outlined at paragraph 3.11 of Report DRR16/023, be approved;**
- (4) authority be delegated 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;**
- (5) the criteria used to assemble the planned maintenance programme be approved along with the proposed procurement options as set out at paragraph 10 of Report DRR16/023;**
- (6) authority be delegated 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 (1) to (5) above;**
- (7) the Director of Regeneration and Transformation be authorised to submit planning applications where appropriate in respect of schemes set out in Report DRR16/023;**
- (8) a sum of £75k be vired to the Operational Property budget as detailed at paragraph 5.3 of Report DRR16/023;**
- (9) a sum of £53k be drawn-down from the Infrastructure Investment Fund earmarked reserve as detailed at paragraph 5.4 of Report DRR16/023; and**



**(10) if spend is less than expected, the proposed draw-down from the Infrastructure Investment Fund earmarked reserve at (9) above should either not take place or correspond with any lower amount needed.**

## **356 BROMLEY ADULT EDUCATION COLLEGE UPDATE**

### **Report ED16002**

Members were updated on outcomes following consultation with staff, their representatives, stakeholders, and service users, on a proposal to restructure and reduce the adult education service.

The service had faced significant grant reductions in recent years and funding allocation would be devolved regionally to meet identified needs in local skills from 2017/18. Additionally, Ofsted had identified uncertainty for the service's strategic direction and a lack of agreed plan to address overspend. Ofsted also felt that more community learning grant should be used to support disadvantaged local communities and disengaged adults.

As such, the restructure focused on adults and communities with the greatest need and the curriculum offer at the Kentwood Centre, Penge and Poverest Centre, Orpington would expand. Closing the Widmore site would save approximately £173k and mainstream recreational classes would reduce, although some would relocate to the Poverest and Kentwood sites. The new structure was intended to be in place by 1st August 2016.

Following consultation, various local community organisations were approached to identify alternative ways for continuing a wide range of adult learning activities. Training would also be sought to help tutors provide courses independently and a signposting facility on the Council's website would be established for courses.

Material appended to Report ED16002 outlined:

- the Director's response to staff consultation;
- responses to the public consultation;
- details of courses currently available at the adult education sites, numbers of tutors in each curriculum area, rates of pay, and accommodation information;
- alternative provision currently available in borough and in adjoining boroughs;
- an Equality Impact Assessment on likely impacts of the proposed changes and actions that could address these.

The report was considered by the Education PDS Committee on 19th January 2016 and the published minute of the Committee's consideration of the item was tabled following earlier circulation to Executive Members. The Committee also considered a petition urging the Council to keep the Widmore site open for Adult Education, the minute for this also previously circulated and tabled.

The Portfolio Holder for Education provided background on the need to consider the restructure. It would not be a case of seeing a number of leisure courses cease; rather, extensive work had been undertaken to find new providers for courses. The Portfolio Holder also highlighted a need to have good signposting for the future provision of courses.

Although disappointed that the restructure was necessary, and concerned for any social care implications, the Portfolio Holder for Care Services considered the action necessary given the need to prioritise financially, the Council's financial position leaving little alternative. However, It was comforting that work had been taken forward on alternative provision as outlined at Appendix 4 to Report ED16002.

Referring to adult education benefiting the wider community, Cllr Alexa Michael (Bromley Common and Keston) preferred to see courses currently provided from Widmore provided at the Kentwood and Poverest Centres where possible. She asked that small equipment at Widmore be moved to Kentwood and a flexible approach adopted. The College could then offer as broad a curriculum as possible. Where it is no longer possible the service to provide activities, Cllr Michael encouraged working with community groups to provide the courses. Some leisure courses at risk were particularly specialised such as jewellery and pottery and Cllr Michael suggested it would be helpful to have alternative providers in the BR1/BR2 areas to accommodate such provision. Cllr Michael further encouraged support for tutors wishing to offer courses independently.

Recognising the benefits of adult education, the Portfolio Holder for Education referred to the need for action given the financial position and he looked to community groups to take on some of the courses. Appropriate signposting would also be provided.

In further comment, it was noted that many school rooms were unused during the evening perhaps providing a venue opportunity for courses and specialised equipment. Highlighting the importance of retaining adult education in the borough, Cllr Nicholas Bennett JP (Chairman, Education PDS Committee) referred to detailed scrutiny last year confirming that change was needed. Cllr Bennett also highlighted his Committee's resolutions on the matter. In considering course venues, Cllr Bennett suggested that the Ripley Arts Centre was underused as were many church halls; U3A could also be an alternative provider for certain courses. Although it was proposed to close the Widmore site, free travel to the Kentwood, Poverest and independent sites was possible for those aged 60 and over. Cllr Bennett also referred to Floodlight as a London-wide source of information on courses available in London boroughs. It was confirmed that residents would be able to record their adult education interests on MyBromley for signposting information on providers.

Referring to difficult decisions having to be taken for all services, and for services to be provided in the most efficient and effective way, the Leader suggested that the proposed restructure of adult education would provide

longer term security for leisure courses at different locations. In this regard, the Leader suggested that church premises be considered as possible venues for some courses.

In agreeing the recommendations in Report ED16002, Members supported all resolutions on the matter by the Education PDS Committee at their meeting on 19<sup>th</sup> January 2016.

**RESOLVED that:**

**(1) proposals to proceed with the reorganisation of the Adult Education Service be agreed; and**

**(2) the potential redundancy costs, estimated at £566k, be funded from the Council's Transformation Fund, as detailed at paragraph 10.3 of Report ED16002.**

**357            OPPORTUNITY SITE B TWEEDY ROAD DESIGN GUIDANCE  
                         AND DISPOSAL**

**Report DRR16/025**

Approval was sought to market Opportunity Site B, Tweedy Road, for sale and possible joint venture options.

As a development site in the Bromley Town Centre Area Action Plan (BTCAAP), with a residential designation for around 70 units, the site was formed from residual land remaining from the A21 widening in the 1980s. The site was currently used as works compound for the Bromley North Village Public Realm improvements, the works expected to be completed by the end of February 2016. The temporary use would then cease with the site becoming surplus to operational requirements.

To support marketing of the site, further design guidance outlined the form and style of development considered acceptable, with representatives of the Bromley Civic Society, Bromley Colleges and Historic England having been consulted. Their views would be incorporated into a final marketing document proposing a layout containing 24 units. The site is sensitive with a complex planning history, the BTCAAP Policy for the site requiring the Council to work with developers to secure a sensitive redevelopment of the site.

Report DRR16/025 also provided commentary on disposal options that could be considered, enabling the Council to share in development profits achieved from a scheme on the site. All offers received would be evaluated and compared to inform a decision on the sale of the site.

In supporting the report's recommendation, reference was made to a 300-year old wall on the site of Bromley and Sheppard's Colleges currently covered in shrubbery. It was highlighted that the wall would need repair. The matter had

been discussed with the Chaplain of the Colleges and ideally there was a preference for the Trustees of the Colleges to cover the cost of any repair.

Members supported the report's recommendations subject to the problem of the wall and associated safety considerations being investigated.

**RESOLVED that Opportunity site B, Tweedy Road, Bromley be advertised on the open market as outlined at paragraph 3.7 of Report DRR16/025, subject to the problem of the wall highlighted above, and associated safety considerations, being investigated.**

### **358 REVIEW OF CORPORATE CUSTOMER SERVICES IT SYSTEMS**

#### **Report CSD16027**

Support services for the current version of the corporate Customer Relationship Management (CRM) system, provided by Microsoft, were due to expire in March 2018. Support for the version of the web site content management system, provided by Jadu, would cease in September 2016.

Report CSD16027 outlined the business case for allocating funds to recruit a suitable Subject Matter Expert (SME) to review the current systems and review the market to produce a technical specification, providing a further recommendation or options for Members. There was no experience in the Council to carry out the activity. Provision of the systems could be reviewed and savings and efficiencies potentially identified along with alignment to key corporate programmes. Approval was sought for an initial £100k funding to manage the technical scoping/specification work required.

The SME would identify ongoing requirements in supporting systems and project management; the resource management would be located within the ISD division with sign-off by the services involved. Initial draw-down of the resource identified in Report CSD16027 could be used flexibly across a number of system reviews and programme upgrades longer term, but initially it was required on Web and CRM reviews given initial timescales.

The outcome of the investigation and a full recommendation and/or options would be provided to Members later in the year prior to a further request for funding draw-down to cover full system implementation costs.

Highlighting the need to progress, the Portfolio Holder for Resources was encouraged by the proposed way forward outlined in Report CSD16027. The Portfolio Holder also suggested that much could be learnt from others who are good in this area such as L B Harrow.

Having met Apple representatives at their Intu Bromley store, the Portfolio Holder for Renewal and Recreation highlighted that Apple would be interested in providing technology services for the Council on a borough-wide basis with

the provision of training provided in any future offer. It was agreed to pass this information to the Council's Head of I.T.

It was also confirmed that the Council's intranet, *One Bromley*, had been restored following a power outage the previous week seriously disrupting IT systems for the Council. The Leader explained there would be a full investigation of the incident and subsequent I.T. problems. Passing on his thanks, the Leader noted that officers had worked long hours to resolve the problems caused by the power outage. Councillor Nicholas Bennett JP (West Wickham) highlighted a continuing problem of spam emails being received by Members/Officers.

**RESOLVED that:**

**(1) Officers proceed to scope requirements and produce a technical specification and thorough review of the current market and options, including a full lifecycle cost and potential savings compared to current expenditure;**

**(2) a Customer Services Systems Review and replacement scheme be included in the Council's Capital Programme with an initial budget of £100k as detailed at paragraph 5.1 of Report CSD16027; and**

**(3) a further fully costed recommendation and options appraisal to either upgrade or replace the current systems be reported later in 2016.**

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

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

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

**The following summaries  
refer to matters  
involving exempt information**

**361 EXEMPT MINUTES OF THE MEETING HELD ON  
13TH JANUARY 2016**

The exempt minutes were agreed.

**362            CONTRACT AWARD FOR SUPPORTED LIVING SERVICES -  
                  SCHEME 1 (3 PROPERTIES) APPENDIX (DETAILS)**

**Report CS16017**

The Part 2 report for this item outlined results from the tendering process for the provision of Supported Living Services - Scheme 1 (three Properties). The report also provided a recommendation on award of contract.

When considering the Part 1 report Members confirmed that they had no questions to ask or points to discuss on the linked Part 2 report. As such, it was agreed to take the decision on award of contract under Part 1 proceedings for the meeting. Please see Minute 353 for details of the decision made.

**363            HOUSING IT SYSTEM (CONTRACT EXTENSION)**

This item had been withdrawn.

**364            CAPITAL RECEIPTS**

Related to the 2015/16 third quarter Capital Monitoring Report (Minute 351), Members noted exempt details of the receipts forecast in the years 2015/16 to 2018/19 (inclusive).

Chairman

The Meeting ended at 8.46 pm

## QUESTIONS FROM MEMBERS OF THE PUBLIC FOR ORAL REPLY

### From Hedwig Hegtermans to the Portfolio Holder for Education

1. How does closing the Widmore centre for adult education (AE) fit in the council's vision for 2020 'Building a better Bromley'? If there was not such a broad AE, surely this vision means to install at least something like what we have already in our BAEC.

#### Reply

The proposal for the reorganisation of adult education aims to align the main focus of the service more closely with those of Building a Better Bromley (BBB).

In BBB the Council makes clear its commitment to look after and support those who are most disadvantaged and vulnerable in our community and for residents to lead healthier, more independent lives. The document also emphasises the need for BAEC to play a key role in helping local people to become work ready. In order to help the Council achieve the BBB objectives we recognise the need to work in partnership with local community organisations, the voluntary sector, and public bodies such as Job Centre Plus and Public Health.

We readily acknowledge the contribution that adult education already makes towards strengthening and empowering individuals and communities through its family learning programmes, community partnership work, and targeted qualification programmes. However, the Ofsted report of March 2015 highlighted to us that the adult education funding could and should be making an even greater impact on the lives of local disadvantaged adults. By redirecting more of the public funding received for this purpose towards the community and partnership provision, adult education will be able to support more disadvantaged and low waged residents and communities, providing them with the helping hand they need to lead healthier more independent lives.

Increasing the volumes of partnership working that will be required to achieve this will result in the service delivering more of its curriculum within local community settings and venues provided by our partners. By releasing the Widmore site a considerable expenditure will be removed from the adult education budget, helping the Council to invest more of the grant in curriculum rather than an old building that has become expensive to maintain and repair.

### Supplementary Question

Hedwig Hegtermans suggested that many activities were involved in leading independent, active lives. These were not necessarily vital courses such as English or Maths, but were courses providing much joy e.g. to the elderly. Hedwig Hegtermans further suggested that some people would be prepared to pay more for courses but this had not been mentioned.

### Reply

The Portfolio Holder indicated that there was no weighting on the value of courses – the current position had been reached, in part, through the level of Government funding provided. The Portfolio Holder was confident of provision being available in the market place to take courses forward and he encouraged potential providers to come forward to this end. On residents being prepared to pay more for courses it would be necessary to look at this in the round. To continue some courses at the Widmore site (e.g. painting/design) it would be necessary to increase their cost by 150%, quickly creating an unstable position.

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2. How come that the Widmore centre has already been earmarked for being the most likely candidate to house the free school La Fontaine before the fate as its main centre for BAEC has been decided?

### Reply

No decision has been made about the future of The Widmore. If a decision is made by the Executive to cease BAEC provision on the site, the Council will then consider the best use of the site for Bromley residents. Given that it has previously operated as a school and we are experiencing an unprecedented demand for school places, one of the options will be for it to be used as a school. The reference to La Fontaine reflects information in the Draft Local Plan which sets out the education need and assesses a range of sites across the borough which may offer potential to meet that need. The Widmore is suggested as one of three possible permanent sites for the school but this is dependent on the adult education decision.

### Supplementary Question

Hedwig Hegtermans suggested that the Widmore site is an obvious candidate for the school, the other two sites being located on green belt land.

### Reply

The Portfolio Holder indicated that the Draft Local Plan referred to possible sites for the school including the Widmore site. However, this did not mean that the site would definitely be included in the Local Plan. No planning



decision was taken lightly and there remained intense pressure for education places. The Widmore site was one location on the list but no decision had been taken.

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**From Mr Andrew Newlands to the Portfolio Holder for Renewal and Recreation**

1. The Airport pledged that no development would be outside the existing airport boundary. Could you therefore provide a map of such existing airport boundary?

Reply

The airport lease is registered at the Land Registry and a copy of the registered title, which includes an official plan showing the area leased, is publicly available from the Land Registry on payment of a small fee.

Supplementary Question

Mr Newlands asked the Portfolio Holder whether he had a copy of the plan and enquired further whether any development would be within the airport boundary.

Reply

The Portfolio Holder indicated that he did not personally have a copy of the plan and indicated that any development plan would have to come to L B Bromley as Planning Authority. However, the Portfolio Holder felt that it was highly unlikely that approval would be given to develop on green belt land.

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2. We are informed by LBB that the NAP will run in tandem with the Lease to protect residents amenity - has the lease been updated by Bromley Council's legal team, in line with recommendations re current noise standards, as recommended by ICAO? If not, what is/are the reason(s)?

Reply

We are in the process of agreeing the timescales for implementation of the numerous conditions and the necessary deed of variation to implement the changes to the lease will be agreed and entered into once that process has been completed.

Supplementary Question

Highlighting that noise standards must be updated, Mr Newlands sought an indication from the Portfolio Holder on the level of adherence to clauses.

## Reply

The Portfolio Holder indicated that the lease is already consistent with the latest Government revisions about aircraft noise limits, which broadly in turn adopt the ICAO (International Civil Aviation Organisation) methodology. The most recent Government revision was in 2002, when a ban on aircraft not complying with Chapter 3 limits, or better, was instituted and this is already in operation at the Airport. By implementing the NAP, which an Airport of Biggin Hill's size is not required to do, alongside the lease, the result is greater noise protection than is currently the case. The limits in the NAP are more stringent than the Airport had originally proposed and for the first time, in the early morning period, in the same morning period that aircraft can already operate, there will be absolute and average noise level limits along with a limit on movements too, none of which exist currently or is covered by ICAO or Government guidance.

The Portfolio Holder further confirmed that Chapter 4 does not apply to an airport of the size of Biggin Hill.

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## **From Mr Nicholas Mulholland to the Portfolio Holder for Renewal and Recreation**

1. Of the 309,392 LBB residents, can you please advise how many have indicated their support for an increase in airport operating hours?

## Reply

The responses to the Council's consultation can be found in the Council report which was considered last March. In total, out of the 41,711 responses received, 31,500 or 76% indicated that they support BHAL's proposals, with 10,211 or 24% indicating that they were against the proposals. Therefore almost 300,000 of our residents either supported or didn't object to the proposal. If you take out discredited responses there was still a number in favour of the proposals.

## Supplementary Question

In his supplementary question, Mr Mulholland indicated that 88% of residents who responded to an independent survey (by Flightpath Watch) were against an extension of hours.

## Reply

The Portfolio Holder confirmed that from the survey conducted by L B Bromley, a majority were in favour of the proposals. Concerning the independent survey, the Portfolio Holder suggested that the type of response depended to a large extent on how the question is asked.

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2. In light of the recent scrutiny committee's decision to not scrutinise and evidence that BHAL do not propose to deliver on pledges, how can the public trust Councillors' processes?

Reply

There has rightly been much scrutiny and discussion about this whole proposal including three separate Council meetings, over 100 Council questions at numerous Council meetings, not to mention extensive consultation and individual discussions with individual residents. Rather than pledges and an agreed plan, the Council has wanted a legally binding Noise Action Plan which was also one of the comments received in the Council's consultation. This is what the various recommendations give and this is what the legal agreement will be based on. The proposals actually give more information and transparency to local people so they can monitor Airport activities in terms of aircraft movements in virtual real time, giving us all a greater ability to scrutinise.

Supplementary Question

In highlighting that the second part of his question referred to process, Mr Mulholland suggested that in excess of £100k had been donated to the Conservative Party by Biggin Hill Airport and Mr Mulholland asked the Leader about any contact he might have had with Sir Edward Lister.

Reply

Concerning any contact with Sir Edward Lister, the Leader recalled that there had been a couple of conversations involving the Biggin Hill Strategic Outer London Development Centre and generating employment opportunities at the airport. However, the Leader could not recall any discussion with Sir Edward Lister specifically about the airport itself. The Leader felt that the GLA would probably support the extension of operating hours for the airport.

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3. Without effective scrutiny of Council processes, what measures exist to allow a resident to protect their amenity and environment within this borough? I wish to prevent increased aeroplanes over my home.

Reply

The current lease allows up to 125,000 aircraft movements per year, with higher noise levels. The Noise Action Plan gives greater noise protection than the lease and with a review being triggered if 50,000 movements are exceeded, numbers of movements are to be tackled too. If you want to prevent increased aeroplanes over your home you should surely be supportive of these measures.

Supplementary Question

In a brief dialogue which followed, the Portfolio Holder confirmed that, once the new NAP had come into effect then, if the number of flights were to exceed 50,000 in a year, it would be possible for the Council to rescind the amended hours approval.

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**Decision Maker:** Executive

**Date:** 23<sup>rd</sup> March 2016

**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

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1. Reason for report

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

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2. **RECOMMENDATION**

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

<b>Non-Applicable Sections:</b>	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
- 

### 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: £326,980
  5. Source of funding: 2015/16 Revenue Budget
- 

### Staff

1. Number of staff (current and additional): 8 posts (7.39fte)
  2. If from existing staff resources, number of staff hours: Monitoring the Executive's matters arising takes at most a few hours per meeting.
- 

### Legal

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

### 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>
<b>11<sup>th</sup> February 2015</b>				
<b>138. Community Services Integration</b>	It was agreed that options towards an integrated community health and care service would be explored with the borough's existing community health services provider, Bromley Healthcare (BHC), and their commissioners, Bromley Clinical Commissioning Group (BCCG). Recommendations could then be provided to Members in June 2015.	Latest position is that proposals for joint commissioning of services with the CCG as part of the community health contract are being considered by Care Services PDS Committee on 9 <sup>th</sup> March 2016.	Director of Public Health and Assistant Director, Commissioning	To be confirmed
<b>2<sup>nd</sup> December 2015</b>				
<b>300. Budget Monitoring 2015/16</b>	(i) Concerning the Council's Growth Fund it was understood that a sum of £3.5m set aside to support growth in the Biggin Hill area had not yet been used. The Portfolio Holder for Renewal and Recreation indicated that a number of initiatives were being considered for Biggin Hill including renting of the West Camp buildings to businesses. The Leader suggested an item on this to the Executive which PDS could review.	A report on the Growth Fund would be brought to the Executive in April/May 2016	Assistant Director, Corporate Projects and Transformation	April/May 2016
<b>310. Street Advertising Site Contract Gate Report</b>	With the contract for advertising at bus stops expiring in July 2016, TfL had given notice that it would not involve the Council in future contractual arrangements. The Council was seeking	Legal advice has been received which is currently being assessed in order to consider the next steps to take.	Communications Executive	Ongoing

	<p>legal advice on this and the Deputy Leader suggested a cost sharing approach with other boroughs facing the same position. However, some boroughs received no income from advertising at bus stops - the position at L B Bromley was possibly unique. The Leader asked to be informed of the position when known. Members agreed the recommendations, the Leader looking to see that any possibility of cost sharing for legal advice is explored further, including the viability of such an approach.</p>			
<b>10<sup>th</sup> February 2016</b>				
<p>355. Gateway Review 0,1 &amp; 2 Approval of 2016/17 Operational Building Maintenance Budgets, Planned Maintenance Programme and Preferred Procurement Option</p>	<p>Concerning a high risk of exposure to legionella bacteria from work activities and water systems at a number of premises, it was explained that additional monitoring had been undertaken and operational property maintenance were undertaking what is necessary to ensure the matter is managed. Records and systems exist but there had been a concern for proper communication. It was an important matter which officers would address. The system was good enough and the necessary works would be undertaken. A further report would be provided on progress.</p>	<p>Following the Executive's previous meeting, the latest position was conveyed to Cllr Wilkins who had spoken on the matter at the meeting.</p> <p>In his reply to a question from Cllr Wilkins at the last Full Council meeting, Cllr Evans also outlined control measures that are in place at various Council properties.</p>	<p>Head of Asset Management and Strategic Projects and Head of Operational Property</p>	<p>Please see update opposite</p>



Report No.  
FSD16024

London Borough of Bromley

PART ONE - PUBLIC

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**Decision Maker:** Executive

**Date:** 23<sup>rd</sup> March 2016

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

**Title:** BUDGET MONITORING 2015/16

**Contact Officer:** James Mullender, Finance Manager  
Tel: 020 8313 4292 E-mail: James.Mullender@bromley.gov.uk

**Chief Officer:** Director of Finance

**Ward:** (All Wards);

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**1. Reason for report**

- 1.1. This report provides the third budget monitoring position for 2015/16 based on general expenditure and activity levels up to the end of December 2015, with more up-to-date projections included for key or volatile budgets. 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.

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**2. RECOMMENDATIONS**

**2.1. Executive are requested to:**

- (a) consider the latest financial position;
- (b) note that a projected net underspend on services of £4,373k is forecast;
- (c) consider the comments from the Education, Care and Health Services Department as detailed in section 3.2;
- (d) note that reports elsewhere on the agenda request the drawdown of a total of £312k from Central Contingency, as well as a carry forward of £123k of underspend to 2016/17 as detailed in paras 3.3.1 and 3.3.2;
- (e) note that a total of £2,598k grant income has been drawn down from Central Contingency as detailed in para 3.3.3;
- (f) note the Prior Year Adjustments totalling £1,006k as detailed in section 3.5;

- (g) note a projected increase to the General Fund balance of £185k as detailed in section 3.6;**
- (h) note the full year effect of £3.9m underspend as detailed in section 3.7;**
- (i) recommend to Council that £6m of the underspend in Central Contingency and services be transferred to the Growth Fund as detailed in para 3.11.3;**
- (j) recommend to Council to set aside £2.8m in an earmarked reserve to cover potential repayment of business rates as detailed in para 3.12.1;**
- (k) agree to set aside a total of £461k from underspends in an earmarked reserve for use during 2016/17 as detailed in section 3.13;**
- (l) 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: Not Applicable
  2. Ongoing costs: Not Applicable
  3. Budget head/performance centre: Council Wide
  4. Total current budget for this head: £204m
  5. Source of funding: See Appendix 1 for overall funding of Council's budget
- 

### Staff

1. Number of staff (current and additional): 3,218 (per 2015/16 Budget), which includes 1,356 for delegated budgets to schools.
  2. If from existing staff resources, number of staff hours: Not Applicable
- 

### 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: Applicable:
- 

### Customer Impact

1. 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 Councillor Views

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

### 3. COMMENTARY

#### 3.1. Summary of variations

3.1.1. The current projected outturn for 2015/16 is a total net underspend £1,855k, comprising £4,373k underspend on portfolio budgets, and £2,518k overspend on central items and general grants.

3.1.2. A summary of the overall 2015/16 Budget and the Projected Outturn is shown in the table below:

<b>Portfolio</b>	<b>2015/16 Original Budget £'000</b>	<b>2015/16 Latest Budget £'000</b>	<b>2015/16 Projected Outturn £'000</b>	<b>2015/16 Variation £'000</b>
Care Services	102,794	100,878	97,232	Cr 3,646
Education	5,124	5,593	5,913	320
Environment	32,095	33,105	32,966	Cr 139
Public Protection & Safety	2,120	2,120	2,085	Cr 35
Renewal & Recreation	9,214	9,395	9,160	Cr 235
Resources	37,869	39,162	38,524	Cr 638
<b>Total Controllable Budgets</b>	<b>189,216</b>	<b>190,253</b>	<b>185,880</b>	<b>Cr 4,373</b>
Capital Charges and Insurance	20,980	20,980	20,980	0
Non General Fund Recharges	Cr 793	Cr 852	Cr 852	0
<b>Total Portfolio Budgets</b>	<b>20,187</b>	<b>20,128</b>	<b>20,128</b>	<b>0</b>
Contingency Provision	14,003	7,445	2,708	Cr 4,737
Interest on General Fund Balances	Cr 2,741	Cr 2,741	Cr 3,741	Cr 1,000
Other Central Items	Cr 16,835	Cr 9,585	Cr 183	9,402
Prior Year Adjustments	0	0	Cr 1,006	Cr 1,006
General Government Grants	Cr 72,629	Cr 72,629	Cr 72,770	Cr 141
Collection Fund Surplus	Cr 2,300	Cr 2,300	Cr 2,300	0
<b>Total Central Items</b>	<b>Cr 80,502</b>	<b>Cr 79,810</b>	<b>Cr 77,292</b>	<b>2,518</b>
<b>Total Variation</b>	<b>128,901</b>	<b>130,571</b>	<b>128,716</b>	<b>Cr 1,855</b>

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

#### 3.2. Comments from the Education Care and Health Services Department

##### Care Services Portfolio

3.2.1. Overall the current outlook in the Care Services Portfolio is positive with a £3,646k controllable budget underspend predicted for the financial year. Costs of placements in Adult Social Care are being contained and the budget is benefitting from further underspends in learning disabilities and mental health services. Containing costs continues to prove a challenge across all service areas.

3.2.2. Commissioning activity continues to secure value for money in placements and makes a significant contribution to ameliorating the pressures.

3.2.3. Housing continues to exert very considerable pressures on our budgets and although covered by contingencies following the very early recognition of these pressures, Members will note that we are not predicting any significant changes in pressures from those seeking

temporary accommodation and so it is important that Manorfields comes on stream at the earliest opportunity to help control these pressures.

- 3.2.4. Children's Social Care continues to see pressures from no recourse to public funds.
- 3.2.5. The Department will continue to closely monitor its activities and look to future years where the funding will become an even greater challenge.

### **Education Portfolio**

- 3.2.6. Both officers and members are meeting with politicians and DfE officials in order to explore opportunities for relaxing/changing the criteria for use of DSG. SEN transport and education psychology are the two key areas under discussion. In addition DfE colleagues will be visiting Bromley in the near future to look in detail at the financial impact for the local authority of schools becoming academies.
- 3.2.7. The Youth Services full year savings of £506k for 2015/16 was not achievable due to the requirement to undertake a restructure of the service and consult with staff. The consultation is now complete and the new structure is in place, with a projected full year effect of £62k overspend in 2016/17. This projected overspend is as a result of unexpected loss of income. Management are working hard to identify new income streams for 2016/17 to address the shortfall. There is also a projected overspend in the Youth Offending Team; as a consequence of the outcome of the recent HMIP inspection, it has been necessary to delay the planned restructure of the service and employ additional staff. In addition there have been in year savings made to the Youth Justice Grant by the Ministry of Justice. The review of the existing service and interim measures required to address immediate operational delivery requirements will result in an overspend of £182k. Every effort will be made to reduce the overspends.

### **3.3. Central Contingency Sum**

- 3.3.1. A drawdown of £132k is being requested elsewhere on the agenda to continue to employ staff to implement the required changes in adoption processes, support increases in adoption and fund special guardianship assessments. The grant for adoption reform activity has now ceased and this is the funding that will fund activity for 2016/17 only. Arrangements will need to be put in place for an exit strategy that does not put an additional burden on council resources going forward.
- 3.3.2. A report elsewhere on the agenda requests the drawdown of £180k SEN Implementation grant funding for 2016/17 from Central Contingency. The report also requests the carry forward to 2016/17 of underspends in the 2015/16 grant allocation totalling £123k.
- 3.3.3. Government provided funding of £1,848k to cover costs of the Care Act during the 2015/16 financial year. In addition, £750k was set aside from the Better Care Fund in 2015/16 to cover costs of the Care Act during the 2015/16 financial year. The Care Act impact has been seen across the piece in ECHS and this grant income has been drawn to cover costs associated with the implementation and development of the Care Act.
- 3.3.4. Due to the significant underspend of over £3.6m in ECHS, of which around £1.7m relates to early achievement of 2016/17 savings, it is assumed that some of the provision for risk and uncertainty along with the Care Act related expenditure in the Central Contingency is no longer required in the current year.
- 3.3.5. A prudent approach was adopted in considering the 2015/16 Central Contingency sum to reflect any inherent risks, the potential impact of any new burdens, population increases or

actions taken by other public bodies which could affect the Council. If the monies are not required then the general policy has been to use these for investment to generate additional income and provide a more sustainable financial position. It is therefore recommended that the underspend on the Central Contingency and service underspends are used to invest in economic growth to help generate additional business rate income as detailed in section 3.11.

### **3.4. Carry forwards from 2014/15 to 2015/16**

3.4.1. At its meeting on 10<sup>th</sup> June, Executive approved the carry forward to 2015/16 of £1,186k underspend in 2014/15, to be allocated to contingency and drawn-down on the approval of the relevant Portfolio Holder, with £786k approved for draw-down to date. Additionally £484k was approved under delegated authority, bringing the total carried forward to £1,670k.

### **3.5. Prior Year Adjustments resulting in a Credit Provision in the Accounts of £1,006k**

3.5.1. At the end of 2014/15 provision was made for a potential loss of Housing Benefit subsidy for Local Authority errors and administrative delay overpayments. This element of subsidy is based on the value of errors above a set threshold and it is prudent to allow for a reduction in subsidy as a result of any errors that might be picked up and extrapolated as part of the audit of the final subsidy claim and result in lower subsidy levels. The claim has now been audited, and in addition to the provision of £459k which is no longer required as previously reported, DWP has agreed an additional amount of £138k subsidy relating to the classification of overpayments.

3.5.2. A provision for termination costs relating to a transferred service has been held for some years now against the possibility of potential claims for redundancy, legal costs, compensation, etc at the ceasing of the contract. The likelihood is getting smaller that there will be any come back on this. It is proposed that £300k now be released as it will not be used.

3.5.3. Although there is some evidence of some additional unknown Learning Disabilities and Mental Health clients coming through, it is not on the same levels as previously seen. It is therefore proposed to reduce the provisions by £200k and £150k respectively to reflect this.

3.5.4. Following Skills Funding Agency scrutiny of the 2014/15 Adult Education outturn report submitted in October, notification has been received that there will be a clawback of £122k in 2015/16, mainly related to mandated ESOL funding and 24+ Advanced Learning Loans.

3.5.5. A credit of £225k relates to backdated Council Tax benefits adjustments, which under the new Council Tax Support Scheme does not result in a corresponding loss in subsidy.

3.5.6. There is a charge of £344k relating to a tax liability from previous years. Details are provided in the supplementary material for consideration in part 2 proceedings of the meeting.

### **3.6. General Fund Balances**

3.6.1. The level of general reserves is currently projected to increase by £185k to £20.2m at 31<sup>st</sup> March 2016 as detailed below:

	<b>2015/16 Projected Outturn £'000</b>
<b>General Fund Balance as at 1st April 2015</b>	<b>Cr 20,000</b>
Total net variation on Services and Central Items (section 3.1)	Cr 1,855
Carry forwards (funded from 2014/15 underspends) (para 3.4.1)	1,670
<b>General Fund Balance as at 31st March 2016</b>	<b><u>Cr 20,185</u></b>

### 3.7. Impact on Future Years

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

	<b>2015/16 Budget £'000</b>		<b>2016/17 Impact £'000</b>
<b>Care Services Portfolio</b>			
Assessment & Care Management	22,206	Cr	556
Learning Disabilities Care Management	3,758		186
Children's Social Care	27,921		5
Public Health	Cr 372	Cr	199
Savings achieved early			Cr 2,388
			<b><u>Cr 2,952</u></b>
<b>Education Portfolio</b>			
Youth Service	1,549		62
Blenheim & Community Vision Nurseries	0	Cr	81
Education Services Grant	Cr 2,128		75
			<b><u>56</u></b>
<b>Environment Portfolio</b>			
Markets	Cr 2	Cr	40
Waste	18,082	Cr	270
Highways (incl London Permit Scheme)	7,169		145
Parking	Cr 6,402	Cr	85
			<b><u>Cr 250</u></b>
<b>Resources Portfolio</b>			
Operational Property - planned	450		175
Customer Services	937		36
Investment & Non-Operational Property	390	Cr	185
Investment Income	Cr 7,393	Cr	758
			<b><u>Cr 732</u></b>
<b>TOTAL</b>			<b><u>Cr 3,878</u></b>

3.7.2. Given the significant financial savings that the council will need to make over the next four years, it is important that all future cost pressures are contained and that savings are identified early to mitigate these pressures.

3.7.3. Further details including action to be taken to contain these pressures are included in Appendix 4.

### 3.8. Interest on Balances

3.8.1. There is still no real sign of interest rates improving and an average rate of 1% was prudently assumed for interest on new fixed term deposits (lending to banks and other local authorities) in the 2015/16 revenue budget, in line with the estimates provided by the Council's external treasury advisers, Capita, and with officers' views. Capita now expect the base rate to begin to rise from early in 2017, but this could be later. There have been no

improvements to counterparty credit ratings, as a result of which the restricted investment opportunities that followed downgrades in recent years have still been in place. However, the Council has benefited from the increases in the limits for the two part-nationalised banks (Lloyds and RBS) approved by the Council in October 2014, higher rates from longer-term deals placed with other local authorities, higher average balances than anticipated and the strong performance of the CCLA Property Fund. It is currently forecast that the 2015/16 outturn will be around £3.74m compared to the budget of £2.74m; i.e. a surplus of £1.0m.

### **3.9. The Schools Budget**

- 3.9.1. 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.
- 3.9.2. There is a total projected overspend of £543k on DSG funded services, as detailed in note 6 to Appendix 2B. Further details of the 2015/16 monitoring of the School's Budget will be reported to the Education Portfolio Holder.
- 3.9.3. At the meeting of the Education PDS on 19<sup>th</sup> January 2016, the Portfolio Holder for Education agreed the allocation of Dedicated Schools Grant funding for 2016/17. Due to considerable budget pressures from bulge classes and the growth in SEN, and despite considerable savings identified within central budgets, the 2016/17 budget required a total of £2.2m additional funding from the underspend carried forward. Along with the £3.5m distributed to schools in 2015/16, £4.8m for the purchase and refurbishment of Beacon House, and £1m growth fund in 2015/16, the accumulated underspend carried forward from previous years has been almost fully spent or committed.

### **3.10. Special Education Needs Transport**

- 3.10.1. In considering the second quarter budget monitoring report, members requested further information on the SEN Transport overspend. Further details are provided in note 4 of appendix 2B.

### **3.11. Growth Fund**

- 3.11.1. A key priority for the Council is economic development and inward investment which was reflected in the Local Plan report to Executive in February 2013. Supporting economic growth, new investment creates employment opportunities, potentially reduces the cost of council tax support and generates income through business rates, new homes bonus and other investment opportunities.
- 3.11.2. Members have previously approved the allocation of £10m to be ring-fenced for investments which support growth in Biggin Hill area (£3.5m), Cray Corridor (£3.5m) and Bromley Town Centre (£3m). There are further opportunities to support economic development and on 5th October the Chancellor set out plans to full devolve 100% of business rates to local government (includes GLA for London) by 2020. Although this change is expected to be cost neutral it will provide an opportunity to generate additional income through the uplift in business rate income arising from economic growth as the Council will retain a higher share of business rates. Generating additional income will be more critical as the Council will lose core government funding in the future.



- 3.11.3. It is proposed to increase the one off funding available in the growth fund by a further £6m to be met from monies not required in the current year from the Council's 2015/16 Central Contingency Sum and underspends in other areas.
- 3.11.4. The setting aside of this additional funding will also require the approval of Council, and any future release of these monies will be subject to a detailed report to Members for their approval.
- 3.11.5. There will be a report to the April meeting of the Executive to reflect the future options for the utilisation of the Growth Fund.

### **3.12. Business Rates Risk Reserve**

- 3.12.1. Executive are requested to recommend that Council approve the transfer of £2.8m from underspends on services and central items in the current financial year to the Business Rates Risk Reserve. Further details are provided in the part 2 element of this report.

### **3.13. Utilisation of 2015/16 underspends for non-recurring expenditure in 2016/17**

- 3.13.1. Should Members agree to enter into the Total Facilities Management contract as recommended elsewhere on the agenda, one-off funding of £309k will be required to meet the costs of mobilisation and due diligence work that will be carried out during a three month period. The works would include asset validation, full condition surveys on key sites and isolated IT costs.
- 3.13.2. In response to the failed HMIP inspection, Bromley recruited and employed an experienced interim Head of Service and seconded a YJB manager to push through the changes necessary to operate the service at the required standards. This has created financial pressure in 2015/16 which will continue in to 2016/17.
- 3.13.3. It is anticipated that the Youth Offending Service (YOS) will be re-inspected by HMIP in 2016/17 – most likely late summer 2016. LBB have been working closely with the YJB to prepare for re-inspection and also to satisfy Ministerial scrutiny that follows failed inspection. This strategy has been effective and after a slow start due to high levels of staff vacancies and our inability to attract good quality staff, the service is now starting to see solid improvements and the Head of Service is reporting that he anticipates a positive re-inspection outcome. To further help prepare for re-inspection, the YJB are conducting a 'mock' inspection in April 2016 by bringing an independent YJB officer team to scrutinise our case work and progress against the YOS Improvement Plan.
- 3.13.4. The service is in the process of being restructured in order to meet budget requirements and to cover the reduction in government grant for the YOS. This is balanced for 2017/18. However, the proposed establishment cannot be achieved in 2016/17 due to the additional costs of employing an Interim Head of Service, the additional half year costs of seconding a manager from the YJB and two additional unqualified posts necessary for this interim period. This amounts to £97k.
- 3.13.5. The Bromley Safeguarding Children's Board (BSCB) is an independent body hosted by Bromley Council. It has a budget which is made up of income from partner agencies and a small income from training. In recent years, despite careful management, expenditure has been greater than income for two to three years and this has resulted in all reserves being used up.
- 3.13.6. Increased expenditure has resulted because of the requirement to quality assure and audit multi-agency practice, additional costs for the provision of performance reports and training

coordination/support and the accumulation of increased costs, duties and inflation over a period of several years.

3.13.7. Member contributions were increased in 2015/16 when the four health agencies increased their contribution, but this is still not sufficient to be able to manage this service within the current funding envelope. The current shortfall for 2016/17 is estimated at £55k.

3.13.8. It is requested that the three amounts detailed above totalling £461k be set aside from underspends in 2015/16 in an Earmarked Reserve for use during 2016/17, to be drawdown on the approval of the relevant Portfolio Holder.

**3.14. Section 106**

3.14.1. An update on Section 106 balances as at 31<sup>st</sup> December 2015 is included in Appendix 5. Further details on the arrangements for utilising Section 106 monies was provided in the “Capital Programme Monitoring Q3 2015/16 & annual capital review 2016 to 2020” to Executive on 10<sup>th</sup> February 2016 and “Section 106 Update” report to E&R PDS on 16<sup>th</sup> March 2016.

**4. POLICY IMPLICATIONS**

4.1. The “Building a Better Bromley” objective of being an Excellent Council refers to the Council’s intention to provide efficient services and to have a financial strategy that focuses on stewardship and sustainability. Delivering Value for Money is one of the Corporate Operating Principles supporting Building a Better Bromley.

4.2. The “2015/16 Council Tax” report highlighted the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2015/16 to minimise the risk of compounding financial pressures in future years.

4.3. Chief Officer’s comments are included in section 3.2.

**5. FINANCIAL IMPLICATIONS**

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

<b>Non-Applicable Sections:</b>	Legal Implications Personnel Implications
Background Documents: (Access via Contact Officer)	Request for draw down and carry forward of grant funds for SEN reforms – Executive 23 <sup>rd</sup> March 2016; Adoption Reform grant draw-down – Executive 23 <sup>rd</sup> March 2016; Commissioning – Proposed Total Facilities Management Contract – Executive 23 <sup>rd</sup> March 2016; Section 106 Update – E&R PDS 16 <sup>th</sup> March 2016; Capital Programme Monitoring Q3 2015/16 & annual capital review 2016 to 2020 – Executive 10 <sup>th</sup> February 2016; Provisional Final Accounts - Executive 10 <sup>th</sup> June 2015; 2015/16 Council Tax - Executive 11 <sup>th</sup> February 2015; Draft 2015/16 Budget and Update on Council’s Financial strategy 2016/17 to 2018/19 - Executive 14 <sup>th</sup> January 2015; Financial Mgt Budget Monitoring files across all Portfolios.

## GENERAL FUND - PROJECTED OUTTURN FOR 2015/16

Portfolio	2015/16 Original Budget £'000	Budget Variations allocated in year #	2015/16 Latest Approved Budget £'000	2015/16 Projected Outturn £'000	Variation £'000	Variation previously reported to Exec 02/12/15 £'000
Care Services	102,794	Cr 1,916	100,878	97,232	Cr 3,646	Cr 1,623
Education (incl. Schools' Budget)	5,124	469	5,593	5,913	320	529
Environment	32,095	1,010	33,105	32,966	Cr 139	Cr 146
Public Protection & Safety	2,120	0	2,120	2,085	Cr 35	Cr 20
Renewal and Recreation	9,214	181	9,395	9,160	Cr 235	Cr 135
Resources	37,869	1,293	39,162	38,524	Cr 638	Cr 316
<b>Total Controllable Budgets</b>	<b>189,216</b>	<b>1,037</b>	<b>190,253</b>	<b>185,880</b>	<b>Cr 4,373</b>	<b>Cr 1,711</b>
Capital and Insurances (see note 2)	20,980	0	20,980	20,980	0	0
Non General Fund Recharges	Cr 793	Cr 59	Cr 852	Cr 852	0	0
<b>Total Portfolios (see note 1)</b>	<b>209,403</b>	<b>978</b>	<b>210,381</b>	<b>206,008</b>	<b>Cr 4,373</b>	<b>Cr 1,711</b>
<b>Central Items:</b>						
<b>Interest on General Fund Balances</b>	Cr 2,741	0	Cr 2,741	Cr 3,741	Cr 1,000	Cr 600
<b>Contingency Provision (see Appendix 3)</b>	14,003	Cr 5,808	8,195	2,708	Cr 5,487	Cr 5,132
<b>Other central items</b>						
Reversal of Net Capital Charges (see note 2)	Cr 19,698	0	Cr 19,698	Cr 19,698	0	0
Contribution to Investment Fund and other Reserves	1,436	0	1,436	1,577	141	141
Contribution to Growth Fund (Executive 2nd December)	0	6,500	6,500	6,500	0	6,500
Contribution to One-off Member Initiatives Reserve (Council 22nd February)	0	0	0	750	750	0
<b>Subject to Approval Executive 23rd March</b>						
Contribution to Business Rates Risk Reserve	0	0	0	2,800	2,800	0
Contribution to Growth Fund	0	0	0	6,000	6,000	0
Contribution to Earmarked Reserve for utilisation of 2015/16 underspends for one-off spend in 2016/17				461	461	0
Levies	1,427	0	1,427	1,427	0	0
<b>Total other central items</b>	<b>Cr 16,835</b>	<b>6,500</b>	<b>Cr 10,335</b>	<b>Cr 183</b>	<b>10,152</b>	<b>6,641</b>
<b>Prior Year Adjustments</b>						
Housing Benefits	0	0	0	Cr 597	Cr 597	Cr 459
Adult Education grant clawback	0	0	0	122	122	0
Tax liability	0	0	0	344	344	0
Backdated Council Tax Benefit adjustments	0	0	0	Cr 225	Cr 225	0
Provision for redundancies re transferred services	0	0	0	Cr 300	Cr 300	Cr 300
Learning Disabilities	0	0	0	Cr 200	Cr 200	Cr 200
Mental Health	0	0	0	Cr 150	Cr 150	Cr 150
<b>Total Prior Year Adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>Cr 1,006</b>	<b>Cr 1,006</b>	<b>Cr 1,109</b>
<b>Total All Central Items</b>	<b>Cr 5,573</b>	<b>692</b>	<b>Cr 4,881</b>	<b>Cr 2,222</b>	<b>2,659</b>	<b>Cr 200</b>
<b>Bromley's Requirement before balances</b>	<b>203,830</b>	<b>1,670</b>	<b>205,500</b>	<b>203,786</b>	<b>Cr 1,714</b>	<b>Cr 1,911</b>
Carry Forwards from 2014/15 (see note 3)	0	Cr 1,186	Cr 1,186	0	1,186	1,186
Carry Forward from 2014/15 Delegated Authority - R&M	0	Cr 484	Cr 484	0	484	484
<b>Adjustment to Balances</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>185</b>	<b>185</b>	<b>382</b>
Revenue Support Grant	Cr 32,971	0	Cr 32,971	Cr 32,971	0	0
Business Rates Retention Top Up	Cr 9,950	0	Cr 9,950	Cr 9,950	0	0
Business Rates Retention	Cr 23,955	0	Cr 23,955	Cr 23,955	0	0
Section 31 Grants	Cr 504	0	Cr 504	Cr 504	0	0
New Homes Bonus	Cr 4,400	0	Cr 4,400	Cr 4,541	Cr 141	Cr 141
New Homes Bonus Top Slice	Cr 760	0	Cr 760	Cr 760	0	0
Local Services Support Grant	Cr 89	0	Cr 89	Cr 89	0	0
Collection Fund Surplus	Cr 2,300	0	Cr 2,300	Cr 2,300	0	0
<b>Bromley's Requirement</b>	<b>128,901</b>	<b>0</b>	<b>128,901</b>	<b>128,901</b>	<b>0</b>	<b>0</b>
GLA Precept	36,913	0	36,913	36,913	0	0
<b>Council Tax Requirement</b>	<b>165,814</b>	<b>0</b>	<b>165,814</b>	<b>165,814</b>	<b>0</b>	<b>0</b>

# Budget Variations allocated to portfolios in year consists of:	£'000
1) Carry forwards from 2014/15 (see note 3)	1,670
2) Allocations from the central contingency provision (see Appendix 3)	5,808
	7,478

1) **NOTES**

Portfolio Latest Approved Budgets analysed over Departments as follows:

	2015/16		Budget		2015/16		2015/16		Variation	
	Original		Variations		Latest		Projected		previously	
	Budget	year #	allocated in	year #	Approved	Budget	Outturn	Variation	Executive	reported to
	£'000		£'000		£'000	£'000	£'000	£'000	£'000	£'000
Education Care & Health Services	130,780	Cr	1,420		129,360	126,116	Cr	3,244	Cr	1,078
Environmental & Community Services	54,013		1,256		55,269	54,800	Cr	469	Cr	343
Chief Executive's Department	24,610		1,142		25,752	25,092	Cr	660	Cr	290
	209,403		978		210,381	206,008	Cr	4,373	Cr	1,711

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 2014/15

Carry forwards from 2014/15 into 2015/16 totalling £1,670k were approved by the Executive and under the delegated authority of the Director of Finance. Full details were reported to the June meeting of the Executive in the "Provisional Final Accounts 2014/15" report.

## Care Services Portfolio Budget Monitoring Summary

2014/15 Actuals £'000	Division Service Areas	2015/16 Original Budget £'000	2015/16 Latest Approved £'000	2015/16 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
<b>EDUCATION CARE &amp; HEALTH SERVICES DEPARTMENT</b>								
<b>Adult Social Care</b>								
25,785	Assessment and Care Management	23,630	22,206	21,743	Cr 463	1	6	Cr 556
3,389	Direct Services	3,200	3,200	2,937	Cr 263	2	29	0
3,532	Learning Disabilities Care Management	3,879	3,758	3,739	Cr 19	3	41	186
1,949	Learning Disabilities Day and Short Breaks Service	1,953	982	910	Cr 72	4	0	0
1,326	Learning Disabilities Housing & Support	1,250	660	732	72		0	0
<b>35,981</b>		<b>33,912</b>	<b>30,806</b>	<b>30,061</b>	<b>Cr 745</b>		<b>76</b>	<b>Cr 370</b>
<b>Operational Housing</b>								
Cr 1	Enabling Activities	Cr 1	Cr 1	Cr 1	0		0	0
Cr 1,594	Housing Benefits	Cr 2,122	Cr 2,122	Cr 2,122	0		0	0
5,683	Housing Needs	5,638	6,312	6,362	50		0	254
	Housing funds held in contingency	0	0	0	0		0	Cr 254
<b>4,088</b>		<b>3,515</b>	<b>4,189</b>	<b>4,239</b>	<b>50</b>	5	<b>0</b>	<b>0</b>
<b>Strategic and Business Support Service</b>								
1,807	Strategic & Business Support	2,143	2,129	2,057	Cr 72	6	Cr 73	0
298	Learning & Development	305	271	231	Cr 40	6	Cr 40	0
<b>2,105</b>		<b>2,448</b>	<b>2,400</b>	<b>2,288</b>	<b>Cr 112</b>		<b>Cr 113</b>	<b>0</b>
<b>Children's Social Care</b>								
16,897	Care and Resources	17,358	17,221	17,093	Cr 128	7	182	153
1,783	Safeguarding and Quality Assurance	1,482	1,498	1,699	201		64	17
3,420	Safeguarding and Care Planning	5,520	5,597	5,644	47		Cr 16	0
3,583	Early Intervention and Family Support	1,149	1,149	1,169	20		15	0
2,101	Children's Disability Service	2,379	2,456	2,279	Cr 177		Cr 229	0
<b>27,784</b>		<b>27,888</b>	<b>27,921</b>	<b>27,884</b>	<b>Cr 37</b>		<b>16</b>	<b>170</b>
<b>Commissioning</b>								
3,101	Commissioning					8		
	- Net Expenditure	4,283	4,351	4,067	Cr 284		Cr 107	0
	- Recharge to Better Care Fund	Cr 1,535	Cr 1,535	Cr 1,352	183		30	0
1,199	Information & Early Intervention					9		
	- Net Expenditure	1,265	1,265	1,215	Cr 50		Cr 50	0
	- Recharge to Better Care Fund	Cr 1,265	Cr 1,265	Cr 1,215	50		50	0
24,054	Learning Disabilities	24,694	25,818	25,134	Cr 684	10	Cr 304	0
5,765	Mental Health Services	6,514	6,173	6,076	Cr 97	11	Cr 96	0
1,779	Supporting People	1,413	1,413	1,413	0	12	0	0
	Better Care Fund					13		
	- Expenditure	18,331	18,331	18,331	0		0	0
	- Income	Cr 18,482	Cr 19,232	Cr 19,232	0		0	0
	- Variation on Protection of Social Care	0	0	Cr 233	Cr 233		Cr 80	0
	NHS Support for Social Care					14		
11,078	- Expenditure	0	614	614	0		0	0
Cr 11,759	- Income	0	Cr 614	Cr 614	0		0	0
<b>35,217</b>		<b>35,218</b>	<b>35,319</b>	<b>34,204</b>	<b>Cr 1,115</b>		<b>Cr 557</b>	<b>0</b>
<b>Public Health</b>								
12,238	Public Health	12,582	14,483	13,746	Cr 737	14	Cr 644	Cr 1,118
	Management Action - Reduction in grant funding	0	0	Cr 182	Cr 182		Cr 277	0
Cr 12,601	Public Health - Grant Income	Cr 12,954	Cr 14,855	Cr 13,936	919		921	919
<b>Cr 363</b>		<b>Cr 372</b>	<b>Cr 372</b>	<b>Cr 372</b>	<b>0</b>		<b>0</b>	<b>Cr 199</b>
	Savings achieved early in 2015/16 for 2016/17	0	430	Cr 1,257	Cr 1,687	15	Cr 1,045	Cr 2,388
<b>104,812</b>	<b>TOTAL CONTROLLABLE ECHS DEPT</b>	<b>102,609</b>	<b>100,693</b>	<b>97,047</b>	<b>Cr 3,646</b>		<b>Cr 1,623</b>	<b>Cr 2,787</b>
1,375	<b>TOTAL NON CONTROLLABLE</b>	378	378	460	82		16	0
10,398	<b>TOTAL EXCLUDED RECHARGES</b>	9,404	9,431	9,431	0		0	0
<b>116,585</b>	<b>TOTAL ECHS DEPARTMENT</b>	<b>112,391</b>	<b>110,502</b>	<b>106,938</b>	<b>Cr 3,564</b>		<b>Cr 1,607</b>	<b>Cr 2,787</b>
<b>Environmental Services Dept - Housing</b>								
169	Housing Improvement	185	185	185	0		0	0
<b>169</b>	<b>TOTAL CONTROLLABLE FOR ENV SVCES DEPT</b>	<b>185</b>	<b>185</b>	<b>185</b>	<b>0</b>		<b>0</b>	<b>0</b>
104	<b>TOTAL NON CONTROLLABLE</b>	Cr 600	Cr 600	Cr 600	0		0	0
364	<b>TOTAL EXCLUDED RECHARGES</b>	329	329	329	0		0	0
<b>637</b>	<b>TOTAL FOR ENVIRONMENTAL SVCES DEPT</b>	<b>Cr 86</b>	<b>Cr 86</b>	<b>Cr 86</b>	<b>0</b>		<b>0</b>	<b>0</b>
<b>117,222</b>	<b>TOTAL CARE SERVICES PORTFOLIO</b>	<b>112,305</b>	<b>110,416</b>	<b>106,852</b>	<b>Cr 3,564</b>		<b>Cr 1,607</b>	<b>Cr 2,787</b>

<b>Reconciliation of Latest Approved Budget</b>	<b>£'000</b>
<b>2015/16 Original Budget</b>	<b>112,305</b>
<b>Carry forwards:</b>	
Social Care funding via the CCG under s256 (Invest to Save)	
<i>Dementia:</i>	
- expenditure	122
- income	Cr 122
<i>Physical Disabilities:</i>	
- expenditure	87
- income	Cr 87
<i>Impact of Care Bill</i>	
- expenditure	105
- income	Cr 105
<i>Integration Fund - Better Care Fund</i>	
- expenditure	300
- income	Cr 300
<i>Welfare Reform Grant</i>	
- expenditure	65
- income	Cr 65
<i>Helping People Home Grant</i>	
- expenditure	28
- income	Cr 28
<i>Winter Resilience</i>	
- expenditure	15
- income	Cr 15
<i>Adoption Reform Grant</i>	
- expenditure	285
- income	Cr 285
<i>Tackling Troubled Families Grant</i>	
- expenditure	887
- income	Cr 887
<b>Other:</b>	
Housing Regulations Grant	
- expenditure	3
- income	Cr 3
Social Care Innovation Grant	
- expenditure	100
- income	Cr 100
Youth on Remand (LASPO) Reduction in Grant	
- expenditure	18
- income	18
Transfer of Housing Strategy from R&R	
	51
ASC Early Intervention Service restructure	
	Cr 10
Deprivation of Liberty Safeguards Grant	
- expenditure	127
- income	Cr 127
Independent Living Fund Grant	
- expenditure	526
- income	Cr 526
Public Health Grant - Transfer of 0 - 5 years (Health Visitors)	
- expenditure	1,901
- income	Cr 1,901
Increase in Cost of Homelessness/Impact of Welfare Reforms	
	649
LD Certitude pensions costs	
	33
Post transferred to Corporate Services	
	Cr 14
Care Act Government Funding	
	Cr 1,848
Care Act Better Care Funding	
	Cr 750
	Cr 1,889
<b>2015/16 Latest Approved Budget</b>	<b>110,416</b>

## REASONS FOR VARIATIONS

### 1. Assessment and Care Management - Cr £463k

The underspend in Assessment and Care Management can be analysed as follows:

	<u>Current</u> <u>Variation</u> £'000	<u>Previous</u> <u>Variation</u> £'000
<u>Physical Support / Sensory Support / Memory &amp; Cognition</u>		
Services for 65 +		
- Placements	-725	-431
- Domiciliary Care / Direct Payments	-35	50
Services for 18 - 64		
- Placements	283	249
- Domiciliary Care / Direct Payments	11	98
Extra Care Housing	103	80
Staffing	-100	-40
	<u>-463</u>	<u>6</u>

As part of the budget setting process for 2015/16, the full year effects of the overspends in Adult Social Care during 2014/15 as reported in the January 2015 budget monitoring were fully funded. Savings of £250k were also included in the budget for the management of demand at first point of contact.

#### Services for 65+ - Cr £760k

Since the last report for August, residential placements for the 65+ age group have continued to reduce, with a further reduction of 8 clients and a reduction in spend of £294k. Domiciliary care and direct payments expenditure has also reduced during this period, reducing overall projected spend by a further £85k. The overall projected underspend to the end of December is £760k.

#### Services for 18 - 64 year olds - Dr £294k

Since the last report for August, placements for the 18 - 64 age group have increased by 3, increasing the overspend by a further £34k. Domiciliary care and direct payments expenditure has reduced during this period, reducing the overall projected spend by £87k. The overall projected overspend to the end of December is £294k. Officers continue to work towards reducing costs in these area, whilst maintaining appropriate levels of care.

#### Extra Care Housing - Dr £103k

The 3 external extra care housing schemes are showing a projected overspend of £103k. With the closure of the in-house scheme at Lubbock House in July 2015 and the need to move residents to alternative extra care accommodation, units in the external schemes were being kept vacant in preparation for these transfers. These however incur a weekly void cost equivalent to the rental price of the unit and the core costs of care staff, which Bromley has to pay for. These transfers have now taken place.

#### Staffing - Cr £100k

The projected underspend has increased by £60k since August, and is now expected to be in the region of £100k. This is due mainly to difficulties in staff recruitment to vacant posts.

#### Contract Savings

As part of a savings exercise £110k savings have been estimated to be able to be taken across the division as part of contract savings made in year. This will follow through as a full year effect in 2016/17. This element has been removed as part of a savings exercise and is detailed separately in the narrative under paragraph 15.

### 2. Direct Services - Cr £263k

#### Extra Care Housing - Dr £35k

The projected overspend in the in-house ECH service is analysed as £593k overspend on staffing offset by £258k of additional income from service users. High levels of need amongst some service users has resulted in increased staffing requirements in the units and although these costs are chargeable to clients based on their individual assessments, the additional costs outweigh any additional income. Funding of £300k has been made available from the Better Care Fund to offset the cost pressure the service for 2015/16.

#### Reablement - Cr £98k

The in-house Reablement service is currently projecting an underspend of £98k . This is after allowing for the additional expenditure from the expected recruitment to 3 vacant facilitator posts this financial year. As this service generates savings for the council by reducing or preventing the need for domiciliary care packages, it is vital that vacant posts can be recruited to.

#### Carelink - Dr £51k

The overspend relates to the non-achievement of savings in the 2015/16 budget which was to reduce the overnight capacity. Officers are looking at how this can be resolved without impacting on the service provision. In addition, there has been reduced income from services provided to a housing association as the contract with them has been ended.

#### Transport - Cr £251k

The inhouse transport service was outsourced to GPS with effect from 1 December 2015. Initial indications indicate a higher saving than anticipated in the new service, however at this early stage this cannot be accurately quantified. Together with the expected underspend when the service was provided inhouse, no change's are being made to the projected outturn at this stage. £60k of this underspend has been removed as part of a savings exercise and is detailed separately in the narrative under paragraph 15.

### **3. Learning Disabilities Care Management - Cr £19k**

An underspend of £38k relates to the provision of domiciliary care services and direct payments for adults aged 18 and over with a learning disability. This has moved from a £24k overspend last reported.

Staffing costs in the care management teams are projected to overspend by £54k. This is as a result of a delay in the implementation of £100k savings in the 2015/16 budget, which has now been resolved.

The budget for staffing in the team that is responsible for the Shared Lives scheme is projected to underspend by £35k as a result of a vacant post.

### **4. Learning Disabilities Day and Short Breaks Service - Cr £0k**

The LD In-house services are now provided externally and this should release a saving of £200k in 2016/17. The part year saving for 2015/16 is estimated to be £30k, the final figure will not be known until all final costs for the inhouse service have come through. This element has been removed as part of a savings exercise and is detailed separately in the narrative under paragraph 15.

### **5. Operational Housing - Dr 50k**

There is a projected overspend of £82k relating to increased furniture storage costs, partly offset by a £32k underspend relating to rent deposits.

No variation is currently projected for Temporary Accommodation budgets, following the approval of £649k draw down of funds held in contingency by Executive in December 2015. Increased client numbers (average increase of 14 per month for 2015/16 to date, inclusive of welfare reform) and rising unit costs are evident, and the projections assume the trend continues for the rest of the financial year.

These increases have been noticeable across all London Boroughs and are 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.

In addition, by necessity there has been increasing use of non-self-contained accommodation outside of London. Although on the face of it this appears beneficial as the charges are lower, the housing benefit subsidy is capped at the Jan 2011 LHA rates (without the 90% + £40 admin formula that self contained accommodation attracts), thus often making these placements more costly than those in London, especially when the monitoring and furniture storage costs are factored in.

The full year effect of the projected overspend is currently anticipated to be a pressure of £254k in 2016/17. However, this only takes account of projected activity to the end of March 2016 and does not include any projected further growth in numbers beyond that point.

Although there is a full year effect overspend, it is assumed that this will be dealt with through the draw down of funding held in Central Contingency.



## **6. Strategic and Business Support - Cr £112k**

There is an anticipated underspend of £112k on ECHS Strategic and Business Support Division, of which £72k relates to salaries budgets and £40k to training in Learning and Development.

## **7. Children's Social Care - Cr £37k**

The current projected underspend in Children's Social Care is £37k, with the main areas of under / overspending being:

### Care and Resources - Cr £128k

#### Placements - Cr £135k

The budget for children's placements is projected to underspend in the region of £386k this year. This figure includes assumptions around future placements, although the level of volatility around this budget makes predictions difficult. £250k of this underspend has been removed as part of a savings exercise and is detailed separately in the narrative under paragraph 15.

#### Leaving Care - Cr £171k

The budget for the cost of clients leaving care continues to underspend for 16 and 17 year olds with a projected underspend of £321k. For the 18 plus client group there continues to be differences between the amount being paid in rent and the amount reclaimable as housing benefit, mainly due to the welfare reforms. The current overspend is projected at £150k.

#### Staying Put - Dr £21k

Costs relating to children staying on in foster care placements is projected to be £94k. This exceeds the grant allocation of £73k by £21k.

#### Virtual School - Cr £2k

The budget for the virtual school is projected to underspend by £77k this year. £75k of this underspend has been removed as part of a savings exercise and is detailed separately in the narrative under paragraph 15.

#### Staffing - Dr £159k

Staffing budgets for the service are predicted to overspend by £159k, including additional costs relating to the Emergency Duty Team.

### Safeguarding & Quality Assurance - Dr £201k

#### No Recourse to Public Funds - Dr £8k

The projected cost to Bromley for people with no recourse to public funding has increased slightly from the figure last reported and is now showing an overspend position on the previously reported underspend of £12k. Additional budget was moved into this area for 2015/16, and the latest figures show a projected underspend on the budget, moving from a previously reported overspend. This budget does however remain volatile.

#### Care Proceedings - Dr £190k

Costs in relation to care proceedings are currently expected to be £190k above the budget provision of £539k. The main areas of overspend are in independent social worker assessments and parenting residential assessments which are largely outside the control of the council. This is an increase of £114k on the figure last reported.

### Safeguarding & Care Planning - Dr £47k

There is a small underspend on staffing budgets projected for the service.

### Early Intervention and Family Support - Dr £20k

There is a small overspend on staffing budgets projected for the service.

### Children's Disability Service - Cr £177k

The projected underspend is analysed as: (i) Staffing £114k, (ii) Short Breaks service £138k, (iii) direct payments £21k and (iv) floating outreach service £24k. The staffing saving has increased by £50k as some staffing costs are now funded from the Social Care Innovation Grant. £120k of this underspend has been removed as part of a savings exercise and is detailed separately in the narrative under paragraph 15.

### 8. Commissioning - Cr £284k

The net underspend of £284k comprises:

	Variation
	£'000
Staffing and related budgets (net)	Cr 70
Taxicard	Cr 30
Contracts	Cr 314
Savings found early in 2015/16 relating to 2016/17	130
Net underspend	<u>Cr 284</u>

The net projected underspend on Commissioning staffing and related budgets of £70k arises from a combination of savings arising from vacant posts partly offset by the use of agency staff. As part of the contract award for LD former direct care services, funding was set aside for a contract monitoring post and other potential Commissioning costs. There was a delay in appointing to the contract monitoring post and Commissioning costs have been contained where possible and this is reflected in the underspend.

The projected underspend of £30k on Taxicard has arisen from current TfL data indicating that Bromley's take up will be lower than budgeted in 2015/16, resulting in a reduced charge to LBB. However this is based on the assumption that trip numbers remain the same as 2014/15 so may vary.

Commissioning contracts budgets are projected to be underspent by £314k and this relates to several different contracts. The Healthwatch contract is less than expected at the time the 2015/16 budget was prepared, efficiency savings have been achieved across a range of contracts and there is also a small projected underspend on the direct payments payroll contract. This contract varies according to volume and numbers are increasing so this element is a non-recurrent underspend. As the budget is currently predicted to underspend it will result in a reduced charge to the Better Care Fund. As the intention of this element of the Better Care Fund was to protect existing social care services it has been assumed that the amount of this underspend will be diverted to fund other costs within social care (see also ref 13 below).

As part of a savings exercise £130k savings have been estimated to be able to be taken across the division as part of contract savings made in year. This will follow through as a full year effect in 2016/17. This element has been removed and is detailed separately in the narrative under paragraph 15.

### 9. Information and Early Intervention - Cr & Dr £50k

This new service area was created in April 2014 under the new Adult Social Care SERCOP and it encompasses any adult social care-related service or support for which there is no test of eligibility and no requirement for review. It includes: information and advice; screening and signposting; prevention and low-level support; independent advocacy. The Local Reform and Community Voices Grant is accounted for here.

An underspend of £200k is currently anticipated which is largely a continuation of the pattern of spend in 2014/15 but also reflects savings on the mental health community wellbeing and independent complaints advocacy contracts. The underspend figure is net of minor overspends where a contract ceased as a result of a 2015/16 budget saving but where, because of contractual obligations, only a part year saving will be achieved in 2015/16.

Of this amount £150k has been identified as part of a savings exercise and is detailed separately in the narrative under paragraph 15.

The Information and Early Intervention budget is fully funded from the Better Care Fund in 2015/16. As the budget is currently predicted to underspend it will result in a reduced charge to the Better Care Fund. As the intention of this element of the Better Care Fund was to protect existing social care services it has been assumed that the amount of this underspend will be diverted to fund other costs within social care (see also ref 13 below).

## **10. Learning Disabilities - Cr £684k**

The projected underspend on placements has increased from the previous reported position. There are many reasons for this movement but it can be largely attributed to a combination of deferring / removing previous assumptions from the forecast as a result of updated information, some clients at residential colleges being newly identified as funded from elsewhere and a client becoming the financial responsibility of another authority.

The projections still include some assumptions relating to uncertainties (e.g. increased needs, carer breakdowns, attrition, health funding, start dates etc). The reported position is based on the information currently available but this could still vary between now and year end.

In addition, there is a projected underspend reported on the revised arrangements for delivering the former in-house LD supported living, day care and respite services. A saving of £33k was anticipated in 2015/16 and the current likely saving is in the region of £47k, however this may vary as some uncertainties become clearer.

Savings arising from contract efficiencies and associated inflation (£260k in relation to Learning Disabilities) as well as other recurrent LD savings (placements and former in-house LD services contract) have been shown separately at paragraph 15 and will be used to contribute to budget savings required in 2016/17.

## **11. Mental Health - Cr £97k**

Based on current client PSR classifications, an underspend is anticipated on Mental Health care packages. Similarly to Learning Disabilities above, at this stage the projections still include assumptions on future uncertainties (client moves, new placements, cost changes, health funding etc) and therefore may vary between now and the end of the financial year. Savings arising from contract efficiencies and associated inflation (£60k in relation to Mental Health) as well as recurrent savings on placements (£179k) have been shown separately at paragraph 15 and will be used to contribute to budget savings required in 2016/17.

There is a £44k saving anticipated on other mental health budgets and this arises mainly from the new arrangements for the Community Wellbeing service and a projected underspend on the s75 agreement with Oxleas. Again, the recurrent element of this has been shown separately at paragraph 15 and will be used to contribute to budget savings required in 2016/17.

## **12. Supporting People - Cr £0k**

Activity relating to additional limiting of inflationary increases and the effect of re-tendering / extending contracts at a reduced cost have resulted in an underspend of £69k. This has been identified as an early saving for 2016/17 and is shown separately in paragraph 15. There were savings of £304k built in to the 2015/16 Supporting People budget and the £69k underspend is in excess of this.

## **13. Better Care Fund - Variation on Amount Earmarked to Protect Social Care - Cr £233k**

An amount of funding from the Better Care Fund has been earmarked to protect social care. This contributes to a range of services across Adult Social Care and Commissioning Divisions. The amount allocated to Commissioning budgets is currently forecast to underspend by £450k and it is assumed that this will contribute to other existing budgets within Commissioning. Of this £217k has been separately identified as advance achievement of 2016/17 savings in paragraph 15.

## **14. Public Health - £0k**

On the 4th June the Chancellor announced in year budget reductions for 2015/16 of £200m nationally that are to be made by the Department of Health targeted at Public Health budgets that are devolved to Local Authorities. The reduction is £919k. This reduction is ongoing for future years. This has been addressed by a combination of identified savings and further management action as follows:-

<b><u>Service Areas</u></b>	<b><u>Variation £'000</u></b>
General PH Staffing Teams	(44)
Sexual Health (incl Staff)	(198)
NHS Health Check Programme (incl Staff)	(212)
Health Protection	(7)
National Child Measurement Programme	(4)
Obesity	(20)
Substance Misuse	(256)

Smoking and Tobacco	(100)
Children 5-19 Public Health Programme	(12)
Misc Public Health Programme	(44)
General PH costs	(22)
Sub-Total (net of PH Grant)	<u>(919)</u>
Public Health Grant	919
Sub-Total (Controllable)	<u><u>0</u></u>

The savings in the service areas are in the main to do with staffing adjustments, contract variations, reductions in contract volumes across the services, and running expense reductions.

In order to balance the Public Health budget in year, management action has had to be taken. If there are any change's or these cannot be found then other management actions will have to be found to replace them.

### **15. Savings achieved early in 2015/16 for 2016/17 - Cr £1,687k**

As part of the budget monitoring process a major savings exercise was carried out in Adult Social Care / Commissioning to identify potential savings in future years. Areas have been identified where savings can be found and can be taken early. The list below shows the in year benefit in 2015/16 and the savings that will accrue in a full year in 2016/17.

	2015/16	2016/17
	£'000	FYE £'000
<b><u>Service Areas</u></b>		
Adult Social Care / Commissioning - Contract negotiations resulting in lower contract costs than anticipated	(430)	(430)
Closure of Lubbock House ECH	0	(70)
Day Opportunities - invest to save	0	(100)
Transport Contract effective from December 2015	(60)	(243)
LD Direct Care Services contract effective from October 2015	(30)	(200)
Contract savings across Commissioning division	(130)	(130)
Mental Health - efficiencies with placements, planned moves and CCG	(179)	(179)
Supporting People - contract efficiencies obtained	(69)	(120)
Adult Learning Disabilities services	(174)	(301)
Additional recurring underspend - Commissioning	(20)	(20)
Early intervention and information- contract efficiencies obtained	(150)	(150)
Youth on Remand	(250)	(250)
Virtual School	(75)	(75)
Children with disabilities	(120)	(120)
Total	<u><u>(1,687)</u></u>	<u><u>(2,388)</u></u>

### **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 were 2 contract waiver's agreed for a contract valued at £118k each
- (b) There were 17 waiver's agreed for care placement's in both adults and children's services over £50k but less than £100k and 4 waiver's agreed for over £100k.

### **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, one virement of £15k has been actioned for the transfer of funding from ECHS Strategic Support Division to Corporate IS Division. This is to fund short term IS-related work for a period of 6 months.

2014/15 Actuals £'000	Service Areas	2015/16 Original Budget £'000	2015/16 Latest Approved £'000	2015/16 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
<b>EDUCATION CARE &amp; HEALTH SERVICES DEPARTMENT</b>								
<b>Education Division</b>								
Cr 355	Adult Education Centres	Cr 602	Cr 220	Cr 216	4	1	0	0
202	Alternative Education and Welfare Service	264	264	262	Cr 2	2	0	0
296	Schools and Early Years Commissioning & QA	396	396	255	Cr 141	3	Cr 107	Cr 81
4,633	SEN and Inclusion	4,833	4,833	5,076	243	4	274	0
218	Strategic Place Planning	216	227	227	0		0	0
36	Workforce Development & Governor Services	4	4	4	0		0	0
Cr 2,419	Education Services Grant	Cr 2,128	Cr 2,128	Cr 2,128	0	5	0	75
Cr 1,493	Schools Budgets	Cr 1,509	Cr 1,509	Cr 1,509	0	6	0	0
139	Other Strategic Functions	133	133	152	19	7	26	0
<b>1,257</b>		<b>1,607</b>	<b>2,000</b>	<b>2,123</b>	<b>123</b>		<b>193</b>	<b>Cr 6</b>
<b>Children's Social Care</b>								
2,315	Bromley Youth Support Programme	1,473	1,549	1,823	274	8	336	62
2,303	Early Intervention Services	2,044	2,044	1,967	Cr 77	9	0	0
<b>4,618</b>		<b>3,517</b>	<b>3,593</b>	<b>3,790</b>	<b>197</b>		<b>336</b>	<b>62</b>
<b>5,875</b>	<b>TOTAL CONTROLLABLE FOR EDUCATION - ECHS</b>	<b>5,124</b>	<b>5,593</b>	<b>5,913</b>	<b>320</b>		<b>529</b>	<b>56</b>
11,852	<b>Total Non-Controllable</b>	9,278	9,278	9,278	0		0	0
3,493	<b>Total Excluded Recharges</b>	3,987	3,987	3,987	0		0	0
<b>21,220</b>	<b>TOTAL EDUCATION PORTFOLIO - ECHS</b>	<b>18,389</b>	<b>18,858</b>	<b>19,178</b>	<b>320</b>		<b>529</b>	<b>56</b>
<b>Memorandum Item</b>								
<b>Sold Services</b>								
	Education Psychology Service (RSG Funded)	Cr 21	Cr 20	Cr 20	0	} 10	10	0
	Education Welfare Service (RSG Funded)	Cr 39	Cr 39	Cr 39	0		0	0
	Workforce Development (DSG/RSG Funded)	Cr 14	Cr 14	Cr 14	0		0	0
	Governor Services (DSG/RSG Funded)	Cr 8	Cr 8	Cr 8	0		0	0
	Community Vision Nursery (RSG Funded)	0	0	Cr 41	Cr 41		Cr 34	Cr 41
	Blenheim Nursery (RSG Funded)	0	0	Cr 40	Cr 40		Cr 40	Cr 40
	Business Partnerships (RSG Funded)	0	0	0	0		0	0
	<b>Total Sold Services</b>	<b>Cr 82</b>	<b>Cr 81</b>	<b>Cr 162</b>	<b>Cr 81</b>		<b>Cr 64</b>	<b>Cr 81</b>

**Reconciliation of Latest Approved Budget****£'000****Original Budget 2015/16****18,389**

SEND Reform/Implementation Grants (Exec March 2015) - expenditure	456
SEND Reform/Implementation Grants (Exec March 2015) - income	Cr 456
YOT Service Strategic Review carry forward	76
Review of Plance Planning carry forward	11
Early Years Grant carry forward - expenditure	19
Early Years Grant carry forward - income	Cr 19
SEN Preparation for Employment carry forward - expenditure	46
SEN Preparation for Employment carry forward - income	Cr 46
SEND Regional Lead (ex-Pathfinder) grant - expenditure	62
SEND Regional Lead (ex-Pathfinder) grant - income	Cr 62
Adult Education Supplementary Estimate	382

**Latest Approved Budget for 2015/16****18,858**

## **REASONS FOR VARIATIONS**

### **1. Adult Education - Dr £4k**

As Members will be aware, there has been significant reduction in grant allocation from the Skills Funding Agency for the Adult Education Service in recent years. In addition, tuition fee income has been reducing, with a total income shortfall of £518k projected for 2015/16, prior to the £382k supplementary estimate allocation agreed by Executive in December 2015.

The service has now consulted on a restructure which should result in full year savings of £275k subject to further changes to future grant levels. The restructure was approved by Executive as its meeting on 10th February 2016.

There is a minor net overspend of £4k projected for the service.

### **2. Alternative Education and Welfare Service - Cr £2k**

A minor overspend has arisen in staffing costs, offset by an increase in Penalty Charge Notice income collection, resulting in a projected net £2k underspend.

### **3. Schools and Early Years Commissioning and Quality Assurance - Cr £141k**

The two in-house nurseries are projected to generate a total surplus of £81k. The trading accounts, set up in April 2013, are not on a full cost recovery basis, so this surplus doesn't cover 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.

An underspend of £41k is projected for Early Years, the restructure of which resulted in early achievement of the further £30k savings agreed for 2016/17 in addition to the £130k agreed for 2015/16.

There are also net underspends of £19k within the School Standards team, mainly as a result of staff vacancies.

	Variations	
	£'000	
Blenheim Nursery	Cr	40
Community Vision Nursery	Cr	41
Early Years	Cr	41
School Standards	Cr	19
	<b>Cr</b>	<b>141</b>

### **4. SEN and Inclusion - Dr £243k**

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 Implementation (New Burdens) Grant. LBB's allocation of this grant for 2015/16 is £177k, of which £148k was approved for drawdown by Executive in March 2015, in addition to the carry forward of £200k underspend from 2014/15.

The SEN Implementation and Preparation for Employment grants are expected to underspend by a total of £90k. Some of the expenditure planned against these grants is expected to occur in 2016/17, so these amounts will be requested for carry forward approval.

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, as well as much reduced use of tribunal consultancy, has resulted in a projected £125k underspend in the SEN assessment and monitoring team, and £41k on the Head of Service.

#### **SEN Transport**

Although the travel training programme continues with success and has contributed to improved outcomes and helps address annual volume increases, SEN transport is currently projected to overspend by £499k. A significant part of this relates to the cost of the new contracts which commenced on 01/09/2015 with a revised pricing framework, which, with no provision for inflation over the life of the contracts, are assumed to have front-loaded inflationary increases.

As noted in the contract award report approved by Executive in March 2015, the impact of these inflationary increases is compounded by the pricing under the previous framework, awarded in 2010; the economic climate at that time and during much of the contract period had led to keen pricing with no increase to many of the prices.

It is estimated that travel training has resulting in around £200k saving for 2015/16; however a large amount of this will have to repay the Invest to Save scheme so won't be realised this finance year.

In addition, there are volume increases due to the increase in statutory age range to 0-25 years, which is also noticeably impacting on the DSG funded SEN placements/support and special school/special unit funding, as shown in note 6 below.

The projected overspend of £499k is an increase of £156k compared the second quarter projection, which was based on modelling using historic data which didn't reflect the impact of the transport route changes from September and the related recoupment income projections, and the full impact of the new contract pricing.

Since these projections, which were based on expenditure and activity as at the end of December 2015, the latest projections show a slight reduction of £12k to £487k.

	Variations	
	£'000	
SEN assessment & monitoring team	Cr	125
Head of Service	Cr	41
SEND Implementation Grant	Cr	80
SEND Preparation for Employment	Cr	10
SEN transport		499
		<b>243</b>

## **5. Education Services Grant - Cr £0k**

Current projections for the Education Services Grant (ESG) allocation is £524k 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 4 conversions on 1st April, 7 on 1st September and a further 3 since then. No more are expected this financial year. The full year effect of these 14 conversions is £599k. 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 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.

The total projected net overspend of £0.5m will therefore reduce the £9.9m carried forward from 2014/15. Along with the £3.5m distributed as one-off funding to schools and £3m for the Beacon House refurbishment, £2.5m has been agreed for growth in 2016/17 to balance the budget, so the underspend has now been fully spent/allocated.

Staffing vacancies in the School Standards team and the redundant Head of Behaviour post have resulted in projected net underspends of £58k and £64k respectively.

SEN placements and support costs are projected to overspend by a total of £720k, mainly due to a significant projected increase in pupil numbers in independent and out-borough placements, including pupils aged 20-25 with EHC plans who wouldn't previously have been supported. There has also been an increase in the average level of matrix support provided to schools.

In addition, a total of £816k increase in funding has been agreed for Special Schools and Units. In general these have only been agreed to reduce the need for even more costly independent/out-borough placements.

The SEN support costs budget for students in further education is currently projected to underspend by £84k.

There is a total underspend of £133k in the Sensory Support Service and support in mainstream, mainly due to vacant posts and delays in recruitment, as well as specific posts linked to pupils for sensory support that are not currently required.

The Early Years SEN (Phoenix) and Specialist Support and Disability Services are currently projected to underspend by a total of £63k, mainly on staffing costs, and reduction in pre-school support. This budget was reduced for 2015/16 to help contain anticipated pressures in other areas of the Schools Budget.

The DSG funded element of SEN Transport is projected to underspend by £130k. 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 further increased take up of lower cost in-borough placements in future years.

The underspends above are offset by a continued increase in the requirement for bulge classes, and for the first time, a need for them at secondary level, a year earlier than had been anticipated, resulting in an overspend of £1m on the £1.5m budget. This £1.5m included the additional £500k which was agreed to be added to the budget for two years, funded from the DSG carry forward. Schools Forum reviewed the future funding of bulge classes and decided not to make any changes for 2016/17, however this will be reviewed again for 2017/18, especially in light of the projected pressures across DSG as a whole. There is also a further £150k overspend projected relating to the rental of temporary modular classrooms for bulge classes.

An overspend of £70k relates to centrally held license for copyright, music licenses etc, due to notification from DfE that further licenses were to be held centrally by LA's after the budget had been set.

Finally, underspends are currently anticipated for Free Early Education funding, mainly due to a slowing of the increase in take-up seen in recent years.

	Variations	
		£'000
School Standards	Cr	58
Behaviour Service	Cr	64
Bulge Classes		1,067
- Modular classroom rentals		150
Consultancy etc		86
Special Schools/units		816
PSAG	Cr	20
MPAA,CLA etc licenses		70
Free Early Education - 2 year olds	Cr	544
Free Early Education - 3 & 4 year olds	Cr	520
Standards Fund Grant	Cr	745
SEN:		
- Placements		720
- Support in FE colleges	Cr	84
- Sensory support service	Cr	107
- Support in mainstream	Cr	26
- Pre-school service	Cr	63
- Transport	Cr	130
- Business Support	Cr	5
		<b>543</b>

## **7. Other Strategic Functions - Dr £19k**

As part of the 2015/16 agreed savings, £60k was for management savings in Education. Some efficiencies have been identified to offset this, however £19k still remains to be met.



**8. Youth Services - Dr £274k**

The Youth Service has a projected overspend in year on salaries and some running costs during a period of restructure required to reconfigure the service to achieve the 2015-16 saving target of £506k whilst continuing to provide both universal and targeted youth support. The appropriate consultation processes have recently been completed and the revised structure is now in place.

There is also a projected overspend in the Youth Offending Team; as a consequence of the outcome of the recent HMIP inspection, it has been necessary to delay the planned restructure of the service. The review of the existing service and interim measures required to address immediate operational delivery requirements will result in an overspend of £153k. Additionally, there is an in-year reduction of £29k in the funding from the Youth Justice Board.

	Variations
	£'000
Youth Services	92
Youth Offending Team	182
	<hr/>
	<b>274</b>

**9. Early Intervention Services - Cr £77k**

There is a £120k savings target in this service which will be met through cost efficiencies achieved by reducing the commissioning budget and providing in house run activities. During the year there have also been turnover savings which will contribute towards an underspend of £77k.

**10. 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. Since the last report to the Executive, no such waivers have been approved.

**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, one virements has been approved to transfer £100k from Free Early Education (PVI's) to maintained nurseries.

2014/15 Actuals £'000	Service Areas	2015/16 Original Budget £'000	2015/16 Latest Approved £'000	2015/16 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
77	<b>Public Protection</b> Emergency Planning	75	75	75	0		0	0
<b>77</b>		<b>75</b>	<b>75</b>	<b>75</b>	<b>0</b>		<b>0</b>	<b>0</b>
	<b>Street Scene &amp; Green Space</b>							
4,115	Area Management/Street Cleansing	4,048	4,036	3,986	Cr 50	1	Cr 50	0
2,429	Highways	2,542	2,512	2,640	128	2	0	0
Cr 42	Markets	Cr 2	Cr 2	Cr 45	Cr 43	3	Cr 40	Cr 40
5,745	Parks and Green Space	5,676	5,830	5,852	22	4	0	0
467	Street Regulation	513	513	511	Cr 2	5	0	0
17,613	Waste Services	17,853	18,082	17,924	Cr 158	6	Cr 216	Cr 270
<b>30,327</b>		<b>30,630</b>	<b>30,971</b>	<b>30,868</b>	<b>Cr 103</b>		<b>Cr 306</b>	<b>Cr 310</b>
	<b>Support Services</b>							
545	Support Services	518	518	518	0		0	0
<b>545</b>		<b>518</b>	<b>518</b>	<b>518</b>	<b>0</b>		<b>0</b>	<b>0</b>
	<b>Transport &amp; Highways</b>							
252	Depots	275	275	275	0		0	0
6,921	Highways incl London Permit Scheme	6,794	7,169	7,504	335	7	190	145
Cr 6,496	Parking	Cr 6,696	Cr 6,402	Cr 6,747	Cr 345	8-13	Cr 30	Cr 85
176	Traffic & Road Safety	157	157	157	0	14	0	0
327	Transport Support Services	342	342	316	Cr 26	15	0	0
<b>1,180</b>		<b>872</b>	<b>1,541</b>	<b>1,505</b>	<b>Cr 36</b>		<b>160</b>	<b>60</b>
<b>32,129</b>	<b>TOTAL CONTROLLABLE</b>	<b>32,095</b>	<b>33,105</b>	<b>32,966</b>	<b>Cr 139</b>		<b>Cr 146</b>	<b>Cr 250</b>
6,238	<b>TOTAL NON-CONTROLLABLE</b>	5,332	5,315	5,282	Cr 33	16	Cr 16	0
2,221	<b>TOTAL EXCLUDED RECHARGES</b>	2,290	2,290	2,290	0		0	0
<b>40,588</b>	<b>PORTFOLIO TOTAL</b>	<b>39,717</b>	<b>40,710</b>	<b>40,538</b>	<b>Cr 172</b>		<b>Cr 162</b>	<b>Cr 250</b>

Reconciliation of Latest Approved Budget

£'000

Original Budget 2015/16

39,717

Repairs and Maintenance - carry-forward from 2014/15	33
Keston Ponds Dam - carry-forward from 2014/15	20
Countryside & Woodland works - carry-forward from 2014/15	40
Waste - 3 split-bodied vehicles - carry-forward from 2014/15	558
Increase in contract costs re TLG pension contributions	23
Lead Local Flood Authorities Grant	213
Return to contingency - Waste 3 split-bodied vehicles underspend	Cr 200
Parking CCTV Equipment	306

Latest Approved Budget for 2015/16

40,710

## **REASONS FOR VARIATIONS**

### **1. Area Management & Street Cleansing Cr £50k**

Savings brought-forward as a result of the closure of public conveniences total £50k. There is a projected overspend of around £11k on fly-tipping, which is offset by savings on non-routine street cleansing Cr £11k, resulting in a net underspend of £50k.

### **2. Highways SSGS Dr £128k**

There is a projected underspend on salaries of £17k due to vacancies partly offsets the additional monitoring carried out by the contractor of Dr £25k.

Due to the mild winter to date there is a projected underspend of around £14k on the Snow Friends budget.

Overspend on public rights of way of £13k due to works undertaken for overhanging vegetation.

There is an increase in income from Street traders licensing of £27k due to an increase in the number of license applications being received. Similarly income from Skip licenses is expected to be Cr £41k above budget due to an increase in requests.

Tree maintenance is projected to overspend by £120k due to a number of works that have had to be carried out relating to unpredictable emergency callouts, root pruning health and safety works and post 2013/14 storm remedial works.

Other net minor variations within running expenses total Dr £4k.

<b>Summary of overall variations within Highways SS&amp;GS</b>		<b>£'000</b>
Employee costs	Cr	17
Agency/ Consultancy costs		25
Snow Friends	Cr	14
Tree maintenance		120
Public Rights of Way		13
Income from Street Traders Licence and skip licence fees	Cr	3
Minor variations across Supplies and Services		4
<b>Total variation for Highways SS&amp;GS</b>		<b><u>128</u></b>

### **3. Markets Cr £43k**

As a result of higher activity than budgeted, there is a projected over-achievement of income of £30k. Additionally, there is a projected net underspend of £13k across staffing and running expenses resulting in an overall underspend of £43k for the service.

### **4. Tree maintenance within parks Dr £22k**

Post 2013/14 storm remedial works have had to be carried out on trees within parks and allotments, leading to an overspend of £22k

### **5. Street Regulation Cr £2k**

Underspend mainly relates to the part year effect of vacant posts as a result of the staffing review within this division.

### **6. Waste Services Cr £158k**

Green garden waste disposal tonnages are projected to be 1,280 tonnes below budget mainly due to the weather, resulting in an underspend of £ to £57k. For information, the total projected tonnage of 14,540 tonnes is only 300 tonnes below the 2014/15 outturn.

Across the garden waste collection service, there is a projected underspend of £214k. This is a combination of a projected underspend of £40k within staffing and running expenses, the continuing sale of green garden waste stickers Cr £17k, and projected additional income for the garden waste subscription service of Cr £157k.

Disposal tonnages from increased trade waste delivered activity are projected to be 1,400 tonnes above budget resulting in an overspend of £200k. For information, there has been an additional 1050 tonnes at the Weighbridges for the first nine months of the year compared to the same period in 2014-15.

As a direct consequence of the extra tonnage described above, there is projected additional income within trade waste delivered of £230k. This more than offsets the disposal overspend from Weighbridge tonnage.

For other residual tonnages, there is a projected overspend of £58k. This is mainly due to the expected additional tonnage relating to the extra day for the leap year. This is more than offset by a reduction in detritus tonnage resulting in an underspend of £80k.

Other overspends include Dr £50k relating to the purchase of bins / containers, largely for trade waste customers and depot refurbishment works.

Within paper recycling income, there is a projected deficit of £66k. This relates largely to an issue with 2015-16 paper tonnages that have been adversely affected by wet weather over recent months, and have not been able to be recycled in the usual way.

Within other income streams, there is a projected net surplus of £8k income from trade waste collected income, textile collections and kitchen waste liners.

Savings of £250k were built into the 2015/16 waste services budget for the revision to the kerbside paper collection service. The report to the Environment Portfolio Holder on 18 February 2015 highlighted that after taking account of the one-off implementation costs, the savings expected to be delivered during 2015/16 would be below the target by £107k. The savings for future years would however be exceeded by £250k per annum.

The actual implementation of the changes began at the end of June, a month later than expected. However actual costs were far less than anticipated and the resulting level of savings is projected to be £267k in 2015/16, which is £17k above the target saving.

An underspend on the Coney Hill contract costs Cr £39k has partly offset additional disposal costs of Dr £47k associated with the disposal of incinerator ash tonnage.

Other minor variances total Dr £19k

The existing software had to be developed to include the waste and grounds maintenance contracts in order to improve the contract monitoring that will be carried out by the new contract support team within Street Scene and Green space. The development of the software will have the versatility to support the commissioning process providing an IT foundation for contract management beyond 2019 when the service contracts are due to be tendered, Dr £47k.

<b>Summary of overall variations within Waste Services</b>	<b>Dec</b>	<b>£'000</b>
Waste disposal tonnages - Green Garden Waste	Cr	57
Underspend from Green Garden Waste service	Cr	214
Waste disposal tonnages - Trade Waste Delivered		200
Trade waste delivered income	Cr	230
Waste disposal tonnages - other residual tonnage	Cr	22
Bins & weighbridge refurbishment		50
Paper recycling income		66
Trade waste collected and textile collection income	Cr	8
Impact of implementation of revised kerbside collection arrangements	Cr	17
Other minor variations across the waste service budget		19
Coney Hill and Incinerator ash		8
Contract monitoring software		47
<b>Total variation for Waste Services</b>	<b>Cr</b>	<b>158</b>

#### **7. Highways (incl London Permit Scheme) Dr 335k**

Within NRSWA income, there is a projected net deficit of £390k. This is partly the result of improving performance by utility companies in the area of defect notices, which has resulted in lower charges raised by the Council, and appears to be an on-going trend.

Additional highway maintenance has been carried out totalling £30k.

The winter service budgets are currently projected to be £85k underspent, essentially due to the relatively mild winter and lack of snowfall. The table below gives a breakdown of winter service budgets, final expenditure, and subsequent variances: -

<b>Winter Service</b>	<b>Budget</b>	<b>Outturn</b>	<b>Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Salt, gritting & snow clearance	164	120 Cr	44
Met Office Costs	26	22	-4
Vehicle / plant maintenance & repairs	111	106	-5
Standby / training / overtime and other costs	106	74	-32
<b>Winter Service Totals</b>	<b>407</b>	<b>322 Cr</b>	<b>85</b>

<b>Summary of variations within Highways (incl London Permit Scheme)</b>	<b>£'000</b>
NRSWA income	390
Highway maintenance	30
Winter maintenance	Cr 85
<b>Total variation for Highways</b>	<b>335</b>

### **8. Income from Bus Lane Contraventions Cr £450k**

As a result of reinstating bus lane enforcement following completion of public realm works in Bromley North from March 2015, there is projected additional income of around £450k for 2015/16. This projection from Parking takes into account the likely drop off by the end of the financial year due to motorists' increased compliance and therefore the potential full year effect is only likely to be £40k.

### **9. Off Street Car Parking Cr 224k**

Overall a surplus of £185k is projected for off street parking income. Cr £100k extra is expected from Village Way and the Civic Centre multi-storey car parks which is offset by a projected deficit of around £60k at the Hill MSCP. Additional income of £55k is projected from the Mitre Close surface car park. It should be noted that the average income at Mitre Close for April 2014 to February 2015 was £2k however in March 2015 this rose to £6k and has continued at this level from April to December 2015. This is because some spaces were being used by the Bromley North contractors during the period of works and therefore enforcement did not commence until March 2015. Other surface car parks show a projected net surplus of around £90k mainly in Beckenham, Chislehurst and West Wickham.

Additionally there is an underspend of £17k due to a one-off business rates rebate which is offset by additional rent of Dr £17k due to a backdated rent increase. Indigo car parking contract costs are projected to be underspent by £35k. There are various minor net variations across the service of Cr £4k.

<b>Summary of variations within Off Street Car Parking</b>	<b>£'000</b>
Business Rate rebate	Cr 17
Backdated rent increase	17
Third party payments- Indigo (formerly Vinci Park).	Cr 35
Off Street Car Parking income - multi-storey car parks	Cr 40
Off Street Car Parking income - other surface car parks	Cr 145
Minor variations	Cr 4
<b>Total variations within Off Street Parking</b>	<b>Cr 224</b>

### **10. On Street Parking Cr £60k**

Due to the replacement of on street P&D machines with cashless parking there is a projected underspend on airways costs of £6k. There is a minor variation on Indigo contract costs of Cr £4k.

There is additional on street parking income projected of £50k. Major variations are on Chislehurst - Cr £15k, Petts Wood Cr £15k, Bromley TC Cr £13k and Penge Cr £10k, offset by variations across other areas Dr £3k.

<b>Summary of variations within On Street Parking</b>	<b>£'000</b>
P&D Airways costs	Cr 6
Indigo contract costs	Cr 4
On Street Parking income	Cr 50
<b>Total variations within On Street Parking</b>	<b>Cr 60</b>

### **11. Car Parking Enforcement Dr £489k**

Salaries on CCTV staff are projected to be underspent by £41k, of which Cr £30k is due to a vacant post not filled and Cr £11k due to holiday/ sickness cover not being required. Indigo contract payments are likely to be underspent by £23k. Miscellaneous Supplies and Services variations are projected to be net Cr 6k.

Based on activity levels up to December 2015, there is a projected net surplus of £184k from PCNs issued by Vinci in the current year due to an increase in contraventions. There is also a projected surplus of Cr £80k for old year tickets issued by CEOs.

A net deficit of Dr £823k is projected for mobile and static cameras due to changes in legislation from April 2015.

<b>Summary of variations within Car Parking Enforcement</b>	<b>£'000</b>
CCTV Salary costs	Cr 41
Indigo contract costs	Cr 23
Supplies and Services (net)	Cr 6
PCNs issued by CEOs	Cr 264
PCNs issued by mobile & static cameras	823
<b>Total variations within Car Parking Enforcement</b>	<b><u>489</u></b>

### **12. Parking Shared Service Cr £14k**

It is projected that the net variation on Parking Shared Service for Bromley 2015/16 will be Cr £14k, mainly due to vacant posts.

### **13. Permit and Disabled Parking Cr £86k**

Based on income and expenditure to the end of December 2015, it is projected that there will be a net £86k additional income.

<b>Summary of variations within Permit and Disabled Parking</b>	<b>£'000</b>
Permit staff costs	Cr 3
Printing and Stationery	Cr 6
Permit Income	Cr 69
Disabled Parking contract costs	Cr 10
Disabled Parking Income	2
<b>Total variations</b>	<b><u>Cr 86</u></b>

<b>Summary of overall variations within Parking:</b>	<b>Dec</b>
	<b>£'000</b>
Bus Routes Enforcement	Cr 450
Off Street Car Parking	Cr 224
On Street Car Parking	Cr 60
Car Parking Enforcement	489
Parking Shared Service	Cr 14
Permit and Disabled Parking	<u>Cr 86</u>
<b>Total variation for Parking</b>	<b><u>Cr 345</u></b>

### **14. Traffic & Road Safety £0k**

**EARLY WARNING** - Although no variation is projected for 2015/16, there is a potential loss of income of £100k from TfL for advertising on bus shelters should the current contract be terminated in July 2016. Officers are currently seeking legal advice on whether this can be challenged, the outcome of which will impact upon whether alternative savings will be required when setting the 2016/17 budget.

### **15. Transport Support Services Cr £26k**

A reduction in the mail delivery service requirements across the Council has meant that there is a projected underspend on drivers and transport running costs of Cr £26k.

### **16. Non-controllable Cr £19k**

Within property rental income budgets, there is projected surplus income of £16k. 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. Since the last report to the Executive, no waivers have been actioned:

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

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, the following virements have been actioned:

- 1) A virement of £50k has been actioned from on street parking to highway maintenance

## Public Protection &amp; Safety Budget Monitoring Summary

2014/15 Actuals £'000	Service Areas	2015/16 Original Budget £'000	2015/16 Latest Approved £'000	2015/16 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
311	Public Protection Community Safety	256	245	215	Cr 30	1	Cr 20	0
341	Mortuary & Coroners Service	353	353	353	0		0	0
1,607	Public Protection	1,511	1,522	1,517	Cr 5	2	0	0
<b>2,259</b>	<b>TOTAL CONTROLLABLE</b>	<b>2,120</b>	<b>2,120</b>	<b>2,085</b>	<b>Cr 35</b>		<b>Cr 20</b>	<b>0</b>
92	<b>TOTAL NON CONTROLLABLE</b>	6	6	6	0		0	0
9	<b>TOTAL EXCLUDED RECHARGES</b>	151	151	151	0		0	0
<b>2,360</b>	<b>PORTFOLIO TOTAL</b>	<b>2,277</b>	<b>2,277</b>	<b>2,242</b>	<b>Cr 35</b>		<b>Cr 20</b>	<b>0</b>

## Reconciliation of Latest Approved Budget

£'000

## Original Budget 2015/16

2,277

Domestic Abuse - Grant Related Expenditure

26

Domestic Abuse - Grant Related Income

Cr 26

## Latest Approved Budget for 2015/16

2,277



## **REASONS FOR VARIATIONS**

### **1. Community Safety Cr £30k**

There is a projected underspend on salaries of £22k due to a combination of maternity leave and staff leaving earlier than budgeted as part of the savings options.

In addition there is a projected underspend on running expenses of Cr £8k.

### **2. Public Protection Cr £5k**

An underspend of £19k is projected for employee costs, due to vacancies and some staff leaving earlier than budgeted as part of the savings options.

Premises costs are projected to be underspent by £10k due to a reduction in Laser electricity bills. There is a net Dr £7k on Transport costs mainly due to the purchase of ex-hire CCTV vehicles.

The number of dogs being kept in kennels and associated medical costs have been lower than previous years, partly helped by the mild winter to date. As a result of this and also due to changes to the kennelling charges there is a projected underspend of Cr £50k for 2015/16.

One-off costs of £60k have been incurred for concreting works undertaken at Wagtail Way to deter fly tipping.

There is a projected Dr £7k net deficit of income within Housing Enforcement.

#### **Summary of variations within Public Protection:**

	<b>£'000</b>
Variations within employee costs	Cr 19
Electricity costs	Cr 10
Net variations on Transport Related Costs	7
Stray dogs kennelling contract	Cr 50
Concreting works at Wagtail Way	60
Net deficit on income	7
<b>Total variation for Public Protection</b>	<b>Cr 5</b>

#### **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, no waivers have been actioned:

#### **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:

## Renewal and Recreation Budget Monitoring Summary

2014/15 Actuals £'000	Division Service Areas	2015/16 Original Budget £'000	2015/16 Latest Approved £'000	2015/16 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	<b>R&amp;R PORTFOLIO</b>							
	<b>Commissioning Fund</b>							
13	Commissioning Fund - expenditure	86	86	86	0		0	0
Cr 13	Commissioning Fund - reserve income	Cr 86	Cr 86	Cr 86	0		0	0
<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>
	<b>Planning</b>							
Cr 27	Building Control	14	14	Cr 7	Cr 21	1	Cr 35	0
Cr 164	Land Charges	Cr 168	Cr 168	Cr 168	0	2	0	0
433	Planning	617	612	567	Cr 45	3	Cr 70	0
1,090	Renewal	1,825	1,830	1,687	Cr 143	4	Cr 30	0
<b>1,332</b>		<b>2,288</b>	<b>2,288</b>	<b>2,079</b>	<b>Cr 209</b>		<b>Cr 135</b>	<b>0</b>
	<b>Recreation</b>							
1,940	Culture	1,973	2,104	2,165	61	5	31	0
5,087	Libraries	4,734	4,709	4,648	Cr 61	6	Cr 31	0
255	Town Centre Management & Business Support	219	294	268	Cr 26	7	0	0
<b>7,282</b>		<b>6,926</b>	<b>7,107</b>	<b>7,081</b>	<b>Cr 26</b>		<b>0</b>	<b>0</b>
<b>8,614</b>	<b>Total Controllable R&amp;R Portfolio</b>	<b>9,214</b>	<b>9,395</b>	<b>9,160</b>	<b>Cr 235</b>		<b>Cr 135</b>	<b>0</b>
11,630	<b>TOTAL NON CONTROLLABLE</b>	3,916	4,028	4,027	Cr 1	8	0	0
2,159	<b>TOTAL EXCLUDED RECHARGES</b>	2,469	2,395	2,395	0		0	0
<b>22,403</b>	<b>PORTFOLIO TOTAL</b>	<b>15,599</b>	<b>15,818</b>	<b>15,582</b>	<b>Cr 236</b>		<b>Cr 135</b>	<b>0</b>

## Reconciliation of Latest Approved Budget

£'000

## Original budget 2015/16

15,599

Repairs and Maintenance - carry-forward from 2014/15

112

Local Plan Implementation - carry-forward from 2014/15

60

Biggin Hill Air Noise Action Plan - carry-forward from 2014/15

40

Transfer of Housing budgets to Care Services Portfolio

Cr 44

Former Adventure Kingdom

Cr 55

Biggin Hill Memorial Museum

106

## Latest Approved Budget for 2015/16

15,818

## **REASONS FOR VARIATIONS**

### **1. Building Control Cr £21k**

For the chargeable service, an income deficit of £160k is anticipated based on information to date. This is being offset by a projected underspend within salaries of £130k arising from reduced hours being worked and vacancies. In accordance with Building Account Regulations, the remaining net deficit of £30k will be met from the Building Control Charging account, thus reducing the cumulative surplus on that account from £130k to £100k.

Within the non-chargeable service there is a projected underspend of £21k, as a result of delays in appointing to vacant posts.

### **2. Land Charges Cr £0k**

For the chargeable service, there is an income surplus of £5k projected based on information to date. Part year vacancies from staff leaving has resulted in an underspend of £24k and there is also a projected underspend of £5k on running expenses. In accordance with CIPFA guidance, the net surplus of £34k will be carried forward through the use of a reserve.

### **3. Planning Cr £45k**

Income from non-major planning applications is £105k above budget for the first nine months of the year, and a surplus of £120k is projected for the year. For information, actual income received for the period April to December is £50k higher than that received for the same period last year.

For major applications, £289k has been received as at 31st December, which is £40k higher than for the same period in 2014/15. Planning officers within the majors team have provided a schedule of additional potential income that may be received in the coming months of around £200k. A surplus of £50k is projected from major applications at this stage of the year, allowing for delays in some of the income being received, as well as other items not being received at all.

Currently there is projected surplus income of £50k from pre-application meetings due to higher than budgeted activity levels. For information, £239k has been received for the first nine months of the year, this is in line with the income received for the same period in 2014/15.

Within income from street naming & numbering, a surplus of £35k is currently projected. For information, actual income received for the period April to December is £10k higher than that received for the same period last year.

There is a projected overspend within employee-related costs of £50k. This is due to the recruitment of two additional temporary planner staff in order to assist with the current increase in volumes of planning applications.

As a direct result of losing planning appeals, there is a projected overspend of £40k. There is also a projected overspend of £120k relating to the use of consultants to provide specialist advice and to undertake planning application work, particularly in the period before the division was fully staffed. It is anticipated that both of these additional costs will be more than offset by surplus income.

#### **Summary of variations within Planning:**

	<b>£'000</b>
Surplus income from major applications	Cr 50
Surplus income from non-major applications	Cr 120
Surplus pre-application income	Cr 50
Surplus street naming & numbering income	Cr 35
Overspend within employee related costs	50
Potential costs re lost appeals	40
Use of consultants to provide specialist advice & plan app work	120
<b>Total variation for planning</b>	<b>Cr 45</b>

### **4. Renewal Cr £143k**

There is a projected net underspend across Renewal salaries of £83k due to part-year vacancies within the Regeneration and Planning Strategy & Projects teams. £20k of this underspend relates to staffing funded by the New Homes Bonus top slice.

Of the £60k carried-forward from 2014/15 for the Local Plan Implementation, it is likely that only £15k will be spent, and therefore a further carry-forward request will be made at year-end so that the costs of the Examination in Public can be met in 2016/17.

There is a potential underspend of £100k of the New Homes Bonus Top Slice funding (this includes the £20k for staffing), and therefore a carry-forward request will be made at year-end in order to enable outstanding works to be completed in 2016/17.

£34,680 of specialist consultancy work for the Noise Action Plan for Biggin Hill Airport has been met from the additional funding agreed by the Executive in Feb 2015 and June 2015. It is expected that further consultancy work of up to £65,320 will be required for the implementation of the Noise Action Plan during the next 15 months. The cumulative contract value for this work would total £100k. It is expected that at least £45k of this will need to be carried forward to 2016/17.

**Summary of variations within Renewal:**

	<b>£'000</b>
Underspend within employee related costs (excl NHB)	Cr 63
Local Plan Implementation (c/fwd request to be made to June Exec)	Cr 45
Underspend related to NHB top slice funded work (incl £20k staff)	Cr 100
Estimated costs relating to the noise action plan for Biggin Hill Airport	65
	<b>Cr 143</b>

**5. Culture Dr £61k**

Although savings were built into the 2015/16 budget in anticipation of the closure of the Priory Museum, an overspend of £31k is projected, as the museum will now be closing on 1st October, as detailed in an earlier Executive report.

Additional costs of £20k have been incurred for security grills to secure the Priory building in preparation for when it becomes empty. £10k has been spent on museum artefact conservation work in advance of the new exhibitions.

**6. Libraries Cr £61k**

Following a combination of strike action taken by a number of library staff in the period to August 2015, as well as staff vacancies, there is a projected underspend of £90k. Of this, £29k is being re-invested within the IT budget to replaced obsolete stock. The remaining balance of £61k is being used to offset the overspend within Culture, thus ensuring an overall balanced budget for the Recreation division.

**7. Town centre management Cr £26k**

Underspend relates to the two NHB top slice projects. A request will be submitted to the Executive to carry forward this amount in order to complete the specific projects which were to have been delivered over two years, subject to the GLA agreeing the re-profile of spend.

**8. Non-controllable Cr £1k**

Within property rental income budgets, there is projected surplus income of £16k. Property division are acc 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. Since the last report to the Executive, the following waivers over £50k have been actioned:

1. £65,320 for further consultancy work required for the implementation of the Noise Action Plan for Biggin Hill Airport, a cumulative contract value of £100k.

### **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

2014/15 Actual £'000		2015/16 Original Budget £'000	2015/16 Latest Approved £'000	2015/16 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	<b>CHIEF EXECUTIVE'S DEPARTMENT</b>							
	<b>FINANCIAL SERVICES DIVISION</b>							
	<b>Financial Services &amp; Procurement</b>							
191	Director of Finance & Other	202	202	202	0		0	
6,507	Exchequer - Revenue & Benefits	6,389	6,399	6,397	Cr 2	1	Cr 1	
495	Financial Accounting	495	664	660	Cr 4	2	0	
1,179	Management Accounting	1,109	1,113	997	Cr 116	3	Cr 55	
<b>8,372</b>	<b>Total Financial Services Division</b>	<b>8,195</b>	<b>8,378</b>	<b>8,256</b>	<b>Cr 122</b>		<b>Cr 56</b>	<b>0</b>
	<b>CORPORATE SERVICES DIVISION</b>							
4,386	<b>Information Systems &amp; Telephony</b>	4,394	4,530	4,504	Cr 26	4	Cr 10	
	<b>Operational Property Services</b>							
419	Operational Property	375	450	450	0	5	82	175
1,809	Repairs & Maintenance (All LBB)	1,920	2,279	2,084	Cr 195	6	0	
945	<b>Customer Services (inc. Bromley Knowledge)</b>	923	937	1,008	71	7	71	36
	<b>Legal Services &amp; Democracy</b>							
685	Electoral	312	312	356	44	8	Cr 2	
1,450	Democratic Services	1,383	1,383	1,383	0		Cr 16	
Cr 106	Registration of Births, Deaths & Marriages	Cr 94	Cr 94	Cr 88	6	9	Cr 10	
1,447	Legal Services	1,548	1,578	1,610	32	10	0	
1,613	Admin. Buildings	1,613	1,616	1,604	Cr 12	11	Cr 6	
481	Facilities & Support	467	467	451	Cr 16	12	Cr 29	
166	<b>Management and Other (Corporate Services)</b>	148	148	168	20	13	20	
<b>13,295</b>	<b>Total Corporate Services Division</b>	<b>12,989</b>	<b>13,606</b>	<b>13,530</b>	<b>Cr 76</b>		<b>100</b>	<b>211</b>
	<b>HR DIVISION</b>							
1,481	Human Resources	1,543	1,545	1,481	Cr 64	14	0	
<b>1,481</b>	<b>Total HR Division</b>	<b>1,543</b>	<b>1,545</b>	<b>1,481</b>	<b>Cr 64</b>		<b>0</b>	<b>0</b>
	<b>CHIEF EXECUTIVE'S DIVISION</b>							
770	Audit	733	733	729	Cr 4	15	Cr 30	
379	Financial Systems	421	421	421	0		0	
427	Procurement	446	446	445	Cr 1	16	0	
1,726	Exchequer - Payments & Income	1,516	1,547	1,506	Cr 41	17	Cr 14	
201	Comms	213	213	192	Cr 21	18	Cr 31	
601	Management and Other (C. Exec)	786	786	748	Cr 38	19	Cr 25	
141	Mayoral	144	144	135	Cr 9	20	Cr 17	
<b>4,245</b>	<b>Total Chief Executive's Division</b>	<b>4,259</b>	<b>4,290</b>	<b>4,176</b>	<b>Cr 114</b>		<b>Cr 117</b>	<b>0</b>
	<b>TRANSFORMATION &amp; REGENERATION DIVISION</b>							
	<b>Strategic Property Services</b>							
214	Investment & Non-Operational Property	390	390	252	Cr 138	21	Cr 157	Cr 185
550	Strategic Property Services	606	635	595	Cr 40	22	0	
Cr 5,630	Investment Income	Cr 7,393	Cr 7,396	Cr 7,527	Cr 131	23	Cr 86	Cr 758
Cr 833	Other Rental Income - Other Portfolios	Cr 824	Cr 824	Cr 777	47	24	0	
<b>Cr 5,699</b>	<b>Total Transformation &amp; Regeneration Division</b>	<b>Cr 7,221</b>	<b>Cr 7,195</b>	<b>Cr 7,457</b>	<b>Cr 262</b>		<b>Cr 243</b>	<b>Cr 943</b>
<b>21,694</b>	<b>Total Controllable Departmental Budgets</b>	<b>19,765</b>	<b>20,624</b>	<b>19,986</b>	<b>Cr 638</b>		<b>Cr 316</b>	<b>Cr 732</b>
	<b>CENTRAL ITEMS</b>							
7,450	<b>CDC &amp; Non Distributed Costs (Past Deficit etc.)</b>	7,542	7,542	7,542	0		0	
10,425	<b>Concessionary Fares</b>	10,562	10,996	10,996	0		0	
<b>39,569</b>	<b>Total Controllable</b>	<b>37,869</b>	<b>39,162</b>	<b>38,524</b>	<b>Cr 638</b>		<b>Cr 316</b>	<b>Cr 732</b>

2014/15 Actual £'000	Financial Summary	2015/16 Original Budget £'000	2015/16 Latest Approved £'000	2015/16 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
Cr 1,311	<b>Total Non Controllable</b>	3,367	3,367	3,367	0		0	
Cr 19,609	<b>Total Excluded Recharges</b>	Cr 19,424	Cr 19,435	Cr 19,435	0		0	
Cr 1,384	<b>Less: R&amp;M allocated across other Portfolios</b>	Cr 1,522	Cr 1,617	Cr 1,617	0		0	
833	<b>Less: Rent allocated across other Portfolios</b>	824	824	776	Cr 48		0	
<b>18,098</b>	<b>TOTAL CHIEF EXECUTIVE'S DEPARTMENT</b>	<b>21,114</b>	<b>22,301</b>	<b>21,615</b>	<b>Cr 686</b>		<b>Cr 316</b>	<b>Cr 732</b>
<b>18,098</b>	<b>TOTAL RESOURCES PORTFOLIO</b>	<b>21,114</b>	<b>22,301</b>	<b>21,615</b>	<b>Cr 686</b>		<b>Cr 316</b>	<b>Cr 732</b>
	<b>Memorandum Item</b>					25		
	<b>Sold Services</b>							
31	Facilities (Caretaking) Schools Trading Account	12	12	46	34		33	
Cr 6	Reactive Maintenance Schools Trading Account	0	0	1	1		0	
<b>25</b>	<b>Total Sold Services</b>	<b>12</b>	<b>12</b>	<b>47</b>	<b>35</b>		<b>33</b>	<b>0</b>

Reconciliation of Final Budget	£'000
<b>Original budget 2015/16</b>	<b>21,114</b>
Repairs and Maintenance carry forward from 2014-15 (delegated authority)	484
- Less R & M Cfwd allocated to ECS	Cr 145
Concessionary Fares	438
Liberata contract - Effect of updated Pension Contributions re HR, Finance, Fairer Charging / A & D	37
Adj. re Housing Strategy Service Excluded Recharges	Cr 7
Adj. re Adventure Kingdom Excluded Recharges	55
Adj. re Impower savings	10
Carry forwards from 2014-15	
- IER Grant - Related Expenditure	19
- IER Grant - Draw down from Grants Reserve	Cr 19
- Hardware for Disaster Recovery / Windows 7	122
- Legal Case Work system upgrade	30
- Transparency Agenda	29
Increase in credit/debit card charges (relating to £27m of transactions)	120
Individual Electoral Registration - Expenditure	97
Individual Electoral Registration - Grant Income	Cr 97
Smartphone Counter Fraud App - Expenditure	112
Smartphone Counter Fraud App - Grant Income	Cr 112
Post transferred from ECHS	14
Increase in Pension Contract	59
- Recharged to Pension Fund	Cr 59
<b>Latest Approved Budget for 2015/16</b>	<b>22,301</b>

## **REASONS FOR VARIATIONS**

### **FINANCIAL SERVICES DIVISION**

#### **1 Exchequer - Revenue & Benefits - £2k Cr**

A net underspend of £2k is projected relating to staffing vacancies and additional grant income offset by some increased contract costs.

#### **2 Financial Accounting - £4k Cr**

A projected net underspend of £4k relates mainly to staffing vacancies as a result of early achievement of 2016/17 savings.

#### **3 Management Accounting - £116k Cr**

An underspend of £116k Cr is projected for Management Accounting. This mainly relates to vacant posts as a result of early achievement of 2016/17 savings, plus additional income relating to management of the schools long term sickness scheme in 2014/15.

### **CORPORATE SERVICES DIVISION**

#### **4 Information Systems & Telephony - £26k Cr**

An underspend of £26k Cr is projected for Information Systems. This mainly relates to employee costs as a result of staff vacancies.

#### **5 Operational Property Services - £0k Dr**

Following the virement of £75k from Repairs and Maintenance agreed by Executive on 22nd February, no variation is projected for Operational Property this year.

#### **6 Repairs & Maintenance (All LBB) - £195k Cr**

The current forecast for R & M is a £195k underspend relating to Anerley Business Centre which will be requested for carry forward to 2016/17. The latest approved budget includes the carry forward from 14-15 of £484k.

General note - The Property & Finance Sub-Committee, in December 2001, agreed that a carry forward could be made at the end of each financial year of revenue underspends on landlord building maintenance on the basis that Property will continue to seek to contain total expenditure within approved annual budgets.

#### **EARLY WARNING**

A problem has been identified with the tile cladding for the Central Library / Churchill Theatre. Various options are being considered, however the preferred option is estimated to cost £180k. This was not included in the plan for this year and could therefore result in an overspend if it proceeds. There is, however, the Infrastructure Investment Reserve which could potentially cover this expenditure as a last resort.

#### **7 Customer Services (inc. Bromley Knowledge) - £71k Dr**

The projection for Customer Services is an overspend of £71k Dr. Savings of £113k Cr were built into the budget, of which £47k Cr related to 14-15. The new savings for 15-16 (£66k Cr) have been achieved, however the £47k Cr Channel Shift savings identified for 14-15 have not been achieved to date. There are annual maintenance costs of £36k Dr associated with the maintenance of the Customer Services portal. The first years maintenance cost was funded from the Invest to Save scheme, however the ongoing funding for this has not yet been identified. This is resulting in a projected overspend of £27k Dr this year (with a full year on-going cost of £36k Dr). Other minor variations total £3k Cr.

#### **EARLY WARNING**

An Invest to Save scheme costing £330k was approved to invest in new technology for the Customer Services Centre. This sum was to be repaid from savings achieved following the transfer of services to the Centre. The 15-16 budget assumes savings of £75k will be achieved this year. Liberata are undertaking health check work to identify further savings. This is subject to final review at service level and includes work to improve debt recovery and negotiations around channel shift initiatives. So far this year, savings of £10k have been identified, however at this stage it is not possible to quantify the value of any further savings that might be achieved this year.

#### **8 Electoral - £44k Dr**

An overspend of £44k Dr is projected for Elections overall, mainly due to the introduction of Individual Electoral Registration and the requirement to send out an increased number of letters, forms and reminders.

#### **9 Registration of Births, Deaths & Marriages - £6k Dr**

An overspend of £6k is projected for Registrars which mainly relates to minor variations in supplies and services.



**10 Legal Services - £32k Dr**

An overspend of £32k is a result of maternity leave cover as well as the higher cost of temporary staff covering vacancies.

**11 Admin. Buildings - £12k Cr**

This variation mainly relates to staffing pending the outcome of a review of the service.

**12 Facilities & Support - £16k Cr**

This variation mainly relates to staffing pending the outcome of a review of the service.

**13 Management and Other (Corporate Services) - £20k Dr**

An overspend of £20k is projected relating to a saving included the 15-16 budget that has still to be identified.

**HUMAN RESOURCES DIVISION**

**14 HR - £64k Cr**

A net credit of £64k is projected for Human Resources, mainly as a result of staffing underspends and additional income from schools.

**CHIEF EXECUTIVE'S DIVISION**

**15 Audit - £4k Cr**

An net underspend of £4k Cr is projected for Audit as a result of a vacant post and additional income from admin. penalty charges, partly offset by increased external audit fees.

**16 Procurement - £1k Cr**

Various minor variations net out to a £1k underspend projected for Procurement.

**17 Exchequer Services - Payments & Income - £41k Cr**

An underspend of £41k Cr is projected for Payments & Income. £28k Cr relates to staffing, and £13k Cr relates to the contracts budget and other minor running expenses.

**18 Comms - £21k Cr**

An underspend of £21k Cr is projected for Comms, mainly relating to a vacant post.

**19 Management & Other (Chief. Exec.) - £38k Cr**

An underspend of £38k Cr is projected for Management & Other. This is mainly due to a reduction in employers pension fund contributions as a result of an employee no longer needing to contribute to the Pension Fund and reduction in subscription to London Councils.

**20 Mayoral - £9k Cr**

An underspend of £9k Cr is projected for Mayoral Services. This variation mainly relates to staffing.

**TRANSFORMATION & REGENERATION DIVISION**

**21 Investment and Non-Operational Property (expenditure) - £138k Cr**

The forecast for expenditure on Investment and Non Operational Property is an underspend of £138k Cr. This includes the following items:

	£k	Note
Sundry Properties		
- Rents	-6	
- Business Rates	<u>-14</u>	-20
Anerley Business Centre		
- Electricity	-9	
- Business Rates	-10	
- Other Hired & Contracted Services	14	
- Funding to Trust re upgrading IT	30	
- Other net variations	<u>5</u>	30
Surplus Properties		
- Business Rates	26	
- Utilities	6	
- Other minor variations	<u>9</u>	41

Investment Properties - Business Rates		-10		
Exchequer House (Bromley Old Town Hall)				
- Business Rates	-102			
- Other Hired Services	-29			
- Security Costs	-22			
- Premises	-26	-179	(a)	
Total		-138		

a) Exchequer House (Bromley Old Town Hall) is vacant and listed. The sale of this building is expected to be completed this financial year.

## **22 Strategic Property Services - £40k Cr**

A variation of £40k is projected relating to vacant posts that won't be filled until 2016/17,

## **23 Investment Income - £131k Cr**

A net surplus of £110k Cr is projected for Investment Income which takes into consideration the following issues :

a) There is a shortfall of income on Investment Fund Properties of £38k Dr.

Over the past few years contribution have been made to reserves to create an Investment Fund and a substantial part of this Fund has been used to buy Investment Properties. The capital spend to date for the purchase of these properties is £62.7m on which £28.5m relates to properties in Bromley High Street. The 2015-16 budget for the expected income is £3m and the income projected this year from the properties purchased to date is £2.9m. The full year income from these properties is projected at £3.6m.

Recently an additional two properties have been purchased (Newbury House and Unit G - Brentwood), which has an overall cost of £9.4m. The projected income in 2015-16 is now £38k Dr and a full year effect of £756k Cr. It does not seem likely that any further acquisition will happen before the end of the financial year. These income projections do not take into account any loss of interest earnings on general fund balances as a result of the capital spend.

b) the projection for The Glades Shopping Centre (INTU) rent share is a shortfall of £85k compared to budget. Accounts are supplied by INTU quarterly in arrears and this projection is based on information provide on the 19th October. It is difficult to provide precise forecasts as LBB income is determined by the rental income from the shops and the level of contributions to any minor works. The budget for the Glades is £2,026k.

c) Other variations in rental income net out to £254k Cr. This mainly relates to the additional income at Yeoman House from the NHS CCG with regards to the section 75 agreement of £68k Cr, although this may not be on-going beyond 2017/18.

## **24 Other Rental Income - Other Portfolios - £47k Dr**

There is a shortfall of rental income of £88k relating to Banbury House which is currently vacant pending its sale. Other variations net out to £41k Cr.

### **EARLY WARNING**

INTU have 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.

## **25 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 £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 IT managed hosting services for 2 years 3 months with a total contract value of £99k.

An extension to a MTC contract for air conditioning maintenance for one year with an estimated value of £57k.

An extension to a MTC contract for intruder alarm and CCTV maintenance for one year with an estimated value of £73k.

An extension to a MTC contract for general building maintenance for one year with an estimated value of £52k.

An extension to a MTC contract for roofing maintenance for one year with an estimated value of £64k.

**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.

## Allocation of Contingency Provision for 2015/16

Item	Original Contingency Provision	Allocations				Variation to Original Contingency Provision
		Previously Approved Items	New Items Requested this Cycle	Items Projected for Remainder of Year	Total Allocations/Projected for Year	
	£	£	£	£	£	£
<b>Environmental Services</b>						
Street Environment contract	60,000			0	0	Cr 60,000
<b>Renewal and Recreation</b>						
Planning Appeals - change in legislation	60,000			0	0	Cr 60,000
<b>Care Services</b>						
Public Health						
Transfer of 0 - 5 years old Services (health visitors etc)	1,901,000	1,901,000		0	1,901,000	(6) 0
Government Funding to meet cost of service	Cr 1,901,000	Cr 1,901,000		0	Cr 1,901,000	0
Winter Resilience Funding (Bromley CCG)						
- expenditure				116,750	116,750	116,750
- income				Cr 116,750	Cr 116,750	Cr 116,750
<b>Education</b>						
Reduction in Education Services Grant	400,000			524,000	524,000	124,000
<b>General</b>						
Provision for unallocated inflation	2,508,000	213,000		241,000	454,000	(2) Cr 2,054,000
Provision for risk/uncertainty	2,193,000			193,000	193,000	Cr 2,000,000
Provision for cost pressures arising from variables	2,000,000			0	0	Cr 2,000,000
Provision for risk/uncertainty relating to volume and cost pressures	1,950,000			0	0	Cr 1,950,000
Increase in Cost of Homelessness/Impact of Welfare Reforms	1,100,000	649,000		451,000	1,100,000	(6) 0
Changes in Parking Enforcement	1,000,000	306,000		0	306,000	(6) Cr 694,000
Retained Welfare Fund	450,000			450,000	450,000	0
Freedom Passes	326,000	438,300		0	438,300	(2)&(6) 112,300
Deprivation of Liberty	314,000			0	0	Cr 314,000
Growth for Waste Services	300,000			0	0	Cr 300,000
Grants to Voluntary Organisations	275,000			0	0	Cr 275,000
Disabled Facilities Grant RCCO	232,000			0	0	Cr 232,000
Care Act - Revised Assessment Costs	2,876,000			0	0	Cr 2,876,000
Care Act - Funding from Better Care Fund	Cr 750,000	Cr 750,000		0	Cr 750,000	0
Care Act - Government Funding	Cr 1,848,000	Cr 1,848,000		0	Cr 1,848,000	0
Other Provisions	341,000			341,000	341,000	0
Civic Centre Development Strategy				57,500	57,500	(4) 57,500
Pension Investment Proposal				200,000	200,000	(6) 200,000
Residential Property Acquisition				50,000	50,000	(6) 50,000
Biggin Hill Memorial Museum		106,000		0	106,000	(6) 106,000
Adult Education Supplementary Estimate		382,000		0	382,000	(6) 382,000
	<b>13,787,000</b>	<b>Cr 503,700</b>	<b>0</b>	<b>2,507,500</b>	<b>2,003,800</b>	<b>Cr 11,783,200</b>
<b>Grants included within Central Contingency Sum</b>						
SEND Implementation Grant						
Grant related expenditure	176,819	148,343		28,476	176,819	(1) 0
Grant related income	Cr 176,819	Cr 148,343		Cr 28,476	Cr 176,819	0
Regional Lead for the SEND Reforms						
Grant related expenditure	62,000	61,924		0	61,924	(5) Cr 76
Grant related income	Cr 62,000	Cr 61,924		0	Cr 61,924	76
Lead Local Flood Authorities						
Grant related expenditure	216,000	213,000		0	213,000	(2) Cr 3,000
Adoption Reform						
Grant related expenditure	273,000			273,000	273,000	0
Grant related income	Cr 273,000			Cr 273,000	Cr 273,000	0
Tackling Troubled Families Grant						
Grant related expenditure	426,000			482,000	482,000	56,000
Grant related income	Cr 426,000			Cr 482,000	Cr 482,000	Cr 56,000
Transformation Challenge Award						
Grant related expenditure	344,000	195,000		0	195,000	(7) Cr 149,000
Grant related income	Cr 344,000	Cr 195,000		0	Cr 195,000	149,000
Individual Electoral Registration Process						
Grant related expenditure	102,000	97,000		5,000	102,000	0
Grant related income	Cr 102,000	Cr 97,000		Cr 5,000	Cr 102,000	0
Domestic Abuse						
Grant related expenditure		60,000		610	60,610	(3) 60,610
Grant related income		Cr 60,000		Cr 610	Cr 60,610	Cr 60,610
Deprivation of Liberty Safeguards						
Grant related expenditure		126,982		0	126,982	(5) Cr 126,982
Grant related income		126,982		0	126,982	126,982
Social Care innovation Grant						
Grant related expenditure		100,000		0	100,000	(2) 100,000
Grant related income		Cr 100,000		0	Cr 100,000	Cr 100,000
Housing Regulations						
Grant related expenditure		3,000		0	3,000	(2) 3,000
Grant related income		Cr 3,000		0	Cr 3,000	Cr 3,000

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	
	£	£	£	£	£	£
Independent Living Fund						
Grant related expenditure		526,049		0	526,049	(6) 526,049
Grant related income		Cr 526,049		0	Cr 526,049	Cr 526,049
Helping People Home						
Grant related expenditure				40,000	40,000	40,000
Grant related income				Cr 40,000	Cr 40,000	Cr 40,000
Smartphone Counter Fraud App Grant						
Grant related expenditure		111,806		0	111,806	(6) 111,806
Grant related income		Cr 111,806		0	Cr 111,806	Cr 111,806
Temporary Accomodation Pressures Funding						
Grant related expenditure				200,000	200,000	200,000
Grant related income				Cr 200,000	Cr 200,000	Cr 200,000
<b>Total Grants</b>	<b>216,000</b>	<b>213,000</b>	<b>0</b>	<b>0</b>	<b>213,000</b>	<b>Cr 3,000</b>
<b>TOTAL CARRIED FORWARD</b>	<b>14,003,000</b>	<b>Cr 290,700</b>	<b>0</b>	<b>2,507,500</b>	<b>2,216,800</b>	<b>Cr 11,786,200</b>

## Notes:

- (1) Approved by Executive 25th March 2015
- (2) Approved by Executive 15th July 2015
- (3) Approved by Executive 9th September 2015
- (4) Approved by Executive 17th September 2015
- (5) Approved by Executive 14th October 2015
- (6) Approved by Executive 2nd December 2015
- (7) Approved by Executive 13th January 2016

## Allocation of Contingency Provision for 2015/16 (continued)

Item	Carried Forward from 2014/15	Allocations				Variation to Original Contingency Provision
		Previously Approved Items	New Items Requested this Cycle	Items Projected for Remainder of Year	Total Allocations/ Projected for Year	
	£	£	£	£	£	£
<b>TOTAL BROUGHT FORWARD</b>	<b>14,003,000</b>	<b>Cr 290,700</b>	<b>0</b>	<b>2,507,500</b>	<b>2,216,800</b>	<b>Cr 11,786,200</b>
<b>Items Carried Forward from 2014/15</b>						
<b>Care Services</b>						
Social Care Funding via the CCG under S256 agreements						
Invest to Save - Dementia and PD						
- expenditure	208,790	208,790		0	208,790	(2) 0
- income	Cr 208,790	Cr 208,790		0	Cr 208,790	0
Impact of Care Bill						
- expenditure	104,750	104,750		0	104,750	(2) 0
- income	Cr 104,750	Cr 104,750		0	Cr 104,750	0
Integration Funding - Better Care Fund						
- expenditure	300,000	300,000		0	300,000	(2) 0
- income	Cr 300,000	Cr 300,000		0	Cr 300,000	0
Helping People Home						
- expenditure	27,930	27,930		0	27,930	(2) 0
- income	Cr 27,930	Cr 27,930		0	Cr 27,930	0
Adoption Reform						
- expenditure	417,737	285,414		132,323	417,737	(2) 0
- income	Cr 417,737	Cr 285,414		Cr 132,323	Cr 417,737	0
Tackling Troubled Families						
- expenditure	1,260,151	886,660		373,491	1,260,151	(2)&(9) 0
- income	Cr 1,260,151	Cr 886,660		Cr 373,491	Cr 1,260,151	0
Step Up to Social Work						
- expenditure	72,159			72,159	72,159	0
- income	Cr 72,159			Cr 72,159	Cr 72,159	0
Public Health						
- expenditure	140,909			140,909	140,909	0
- income	Cr 140,909			Cr 140,909	Cr 140,909	0
Welfare Reform Funding for Housing						
- expenditure	65,063	65,063		0	65,063	(2) 0
- income	Cr 65,063	Cr 65,063		0	Cr 65,063	0
<b>Chief Executive's</b>						
Individual Electoral Registration						
- expenditure	19,000	19,000		0	19,000	(5) 0
- income	Cr 19,000	Cr 19,000		0	Cr 19,000	0
<b>Education</b>						
Early Years Grant						
- expenditure	18,808	18,808		0	18,808	(6) 0
- income	Cr 18,808	Cr 18,808		0	Cr 18,808	0
SEND Reform/Implementation						
- expenditure	307,357	307,357		0	307,357	(1) 0
- income	Cr 307,357	Cr 307,357		0	Cr 307,357	0
SEN Preparation for Employment						
- expenditure	45,941	45,941		0	45,941	(6) 0
- income	Cr 45,941	Cr 45,941		0	Cr 45,941	0
<b>Public Protection &amp; Safety</b>						
Domestic Abuse						
- expenditure	26,570	26,570		0	26,570	(4) 0
- income	Cr 26,570	Cr 26,570			Cr 26,570	0
<b>General</b>						
YOT Service Strategy Review	76,500	76,500		0	76,500	(6) 0
Review of Placing Planning	11,000	11,000		0	11,000	(6) 0
Waste - 3 split bodied vehicles	558,000	558,000		0	558,000	(3) 0
- underspend to be returned to contingency		Cr 200,000		0	Cr 200,000	Cr 200,000
Countryside & Woodland Improvement Works	40,000	40,000		0	40,000	(3) 0
Keston Ponds Dam	20,000	20,000		0	20,000	(3) 0
Local Plan Implementation	60,000	60,000		0	60,000	(7) 0
Biggin Hill Airport - Noise Action Plan	40,000	40,000		0	40,000	(7) 0
IT Purchase of Hardware for Disaster Recovery/Windows	122,000	122,000		0	122,000	(5) 0
Legal Case Work System Upgrade	29,900	29,900		0	29,900	(5) 0
Transparency Agenda	29,000	29,000		0	29,000	(5) 0
Staff Merit Awards (held in Contingency)	200,000			200,000	200,000	0
	<b>1,186,400</b>	<b>786,400</b>	<b>0</b>	<b>200,000</b>	<b>986,400</b>	<b>Cr 200,000</b>

Item	Carried Forward from 2014/15	Allocations				Variation to Original Contingency Provision
		Previously Approved Items	New Items Requested this Cycle	Items Projected for Remainder of Year	Total Allocations/ Projected for Year	
<b>Grants included within Central Contingency Sum</b>	£	£	£	£	£	£
Winter Resilience Funding (Bromley CCG)						
- expenditure	366,480	15,002		351,478	366,480	(8) 0
- income	Cr 366,480	Cr 15,002		Cr 351,478	Cr 366,480	0
<b>Total Grants</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Carried Forward</b>	<b>1,186,400</b>	<b>786,400</b>	<b>0</b>	<b>200,000</b>	<b>986,400</b>	<b>Cr 200,000</b>
<b>GRAND TOTAL</b>	<b>15,189,400</b>	<b>495,700</b>	<b>0</b>	<b>2,707,500</b>	<b>3,203,200</b>	<b>Cr 11,986,200</b>

**Notes:**

- (1) Approved by Executive 25th March 2015
- (2) Approved at Care Services PDS 23rd June 2015
- (3) Requested at Environment PDS 7th July 2015
- (4) Requested at Public Protection and Safety PDS 30th June 2015
- (5) Approved by Executive & Resources PDS 3rd June 2015
- (6) Requested at Education Budget Sub-Committee 30th June 2015
- (7) Approved at Renewal & Recreation PDS 24th June 2015
- (8) Approved by Executive 15th July 2015
- (9) Approved by Executive 2nd December 2015

Description	2015/16 Latest Approved Budget £'000	Variation To 2015/16 Budget £'000	Potential Impact in 2016/17
Education Services Grant	Cr 2,128	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 14 conversions estimated to occur during 2015/16 is £599k, and is included in the financial forecast for the 2017/18 budget.
Adult Education	Cr 601	0	The current overspend for the Adult Education Service has continued from 2013/14, and is expected to continue into at least part of 2016/17. Some efficiency savings have been implemented to help contain this, however there is a total income shortfall of £518k, with only a net reduction of £136k on running costs to offset this. The consultation on the proposed restructure was released on 16/10/15, the outcome of which will be reported to members in due course. A supplementary estimate was approved for 2015/16, with the balance being returned to the contingency in future years for the impact of the restructure.
Blenheim & Community Vision Nurseries	0	Cr 81	An underspend of £81k is projected for 2015/16 on the nursery trading accounts, and this is currently expected to continue into 2016/17. The service is currently being market tested which could result in a future reduction in net income.
Youth Services	1,549	336	Pressure to achieve the 2015-16 savings will continue in to the following financial year with a full year effect of £40k overspend, with the main challenge being the achievement of the budgeted level of Letting Income. Once the new service structure has been running for a period of time the opportunities for the achievement of letting income will be clearer and the aim will be to review the budget to minimise any negative impact.
Housing Needs - Temporary Accommodation	6,313	0	Pressures in Temporary Accommodation (TA) (Bed and Breakfast) in 2015/16 are forecast to be spent to budget following the draw-down of £649k from central contingency agreed by Executive in December 2016. The full year effect of the pressures in 2015/16 is £254k overspent, and it should be noted that further growth is expected in 2016/17. However there is funding set aside in the central contingency to cover this, and it is assumed that this will be drawn down to reduce the overspend to a net zero.
Assessment and Care Management - Care Placements	19,654	Cr 466	The current full year effect on client projections is estimated as Cr £556k. This figure includes the reduction in costs of £250k as a result of the management of demand at first point of contact that was included as part of the 2015/16 budget savings.
Learning Disabilities Care Management	2,736	Cr 38	The full year effect on client projections is estimated at Dr £186k in relation to Domiciliary Care and Direct Payments budgets.



Description	2015/16 Latest Approved Budget £'000	Variation To 2015/16 Budget £'000	Potential Impact in 2016/17
Residential, Supported Living, Shared Lives - Learning Disabilities	25,818	Cr 858	Despite a current year projected underspend of Cr £858k, the full year effect is estimated at a smaller underspend of Cr £301k. This is because the forward assumptions are based on an increasing number of LD clients (clients placed in-year in 2015/16 will only have a part year cost in 2015/16 but a full year cost in 2016/17). In addition, the full year effect includes Cr £200k savings relating to the outsourcing of LD day care, supported living and short breaks services which has only a small part year effect in 2015/16. There are budget savings required in 2016/17 and this FYE underspend is advance achievement of this.
Residential, Supported Living, Flexible Support, Direct Payments - Mental Health	6,173	Cr 296	The full year impact of the current underspend is estimated at Cr £199k. However, as with LD above, this includes a number of assumptions so the figure may vary. Again, the FYE underspend is advance achievement of 2016/17 savings.
Supporting People	1,413	Cr 69	The full year effect of the current year's projected underspend is Cr £120k. This has arisen from limiting inflationary increases paid to providers and re-tendering / extending contracts at a reduced cost and is part achievement of budget savings required in 2016/17.
Protection of Existing Social Care Services - Better Care Fund	4,250	Cr 450	There is expected to be a full year underspend of £217k on existing social care services protected by Better Care Funding. The relates to contracts in the Information and Early Intervention and other Commissioning budgets and is early achievement of 2016/17 budget savings.
Commissioning - Contracts	432	Cr 164	The full year effect underspend of savings on Commissioning-related contracts (e.g. Healthwatch, direct payments) is £63k and, again, is early achievement of 2016/17 budget savings.
Children's Social Care	27,887	Cr 37	The current full year effect for CSC is estimated at Cr £274k. This can be analysed as Cr £152k on placements, Cr £75k for the virtual school, Dr £17k for no recourse to public funds clients, Dr £56k on leaving care clients and Cr £120k on services for children with disabilities. Cr £445k of this relates to early achievement of 2016/17 budget savings.
Lubbock House	150	0	The current full year effect impact for the closure of Lubbock House is Cr £70k. Lubbock house closed in 2015/16 and this is the recovery of the remaining in year costs.
Day Opportunities	944	0	The current full year effect is Cr £100k. The invest to save reorganising Day Opportunities and operating on a new business model. Savings have been taken in previous years and this is the remaining amount.
Contract savings across Adult Social Care and Commissioning	48,490	Cr 430	The current full year effect is Cr £430k. Contracts have been challenged in terms of pricing and have been reorganised or prices increases kept to a minimum

Description	2015/16 Latest Approved Budget £'000	Variation To 2015/16 Budget £'000	Potential Impact in 2016/17
Transport	1,852	Cr 311	The current full year effect is Cr £243k due to the tendering of the service. Demand appears to have fallen for transport services and the contract is based on a cost per trip and therefore a further reduction of £100k above the original saving of £143k has been estimated in the budget.
Public Health	Cr 372	0	The current full year effect is Cr £199k. The service has seen an in year reduction in grant funding and has had to reorganise to reflect this position.
Operational Property Services	450	0	An overspend of £67k Dr is forecast for the planned service in 15-16. In previous years, the 10% management fee recharged to Education capital schemes contributed towards the cost of the service's corporate work. Due to the number of academy conversions, the total recharge has reduced significantly over the past couple of years. Unlike other Council sold services, however, this was not matched by an increase in income, as the majority of academies opted not to buy in to this service. The shortfall is likely to get worse as the remaining schools convert to academy status, and the service cannot reduce staffing levels further without causing operational issues. The budget is historic and assumes funding of approx. £200k from school related works (10% charges on works of approx. £2M). The capital programme suggests that most of this work will fall out in 16-17 and consequently the shortfall is expected to increase to £164k in 16-17. In addition, a historic shortfall in caretaking income of £11k Dr is expected to continue.
Customer Services	937	71	There are annual maintenance costs of £36k Dr associated with the maintenance of the Customer Services portal. The first years maintenance cost was funded from the Invest to Save scheme, however the ongoing funding for this has not yet been identified.
Investment & Non-Operational Property	390	Cr 157	An ongoing underspend of £185k Cr is projected for Exchequer House (Bromley Old Town Hall). This building is vacant and listed. The sale of this building is expected to be completed this financial year.
Investment Income	Cr 7,393	Cr 86	For the past few years, contributions have been made to reserves to create an Investment Fund and a substantial part of this Fund has been used to buy Investment Properties. The capital spend to date on the purchase of these properties is £62.7m of which £28.6m relates to properties in Bromley High Street. The full year income from these properties is projected at £3.8m, resulting in a full year effect of 758k. Further acquisitions are being considered, which if successful would result in additional income. These income projections do not take into account any loss of interest earnings on general fund balances as a result of the capital spend.
Markets	Cr 2	Cr 43	The current year trends of projected surplus income of £30k due to higher than budgeted activity, as well as £10k of the £13k underspends across running expenses are expected to continue into 2016/17.

Description	2015/16 Latest Approved Budget £'000	Variation To  2015/16 Budget £'000	Potential Impact in 2016/17
Waste	18,082	Cr 158	The full year effect of Cr £270k largely relates to savings associated with revisions to the kerbside paper collection service, which took effect from June 2015.
Highways (incl London Permit Scheme)	7,169	335	There is an expected income deficit within NRSWA income of £145k for 2016/17, largely as a result of continuing improved performance from utility companies and therefore lower charges raised by the Council. Officers are investigating options for setting realistic income expectations as part of the budget-setting process.
Parking	Cr 6,402	Cr 345	£85k surplus parking income is anticipated for 2016/17 which will be used to contribute towards the Highways deficit 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:

<b>31 March 2015 £000</b>	<b>Service</b>	<b>Income £000</b>	<b>Expenditure £000</b>	<b>Transfers (to)/from Capital £000</b>	<b>Actual as at 31 Dec 2015 £000</b>
					<b><u>Revenue</u></b>
680	Highway Improvement Works		11	- 295	374
45	Road Safety Schemes				45
121	Local Economy & Town Centres		3		118
53	Parking	21			74
847	Healthcare Services	293	35		1,105
11	Community Facilities (to be transferred to capital)		1		10
10	Other	-	-	-	10
<b>1,767</b>		<b>314</b>	<b>50</b>	<b>(295)</b>	<b>1,736</b>
					<b><u>Capital</u></b>
1,591	Education	995			2,586
4,856	Housing	927	5		5,778
0	Highway Improvement Works		100	295	195
<b>6,447</b>		<b>1,922</b>	<b>105</b>	<b>295</b>	<b>8,559</b>
<b>8,214</b>		<b>2,236</b>	<b>155</b>	<b>0</b>	<b>10,295</b>

Report No.  
CS16025

London Borough of Bromley

PART 1 - PUBLIC

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**Decision Maker:** Executive

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

**Date:** 10<sup>th</sup> March 2016

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

**Title:** **GATEWAY REVIEW OF HEALTH VISITING AND NATIONAL CHILD MEASUREMENT PROGRAMME**

**Contact Officer:** Dr Jenny Selway, Consultant in Public Health Medicine  
Tel: 020 8313 4769 E-mail: jenny.selway@bromley.gov.uk

**Chief Officer:** Dr Nada Lemic Director of Public Health

**Ward:** Borough Wide

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## 1. Reason for report

- 1.1 The Council currently contracts Bromley Healthcare (BHC) for Health Visiting and National Child Measurement Programme through a joint block contract with Bromley Clinical Commissioning Group (CCG). The contract with the BHC is due to expire on 31 March 2017.
- 1.2 This report is seeking approval to extend the contract for Health Visiting and National Child Measurement Programme by 6 months to 30 September 2017. This is in order to allow for further work to explore the options for integration into Children and Family Centres in the Early Intervention Services.

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## 2. RECOMMENDATIONS

- 2.1 That the Care Services PDS Committee supports the recommendation to Executive to extend this contract with BHC for Health Visiting and National Child Measurement Programme for 6 months to 30 September 2017.
- 2.2 That further work is conducted on integration of Health Visiting services into the Children and Family Centres in the local authority Early Intervention services. If this option proves not to be feasible, it is recommended to tender these services separately.

### Corporate Policy

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

### Financial

1. Cost of proposal: Estimated cost £3,754,000
  2. Ongoing costs: Recurring cost. £3,754,000
  3. Budget head/performance centre: Public Health
  4. Total current budget for this head: ££13,935,160
  5. Source of funding: Public Health Grant
- 

### 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.
  2. Call-in: Call-in is applicable
- 

### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 45,000 (population of 0-10 year olds)
- 

### Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments: None

### 3. COMMENTARY

#### Estimated Contract Value

£3,574k p.a. Current value of contract £5,361k (1/10/15 to 31/3/17)

Proposed extension £1,787k (6 months from 01/04/2017 to 30/09/17)

Total contract value £7,148k

#### 3.1 Current commissioning arrangements

Prior to 2013, commissioning Health Visiting and The National Child Measurement Programme (NCMP) were the responsibility of the Primary Care Trusts (PCTs). When the PCTs were abolished, the statutory responsibility for commissioning NCMP was transferred to Local Authorities. At the same time responsibility for commissioning Health Visiting transferred to NHS England.

On 1<sup>st</sup> October 2015, responsibility for commissioning Health Visiting transferred to the local authority (together with the associated budget).

NCMP and HV are part of the block contract with Bromley Healthcare which expires at the end of March 2017.

The current contractual arrangements are detailed in the Table 1 below:

Table 1. Current commissioning arrangements 2016-17

<b>Contract</b>	<b>Annual Value £000</b>	<b>Contract period</b>
National Child Measurement Programme (NCMP)	120	April 2013 to March 2017
Health Visiting	3,454	October 2015 to March 2017
<b>Total</b>	<b>3,574</b>	

#### 3.2 Health Visiting

This service is delivered by BHC and has an annual budget of £3,454,000.

#### 3.3 Background

##### General description of the service

3.4 Health Visiting is a universal service from pregnancy to age 5 years. Health Visitors meet with pregnant women after 28 weeks of pregnancy, 10 days after the birth of their baby, and again at 6 weeks after the birth. These mandated reviews are important in building a relationship between the Health Visitor and the mother and in making an expert assessment of medical and social risk for that family.

3.5 This expert assessment of risk is used to identify whether support in addition to routine support is required in order to avoid poor outcomes. Additional support could be in the form of referral to health services, children's social care or other support services, or it could be provided directly by the Health Visiting team. Where safeguarding issues are identified the HV will initiate

appropriate processes and, importantly, maintain contact and support to the family throughout the processes, thus providing step-down support as well as escalation. This long term support to vulnerable families is an important part of keeping children safe.

3.6 The Health Visiting service, by avoiding delays in identification of need, are able to reduce risk by addressing many needs before they escalate.

3.7 The vast majority of families do not require additional support and receive only the mandated reviews and infant immunisations (which are the responsibility of primary care).

3.8 In general, the parts of the Health Visiting service which are mandated are:

- the 5 reviews (antenatal contact, new birth visit, 6 week review, 12 month review and the 2½ year review);
- the safeguarding element of the service. This is a targeted service. As the commissioner of Health Visiting services, the council also has “to make arrangements for ensuring that their functions, and any services that they contract out to others, are discharged with regard to the need to safeguard and promote the welfare of children.”

3.9 The parts of the Health Visiting service which are discretionary are:

- advice and support to parents, pre-schools, children’s social care and primary care;
- the targeted support they give to vulnerable families, including families where the child has complex needs or disabilities;
- the drop-in clinics, baby growth clinics, and group sessions they run, generally in Children and Family Centres.

### 3.10 Bromley service

3.11 As described earlier, the responsibility for commission of the Health Visiting service was transferred to the Local Authority in October 2015. The service is delivered by BHC through a block contract. This is a new service for the Local Authority and the current information regarding the service in terms of its delivery and performance is limited. The information about the split between the mandated and discretionary within the BHC provided service is not available at the moment. The Public Health team is working closely with the provider and previous commissioner to gain further understanding of the service. A detailed audit and service mapping are being carried out.

3.12 Additionally, as the Health Visiting roles overlap considerably with the roles of the staff in Children and Family Centres, joint work between Public Health, the Early Intervention team and the current provider are under way to identify the most efficient and effective way to provide early intervention for vulnerable families in Bromley.

3.13 The 6 months contract extension will allow these workstreams to conclude.

### 3.14 Outcomes

3.15 The impact of the HV service has historically been measured in process measures. The justification for this is that the evidence showing that each part of their service is effective is generally good. The only targets set for Health Visiting mandated reviews at transfer to the local authority in October 2015 were that the coverage of the mandated reviews should remain at least at the levels they were at transfer.



Table 2. Coverage of mandated HV reviews (Experimental statistics from PHE)

Mandated contacts	2015/16		Comments
	Q1	Q2	
Antenatal contact	204	145	Denominator not yet available for this indicator. This is the actual number of contacts. This should be around 1000 contacts per quarter.
New birth visit	76.7%	86.4%	This is the % of the cohort of births in that quarter who received a New Birth Visit by a HV. Historical coverage around 95%. Likely IT issue in BHC affecting data collation
6 week review	78.2%	97.1%	This is the % of mothers reviewed by a HV 6 weeks after the birth. This is extrapolated from other data and may be inaccurate. This is a new review and coverage may be expected to be quite low as new systems are set up.
12 month review	83.9%	73.6%	This is the % of children receiving their 1 year review before the age of 15 months. This is not a new review. Coverage seems low in quarter 2. More data is needed to see if this is an IT issue or if coverage is really dropping.
2.5 yr review	68.6%	70.6%	This is the % of children receiving an integrated 2.5 year review with education. 2.5 year reviews are not new but the integration with education is new.

3.16 It should be noted that most of these statistics have only been collected in this way since the first quarter of 2015/16 and several of the mandated reviews are new. These statistics are therefore published as “Experimental statistics” by Public Health England. In addition Bromley Healthcare has changed the data system for the entire organisation over the last year, which is affecting the accuracy of this data in the short term.

3.17 The outcome indicator which could be thought to most accurately reflect overall care and support to this age group is the Readiness for School indicator. This indicator measures the proportion of children with a good level of development at the end of reception year. This indicator is well above national averages both for all children and for those on free school meals. Other indicators which reflect the adequacy of care for this group include A&E attendances, hospital admission for injuries (one of the lowest rates in London), and tooth decay.

Indicator	Period	England	London	Bexley	Bromley	Havering	Sutton
School Readiness: The percentage of children achieving a good level of development at the end of reception	2013/14	60.4	62.2 G	72.9 G	67.2 G	65.5 G	59.6 A
School Readiness: The percentage of children with free school meal status achieving a good level of development at the end of reception	2013/14	44.8	52.3 G	61.9 G	51.0 G	49.0 A	40.4 A
A&E attendances (0-4)	2013/14	525.6	675.3 A	577.0 A	576.1 A	628.1 A	674.7 A
Hospital admissions for accidental and deliberate injuries in children (aged 0-4 years)	2013/14	140.8	105.0 G	119.2 R	89.2 G	110.8 R	129.9 R
Tooth decay in children aged 5	2011/12	0.94	1.23 G	* G	0.52 G	0.54 G	0.8 A
Children with 1 or more decayed, missing, filled teeth	2011/12	27.9	32.9 G	* G	21.5 G	19.8 G	27.9 A

#### 4.1 National Child Measurement Programme (NCMP)

4.2 This service is delivered by BHC and has a budget of £120,000.

#### 4.3 Background

4.4 This mandated programme measures height and weight in reception year and year 6 in all children in Bromley in maintained schools and academies. The measurements are fed into a national NCMP programme. This programme also requires the local NCMP team to write to parents of the children measured.

#### 4.5 Outcomes

4.6 The aim is to measure at least 85% of children in Year R and Year 6 in maintained or academy primary schools in Bromley. In the last year 91% of children were measured in Bromley.

### 5. POLICY IMPLICATIONS

5.1 The proposal set out in this report is consistent with current policy and is in line with the proposal for the Council's Public Health budget for 2016/7 and 2017/18.

### 6. FINANCIAL IMPLICATIONS

6.1 Expenditure on the Health visiting and NCMP is £3,574k annually. The proposed extension of this contract by six months to the 30<sup>th</sup> September 2017 will cost £1,787k. The budget for 2016/17 includes these amounts. The table below gives more detail:

Table 3

<b>Contract</b>	<b>Annual Contract Value 2016-17 £'000</b>
Health Visiting	3,454
NCMP	120
<b>Total</b>	<b>3,574</b>

- 6.2 It is expected that there will be efficiency savings through the tendering process due to synergies with other areas of the Council but it is difficult to quantify at present as the Health Visiting commissioning of this service has only recently transferred to the local authority.
- 6.3 However before any retendering of this service proceeds, detailed information needs to be gathered on the discretionary elements of this service so that Members can decide whether to continue to commission these elements in the future. Depending on the size and scale of the discretionary element there could be further savings available.
- 6.4 These services are funded by Public Health Grant which is a central government grant which is ring-fenced until 2017/18. In the next few years Bromley will see a reduction in grant as outlined in the table below.

Table 4

	<b>16/17 BUDGET £000</b>	<b>17/18 BUDGET £000</b>
Grant income	-12,954	-12,954
Additional Health Visiting Grant	-3,802	-3,802
2015/16 in year grant reduction	919	919
Grant reductions announced	358	740
<b>Total Grant</b>	<b>-15,479</b>	<b>-15,097</b>

- 6.5 The 2016/17 Budget includes further losses on public health funding over the period 2016/17 to 2019/20. Recently announced grants reductions in the settlement show a loss of £358k in 2016/17 and an additional reduction in 2017/18 of £382k (cumulative £740k).

## **7. LEGAL IMPLICATIONS**

- 7.1 Local Authority has a statutory responsibility to commission Health Visiting and NCMP under Health and Social Care Act 2012.

## **8 PROCUREMENT IMPLICATIONS**

- 8.1 It is proposed to further explore integration of Health Visiting service into the Children and Family Centres to maximise the benefits from the skills of both teams and minimise duplication.
- 8.2 There are potentially overlapping services offered to vulnerable families by Health Visiting and Early Intervention services in the local authority. Work has started on identifying more effective and efficient ways for the two services to work closely together but more work is needed. Potential changes may be made by devolving some of the work currently done by highly

specialist Health Visitors to less senior members of the Health Visiting team or Children and Family Centre staff or others in the Early Intervention service. The impact of these potential changes needs to be carefully assessed before any changes are made. However such changes could potentially provide savings in the short and longer term.

- 8.3 This extension period will allow sufficient time for officers to fully consider appropriate models for service delivery

Table 5. Proposed Timetable for Tendering Process

April to September 2016	Service Model Developed National Specification Localised with Specific Local Metrics and KPIs
October 2016 to March 2017	Tendering process from advertisement to award contract
April to September 2017	Mobilisation
1 <sup>st</sup> October 2017	Commence new service

## 9. CUSTOMER PROFILE

- As Health Visiting is a universal service, the relevant population is all pregnant women and children under 5 years in Bromley.
- The live birth rate in Bromley has been rising since 2002, with the highest rates in Mottingham & Chislehurst North and Clock House wards. The number of births in Bromley has risen from 3500 in 2002, to over 4000 in 2012.
- The number of 0 to 4 year olds has gradually been increasing since 2006 and will peak in 2017 (21,196) but is projected to decrease to 21,016 by 2019 and then to 20,825 by 2024.
- At the latest count there were 96 under 5s on a Child Protection Plan and a growing number of Child In Need. These figures do not include those who have a CAF in place.
- As the NCMP is offered to all children in Bromley schools in reception and year 6, this service is offered to more than 4,000 children in each of these year groups as Bromley is a net importer of children into Bromley schools.

## 10. SERVICE PROFILE / DATA ANALYSIS

Mandated contacts	2015/16	
	Q1	Q2
Antenatal contact	204	145
New birth visit	76.7%	86.4%
6 week review	78.2%	97.1%
12 month review	83.9%	73.6%
2.5 yr review	68.6%	70.6%

- 10.1 This is a new data collection system. Bromley Healthcare have changed their IT systems in the last year and these figures should be interpreted with caution. It should be noted that before the change in data system BHC were one of the best providers in England for the coverage of this review, usually exceeding 95%.

There is no expectation that local areas will reach a specific target for these mandated contacts, only that service provision is maintained at a similar level to that before the transfer of commissioning of HV to local authorities in October 2015.

## 11. MARKET CONSIDERATIONS

- 11.1 It is likely that there will be only a small number of providers who will tender for the Health Visiting service. There are likely to be a number of potential providers for the NCMP service.

## 12. OUTLINE CONTRACTING PROPOSALS & PROCUREMENT STRATEGY

- 12.1 To be developed as part of joint work with Children Social Care. If this option is shown to be non-viable, it is proposed to tender for this service separately.

<b>Non-Applicable Sections:</b>	PERSONNEL IMPLICATIONS, STAKEHOLDER CONSULTATION
Background Documents: (Access via Contact Officer)	23 June 2015 Care Services PDS. "Transfer of Health Visitors to the Local Authority" CS15916  10 February 2016. Executive. Council's Proposal for the Public Health Budget 2016/17 and 2017-18.

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Report No.  
CS16021

London Borough of Bromley

PART 1 - PUBLIC

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**Decision Maker:** Executive

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

**Date:** 10<sup>th</sup> March 2016

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

**Title:** GATEWAY REVIEW OF FAMILY NURSE PARTNERSHIP

**Contact Officer:** Dr Jenny Selway, Consultant in Public Health Medicine  
Tel: 020 8313 4769 E-mail: jenny.selway@bromley.gov.uk

**Chief Officer:** Dr Nada Lemic, Director of Public Health

**Ward:** Borough-wide

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## 1. Reason for report

- 1.1 The Council currently contracts Bromley Healthcare (BHC) for provision of Family Nurse Partnership (FNP) through a joint contract with London Borough of Bexley. The contract reaches a break clause point on 31 March 2016 and can be extended for another 1 +1 years.
  - 1.2 This report is seeking approval to extend the contract for Family Nurse Partnership for 1 year to 31 March 2017 to align it with London Borough of Bexley's procurement intentions.
- 

## 2. RECOMMENDATIONS

- 2.1 That the Policy Development and Scrutiny Committee support the recommendation to Executive to extend the contract for Family Nurse Partnership to 31 March 2017.
- 2.2 That the Executive agrees to extend the contract for Family Nurse Partnership in line with the Council's Contract Procedure Rules (CPR).

### Corporate Policy

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

### Financial

1. Cost of proposal: Estimated cost £180k
  2. Ongoing costs: Non-recurring cost.
  3. Budget head/performance centre: Public Health
  4. Total current budget for this head: ££13,935k
  5. Source of funding: Public Health Grant
- 

### 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: Non-statutory - Government guidance.
  2. Call-in: Call-in is applicable
- 

### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 50 young parents
- 

### Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments: None



### **3. COMMENTARY**

#### **3.1 Estimated Contract Value**

£360,000 p.a. (split between Bromley £180k and Bexley £180k).

Current value of contract £720k over two years (2014/15 and 2015/16)

#### **Proposed Contract Period (including extension options)**

1 year, with option of extending for a further year in current contract

£360,000 p.a. (split between Bromley £180k and Bexley £180k).

#### **3.2 Current commissioning arrangements**

3.3 On 1<sup>st</sup> April 2014 NHS England released funding to enable the commissioning of Family Nurse Partnership (FNP) jointly across Bexley and Bromley. This procurement was led by LB Bexley and a contract was won by Bromley Healthcare. This contract was initially between NHS England and Bromley Healthcare. This contract novated to London Borough of Bromley (and London Borough of Bexley) on 1<sup>st</sup> October 2015.

3.4 FNP was commissioned jointly with Bexley on the advice of the national FNP unit. The smallest FNP team which has been found to function well is a team of 4 Family Nurses and 1 Co-ordinator. The Co-ordinator is also a Family Nurse and holds a small caseload as well as managing the team. There are not enough teenage mothers in Bromley or Bexley alone to have a FNP team.

3.5 On 1<sup>st</sup> October 2015, responsibility for commissioning FNP transferred to the local authority (together with the associated budget). FNP is a licenced programme with nationally standardised costs.

#### **3.6 Family Nurse Partnership**

3.7 This service is delivered by BHC and has a budget of £180,000. This represents half of a jointly commissioned service with a budget of £360,000.

#### **3.8 Background**

3.9 Family Nurses provide intensive support to the most vulnerable young mothers using evidence-based interventions. This is a licensed programme and supports vulnerable young mothers from pregnancy until their child is 2 years old, when the care of the family passes to Health Visiting services. This service is based on increasingly strong evidence that intensive support to vulnerable families can have a significant impact on outcomes. By improving the attachment between the baby and the mother and supporting young mothers in their parenting role, many of the long term outcomes related to poor attachment can be reduced or avoided. These adverse outcomes include behaviour and mental health problems in the child, poor education outcomes and involvement of children's social care.

3.10 Bromley and Bexley commissioned a FNP service jointly in April 2014 on a 2 years (+ 1 +1 years) contract. A team of 4 Family Nurses and their co-ordinator provide support to up to 50 young mothers in each of Bexley and Bromley. Although the number of family nurses for Bromley (2 WTE) would not change if this were commissioned on a single borough basis, the coordinator role would then be part time. Not only would this be difficult for the family nurses who support a very vulnerable client group, but it would also be difficult to recruit to such a specialised role on a part time basis.

### 3.11 Outcomes

- 3.12 FNP is a licensed programme with a strong evidence base. The significance of the licenced programme is that the better the fidelity of the delivery of the programme (the more the programme is delivered in the way that the evidence shows is effective), the higher the chance that the expected benefits will be seen. The FNP programme in Bromley has regular input on quality from a named lead in the national team who attends most of the local performance management meetings, and the FNP programme overall is overseen by the Department of Health.
- 3.13 A recently published randomised controlled trial in the UK of FNP found evidence of better cognitive and language development in the baby, improved attachment between mother and baby, and fewer symptoms of depression in the mother.
- 3.14 However, beneficial outcomes have already been demonstrated in Bromley (table 1)

**Table 1: Public Health Outcome Indicators influenced by FNP**

Indicator	Period	England	London	Bexley	Bromley	Havering	Sutton
Under 18 conceptions <sup>a</sup>	2013	24.3	21.8 G	23.3 G	19.5 G	26.2 R	17.8 G
Conceptions in those aged under 16 <sup>b</sup>	2013	4.8	4.3 G	4.5 G	5.5 A	4.9 G	4.1 G
Teenage mothers <sup>c</sup>	2013/14	1.1	0.5 G	0.7 A	0.5 G	0.6 A	0.8 A

- a) Under 18 conceptions: Conceptions in females aged under 18 years per 1000 females aged 15-17;  
 b) Under 16 conceptions: Conceptions in females aged under 16 years per 1000 females aged 13-15;  
 c) Teenage mothers: % of delivery episodes where the mother is aged under 18 years

- 3.15 FNP works with teenagers who are already pregnant or have recently given birth and therefore cannot prevent the first pregnancy in these young people. However, of the 20 young parents on the FNP programme, 91% are using contraception and nearly half are using Long Acting Reversible Contraception. This may result in reduced teenage pregnancy rates in future.
- 3.16 FNP is currently supporting 40 young women in Bromley who are either pregnant or have a young baby. Four of these young women are looked after children or care leavers and two of the babies have a Child Protection Plan.
- 3.17 Of those young pregnant women eligible for the programme (aged under 20 and this is their first pregnancy), just over 70% accept the offer of support from FNP.

## 4. POLICY IMPLICATIONS

- 4.1. The proposal set out in this report is consistent with current policy and is in line with the proposal for the Council's Public Health budget for 2016/17 and 2017/18.

## 5. FINANCIAL IMPLICATIONS

- 5.1 The current Family Nurse Partnership contract is £360k p.a. split between Bromley and Bexley equally at £180kp.a. This is funded through the Public Health Grant and provision has been made in the 2016/17 budget for this.

5.2 The Public Health Grant is a central government grant which is ring-fenced until 2017/18. In the next few years Bromley will see a reduction in grant as outlined in the table below.

	<b>16/17 BUDGET</b>	<b>17/18 BUDGET</b>
	<b>£000</b>	<b>£000</b>
Grant income	-12,954	-12,954
Additional Health Visiting Grant	-3,802	-3,802
2015/16 in year grant reduction	919	919
Grant reductions announced	358	740
<b>Total Grant</b>	<b>-15,479</b>	<b>-15,097</b>

5.3 The 2016/17 budget includes further losses on public health funding over the period 2016/17 to 2019/20. Recently announced grants reductions in the settlement show a loss of £358k in 2016/17 and an additional reduction in 2017/18 of £382k (cumulative £740k).

5.4 Whilst the Public Health grant itself is ringfenced, the Family Nurse Partnership is discretionary and not a mandated service that has to be supplied. Therefore Members may wish to consider the impact of not retendering this service. Any reductions in this service could go towards meeting statutory service reductions elsewhere or future reductions in grant.

## 6. LEGAL IMPLICATIONS

6.1 Family Nurse Partnership is a discretionary service.

## 7. PROCUREMENT IMPLICATIONS

7.1 It is proposed to extend the contract for 1 year to align it with London Borough of Bexley commissioning. During this year options for future procurement could be explored.

## 8. CUSTOMER PROFILE

**Table 4. Teenage mothers: deliveries to teenagers living in Bromley as a percentage of all deliveries**

	<b>Teenage mothers (2013/14)</b>
Bromley	0.5%
London	0.5%
England	1.1%

Source: Hospital Episode Statistics (HES). Health & Social Care Information Centre

8.1 In Bromley 137 girls aged under 18 years became pregnant in 2012. The rate of conceptions in under 18s is below the regional and national rate. The rate of conceptions in under 16s, although falling, is still higher than the regional and national rate

**Table 5. Under 18 conceptions, rate per 1,000 population**

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Under-18 conception rate								
Bromley	30.6	33.7	39.0	38.1	26.4	26.3	24.2	19.5
London	45.6	45.6	44.6	40.7	37.1	28.7	25.9	21.8
England	40.6	41.4	39.7	37.1	34.2	30.7	27.7	24.3

**Table 6. Under 16 conceptions, rate per 1,000 population**

	2009	2010	2011	2012	2013
Under-16 conception rate					
Bromley	8	6.4	7.7	6.5	5.5
London	8	7.1	5.7	4.4	4.3
England	7.5	7	6.1	5.6	4.8

Source for all conception and abortion rates: Office for National Statistics

- 8.2 At the latest count there were 96 under 5s on a Child Protection Plan and a growing number of Child In Need. These figures do not include those who have a CAF in place. FNP data shows that those young women they are working with have higher than average rates of smoking (37.5% vs 32%), but were less likely to drink alcohol or take illegal drugs than women accessing the FNP programme in the rest of England.

## 9. SERVICE PROFILE / DATA ANALYSIS

- 9.1 Process measures are used as the evidence of outcomes comes from randomised controlled trials. In 2014/15, 65% of FNP clients started breastfeeding compared to 60% nationally, and nearly 36% of them were still breastfeeding at 6 weeks compared to the programme average of 19% in England. A key aim of the programme is for pregnant young women to be enrolled on the programme by 16 weeks of pregnancy. Of those offered the programme in 2014/15, 70% were enrolled by 16 weeks (target 75%).

## 10. MARKET CONSIDERATIONS

- 10.1 It is likely that there will be only a small number of providers who will tender for FNP.

<b>Non-Applicable Sections:</b>	Personnel Implications; Stakeholder Consultation; Outline Contracting Proposals & Procurement Strategy; Sustainability / Impact Assessments
Background Documents: (Access via Contact Officer)	23 June 2015 Care Services PDS. "Transfer of Health Visitors to the Local Authority" CS15916  10 February 2016. Executive. Council's Proposal for the Public Health Budget 2016/17 and 2017-18.

Report No.  
CS16008

London Borough of Bromley

PART 1 - PUBLIC

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**Decision Maker:** Executive

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

**Date:** 10<sup>th</sup> March 2016

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

**Title:** GATEWAY REVIEW OF SEXUAL HEALTH SERVICES

**Contact Officer:** Mimi Morris-Cotterill, Assistant Director  
Tel: 020 8461 7779 E-mail: mimi.morris-cotterill@bromley.gov.uk

**Chief Officer:** Dr Nada Lemic, Director of Public Health

**Ward:** Boroughwide

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## 1. Reason For Report

- 1.1 The Council currently contracts for a range of community sexual health services from Bromley Healthcare (BHC) through a joint block contract with the Bromley Clinical Commissioning Group (CCG). This contract is due to expire on 31 March 2017 but the CCG is extending the contract for a period of six months.
- 1.2 This report is seeking approval to extend the contract for the range of community sexual health services for a period of six months to 30 September 2017 as detailed in this report.
- 1.3 Approval is sought at this stage because the contract requires a 12 month notice period.

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## 2. RECOMMENDATIONS

- 2.1 That the Care Services PDS Committee supports the recommendation to the Executive to extend the contract for services described below for a period of six months.
- 2.2 That the Executive agrees to extend the contract for the following services for six months when the Bromley Clinical Commissioning Group (CCG) community contract expires:
  - Contraception and Reproductive Health Services
  - Community Sexual Health Services  
(Health Improvement Service and HIV Community Nurse Specialist Service)

### Corporate Policy

1. Policy Status: Existing policy. In line with the Council's proposal for the Public Health Budget 2016/17 and 2017/18
  2. BBB Priority: Supporting Independence. Safer Bromley
- 

### Financial

1. Cost of proposal: Estimated cost £558k for six months extension
  2. Ongoing costs: Recurring cost. £1,116k p.a.
  3. Budget head/performance centre: Public Health
  4. Total current budget for this head: £13,935k
  5. Source of funding: Public Health Grant
- 

### Staff

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

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

1. Estimated number of users/beneficiaries (current and projected): None
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### Ward Councillor Views

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

### 3. COMMENTARY

#### Estimated Contract Value – (Project/Activity) Other Costs

£1,116k p.a. (Cumulative value of £4,464k (Four years to March 2017))

#### Proposed Contract Period (including extension options)

Extension for six months from 1 April 2017 to 30 September 2017 – Value of £558k for the six months

#### Context

- 3.1 The Council has an obligation under the Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013, to provide open access Contraception and Genitourinary medicine (GUM) services for everyone present in their area. Appendix 1 sets out the legal duties for provision of open access for these services.
- 3.2 Currently, a range of community sexual health services including contraception are commissioned from Bromley Healthcare (BHC). Other primary and community providers are also commissioned to deliver contraception, outreach and prevention programmes.
- 3.3 The contract with BHC is a joint block contract with Bromley Clinical Commissioning Group (CCG). It is due to expire on 31 March 2017 but the CCG is extending their schedule of services for six months.
- 3.4 This paper therefore focuses on the future commissioning intentions and the procurement options for Contraception and the range of community sexual health services in the current block contract with BHC.

#### Current Commissioning Arrangements

- 3.5 Table 1 sets out the current block arrangements relating to contraception and community sexual health services:

Table 1: Current Block Arrangements:

Contract	Annual Value £000	Contract period
Contraceptive and Reproductive Health Services	721	Apr 2013 to Mar 2017 with potential to extend for 6 months
Health Improvement Service that includes: <ul style="list-style-type: none"><li>• Sex Relationship Education (SRE)</li><li>• Associated Training Programmes</li><li>• Outreach Programmes</li><li>• Condom Distribution Schemes</li></ul>	229	Apr 2013 to Mar 2017 with potential to extend for 6 months
HIV Community Nurse Specialist Service	166	Apr 2013 to Mar 2017 with potential to extend for 6 months
TOTAL	1,116	

- 3.6 Contraceptive and Reproductive Health Services is required to provide unrestricted access to all methods of contraception along with health promotion and health advice for all age groups operating from a number of health clinics across the borough.
- 3.7 With the exception of SRE programme which is a universal programme, all the other Health Improvement Service and HIV Community Nurse Specialist Service are key sexual health prevention programmes, targeting those high risk vulnerable populations.
- 3.8 The local SRE programme (Your Choice Your Voice) is delivered to year 9 pupils in schools in Bromley. The programme aims at empowering young people by building knowledge, improving their confidence and resilience to make better choices about their sex and well being. An associated training programme is available to support professionals, parents and carers in this regard.
- 3.9 The two condom distribution schemes, one for young people and one for Men having sex with Men (MSM) and Black African/Caribbean Communities are effective and value for money programmes. They help to prevent unplanned pregnancies and transmissions of STIs. Outreach programmes that deliver health promotion and safe sex messages are designed to target those particularly hard to reach high risk population such as young people outside of school setting, gay men and Black African communities.
- 3.10 HIV Community Nurse Specialist Service aims at preventing late and very late HIV diagnosis. It enables people affected by HIV to protect themselves from acquiring new STIs and avoiding onward transmission through regular screening and prevention interventions; to increase focus on self-management approaches and live independently thereby reducing demand on costly health and social care.
- 3.11 Apart from BHC, there are a number of other providers commissioned to provide these services:.
- General Practices for the provision of Long Acting Reversible Contraceptives (LARCs). Spend is activity based and vary from year to year and the spend for 2014/15 is £244,018.
  - Community Pharmacies for provision of Emergency Hormonal Contraception (EHC). Again spend is activity based and vary from year to year and the spend for 2014/15 is £15,478.
  - The Metro Centre Limited for provision of outreach and campaign activities targeting at hard-to-reach and high risk groups with a total annual contractual value of £50,000. This contract however will cease on 31 March 2016.

### **Provider Performance**

- 3.12 Evidence available begins to show that the local prevention strategy, through the delivery of targeted sexual health advice and education messages coupled with provision of effective contraception including condom scheme, begins to have a positive impact on the local teenage pregnancy rate.
- 3.13 Local teenage conception rate is now at its lowest since 1998. While more focused effort is required to reduce further the under 16 conception rate, Bromley is amongst those boroughs with the lowest rate in London for the under 18 conceptions. STI rates in Bromley continue to be below England rates.



3.14 However, analysis of provider performance highlights that:

- An increase in provision of the more effective LARC methods to reduce unplanned pregnancies as the number of under 18 conceptions leading to abortion remains high.
- while school based sexual health services have positive effects on reduction in births to teenage mothers, there is a need to widen the current local SRE programme to cover the broader subject of risky behaviours. The programme would benefit from further integration with the PHSE curriculum.
- Promotion of condom use and early detection through frequent testing need to continue to minimize onward transmission of STIs with a particular focus on men who have sex with men. Bromley is ranked 53 out of 326 local authorities for the rate of Gonorrhoea which is a marker of high levels of risky behavior with 28% new STIs were among men who have sex with men (MSM).
- HIV infection in Bromley continues to rise and disproportionately affects MSM and Black African groups with Bromley figures for late and very late diagnosis shown to be above the London average. Increasing both the frequency and uptake of testing amongst these groups will play a key role in tackling HIV.

### **Commissioning Intentions**

- 3.15 To sustain and further improve the above outcomes, it is necessary to continue investment in these prevention programmes. Targeting high risk individuals to take responsibility of their own health and wellbeing will result in better control of STIs thereby minimize the use of expensive GUM treatments; decrease the need for housing and dependency on wider health and social care when teenage pregnancies are further reduced.
- 3.16 Equally, a more cost effective and sustainable strategy in the long term needs to be found in order to address the issues highlighted in section 3.14. Currently, London sexual health commissioners are collaborating on the introduction of a set of integrated tariffs which include contraception. Pending the assessment of financial impact on individual boroughs, implementation could potentially take place during the latter part of 2016/17.
- 3.17 In tandem with this development, South East London commissioners are working together to explore the expansion of local online home sampling services on a scale that could potentially reduce costly GUM activities by 10-20% over the next few years. There is a further potential of introducing an e-service for some contraceptions which would further reduce the overall commissioning cost in this area.
- 3.18 More work is planned for clinical pathways and redefining service specifications, activity modelling, financial impacts and risk assessment to assure the shift in activity will realise the cost benefits identified so far. It is estimated that this would take 12 months before procurement could take place.
- 3.19 In the light of these potential changes and the indicative timescale for due diligence, it would seem premature to proceed to tender for new services commencing on 1 April 2017 when the BHC contract expires.
- 3.20 It is therefore proposed to extend the contract with the CCG for the provision of these services for a period of six months. This will allow time for local evaluation and assessment of risks associated with the introduction of these changes, especially integrated sexual health tariffs.

3.21 The proposed timetable for the above is shown below:

Table 2: Proposed Timetable for Tendering Process

April to September 2016	Service Model Developed National Specification Localised with Specific Local Metrics and KPIs
October 2016 to March 2017	Tendering process from advertisement to award contract
April to September 2017	Mobilisation
1 <sup>st</sup> October 2017	Commence new service

#### 4. POLICY IMPLICATIONS

4.1 The proposals set out in this report are consistent with current policy and is in line with the proposal for the Council's Public Health Budget 2016/17 and 2017/18.

4.2 The Council's Contract Procedure Rules (CPR 5.3) require that "Where the value of the intended arrangement is £1,000,000 or more the Executive will be *Formally Consulted* on the intended action and contracting arrangements."

#### 5. FINANCIAL IMPLICATIONS

5.1 The cost of the extension of the contracts for six month would be £558k (£1,116k p.a. equivalent).

5.2 Expenditure on sexual health services for 2016/17 is £3.5m and provision for these contracts have been made in the budget. See below for information on the total budget.

<u>DESCRIPTION</u>	<u>BUDGET</u> <u>£'000</u>
Staffing, running expenses, etc	294
Payments to Health Organisations	1,688
Payments to Voluntary Organisations	100
Contraceptive and reproductive health services	721
Health improvement services	229
HIV community nurse specialist services	166
Payments to other third party contractors	109
Payments to GP's/Pharmacists	231
	<u>3,538</u>

5.3 The contracts totaling £1,116k are contained within the payments above.

5.4 Whilst there are savings being made in this area (£104k in 2016/17), these contracts have not be affected

5.5 The Public Health Grant is a central government grant which is ring-fenced until 2017/18. In the next few years Bromley will see a reduction in grant as outlined in the table below.

	<b>16/17</b>	<b>17/18</b>
	<b>BUDGET</b>	<b>BUDGET</b>
	<b>£000</b>	<b>£000</b>
Grant income	-12,954	-12,954
Additional Health Visiting Grant	-3,802	-3,802
2015/16 in year grant reduction	919	919
Grant reductions announced	358	740
Total Grant	<b>-15,479</b>	<b>-15,097</b>

5.6 The 2016/17 Budget includes further losses on public health funding over the period 2016/17 to 2019/20. Recently announced grants reductions in the settlement show a loss of £358k in 2016/17 and an additional reduction in 2017/18 of £382k (cumulative £740k).

## 6. LEGAL IMPLICATIONS

6.1 Local Authority has a statutory responsibility to commission open access contraception and reproductive health and genitourinary medicine services under the Health and Social Care Act 2012 - Regulation 6 of The Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013.

## 7. PROCUREMENT IMPLICATIONS

7.1 The schedule of services described in this report is included in the community block contract held by the CCG. A Section 75 agreement with the CCG that covers these services is already in place and is reviewed and signed on an annual basis.

## 8. LOCAL POPULATION PROFILE

8.1 See Appendix 2

## 9. STAKEHOLDER CONSULTATION

9.1 CCG was informed of the potential 6 month extension for the community sexual health services.

## 10. MARKET CONSIDERATIONS

10.1 N/A

## 11. SUSTAINABILITY / IMPACT ASSESSMENTS

11. It is expected to conduct impact assessments as an integral part of the procurement process at a later stage.

<b>Non-Applicable Sections:</b>	Personnel Implications
<b>Background Documents: (Access via Contact Officer)</b>	CS15924 Public Health Contracts Update, 23 September 2015 CS15925 Public Health Commissioning Intentions 2016/17, 23 September and 14 October 2015 Bromley Local Authority HIV, sexual and reproductive health epidemiology report (LASER):2014, Public Health England, November 2015

Local Authorities are mandated by the following to provide and have been statutorily responsible for commissioning open access contraception and sexual health services since 1<sup>st</sup> April 2013:

- **Health and Social Care Act 2012**

The responsibility of Public Health function along with its associated budget was transferred from the NHS to Local Authorities under the Health and Social Care Act 2012. The Council is now responsible for commissioning most sexual health interventions and services as part of their wider public health responsibilities.

- **The Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013**

The Council has an obligation to provide a number of health service functions set out in these Regulations and Part 2 Section 6 relates to sexual health provision by the local authority. These require the provision of open access sexual health services for everyone present in their area; covering:

- Free sexually transmitted infections (STI) testing and treatment; and notification of sexual partners of infected persons; and
- Free contraception and reasonable access to all methods of contraception, covering both regular and emergency contraception. There are fifteen different methods of regular contraception, including condoms, the oral contraceptive pill and long-acting reversible contraception (LARC).

- **NHS Constitution**

All the commissioning bodies (including local authorities in the exercise of their public health functions), will be required by law to have regard to the NHS Constitution in their decisions and action, including those in relation to sexual health services.

## LOCAL POPULATION PROFILE

An extract of key findings from the Bromley Local Authority HIV, sexual and reproductive health epidemiology report (LASER):2014, Public Health England published in November 2015

Figures below relate to 2014 unless otherwise specified:

### STIs

- Overall 2200 new sexually transmitted infections (STIs) were diagnosed in residents of Bromley, a rate of 692.0 per 100,000 residents (compared to 797.2 per 100,000 in England).
- Bromley is ranked 125 (out of 326 local authorities in England; first in the rank has highest rates) for rates of new STIs excluding chlamydia diagnoses in 15-24 year olds; with a rate of 694.6 per 100,000 residents (compared to 828.7 per 100,000 in England).
- 43% of diagnoses of new STIs in Bromley were in young people aged 15-24 years (compared to 46% in England). This includes those tested in genitourinary medicine clinics (GUM) only.
- For cases in men where sexual orientation was known, 28.2% of new STIs in Bromley were among men who have sex with men (GUM clinics only).
- The chlamydia detection rate per 100,000 young people aged 15-24 years in Bromley was 1799.3 (compared to 2012.0 per 100,000 in England).
- Bromley is ranked 53 (out of 326 local authorities in England; first in the rank has highest rates) for the rate of gonorrhoea, which is a marker of high levels of risky sexual activity. The rate of gonorrhoea diagnoses per 100,000 in this local authority was 65.4 (compared to 63.3 per 100,000 in England).
- In Bromley, an estimated 4.6% of women and 8.9% of men presenting with a new STI at a GUM clinic during the five year period from 2010 to 2014 were reinfected with a new STI within twelve months.

### HIV Infection

- Among genitourinary medicine (GUM) clinic patients from Bromley who were eligible to be tested for HIV, 72.9% were tested (compared to 68.9% in England).
- There were 37 new HIV diagnoses in Bromley and the diagnosed HIV prevalence was 2.6 per 1,000 population aged 15-59 years (compared to 2.1 per 1,000 in England).
- In Bromley, between 2012 and 2014, 36.8% (95% CI 26.7-47.8) of HIV diagnoses were made at a late stage of infection (CD4 count <350 cells/mm<sup>3</sup> within 3 months of diagnosis) compared to 42% (95% CI 41-43) in England.

### Contraception

- The rate per 1,000 women of long acting reversible contraception (LARC) prescribed in primary care was 31.7 for Bromley, 16.1 for London and 32.3 per 1,000 women in England. The rate of LARCs prescribed in sexual and reproductive health (SRH) services per 1,000 women aged 15 to 44 years was 16.8 for Bromley, 33.0 for London and 31.5 for England.

- In Bromley upper tier local authority, the total abortion rate per 1,000 females population aged 15-44 years was 18.1, while in England the rate was 16.5. Of those women under
- 25 years who had an abortion in that year, the proportion of those who had had a previous abortion was 34.8%, while in England the proportion was 27.0%.
- In 2013, the under 18 conception rate per 1,000 females aged 15 to 17 years in Bromley was 19.5, while in England the rate was 24.3.

**Decision Maker:** Executive

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

**Date:** 10<sup>th</sup> March 2016

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

**Title:** GATEWAY REVIEW OF HOLLYBANK

**Contact Officer:** Hilary Rogers, Joint Commissioner for Disabled Children,  
Commissioning & Partnerships  
E-mail: [hilary.rogers@bromley.gov.uk](mailto:hilary.rogers@bromley.gov.uk) Tel: 020 8464 3333 x 3059

**Chief Officer:** Assistant Director: Commissioning & Partnerships (ECHS)

**Ward:** All Wards

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## 1. Reason for report

- 1.1 This report presents a review of the local authority's overnight residential short break provision at Hollybank and is intended to determine the efficacy of the provision in meeting the local authorities short breaks duty.
  - 1.2 A service user review was undertaken in October 2015, the outcomes of which are incorporated in this report.
  - 1.3 The short break provision forms an integral element of Bromley's strategy for disabled children and young people and provides a preventative service aimed at ensuring that disabled children remain within their family home.
  - 1.4 The local authority contributes to the joint funding of this provision as a partner with Bromley Clinical Commissioning Group (Bromley CCG)
  - 1.5 The existing contract is due to expire on 31 March 2017.
  - 1.6 This report requests approval from the Executive to extend the existing contract for a six month period, after which time the contract will be jointly re-tendered with Bromley CCG.
- 

## 2. RECOMMENDATIONS

- 2.1 Care Services PDS is asked to note and comment on the contents of this report prior to presentation to the Executive for approval.
- 2.2 The Executive is asked to:

- i) **Agree to extend the contract for overnight residential short break provision for a period of six months up to 30 September 2017.**
- ii) **Agree to commencement of the joint procurement procedure for the provision in order for a newly commissioned service to be in place from 1 October 2017, which would continue to be led by BCCG as the lead commissioner.**



### Corporate Policy

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

### Financial

1. Cost of proposal: Current contribution to contract value £580,000 p.a.
  2. Ongoing costs: not applicable
  3. Budget head/performance centre: 814001/3250
  4. Total current budget for this head: £580,000
  5. Source of funding: To be constrained within existing budget, no additional funding is proposed
- 

### Staff

1. Number of staff (current and additional): 3 f.t.e. LBB staff are employed at Hollybank
  2. If from existing staff resources, number of staff hours: n/a
- 

### Legal

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

### Customer Impact

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

### Ward Councillor Views

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

### **3. COMMENTARY**

#### **3.1. Business Need**

- 3.1.1 The Breaks for Carers of Disabled Children Regulations 2011 imposes a duty on the local authority to (i) have regard to the needs of carers who would be unable to continue to provide care unless breaks from caring were given to them and (ii) have regard to the needs of carers who would be able to provide care for their disabled child more effectively if breaks from caring were given
- 3.1.2 In performing this duty a local authority must provide, in so far as reasonably practicable, a range of services which is sufficient to assist carers to continue to provide care or to do so more effectively. This includes, as appropriate, overnight care in the homes of disabled children or elsewhere.
- 3.1.3 In recognition of this duty London Borough of Bromley (LBB) and Bromley Clinical Commissioning Group (Bromley CCG) have jointly commissioned an overnight residential provision, Hollybank, for disabled children and young people aged 5 to 17. The service is jointly funded by and through a Section 75 Partnership Arrangement (NHS Act 2006). BCCG currently provides the commissioning lead.
- 3.1.4 The current contract value is £1,403,863 (2015/16), which is split Bromley CCG £823,703 (59%), LBB £580,160 (41%).
- 3.1.5 The service is provided by Bromley Healthcare Community Interest Company (BHC)
- 3.1.6 The service purpose is to offer regular planned overnight short breaks with the highest standard of care for children and young people with multiple disabilities, including those with behaviours that challenge associated with a disability, and complex health care needs, working in partnership with their families and other carers, helping to maintain the disabled child or young person within their family whilst the child enjoys the short break experience.
- 3.1.7 Bromley CCG has currently commissioned 9 bed spaces per night, including one emergency bed.
- 3.1.8 Hollybank is open 7 days per week, providing a 24 hour service (with the exception of training days, Christmas and New Year)
- 3.1.9 Service users must be either resident in the London Borough of Bromley or must be registered with a Bromley based GP.
- 3.1.10 The current OFSTED rating is 'good' in every category (November 2015).OFSTED inspectors have previously commented that it is not typical to have a jointly commissioned short break service and this is advantageous in being able to provide for a wider range of social care and health needs.
- 3.1.11 An emergency bed has the effect of reducing bed spaces which can be allocated on a planned basis. The bed may be allocated to children who are existing service users and any others, providing they meet the eligibility criteria for the Disabled Children's Team.
- 3.1.12 When planning and allocating provision, best efforts are made to ensure that service users are offered stays with an appropriate peer group. Care plans are highly person centred and give staff clear and informative information on how best to care for the children and young people in a holistic way.

- 3.1.13 Staffing includes registered nurses, registered social workers, senior support workers and care assistants. Any new staff are required to have behaviour management skills training.
3. 1.14As at November 2015, there were 59 children/young people registered with Hollybank for regular short breaks. Current OFSTED Registration conditions allow that the maximum number of nights that any one user may stay at Hollybank is 75 nights in any one year, which is typically allocated on the basis on a monthly basis.  
Most children and young people are allocated between 2 or 3 nights per month.
- 3.1.15 The emergency bed is not currently used to maximum capacity, being occupied for an average of 6 nights per month over the past seven months.
- 3.1.16 Of the 59 current service users, 42 attend Riverside School and 7 attend Marjorie McClure School.
- 3.1.17 Some service users have exceptionally high needs, most typically in terms of managing their challenging behaviour or managing their complex medical regime and therefore require an exceptional staffing ratio in order to ensure their own safety and the safety of other children attending Hollybank and staff. These children are classed as 'high need' and the higher staffing ratio is typically met by allocating the equivalent of 2 beds spaces to these children/young people, ensuring that the staffing capacity is appropriate to meet need.
- 3.1.18 Recent years have shown a trend of an increasing percentage of children being referred who are reported to be presenting challenges in school and at home due to their behaviour or mental health difficulties. Typically, these children/young people present with a primary diagnosis of Autistic Spectrum Disorder (ASD). Currently 55% of all service users are regarded as 'high need'
- 3.1.19 33% of the service users have health needs which require either a nurse or individually trained health care workers to provide their care.
- 3.1.20 There are 7 young people currently accessing the service who will become 18 between January and December 2016.

## **3.2 Alternative Overnight Provision**

### **3.2.1 Short break fostering**

There is limited 'in house' or agency short break fostering provision for overnight breaks for disabled children and the market is not active.

### **3.2.2 Sitting Service**

Bromley Mencap is commissioned to provide a 'sitting service' which is designed to allow parents/carers to have a break from caring whilst their child is cared for in the family home. This service was commissioned in response to a previous Hollybank review which indicated that a number of parents were electing to have the Hollybank service in order to have either a day or evening break but not necessarily with the need for a break to be overnight.

### **3.2.3 Personal Budgets**

The Children & Families Act 2014 requires that personal budgets be available wherever possible in children's services order to facilitate 'choice and control' on the part of the parent/carer.

### **3.3 Links with other services – Integrated Children’s Community Nursing Team Long term health conditions**

- 3.3.1 The term ‘life limiting conditions’ as applied to children & young people can be defined as those for which there is no reasonable hope of cure and from which child or young person is expected to die, although there may be longer periods where the child is well. Life threatening conditions are those for which curative treatment may be feasible but can fail. Children with life limiting, life threatening and long term health conditions often have complex disabilities. Due to increasing life expectancy and improving quality of life resulting from advances in treatment and support, children living with a life threatening condition or long term health condition may survive well in adulthood.
- 3.3.2 Children and young people with these conditions and their families and carers most usually undertake complex care routines at home and should be provided with short breaks which aim to enhance their quality of life and which are provided in ways which are appropriate to their age and developmental stage in settings with professionals who are skilled in working with them
- 3.3.3 There are a relatively small number of children & young people with long term health conditions and with life limiting conditions in Bromley but, to date, there has been no specific short break provision which can address their needs. Universal, targeted and specialist children’s care is provided by a range of providers, with a significant proportion delivered by the voluntary sector, most notably at Demelza Hospice Care in Eltham.
- 3.3.4 There is good rationale to extend the remit of the Hollybank provision and broaden the service to meet the short break needs of this group of children and young people.
- 3.3.5 In the medium to longer term the service might be considered as a ‘step down’ from hospital discharge, thus (1) freeing up bed space and cost saving within the specialist paediatric hospital and acute hospital sector, and (2) offering parents/carers a safe, local environment in which their children and young people could be supported to return to their home environment. This would entail a feasibility study, for example the service establishment would need to ensure that the individual and specialist health needs could be met, and access criteria established which would maintain the essence of a short break provision as opposed to an ‘end of life’ provision.
- 3.3.6 The Integrated Children’s Community Nursing Team (ICCNT) is also commissioned by Bromley CCG within the community contract. The service provides care and support in the child’s home, within a clinic base or at school. The service is from birth to 19 and the service users will typically have a condition that would not normally be treated by a GP practice nurse.
- 3.3.7 ICCNT caseloads:-
- General caseload 178 (not all children receive a service from ICCNT but they remain on the caseload as having complex medical needs)
  - Children at Riverside 237
  - Children at Marjorie McClure 114
- 3.3.8 One outcome of the Hollybank review has been to recognise the synergy between the current Hollybank service and that provided by the ICCNT. This includes the potential for staffing efficiencies and for improved co-ordinated working across the services as many of the same children access, or are at least known to, both services, (for instance children attending Riverside School who are supported by the Special School Nurses (see 3.1.23.7) and

numbers from Riverside School who access Hollybank (see 3.1.17)) which would in turn ensure more holistic service provision for this group of children and young people.

- 3.3.9 A 'task and finish' project team is to be established in February 2016 the purpose of which is to explore the potential for the integration of these two services. Strategic clarity on this issue will be required prior to the re-tendering of the provision.

### **3.4 Transition & joint working with 118 Widmore Road**

- 3.4.1 Adult Social Care has recently commissioned an overnight short break provision at 118 Widmore Road (118). The provider is South Side Partnership (Certitude).
- 3.4.2 Work will commence in January 2016 to facilitate improved liaison for families whose young people are assessed as likely to be eligible for adult social care provision after their 18<sup>th</sup> birthday, thus easing the transition between the two services as they operate on very different models of service delivery.
- 3.4.3 The Adult Social Care contract with Certitude allows for a number of beds to be block commissioned (7), with an agreed funding rate and access criteria for increasing the number of bed spaces to a maximum of 12 as and when required. The rate agreed allows for the fact that LBB has covered much of the overhead expenditure within the block contract and thus the additional beds spaces are purchased at a sum much less than the unit cost of a place.

### **3.5 Review Conclusions**

- 3.5.1 Hollybank is a good quality provision. The most current OFSTED inspection (November 2015) rated the provision as 'good'. It is highly valued by parents/carers and provides an important short break option in terms of supporting families to care for their disabled children and young people.
- 3.5.2 In order to maintain the provision with a context of value for money the number of block commissioned bed spaces might be reduced with some current service users offered personal budgets or enhanced day time provision. If the fostering service offer can be enhanced this will provide scope for reduced demand on Hollybank spaces.
- 3.5.3 A funding model based on the Certitude contract with Adult Social care should be considered which will mitigate against an increased demand for bed spaces over and above the block commissioned number.
- 3.5.4 There is a clear synergy between the Hollybank service and ICCNT service. If it is determined that integration of Hollybank with ICCNT offers BCCG better value for money in terms of overnight support for those with very complex health needs then analysis of how many potential additional beds spaces this may require should be undertaken.
- 3.5.5 There is no analysis of risk at this time as the feasibility of an integrated provision needs to be assessed.
- 3.5.6 The decision on the future tendering of this provision is tied into strategic discussions and decisions between LBB and BCCG on (i) the future of the community contract beyond March 2017 and (ii) the future potential for developing integration between LBB and BCCG across both children and adult services.

#### 4. POLICY IMPLICATIONS

- 4.1 In accordance with Building a Better Bromley, this provision continues to support children and young people's health and well being
- 4.2 in accordance with CYP Portfolio Plan, this provision, together with the proposal to extend provision for those with long term health conditions, will continue to improve health outcomes for children with health needs

#### 5. FINANCIAL IMPLICATIONS

- 5.1 Hollybank is joint funded by a Section 75 Partnership Arrangement with LBB contributing £580k p.a. and the CCG £824k p.a. for the provision of 9 beds for respite for disabled children
- 5.2 The current/proposed splits are detailed as follows:-

##### HOLLYBANK FUNDING

##### CONTRIBUTIONS

<u>SOURCE</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	
	<u>(12 BEDS)</u>	<u>(9 BEDS)</u>	<u>(9 BEDS)</u>	<u>APR - SEP</u>	<u>OCT-MAR</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
					EST
LBB	580	580	580	290	290
CCG	906	824	824	412	412
TOTAL	<u>1,486</u>	<u>1,404</u>	<u>1,404</u>	<u>702</u>	<u>702</u>

- 5.3 As can be seen in the table above, overall funding was reduced in 2015/16 when there was a reduction in the number of beds made available.
- 5.4 It is proposed to extend the contract for the first six months of 2017/18 financial year on the current basis. The expenditure for the second half of the 2017/18 financial year is an estimate only as there may be savings available once the provision is retendered.
- 5.5 Whilst the contract provides for eight beds plus one emergency bed, the take up of the emergency bed is not good. However the current occupancy of the eight standard beds has been 95% for the past six months.
- 5.6 Based on the calculation of cost/nights available, the budgeted unit per bed per night is £446 (based on nine available beds). The actual cost is £528 (based on 8 beds utilised 95% of the time).
- 5.7 Benchmarking across other London local authorities and statistical neighbours indicate that this unit cost figure is slightly higher than average.
- 5.8 Benchmarking across other London Local authorities indicate that the provision of 8 beds, plus an emergency bed is a higher number than most. 6 bed spaces per night would appear to be an average number, although it is difficult to align that number with the number of children and young people for whom the various local authorities assess as being in need of overnight short breaks.
- 5.9 Overhead costs for the service are high; the property landlord is NHS Property Services who require rent to be paid by BCCG irrespective of whether or not the property is occupied, and

maintenance and repair costs are high due to the nature of the needs of some of the children and young people

- 5.10 Part of the property is currently vacant due to issues arising with planning permission consent for the property to be used for alternative, i.e. office, use
- 5.11 The service specification provided for use of an emergency bed which is not being utilised. Consideration needs to be given when the service is retendered whether this continues or if other arrangements can be put into place

## **6. LEGAL IMPLICATIONS**

- 6.1 This report seeks the approval of the Executive to (a) extend the existing contract for 6 months at a cost of £290,000 and (b) to commence a new procurement for the provision of overnight short breaks for disabled children
- 6.2 The Children Act 1989 (as amended) requires local authorities to provide services designed to assist individuals who provide care for disabled children to continue to do so, or to do so more effectively, by giving them breaks from caring. The Children & Families Act 2014 requires local authorities and their health partners (meaning inter alia each CCG with responsibility for commissioning health services in the local authority area, and NHS England) to establish joint commissioning arrangements.
- 6.3 Bromley CCG is the lead commissioner for this service. The Public Contracts Regulations 2015 do not apply to NHS contracts at the present time.

## **7. PROCUREMENT IMPLICATIONS**

- 7.1 BCCG is the holder of the contract for this service. The service is part of the community contract that BCCG has commissioned with BHC. This contract has been extended by BCCG until 1 October 2017. It is proposed for LBB to continue with the joint funding of this provision, including, and up to, the date of the extension within the community contract.
- 7.2 Having reviewed alternative procurement options, permission is sought for LBB to agree to this extension and re-tender the provision in due course.
- 7.3 This presents an opportunity for BCCG and LBB to re-tender the provision with a joint specification led by the Joint Commissioner for Disabled Children's Services, with service user representation as appropriate.
- 7.4 The tender would be undertaken in accordance with BCCG's Financial Regulations and Contract Procedure Rules and procurement policies.
- 7.5 EU legislation relating to NHS tendering differs from that applicable to local authority tendering, with a wider remit for the NHS to proceed outside of EU legislation.

## **8. CUSTOMER PROFILE**

- 8.1 All children and young people receiving a service from Hollybank must currently meet the access threshold of having a profound and severe disability

## **9. STAKEHOLDER CONSULTATION**

### **9.1 Parent/Carer Consultation**

- 9.1.1 A Hollybank service user consultation (parents and carers) was undertaken during September/October 2015. The consultation was answered by 33 respondents. Most respondents children had been attending Hollybank for over 2 years, 12 had been attending for 5 years or more.
- 9.1.2 10 parents/ carers identified their children as having medical needs which require a nurse to be present during their stay
- 9.1.3 17 need more than one adult to be present at school and/or during short breaks due to their behaviour.
- 9.1.4 6 have both medical needs requiring a nurse at Hollybank and also need more than one adult present because of their challenging behaviour.
- 9.1.5 14 said they had not thought that short break fostering would be appropriate and 2 families indicated that a suitable short break fostering placement could not be found.
- 9.1.6 25 of the families are satisfied with the current allocation system as it meets their child's and their own needs.
- 9.1.7 Personal budgets – 3 families stated that they would consider making their own arrangements for overnight short breaks if they were to receive a personal budget. 6 were unsure and 24 stated that they would not consider this as an option.
- 9.1.8 The overall response was that families are generally satisfied with the service and with the administration of the service.

#### 9.1.9 **Conclusion**

The survey gives scope to consider the following:-

- Social workers to ensure that all appropriate options are explored with parents/carers
- Development of short break fostering provision (either in house or through Independent Fostering Agencies (IFAs))
- Personal budgets to provide an alternative offer/choice to those parents who might wish to make their own arrangements

## 9.2 **Children and young people consultation**

- 9.2.1 A specific consultation with the children and young people who attend Hollybank has not been undertaken. The reason for this is that Hollybank carry out regular surveys with the children and young people in order to determine appropriate service development, and include such questions as whether, or not, the child/young person is happy to be attending the provision. The concept of an alternative type of short break is difficult to be described meaningfully without a good sense of what that alternative might entail, this is specialist work which cannot be achieved by on line or paper surveys.
- 9.2.2 It is intended to explore this need for input from the children and young people into this review with Advocacy for All as part of their Young Advisor Project work after March 2016.
- 9.2.3 The Ofsted summary findings (November 2015) noted:-
- The home provides young people with a warm, welcoming environment; young people are happy and relaxed during their stay
  - Young people make good progress in all areas of their development, with staff helping them to develop independence skills appropriate to their understanding



- Young people have innovative and creative care plans that reflect their voice and their preferences on how they are cared for

### **9.3 Hollybank staff**

9.3.1 An online survey was sent to all Hollybank staff in November. There are currently 31 staff at Hollybank. All respondents have been working at Hollybank for more than 5 years

9.3.2 All respondents indicated that they would be willing to care for a broader range of needs including providing for younger children (under 5), providing for children stepping down from hospital placements and providing palliative care. The staff compliment is made up of nurses and a highly skilled team of support workers who would be able to provide care for children stepping down from hospital.

9.3.3 The planning of the appropriate staffing resource is thorough but there are sometimes difficulties in provide adequate cover when staff go off sick at short notice and there is limited bank available

9.3.4 There is a need to provide further training to support children and young people with mental health issues.

9.3.5 The views expressed about whether alternatives provision might sometimes be more appropriate identified that :-

- some children might benefit from being placed in overnight provision within their boarding provision, thus reducing the number of different staff involved in their care,
- some might benefit from a better mixture of day time and occasional overnight short breaks,
- some may be difficult to place in alternative overnight provision due to the complexity of need

9.3.6 The premises are regarded as being suitable to provide a safe and nurturing environment. The office space in the upstairs of the building is not used efficiently. A room for children to be safe when they are adopting dangerous behaviour e.g. head banging, punching walls & floors would assist in managing those with behaviour that challenges.

9.3.7 Conclusion

The survey gives scope to consider the following:-

- Integration of the Hollybank service with the integrated nursing team which would provide a safe and caring environment for all children & young people, including those with long term health conditions
- Scope to consider alternative residential placements, e.g. boarding schools, which might better meet the need to minimise the number of carers involved in children's lives
- Enhance training to ensure that those with mental health conditions continue to receive a safe level of care in an appropriate environment
- Better communication with all agencies involved with the same child/young person to ensure holistic provision .

### **9.4 SOCIAL CARE (CHILDREN'S DISABILITY TEAM) STAFF**

9.4.1 An online survey was sent to all members of the Disabled Children Team in LBB Social Care in November.

- 9.4.2 Staff commented that there are a few children currently accessing Hollybank who are quite able and might achieve better outcomes with a community based day time short break provision. There are also those for whom a home based environment would be better.
- 9.4.3 The inconsistency of carers for those in either weekly or termly boarding school placements needs to be considered, with exploration of their short breaks being taken within the boarding school environment where appropriate.
- 9.4.4 The allocations work on a monthly 'allowance'. The caring needs of families do not always align with such a uniform approach, the needs may fluctuate and there needs to be greater flexibility to provide the short break as and when it is needed, i.e. fitting the service around the child/young person, as opposed to the child/young person fitting the service delivery model.
- 9.4.5 The service could improve their offer of working towards greater independence, including more social activities within the community.
- 9.4.6 The service could offer more by way of support for those children and young people who are out of school, particularly during term times

**10. SERVICE PROFILE/DATA ANALYSIS**

- 10.1 For future re-tendering, a detailed service specification will specify the requirements to the provider, including the outcomes they are expected to support. This will be based upon OFSTED requirements, best practice and service users involvement.

**11. MARKET CONSIDERATIONS**

- 11.1 The tender will be advertised by BCCG to ensure that it will attract bids from experienced specialist providers. Notification will be undertaken in consideration of all procurement legislation.

**12. OUTLINE CONTRACTING PROPOSALS AND PROCURMENT STRATEGY**

- 12.1 The tender would be undertaken in accordance with BCCG's Financial Regulations and Contract Procedure Rules and procurement policies.

**13. SUSTAINABILITY/IMPACT ASSESSMENT**

- 13.1 This proposal has been judged to have no or a very small impact on local people and communities
- 13.2 In the event that planning permission is sought for the building in which the provision takes place to extend activity into office space, there may be a challenge from local residents in terms of an increased workforce using residential parking.

**14. PERSONNEL IMPLICATIONS**

- 14.1 There are 3 LBB staff currently employed within the Hollybank provision. In the event of a re-tendering exercise identifying an alternative provider these staff will have TUPE rights.

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

Report No.  
CSD16052

## London Borough of Bromley

### PART ONE - PUBLIC

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**Decision Maker:** Executive

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

**Date:** 10<sup>th</sup> March 2016

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

**Title:** **DEMENTIA POST DIAGNOSIS SERVICES - CONTRACT AWARD**

**Contact Officer:** Andy Crawford, Commissioning Manager  
E-mail: Andy.Crawford@bromley.gov.uk  
Kay Spurrier, Procurement Officer  
E-mail: Kay.Spurrier@bromley.gov.uk

**Chief Officer:** Lorna Blackwood, Assistant Director: Commissioning (ECHS)

**Ward:** (All Wards);

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1. Reason for report

- 1.1 This document is a summary to the Part 2 'Contract Award for Dementia Post Diagnosis Services to be considered by Executive on 23<sup>rd</sup> March 2016 with pre-decision scrutiny by the Care Services Policy and Development Scrutiny Committee on 10<sup>th</sup> March 2016.
- 1.2 The summary provides an overview of the process for the tendering for the new Dementia Post Diagnosis Services in accordance with the Council's financial and contractual requirements.

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2. **RECOMMENDATION(S)**

2.1 **Care Services Policy Development and Scrutiny Committee is asked to note and comment on the contents of this report prior to the Executive being asked to:**

- i) **note the summary when considering the recommendations in the Part 2 – Appendix Detail report to award the contract.**

### Corporate Policy

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

### Financial

1. Cost of proposal: Please see Part 2 report
  2. Ongoing costs: Recurring Cost:
  3. Budget head/performance centre: Better Care Fund (Dementia Scheme) and Carers Budget
  4. Total current budget for this head: Better Care Fund £425,000; Carers Budget £66,000
  5. Source of funding: Better Care Fund. No additional funding required.
- 

### Staff

1. Number of staff (current and additional): N/A
  2. If from existing staff resources, number of staff hours: Approximately 0.1FTE Contract Compliance Officer time to monitor the Contract.
- 

### Legal

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

### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): There are an estimated 4,200 people in Bromley with dementia, plus their carers. This projected to rise to 4,650 by 2020.
- 

### Ward Councillor Views

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

### 3. COMMENTARY

#### Background

- 3.1 A Gateway Report (CS15926) was presented to Executive on 14<sup>th</sup> October 2015 outlining the current position in Bromley in regard to incidence of dementia, the services currently available and identifying the gaps in provision. It proposed the establishment of Post Diagnosis Support Services, a Dementia Hub, providing a co-ordinated framework of community support services with a central point of access that can work directly with integrated care networks (ICNs). This is to be funded through the money specifically set aside for dementia within the Better Care Fund (BCF) and approved by the Executive and Health and Wellbeing Board.
- 3.2 The report detailed the proposed commissioning strategy for the tendering of these services, building upon, wherever possible, the dementia-specialist organisations that already have a strong presence in Bromley.
- 3.3 The Executive agreed the following:
- a) the structure of the proposed service to provide the first point of contact for those newly diagnosed with dementia and that it would include:
    - Dementia Advice Service
    - Dementia Information Coordination
    - Community Development and Support Group Provision
    - Currently contracted services
    - Extra Care Housing dementia skills training
    - Coping With Caring Project
  - b) the procurement to be undertaken through competitive tendering.

#### The Tender Process:

- 3.4 In accordance with the Council's financial and contractual requirements, and following Executive approval on 14<sup>th</sup> October 2015, the Dementia Post Diagnosis Support Service has been subject to a full tender process.
- 3.5 Before advertising the tender an information day was held, advertised on ProContract, the Council's electronic tendering system, for potential providers of this service to:
- outline the position in Bromley with regard to dementia and the current provision of services
  - explain the vision for dementia post-diagnosis support services
  - inform them of the intended approach to procurement
  - receive comments to inform the final tender documents
- 3.6 The tender process was undertaken using ProContract. A total of 20 suppliers expressed an interest in providing the service.
- 3.7 The evaluation of quality was based on the following criteria:

1 Financial Resources & Contract Affordability	10%
2 Service outcomes	20%
3 Service provision in Bromley	20%
4 Resource management	20%
5 Service development and accessibility	15%
6 Innovation and adding value	15%

3.8 The evaluation was undertaken by a panel of four experts comprising two LB Bromley commissioners, a Commissioner and the Clinical Lead for dementia (a local GP) from Bromley CCG. The evaluation was backed up with a supplier interview to clarify issues identified in the tender submission and the interview was used to inform the supplier's final evaluation scores.

**Justification for Award:**

3.9 Recommendation to award the Contract to the Bromley Dementia Services Consortium, which comprises four local organisations:

- Bromley and Lewisham Mind - The Lead Organisation
- Age UK Bromley and Greenwich
- Carers Bromley
- Oxleas NHS Foundation Trust

for a period of two years with the potential to extend the Contract for a further period of one year plus a further one year with a total potential contract value of £1,804,112 over 4 years.

3.10 The result of the evaluation process is shown in the Part 2 Appendix Paper which contains the detailed scoring.

**4. POLICY IMPLICATIONS**

4.1 The contract detailed in this report is consistent with the objectives of Building a Better Bromley.

4.2 Healthy Bromley: work with health partners and focus on areas identified within the Health and Wellbeing Strategy in improving health and delivering Public Health outcomes.

4.3 Supporting Independence: support the most disadvantaged and vulnerable people in our borough, promoting the integration of Health and Care services for both adults and children.

**5. FINANCIAL IMPLICATIONS**

5.1 The financial implications of awarding the Contract are included within the Part 2 Paper.

**6. LEGAL IMPLICATIONS**

6.1 The legal implications of awarding the Contract are included within the Part 2 Paper.

**7. PERSONNEL IMPLICATIONS**

7.1 There are no London Borough Bromley employed staff affected by this Tender.

<b>Non-Applicable Sections:</b>	None.
Background Documents: (Access via Contact Officer)	POST DIAGNOSIS DEMENTIA SUPPORT – Care Services PDS 23 <sup>rd</sup> September 2015 and Executive 14 <sup>th</sup> October 2015

Report No.  
CS16032

London Borough of Bromley

PART ONE - PUBLIC

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

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

**Date:**                    **10<sup>th</sup> March 2016**

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

**Title:**                    **ADOPTION REFORM GRANT DRAW-DOWN**

**Contact Officer:**        Ian Leadbetter, Head of Social Care - Care and Resources  
E-mail: [ian.leadbetter@bromley.gov.uk](mailto:ian.leadbetter@bromley.gov.uk)

**Chief Officer:**         Director: Children's Services (ECHS)

**Ward:**                    All Wards

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1. Reason for report

- 1.1 The report identifies ongoing activity that has been funded since 2012/2013 from the non-ring fenced element of a grant received from the Department for Education to support and promote adoption and permanence performance/reform and seeks the Executive's approval for the drawdown of the remaining tranche of the grant held in the central contingency to contribute towards the ongoing work for 2016/17.

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2. **RECOMMENDATION(S)**

- 2.1 **The Care Services PDS Committee is asked to consider and comment on the report.**
- 2.2 **The Executive is asked to approve the draw-down of the final tranche of the non-ring fenced adoption reform grant of £132,323 for 2016/2017**

### Corporate Policy

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

### Financial

1. Cost of proposal: £132,323 (from adoption reform grant)
  2. Ongoing costs: Not Applicable
  3. Budget head/performance centre: Adoption/833110
  4. Total current budget for this head: £1182K controllable budget (excluding adoption reform grant)
  5. Source of funding: RSG
- 

### Staff

1. Number of staff (current and additional): 15
  2. If from existing staff resources, number of staff hours: N/A
- 

### Legal

1. Legal Requirement: Statutory Requirement
  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:



### 3. COMMENTARY

- 3.1 In 2012/13 and 2013/14 Bromley were awarded grants totalling £1,019,746 from the Department of Education to secure a Key Government policy objective to improve adoption performance, and in particular to ensure that children achieve permanence at the earliest opportunity.
- 3.2 £149,840 of the initial grant award was ring-fenced to specific activity and was required to be spent during the 2012/13 financial year and was subject to DfE scrutiny.
- 3.3 Various amount of the remaining non ring-fenced grant have also been drawn down to support adoption and permanence activity and at the end of March 2016 £132,323 remains in central contingency. It is not anticipated that any further grant will be made by the DfE.
- 3.4 Previous reports to the Executive (please see the background documents section) have highlighted adoption performance since 2011/2012 which shows an increase in adoptions.

Number of children adopted:

2011/2012	10
2012/2013	17
2013/2014	14
2014/2015	20
2015/2016* (*actual and projected)	20

- 3.5 Despite this improvement, overall the number of children being made subject to a Placement Order (this is the Court authority for a child to be matched and placed with adopters) has plateaued over the past two years due to a key Court of Appeal Judgment, in 2013, Re B-S<sup>i</sup>, which stated that the removal and adoption of a child outside of his [wider] family must be on the basis that all options have been carefully analysed and evaluated and that the option for 'long term separation' from the [wider] must be in the context of 'nothing else will do'. This has resulted in the number of children remaining cared for by members of their wider family, as a disposal to Care Proceedings, increase significantly. Many professional commentators believe that as a direct impact of the this change in legislative policy, children are often being placed in circumstances that may not be able to meet their needs in the medium to long term and where the previously high standard for 'good' parenting, that helps children recover from early trauma, that is received through an adoptive placement has been reduced to a lower threshold of 'good enough'.
- 3.6 The majority of these 'arrangement's' whereby children are being cared for by members of their extended families are under the framework of a Special Guardianship Orders. There are now 111 special guardianship arrangements being supported by the local authority.

Number of New Special Guardianship Orders:

2011/2012	10
2012/2013	15
2013/2014	38
2014/2015	25
2015/2016* (*actual and projected – please also see below)	9

The projected number of special guardianship orders granted in 2015/16 is currently standing at 9. However, there are a further 20 where the assessments have been concluded but, for a number of reasons, will not be made by the Court until the beginning of the new financial year.

- 3.7 A Special Guardianship Order can only be made by the Court following a prescribed statutory assessment of the prospective guardians. It is not uncommon for multiple possible guardians to be presented to the local authority for assessment or for assessments to be ordered by the Court late in proceedings. The staffing resources required to deliver these assessments has increased significantly.

Number of SGO assessments:

2014/2015	79
2015/2016* (*actual and projected)	62

- 3.8 Whilst children and young people who are made subject to Special Guardianship Orders cease to be ‘looked after’ by the local authority, Special Guardians are entitled to ongoing support, both financial and in terms of social work services. Previously, the level of support provided was minimal but more recently the level of ongoing support to these children and their special guardians has also increased with many considered children in need and requiring ongoing social work intervention, albeit at a lower level. We have experienced an increase in the number of situations where social work support has been required at an enhanced level. In addition, most of these arrangements are supported with a financial support package. Both the support and review of financial arrangements have created additional demands on the family placement service.
- 3.9 Special guardianship is one of a number of arrangements, alongside adoption and long term fostering, that achieves permanence for children looked after. We have used the adoption reform grant to support special guardianship and adoption performance and without the additional (staffing) resources that the grant has funded would place significant pressure on the service in meeting current demand. The majority of the grant, to date, has been used to employ temporary staff to meet the increase in demand.
- 3.10 In 2014, the Department for Education announced that it was seeking to establish regional adoption agencies to become effective from 1 April 2016. It was unclear to what extent this would replace local adoption agency activity but adoption agencies were required to begin the process of looking at how this is achieved. London authorities, through the London adoption leadership board, have started to map what a ‘London wide’ adoption may look like and has secured funding from the DfE to scope firm proposals. On the 9 February 2016, Edward Timpson wrote to all local authorities confirming that a) the implementation date for the creation of regional adoption agencies was now not expected to be the 1 April 2016 (no firm date

published) and b) the new regional model will be expected to undertake all aspects of adoption activity for children including the recruitment, matching and support functions currently carried out by local authorities.

3.11 As a result of the uncertainty about the future provision of adoption services, including how these are to be funded and whether staff will remain employed by local authorities or transferred to a new organisation, we have delayed any internal realignment of staffing and functions to embrace the additional demands created by the increase in special guardianship activity and maintaining current adoption activity. During 2016/17 we intend to review the structure of the family placement team and where appropriate change functions that addresses the changes in the demands on the service.

#### 4. POLICY IMPLICATIONS

4.1 Improving permanence is a key objective for Children Looked After and contributes toward *Building a better Bromley*

#### 5. FINANCIAL IMPLICATIONS

5.1 The adoption reform grant has, primarily, been used to employ staff to implement the required changes in adoption processes, support increases in adoption and fund a significant increase in court ordered special guardianship assessments. This approach has reduced the need to commission these from external providers at a greater cost to the authority.

5.2 The local authority has received a non ring fenced grant of £820,906 to improve adoption and permanence of children looked after. By the end of 2015/2016 it is estimated that £688,583 would have been spent. £132,323 remains in contingency.

5.3 It is proposed that the adoption remaining adoption reform grant will be used to fund the majority of the costs of the additional activity for special guardianship assessments and support and the additional adoption medical's delivered through a contract with Bromley Healthcare:

Purpose	£000
1 deputy manager and 1 social worker	113
Adoption medicals (Bromley Healthcare contract)	30
Total required 2016/17	143
Salary costs within existing budgets	(11)
<b>Funding required</b>	<b>132</b>
<b>Remaining adoption reform grant in contingency</b>	<b>(132)</b>

5.4 Although there are some additional burdens being funded through this grant, fewer children will be placed in foster care placements and will move into special guardianship and adoption placements.

5.5 The average cost of an in-house fostering placement is £20,000, an adoptive placement is £10,000 and special guardianship placement is £9,000. This means for every child diverted from a foster placement will save in the region of £10 - £11K per annum. The impact of these savings will need to be assessed in terms of the medium term financial strategy moving forward.

5.6 The grant funding for adoption reform activity has actually ceased. £132k remains in contingency and it proposed that this will fund activity into 2016/17 only (with the small additional amount funded from existing budgets). Arrangements are being put in place for an exit strategy that does not put an additional burden on council resources, although given the increase in activity, will present a significant challenge.

## 6. PERSONNEL IMPLICATIONS

6.1 All posts funded by the grant are on a fixed term basis or through the engagement of locum workers.

<b>Non-Applicable Sections:</b>	Legal implications
Background Documents: (Access via Contact Officer)	Reports to the Executive on 12 June 2013, 11 September 2013, 15 October 2014 and 20 May 2015.

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<sup>i</sup> B-S (Children) [2013] EWCA Civ 1146

Report No.  
ED16020

London Borough of Bromley

PART ONE - PUBLIC

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**Decision Maker:** Executive

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

**Date:** 8th March 2016

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

**Title:** SEND REFORMS - DRAW DOWN AND CARRY FORWARD OF GRANT FUNDING(NEW BURDENS) TO SUPPORT THE LOCAL AUTHORITY IN IMPLEMENTING THE SPECIAL EDUCATIONAL NEEDS REFORMS

**Contact Officer:** Mary Cava, SEN Implementation Manager  
Tel: 020 8461 7633 E-mail: Mary.Cava@bromley.gov.uk

**Chief Officer:** Director: Education (ECHS)

**Ward:** (All Wards);

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## 1. Reason for report

1.1 This report is seeking approval for the following:-

- (a) **SEN Implementation (New Burdens) Grant 2015/16** - carry forward of underspend of £80k and the £28k which was kept in contingency (£108k in total)
- (b) **London SEND Regional Lead Grant 2015/16** – carry forward of underspend of £15k from shared grant (with partner Enfield)
- (c) **SEN Implementation (New Burdens) Grant 2016/17** – draw down £180k from grant of £201k with remaining £21k to stay in contingency for draw down at a later date if required

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## 2. RECOMMENDATIONS

2.1 The Education PDS Committee Budget Sub Meeting is asked to note and consider the contents of this report

2.2 The Executive is asked to:

- (i) Consider the contents of the report
- (ii) Approve the carry forward and draw-down of £28k grant for 2015/16 to the 2016/17 budget as detailed in para 4.1.
- (iii) Approve the carry forward to 2016/17 of the under-spends in 2015/16 of £80k and £15k as detailed in para 4.2.

- (iii) Approve the draw-down to the 2016/17 budget of part of SEN New Burdens Grant 2016/17 of £180k, with the remaining £21k to stay in contingency ring-fenced for drawdown at a later date if required as detailed in para 4.3.**

### Corporate Policy

1. Policy Status : Draft Education and Care Services Plan for 2016/17 and Government Directed.
  2. BBB Priority: Children and Young People: Enjoy learning and achieve their full potential; ensuring the health and wellbeing of children and young people, and their families. Ensure those pupils with SEN have good outcomes (Education Commitments 5, 6 & 15)
- 

### Financial

1. Cost of proposal: Estimated: £303k
  2. Ongoing costs: Non-Recurring Cost: One-off payment until March 2017
  3. Budget head/performance centre: SEN Reform Implementation (136034)
  4. Total current budget for this head: £484k (2015/16 grant funding)
  5. Source of funding: DfE grants;- SEND Implementation (New Burdens) 2<sup>nd</sup> year grant
- 

### Staff

1. Number of staff (current and additional):6 fte Additional Staff(short term contract)
  2. If from existing staff resources, number of staff hours:
- 

### Legal

1. Legal Requirement: Statutory Requirement: The Children and Families Act has received Royal Assent and became law from September 2014. There is a phased approach to delivering the transitions from Statements to EHC Plans.
  2. Call-in: Applicable
- 

### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Estimated number of users/beneficiaries (current and projected): 1,341 children with a Statement of SEN.
- 

### Ward Councillor Views

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

### 3. COMMENTARY

- 3.1 This is the second year of a three year Government specified programme for the transition of statements into Education Health and Care Plans (EHCP). The challenge is to transfer all statements of SEN into Education Health and Care Plans where appropriate within a very tight statutory timeframes of 3 years.
- 3.2 Due to the grant resource available last year officers were able to review and transition 509 statements into EHC Plans.
- 3.3 There are currently 1,341 pupils with a Statement of SEN which will need to be reviewed and a plan written within the timeframe above. This involves work with the child, the parent/carer and all other professionals involved in ensuring the child's needs are identified and met appropriately within specific time frames. The grant will be used for the extra staff required to deliver these changes.
- 3.4 Further work will be carried out to ensure robust personal budgets policy and practice is in place to deliver the statutory changes in this area. Training of staff will ensure this work is understood and delivered in accordance with Bromley policy and government requirements.
- 3.5 Government has provided the New Burdens Grant to support local authorities in delivering these reforms. Staff will be increased in the SEN Operations Teams to co-ordinate the assessment and key workers will be put in place to ensure that the new SEND Code of Practice is adhered to. The statute requires Bromley Local Offer to be reviewed and updated this will be carried out during this period.
- 3.6 This grant will also being used to review the SEND Services and provisions within Bromley to ensure the services and provisions are "fit-for purpose" reflecting the new government requirements. This review will inform a five year strategy to deliver high quality, cost effective SEND services in line with the Council's vision and to ensure appropriate specialist place planning for pupils with complex SEND. This will enable the majority of needs to be met locally through high quality and cost effective provision and avoiding costly out of borough placements.
- 3.7 There is always a time lag with grant usage due to processes that need to be followed to drawdown grants and to employ skilled staff; thus an underspend has accrued. We have now appointed staff and require the funding to continue their employment.
- 3.8 Bromley has been a Pathfinder Champion for the last two years and this has benefited the local authority in accessing high quality training and innovative practice. A carry forward of £15k of this grant is required to continue to deliver the training programme.
- 3.9 At the time of writing (February 2016) there are **1,341 children and young people with a Statement** of SEN maintained by LB Bromley. There are **509 EHC Plans** of which 470 were finalised in 2015. There are **141 transitions currently in process**.
- 3.10 **Prioritising the Phased Transfers:** Under Government direction further planned transfer is as follows:-

Target Groups for Transfer to EHC Plans September 2016- August 2017	497
Target Groups for Transfer to EHC Plans September 2017- August 2018	529

- 3.11 This grant will ensure the transition process meets government regulations



#### 4. FINANCIAL IMPLICATIONS

- 4.1 At its meeting on 24<sup>th</sup> March 2015, Executive approved the drawdown of £148k of the non-ring-fenced £176k SEN Implementation (New Burdens) Grant 2015/16, with the £28k remainder to remain in the Council's Central Contingency for drawdown at a later date. It is now requested that this £28k be carried forward and drawn-down into the 2016/17 budget.
- 4.2 A second non-ring-fenced grant was received for 2015/16, the SEND Regional Lead Grant of £62k, which replaced the previous SEND Pathfinder Grant, and which was approved for drawdown by Executive on 14<sup>th</sup> October 2015. Due to the lateness in the grant announcement and the time required to recruit temporary skilled staff, there is a projected underspend of £15k on this grant in 2015/16, and £80k underspend on the SEN Implementation (New Burdens) Grant. It is requested that these underspends are carried forward to the 2016/17 budget.
- 4.3 Confirmation of further funding has recently been received, with the Council allocated £201k SEN Implementation (New Burdens) Grant 2016/17. It is requested that £180k of this is drawn-down to the 2016/17 budget, with the remaining £21k to remain in Central Contingency for drawdown at a later date if required. This will provide a total of £303k funding for 2016/17 as summarised below.

	<b>£'000</b>
SEN Implementation (New Burdens) Grant 2015/16 - in Central Contingency	28
SEN Implementation (New Burdens) Grant 2015/16 - underspend	80
SEND Regional Lead Grant underspend	15
SEN Implementation (New Burdens) Grant 2016/17	180
	<u><b>303</b></u>

- 4.4 This funding will be used to continue the extra capacity to deliver the transitions of statements to EHC plans or pupil resource agreements; review current SEND services and provisions; embed the new policies and practices; develop robust systems for recording and monitoring the EHC process, Personal Budgets and ensure the workforce has a clear understanding of policy and practice. A total of £32k will be provided to third parties, and £271k used to employ a total of 7 FTE temporary staff, as detailed in the table below.

<b>Funded Element</b>	<b>Detail</b>	<b>2016/17 £'000</b>
Implementation Manager & Temporary inclusion professionals across 0-25 (3 fte)	Implementation Manager & skilled professionals to implement changes, co-ordinate activity, re-organisation of SEN Services. Targeting of year groups requiring conversion	148
Additional temporary Assessment & Placement Officers (3 fte)	Transfer of statements to EHC	94
LBB Partners	Voluntary agencies – delivery of elements of the statutory requirements/co-production/involving young people/delivery of services	32
Extending Social Innovation Project (0.5 fte)	Development of new approach to proportionate methods of assessment for children and families as they enter the statutory system. Testing & delivering approaches that will be value for money and offer potential savings.	15
Regional Lead training (0.5 fte)	Training programme for Bromley and London Region (specified Programme guided by DfE)	14
<b>Total</b>		<b>303</b>

## 5. POLICY IMPLICATIONS

- 5.1 Existing policy to deliver high quality cost effective services. Education Services Plan 2016/17.
- 5.2 BBB Priority: Children and Young People: Enjoy learning and achieve their full potential. Ensure those pupils with SEN have good outcomes – (Education Commitments 5, 6 & 15)

## 6. LEGAL IMPLICATIONS

- 6.1 Legal Requirement: new statutory regulations (Children & Families Act September 2014) ensuring statutory compliance across Bromley and London.

## PERSONNEL IMPLICATIONS

- 7.1 Number of staff; currently the equivalent of 7 full time equivalent members of staff to be employed on temporary contracts for a period of one year only.

<b>Non-Applicable Sections:</b>	None.
Background Documents: (Access via Contact Officer)	Phase 2:- Drawdown of government (new burdens) grant funding held in contingency to support the Local Authority in implementing the Special Education Needs Reforms – Executive 24 <sup>th</sup> March 2015 DfE Documentation: SEN & Disability Code of Practice 0-25, 2014

Report No.  
ED16016

London Borough of Bromley

PART ONE - PUBLIC

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**Decision Maker:** Executive

**Date:** 23<sup>rd</sup> March 2016

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

**Title:** **BASIC NEED PROGRAMME**

**Contact Officer:** Jane Bailey, Director: Education  
Tel: 020 8313 4146 E-mail: [jane.bailey@bromley.gov.uk](mailto:jane.bailey@bromley.gov.uk)

Robert Bollen, Head of Strategic Place Planning  
Tel: 020 8313 4697 E-mail: [robert.bollen@bromley.gov.uk](mailto:robert.bollen@bromley.gov.uk)

**Chief Officer:** Director of Education

**Ward:** All

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1. Reason for report

This report updates the capital schemes included within the Council's Basic Need Programme with a project value over £1million.

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2. **RECOMMENDATIONS**

- 2.1 That the Executive agrees the updated Updated Basic Need Programme as set out in Appendix 2.
- 2.2 That approval be given to the fully costed appraisal for the new schemes at Beacon Academy (Burwood site), Bishop Justus School, Castlecombe Primary School, Dorset Road Infants School, Mead Road Infants School, St John's CE Primary School and Tubbenden Primary School in addition to the projects outlined in the previous report agreed by the Executive on 2 April 2014 and 20<sup>th</sup> May 2015 as set out in Appendix 1 to this report.
- 2.4 That the Director of Education be authorised to support schools to submit planning applications in association with these works.

### Corporate Policy

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

### Financial

1. Cost of proposal: Estimated Cost
  2. Ongoing costs: Non-Recurring Cost
  3. Budget head/performance centre: Education Capital Programme
  4. Total current budget for this head: £72,190,378
  5. Source of funding: DfE Basic Need Capital Grant, DfE Capital Maintenance Grant, S106 contributions
- 

### 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):
- 

### Ward Councillor Views

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

### 3. COMMENTARY

- 3.1 This report updates the Council's Basic Need Capital Programme with schemes with an estimated value in excess of £1 million.
- 3.2 The Council receives Basic Need Capital Grant from the DfE to support the delivery of sufficient school places, with a total of £70.9m so far allocated for 2011-2018. The next tranche of Basic Need Capital funding is due to be announced by Government over the next few months.

2011-12 allocation	£4,496,771
Autumn 2011 exceptional in-year allocation	£1,277,936
2012-13 allocation	£2,404,519
Spring 2012 exceptional in-year allocation	£1,590,436
2013-15 allocation	£9,968,079
2015-16 allocation	£20,635,153
2016-17 allocation	£21,666,911
2017-18 allocation	£8,837,573
Contribution from DfE Capital Maintenance Grant underspend	£1,200,000
Transfer from Reconfiguration of Special Schools Scheme	£113,000
Total allocation to date:	£72,190,378

- 3.3 The table above includes the Basic Need Capital Grant available inclusive of contributions from DfE Capital Maintenance Grant and funds allocated within the Council's capital programme for the reconfiguration of special schools.
- 3.4 In addition, the Basic Need capital programme also includes capital contributions from a range of other capital funding programmes including Seed Challenge, Access Initiative and Suitability along with Section 106 contributions. The detail of S106 contributions were included within the Approval of Procurement Strategy for Basic Need Projects and the Glebe School Expansion and Allocation of Section 106 Funding to education reports agreed by the Executive on 2 April 2014. A report on new S106 allocation for education projects will be presented to a later meeting of the Executive.
- 3.5 Appendix 2 includes details of the Basic Need Programme, those schemes complete, in delivery and planned. There are currently schemes to the value of £87.1m either Completed or Projects in Delivery (Funded). These have been allocated £71.7m from the Basic Need Capital Scheme and £10.9m from other sources. There is currently a £2.8m budget shortfall for these schemes, but this can be covered by the programme contingency. There is currently insufficient funding provided by the DfE and other sources to deliver all the schemes within the Basic Need Programme.
- 3.6 A new category of scheme in development (unfunded) has been added for schemes where schemes are being entered into the main delivery programme with construction subject to

funds becoming available. . There are now three types of projects within the Basic Need Programme:

- Projects in Delivery (Funded) – schemes that are in the delivery phase and have available funding allocated to them to allow delivery
- Projects in Delivery (Unfunded) – schemes that are not fully funded, but are being delivered to a ‘shovel ready’ status awaiting availability of funds
- Project in Development – schemes being prepared based on forecast need but with no agreement on development

3.7 Design development of schemes not in the delivery phase (funded or unfunded) of the programme will continue, but schemes will not be brought forward for delivery until funding is available. For ‘schemes in development’ to be brought forward into the pool of ‘schemes in delivery’ there will need to be clear evidence that these are priority schemes.

3.7 The Council undertook further feasibilities at a number of schools during 2015 and 2016 as part of the delivery of its primary school development plan. Following a review of the feasibility studies and projections of the growth in pupil numbers, the Council has added additional projects to the education capital programme

3.8 The new schemes are set out below. Where sufficient information is available appraisals are provided in Appendix 1.

School	Description of Proposal
Beacon Academy (Burwood site),	Improvements at school to allow KS2 pupils to be admitted following opening of Beacon House. Improved facilities designed in line with BB104 DfE guidance.
Bishop Justus School,	2FE expansion of school as part of proposals to provide sufficient school places required by 2017.
Castlecombe Primary School,	Expansion of KS2 provision to provide places for pupils from Dorset Road Infants School
Dorset Road Infants School	Increase capacity of school from 25 to 30 pupils in each year group.
Mead Road Infants School	Feasibility identifying future options for the school both at KS1 and KS2. This would deal with present uncertainty for pupils transitioning to KS2 that presently do not have a guarantee of a school places at another school.
St John’s CE Primary School	The proposal would increase the school from 1.5 FE to 2 FE, providing additional much needed primary places in the north west of the borough. This project replaces the scheme at James Dixon primary School where governors have indicated that they do not want the school to expand further.
Tubbenden Primary School	Would expand the SEN unit at the school and provide additional hygiene facilities.

### **Changes to estimated costs**

- 3.8 Appendix 2 includes an analysis of changes to the estimated cost of schemes to enable members to more easily analyse where changes have occurred in estimated project costs since the last Basic Need Report to the Executive in May 2015.
- 3.9 The increase in the overall programme value reflects the increase in the estimated final cost of individual schemes as well as the addition of project management costs related to the programme's delivery.
- The estimated costs of the scheme at Poverest Primary School (line B13 Appendix 2) has increased during the design development stage due to the need to address the topography of the site and provide a multi-use-games-arena to satisfy Sports England by substituting for playing field lost.
  - At Stewart Fleming Primary School (lines A39 and B17 Appendix 2) costs have increased as a result of dealing with the constrained nature of the site, having to undertake more structural surveys and the phasing of works. As a result this scheme is likely to be delivered as two distinct projects.
  - The estimated costs of the schemes at St George's CE Primary School and Scott Park Primary School have also increased during the detailed development of the proposals and these changes are reflected at lines B15 and B16 in Appendix 2.
  - In addition lines A47, B22 and B23 give details of capitalised staffing costs associated with delivery of the school expansion programme.

### **Schemes completed**

- 3.8 The Council has now completed 45 projects within the Basic Need Programme, with other significant projects such as Beacon House, Clare House Primary School and Parish CE Primary School nearing completion.

### **Planning applications**

- 3.11 Awaiting determination:

Bishop Justus School and Trinity CE Primary School

Leesons Primary School

Oaklands Primary School

Poverest Primary School

Scotts Park Primary School

- 3.13 Under preparation;

Beacon Academy (Burwood site)

Castlecombe Primary School

Farnborough Primary School

Marian Vian Primary School

3.14 The Lewisham Modular Framework expires shortly and the procurement strategy for the programme is currently being reviewed. A report will be produced for consideration by the Executive regarding the future procurement options for delivering school expansion.

#### 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 An Excellent Council. This policy also contributes to key targets within the Education Portfolio Plan.

#### 5. FINANCIAL IMPLICATIONS

5.1 The Council has been allocated £70.9m in 100% capital grant for the financial years 2011-18 to meet the basic need provision in schools. The programme also includes various transfers from other schemes to support the delivery of the Council's Basic Need Programme. Allocations have also been made from Basic Need to support other school expansion schemes, resulting a total current budget of £71.7m as shown in the table below.

	<b>£'000</b>	
2011-12 allocation	4,497	
Autumn 2011 exceptional in-year allocation	1,278	
2012-13 allocation	2,405	
Spring 2012 exceptional in-year allocation	1,590	
2013-15 allocation	9,968	
2015-16 allocation	20,635	
2016-17 allocation	21,667	
2017-18 allocation	8,838	
<b>Total Basic Need Grant Allocation</b>	<b>70,878</b>	
Transfer to Highway Primary Rebuild Scheme	-650	approved Exec 07/03/12
Contribution from DfE Capital Maintenance Grant	1,200	approved Exec 20/11/13
s106 allocations to projects in programme to date	705	approved Exec 02/04/14
Transfer from Reconfiguration of Special Schools Scheme	113	approved Exec 11/02/15
Transfer to Beacon House Refurbishment Scheme	-577	approved Exec 02/12/15
<b>Total Virements to/from Basic Need</b>	<b>791</b>	
<b>Total Basic Need Scheme Budget</b>	<b>71,669</b>	Approved capital programme budget
Highway Primary Rebuild Scheme	650	
Beacon House Refurbishment Scheme	577	
s106 funding	-705	
<b>Adjusted Basic Need</b>	<b>72,191</b>	See para 5.2 below

5.2 For the purposes of monitoring total Basic Need related expenditure, and to ensure that any underspends are returned to Basic Need, the £650k and £577k transfers to the Highway Primary Rebuild and Beacon House Refurbishment Schemes respectively have been added back in to the list of projects, and the Section 106 funding removed and shown as other funding.



- 5.3 As detailed in Appendix 2, the updated Basic Need Programme for the period 2011-18 has an estimated total expenditure of £141.7m. £13.9m funding towards this has been identified from other sources, leaving £127.8m to be funded from Basic Need, a shortfall of £56.1m on the current allocation.
- 5.4 To date, a total of £87.1m expenditure has been committed (completed schemes plus schemes in delivery), of which £71.7m is funded from the Basic Need Capital Scheme

## 6. LEGAL IMPLICATIONS

- 6.1 The distribution and application of monies received from Central Government is subject to guidance and advice from the Department for Education. Under Section 14 Education Act 1996 the Council has a statutory duty to ensure that there are enough primary and secondary school places are available to meet the needs of pupils in its area.
- 6.2 Section 106 monies must be spent in accordance with the Education contribution clauses

<b>Non-Applicable Sections:</b>	<b>PERSONNEL IMPLICATIONS</b>
Background Documents: (Access via Contact Officer)	Basic Need Update Report 13

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**APPENDIX 1 - PROJECT FINANCIAL APPRAISALS OF NEW SCHEMES OR WHERE VALUES HAVE CHANGED**

**Bishop Justus**

Stage: Planning

	2014/15 (£'000s)	2015/16 (£'000s)	2016/17 (£'000s)	2017/18 (£'000s)	Total (£'000s)
Land Acquisition	0	0	0	0	0
Contract Payments - Main Contract Phase 1			606		606
Contract Payments - Main Contract Phase 2				3,434	3,434
Consultant Fees	50	175	150	29	404
Furniture and Equipment		10	20	70	100
Contingency	0	0	61	343	404
	50	185	837	3,876	4,948

**Burwood (Beacon Academy KS2 & 3)**

Stage: Detailed design

	2014/15 (£'000s)	2015/16 (£'000s)	2016/17 (£'000s)	2017/18 (£'000s)	Total (£'000s)
Land Acquisition	0	0	0	0	0
Contract Payments - Main Contract			2,000	1,470	3,470
Fees		50	250	47	347
Furniture and Equipment			80		80
Contingency	0	0	200	147	347
	0	50	2,530	1,664	4,244

**Castlecombe Primary School**

Stage: Detailed design

	2014/15 (£'000s)	2015/16 (£'000s)	2016/17 (£'000s)	2017/18 (£'000s)	Total (£'000s)
Land Acquisition	0	0	0	0	0
Contract Payments - Temporary Works			636		636
Contract Payments - Main Contract			1,000	1,602	2,602
Consultant Fees		60	150	50	260
Furniture and Equipment			40		40
Contingency	0	0	164	160	324
	0	60	1,990	1,812	3,862

**Dorset Road Infants School**

Stage Feasibility

	2014/15 (£'000s)	2015/16 (£'000s)	2016/17 (£'000s)	2017/18 (£'000s)	Total (£'000s)
Land Acquisition	0	0	0	0	
Contract Payments - Main Contract Phase 1					
Consultant Fees					
Universal Infant Free School Meal Contribution					
Furniture and Equipment					
Contingency					
					TBC

**Glebe School**

Stage: Construction

	2014/15 (£'000s)	2015/16 (£'000s)	2016/17 (£'000s)	2017/18 (£'000s)	Total (£'000s)
Land Acquisition	0	0	0	0	0
Contract Payments - Main Contract		3,658	94		3,752
Enabling Works	209	5	0		214
Fees	178	208	10		396
Furniture and Equipment		150			150
Contingency		366	9		375
	387	4,387	113	0	4,887

**Leesons Primary School**

Stage: Planning

	2014/15 (£'000s)	2015/16 (£'000s)	2016/17 (£'000s)	2017/18 (£'000s)	Total (£'000s)
Land Acquisition	0	0	0	0	0
Contract Payments - Main Contract					2,990
Fees					323
Universal Free School Meals					100
Furniture and Equipment					90
Contingency					300
	0	0	0	0	3,803

**Mead Road Infant School**

Stage Feasibility

	2014/15 (£'000s)	2015/16 (£'000s)	2016/17 (£'000s)	2017/18 (£'000s)	Total (£'000s)
Land Acquisition					
Contract Payments - Main Contract					
Universal Free School Meals					
Fees					
Furniture and Equipment					
Contingency					
					TBC

**Oaklands Primary School**

Stage: Planning

	2014/15 (£'000s)	2015/16 (£'000s)	2016/17 (£'000s)	2017/18 (£'000s)	Total (£'000s)
Land Acquisition	0	0	0	0	0
Contract Payments - Main Contract					6,135
Fees					614
Furniture and Equipment					
Contingency					614
	0	0	0	0	7,363

**Parish Primary School**

Stage: Defects

	2014/15 (£'000s)	2015/16 (£'000s)	2016/17 (£'000s)	2017/18 (£'000s)	Total (£'000s)
Land Acquisition					
Contract Payments - Main Contract	800	1,566	73		2,439

Summer works 2014	235				235
Contract Payments - Second Entrance	145	5			150
Universal Free School Meals	27	73			100
Fees	240	63	8		311
Furniture and Equipment	10	90	0		100
Contingency			7		7
	1,457	1,797	88	0	3,342

**Poverest Primary School**

Stage: Planning

	2014/15 (£'000s)	2015/16 (£'000s)	2016/17 (£'000s)	2017/18 (£'000s)	Total (£'000s)
Land Acquisition					
Contract Payments - Main Contract					3,860
UIFSM					100
Fees					386
Furniture and Equipment					40
Contingency					386
					4,772

**St George's CE Primary School**

Stage: Tender

	2014/15 (£'000s)	2015/16 (£'000s)	2016/17 (£'000s)	2017/18 (£'000s)	Total (£'000s)
Land Acquisition					
Contract Payments - Main Contract					1,652
Fees					165
Universal Infant Free School Meals					100
Furniture and Equipment					100
Contingency					185
					2,182

**St John's CE Primary School**

Stage: Feasibility

	2014/15 (£'000s)	2015/16 (£'000s)	2016/17 (£'000s)	2017/18 (£'000s)	Total (£'000s)
Land Acquisition					
Contract Payments - Main Contract					
Fees					
Furniture and Equipment					
Contingency					
					TBC

**Scotts Park Primary School**

Stage: Planning

	2014/15 (£'000s)	2015/16 (£'000s)	2016/17 (£'000s)	2017/18 (£'000s)	Total (£'000s)
Land Acquisition	0	0	0	0	0
Contract Payments - Main Contract					2,350
Consultant Fees					235
Universal Free School Meals					100

Furniture and Equipment					50
Contingency					235
					2,970

**The Pioneer Academy**

Stage: Procurement (main contract)

	2014/15 (£'000s)	2015/16 (£'000s)	2016/17 (£'000s)	2017/18 (£'000s)	Total (£'000s)
Land Acquisition	0	0	0	0	
Contract Payments - Phase 1					2,898
Contract Payments - Phase 2					4,091
Fees					699
Universal Free School Meals					100
Furniture and Equipment					100
Contingency					699
					8,587

**Trinity CE Primary School**

Stage: Planning

	2014/15 (£'000s)	2015/16 (£'000s)	2016/17 (£'000s)	2017/18 (£'000s)	Total (£'000s)
Land Acquisition					0
Contract Payments - Summer 2016 Works			1,213		1,213
Contract Payments - Main Contract				3,780	3,780
Fees		100	133	145	378
Universal Infant Free School Meals				100	100
Furniture and Equipment		10	10	80	100
Contingency	0	0	121	378	499
	0	110	1,477	4,483	6,070

**Tubbenden Primary School**

Stage Feasibility

	2014/15 (£'000s)	2015/16 (£'000s)	2016/17 (£'000s)	2017/18 (£'000s)	Total (£'000s)
Land Acquisition					
Contract Payments - Main Contract					
Fees					
Furniture and Equipment					
Contingency					
					TBC

APPENDIX 2 BASIC NEED PROGRAMME 2011-18 March 2016

	School	Description of Works	Type	Year (s)	Status	Project cost (£000s)	Funding sources			Budget Changes		
							Basic Need	Other	Source of funding	Cost May 2015	Change	Explanation
<b>Completed Projects</b>												
A1	Balgowan Primary School	Conversion of existing space to form single bulge class	Temporary 'Bulge'	2014	Complete	10	10			10	0	
A2	Bickley Primary School	Kitchen and servery works to complete expansion to full 2FE	Permanent Expansion	2011	Complete	103	103			103	0	
A3	Bromley Road	First phase of works to support re-organisation - asbestos strip out	Change of age range	2014	Complete	76	76			113	37	Updated Final Cost
A4	Bromley Road Infants	Internal remodelling/ refurbishment to provide accommodation for the re-organised school	Change of age range/ option for 'bulge' class	2015	Final Account	1,006	1,006	0		980	-26	Phasing works and unforeseen works due to age and condition of building
A5	Burnt Ash Primary School	Internal SEN unit modifications to address OfSTED recommendations	School rebuild	2012	Complete	50	50			50	0	
A6	Churchfields Primary School	Modifications to existing building to support 4 years of expansion	Permanent Expansion	2011-2014	Complete	357	357			357	0	
A7	Churchfields Primary School	New nursery block, small extension and internal modifications	Permanent Expansion	2015	Final Account	1,010	1,010			1,010	0	
A8	Clare House Primary School	Internal modifications and 3 X temporary accommodation	Temporary 'Bulge'	2012-14	Complete	578	449	129	DSG	578	0	
A9	Crofton Primary School	New build class and facilities for additional 'Busy Bees' class	SEN	2014	Awaiting Final invoices	475	450	25	Access Initiative	475	0	
A10	Darrick Wood School	AccessWorks - acoustic partitions and associated ICT/M&E works	SEN	2012	Complete	45	45			45	0	
A11	Darrick Wood Infant School	Review of space at school	Site sufficiency	2014	Space planning	4	4			4	0	
A12	Darrick Wood Junior School	Review of space at school	Site sufficiency	2014	Space planning	4	4			4	0	
A13	Farnborough Primary School	Internal works and FF&E For Bulge class in advance of new facilities being brought forward.	Bulge' class	2015	Complete	9	9			0	-9	Bulge Class 2015
A14	Harris Primary Academy Crystal Palace	Minor refurbishment and temporary toilet unit to facilitate an extra form of entry in 2011 & 2012.	Permanent Expansion	2011-14	Complete	125	104	21	DSG	125	0	

A15	Harris Primary Academy Crystal Palace	Internal refurbishment and external works to support permanent expansion of school	Permanent Expansion	2014-2015	Final Account	1,009	1,009			1,009	0	
A16	Harris Primary Academy Kent House	Modular accommodation to provide an additional form of entry in 2011.	Temporary 'Bulge'	2011	Complete	263	263			263	0	
A17	Hawes Down Infants School	Conversion of existing space to for single bulge class	Temporary 'Bulge'	2012	Complete	115	115			115	0	
A18	Hawes Down Junior School	Additional class to admit 'bulge' class currently in junior school plus potential additional unit class	Bulge' class	2015	Final Account	861	861			850	-11	Detailed cost of SEN unit expansion now known
A19	Hillside Primary School	Contribution from Basic Need to delivery of SEN facilities at school	SEN	2011	Complete	100	57	43		100	0	
A20	James Dixon Primary School	Temporary reception block with potential for additional class in 2015	Temporary 'Bulge'	2014	Awaiting Final invoices	193	117	76	DSG	193	0	
A21	James Dixon	Second Bulge Class and nursey	Bulge' class	2015	Final Account	547	547			520	-27	
A22	Keston CE Primary School	Internal and external works to provide permanent facilities for 2012 class.	Bulge' class	2015	Final Account	667	667			960	293	Works for MUGA tendered separately
A23	Langley Park School for Boys	Internal works and FF&E For Bulge class in advance of new facilities being brought forward.	Bulge' class	Summer 2015	Awaiting Final invoices	56	56			50	-6	Additonal cost with regards dining facilities
A24	Leesons Primary School	Conversion of existing space to for single bulge class	Temporary 'Bulge'	2014	Awaiting Final invoices	20	20			20	0	
A25	Marian Vian Primary School	Internal works and FF&E For Bulge class in advance of new facilities being brought forward.	Bulge' class	2015	Detailed Design	37	50			50	13	Updated Final Cost
A26	Midfield Primary School	Refurbishment of existing accommodation and new nursery block	Temporary 'Bulge'	2012-14	Complete	503	503			503	0	
A27	Midfield	Internal refurbishment and expansion to support permanent expansion	Permanent Expansion	2015-16	Final Account	1,200	1,200			1,295	95	Updated Final Cost
A28	Mottingham	Works to allow admission of 3rd KS2 class	Temporary 'Bulge'	2014	Awaiting Final invoices	50	50			50	0	
A29	Parish CE Primary School	3 New recption classrooms	Temporary 'Bulge'	2011-14	Awaiting Final invoices	608	608			608	0	
A30	Poverest Primary School	Conversion of existing space to form single bulge class	Temporary 'Bulge'	2014	Awaiting Final invoices	80	80			80	0	
A31	Princes Plain Primary School	Refurbishment of classes in ED C accommodation	Temporary 'Bulge'	2012-14	Complete	467	327	140		467	0	
A32	Red Hill Primary School	Improvement of toilet facilities to support increase in pupil numbers	Temporary 'Bulge'	2012	Complete	57	57			57	0	
A33	Riverside School	New school hall and ASD specific entrance	SEN	2013-14	Awaiting Final invoices	1,220	699	521	\$106 and other capital	1350	130	Updated Final Cost
A34	Scotts Park Primary School	Refurbishment of early years area temporary accommodation block	Temporary 'Bulge'	2012-14	Complete	498	463	35	\$106	498	0	



A35	St George's CE Primary School	Conversion of existing space to form single bulge class	Temporary 'Bulge'	2014	Awaiting Final invoices	10	10			10	0	
A36	St Mark's CE Primary School	Refurbishment of reception classrooms	Temporary 'Bulge'	2013	Complete	135	135			135	0	
A37	St Mary's Cray Primary School	Minor works to support admission of additional pupils	Temporary 'Bulge'	2012	Complete	11	11			11	0	
A38	St Paul's Cray CE Primary	Mixed refurbishment and new build to allow expansion from 1 to 2 FE	Permanent Expansion	2015	Final Account	2,522	2,522			2,589	67	Updated Final Cost
A39	Stewart Fleming (Pioneer Academy)	Conversion of existing space to form single bulge class, including creation of external storage area	Temporary 'Bulge'	2014	Awaiting Final invoices	53	53			53	0	
A40	The Pioneer Academy (Stewart Fleming)	Summer 2015 Temporary Accommodation for decant	Permanent Expansion	Autumn 2015	Complete	366	366			0	-366	Cost of Summer 2015 temporary accommodation
A41	Unicorn Primary School	Temporary classroom block to decant breakfast and after school club, fencing and temporary 'grasscrete' parking	Temporary 'Bulge'	2014	Awaiting Final invoices	373	330	28	DSG	411	38	Updated Final Cost
A42	Valley Primary School	Modular accommodation to facilitate an extra form of entry in 2011 & 2012.	Temporary 'Bulge'	2011 & 2012	Complete	353	353			353	0	
A43	Widmore Centre	Review of accommodation	Options appraisal	2014	Space planning	7	7			7	0	
A44	Worsley Bridge Primary School	Temporary modular classrooms to additional 2 classes in 2013	Temporary 'Bulge'	2013 & 2014	Complete	545	451	94	DSG	545	0	
A45	Worsley Bridge Primary School	Mixed refurbishment and new build to allow expansion from 2 to 3FE	Permanent Expansion	2015	Final Account	4,210	4,210			4,243	33	Updated Final Cost
A46	The Highway Primary School	Contingency to cover over-spend on project	School rebuild	2011	Complete	650	650			650	0	
A47	Capital Costs	Capitalised Project Management Costs	Programme Cost	2013-15		109	109			0	-109	Review of re-charges to capital
Cost of completed schemes						21,747	20,633	1,112				

	School	Description of Works	Type	Year (s)	Status	Project cost (£000s)	Funding sources			Budget Changes		
							Basic Need	Other		Cost May 2015	Change	Explanation
<b>Projects in Delivery (Funded)</b>												
B1	Beacon House (Burwood School)	Refurbishment of site to provide vocational offer and extend services to KS2 and girls.	Expansion of age range	2015-16	Construction	5,277	577	4,700	DSG	4967	-310	Uplift in tender estimate. Increase agreed by Exec at award
B2	Bishop Justus	Phase 1 expansion + Summer 2015	Bulge' class	September 2015	Planning	677	677			0	-677	FF&E + New Scheme
B3	Castlecombe Primary School	Temporary classrooms prior to new build, will also enable refurbishment of Dorset Road	KS2 Expansion	2016	Design Development	700	700			0	-700	New Scheme
B4	Clare House Primary School	New 2FE school replacing existing 1FE accommodation and temporary classrooms	Permanent Expansion	2015	Construction	6,422	6,422			6,422	0	
B5	Edgebury	New build to support expansion from 1 FE to 2 FE	Permanent Expansion	2016	Construction	4,536	4,536			3,785	-751	increase in cost through inflation plus addition requirement for temporary accommodation
B6	Farnborough Primary School	Feasibility on options to expand the school	Permanent Expansion	2015	Planning	5,084	5,084			5,084	0	
B7	Glebe School	New classroom block to support 2FE ASD secondary expansion	SEN	2015	Construction	4,887	7	4,880	DSG	4,880	-7	
B8	Keston CE Primary School	Multi Use games Area to replace area lost by expansion works	Bulge' class	2015	Construction	300	300			300	0	
B9	Leesons Primary School	Refurbishment of area separated from former day care centre and feasibility on options to expand the school	Permanent Expansion	Summer 2015	Planning	3,803	3,510	325	Achieving 2 Year Olds Capital Funding, Access initiative and Seed Challenge	3,347	-456	Increase in estimated cost
B10	Mottingham	Works associated with admitting an addition KS2 class and kitchen upgrade	Bulge' class	2015	Construction	980	980			980	0	KS2 Bulge Classes
B11	Ravensbourne Secondary	Move Gym to provide new classroom	Bulge' class	2015	Construction	945	945			945	0	Bulge Class
B12	Parish CE Primary School	New teaching block and secondary path	Permanent Expansion	2015	Construction	3,342	3,342			3,334	-8	

B13	Poverest Primary School	Summer 2015 bulge works and permanent expansion	Permanent Expansion	2014	Planning	4,772	4,547	225	Achieving 2 Year Olds Capital Funding	3,347	-1425	Pre tender cost includes MUGA needed to address loss of playingfield
B14	Secondary Review	Funding to support feasibilities and development of proposals for first Phase of Secondary Expansion	Potential Expansions	Ongoing	Feasibility	150	150			150	0	
B15	Scotts Park School	Expansion above existing school to complete expansion	Permanent Expansion	2016	Awaiting Planning Decision	2,970	2,970			2,970	0	
B16	St Georges CE Primary School	Refurbishment and expansion 1.5 FE to 2 FE	Permanent Expansion	2015-17	Tender	2,182	2,182			1,586	-596	Updated cost during detailed design
B17	The Pioneer Academy (Stewart Fleming)	Summer 2015 bulge works and permanent expansion	Permanent Expansion	Summer 2015	Tender	8,587	8,587			7,170	-1,417	Combined temporary and permanent costs more than original budget due to site specific issues.
B18	Trinity (Princes Plain)	Trinity (Princes Plain) Phase 1	Permanent Expansion	Summer 2016		1,477	1,168	309	EFA	1,524	47	
B19	Unicorn Primary School	New build expansion to ensure sufficient hall space, new classroom accomodation for 'bulge' class and hygiene facilities	Temporary 'Bulge' and suitability	2014-15	Construction	1,065	0	1,065	Seed Challenge & Access Initiative, \$106	1,065	0	Main contract price higher than tender estimate
B20	Projects in Delivery Unfunded	Preparatory costs for feasibility, design development and planning				522	522			522	0	
B21	Projects in development	Preparatory costs for feasibility, design development and planning				355	355			355	0	
B22	Capital Costs	Estimated Capitalised Project Management Costs	Programme Cost	2015-16	Project Management	130	130			130	0	
B23	Capital Costs	Estimated Capitalised Project Management Costs	Programme Cost	2016-17	Project Management	200	200			0	-200	
Unplanned Demand Contingency 2016						750	750					
Cost of schemes in delivery						60,113	48,641	11,504				
Programme Contingency (5%)						3,006	3,006					
Services and Abnormals Contingency (2.5%)						1,503	1,503					
In Delivery Schemes Total						65,371	53,899	11,504				
Completed Projects Plus Schemes in Delivery (Funded)						87,118	74,532	12,616				
Current Basic Need Scheme Budget							71,669					
Remaining							-2,863					
Changes to programme in delivery											-6,500	

	School	Description of Works	Type	Year (s)	Status	Project cost (£000s)	Funding sources			Budget Changes			
							Basic Need	Other		Cost (November 2015)	Change	Explanation	
<b>Projects in Delivery (Unfunded)</b>													
C1	Bishop Justus	Phase 2 & 3 Expansion - Hall Extension, Classrooms to Full 2 FE Expansion		Post Summer 2016	Planning - Phased delivery	4,271	4,271				0	-4,271	New Scheme
C2	Burwood	Expansion of provision to KS2 and KS2 & to admit girls		2016-17		3,125	3,125				0	-3,125	New Scheme
C3	Castlecombe	1 FE expansion in KS2 if link between Dorset Road and Castlecombe agreed		2016-18	Design Development	3,162	3,162				0	-3,162	New Scheme
C4	Oaklands	Ensuring accommodation is sufficient to admit 3FE and address issue remaining from amalgamation of infant and junior school	Site sufficiency	TBC	Design Development	7,334	7,334				8290	956	Changes to scheme post pre application meeting with planners and reduction in scope
C5	Trinity (Princes Plain)	Phase 2 - Link block, new 4 classroom block and kitchen, refurbishment and landscaping	Permanent Expansion	Post Summer 2017	Planning - Phased delivery	4,593	4,343	250	S106		4,864	271	
C6	Projects in Delivery (Unfunded)	Offset preparatory costs for feasibility, design development and planning - Costs to date				-355	-355						
						22,130	21,880	250					

	School	Description of Works	Type	Year (s)	Status	Project cost (£000s)	Funding sources		Notes
							Basic Need	Other	
<b>Projects in development</b>									
D1	Bleheim Primary School	Feasibility on options to expand the school	Potential Expansion	Ongoing	Feasibility	2,972	2,972		
D2	Chislehurst St Nicholas CE Primary School	Expansion of School to 2FE Primary School	Potential Relocation and Expansion	Ongong	Design Development	7,220	6,220	1,000	Estimated Capital receipt
D3	Dorset Road	Works to allow school to admit 30 in each class	Feasibility						New Scheme
D4	Green Street Green	Feasibility on options to expand the school from 2FE to 3FE	Potential Expansion	Ongoing	Feasibility	2,972	2,972		
D5	Marian Vian Primary School	Feasibility on options to expand the school	Potential Expansion	Ongoing	Feasibility	2,972	2,972		
D6	Mead Road Infants School	Options to ensure sufficient places at KS2 transfer	Potential Expansion						New Scheme
D7	St Mary' Cray Primary School	Feasibility on options to expand the school	Potential Expansion	Ongoing	Feasibility	2,970	2,970		
D8	Tubbenden Primary School	Feasibility on options to amalgamate the infant and junior SEN classes and expand SEN provision at the school	Potential SEN expansion	2017	Feasibility				New Scheme
D9	St John's CE Primary School	Feasibility on options to expand the school from 1.5 to 2FE	Potential Expansion	2016	Feasibility				New Scheme
D10	KS2 Expansion Planning Area 6	Development of proposal to address deficit of KS2 places in Planning Area 6	Potential Expansion and re-organisation	2014-16		3,500	3,500		
D11	Projects in development	Ofset preparatory costs for feasibility, design development and planning - Costs to date				-200	-200		
D12	Secondary Places	Phase 1 of Secondary Expansion		2015	No decision until 2017	10,000	10,000		
Cost of schemes in development						32,406	31,406	1,000	
Total Programme Cost						141,654	127,818	13,866	
Current Basic Need Scheme Budget							71,669		
Contribution to Basic Need Programme From Other Resources								13,866	
Potential Funding Gap							56,149		

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Report No.  
DRR16/018

## London Borough of Bromley

### PART ONE - PUBLIC

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**Decision Maker:** EXECUTIVE

**Date:** 23<sup>rd</sup> March 2016

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

**Title:** GATEWAY REPORT COMMISSIONING - PROPOSED TOTAL FACILITIES MANAGEMENT CONTRACT

**Contact Officer:** Colin Brand, Assistant Director Leisure and Culture  
Tel: 0208 313 4107 E-mail: colin.brand@bromley.gov.uk  
Lesley Moore, Assistant Director Transformation  
Tel: 0208 313 4633 E-mail: lesley.moore@bromley.gov.uk  
Dave Starling, Head of Corporate Procurement  
Tel: 0208 313 4639 E-mail: dave.starling@bromley.gov.uk

**Chief Officer:** Director of Regeneration & Transformation  
Director of Corporate Services  
Executive Director of Environmental & Community Services

**Ward:** All Wards

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1. Reason for report

- 1.1 This report updates Members on the Total Facilities Management work streams. This report follows the Executive decision on the 15<sup>th</sup> October 2014 to develop contract documentation for a bundle of services including Planning, Strategic Property, Operational Property, Facilities Management and Public Protection, with a view to conducting formal market testing.
  - 1.2 The report also updates Members on a second work stream that has been undertaken in tandem with the work above. Officers have worked with the Tri-Borough (Westminster City Council, Hammersmith and Fulham London Borough Council and the Kensington and Chelsea London Borough Council) and Amey Community Limited to identify cost savings which could be realised by contracting via the Tri-Borough framework agreement for Total Facilities Management.
  - 1.3 Subject to the agreed procurement route, this report sets out further options for the delivery of Planning and Public Protection Services.
-

## 2. RECOMMENDATION(S)

Members of the Executive are asked to:

- 2.1 Note and comment on the outcome of staff and trade union consultation, along with the management response, set out in Appendix 4.
- 2.2 Agree additional funding for Operational Property as outlined in para 7.1-7.2 of this report to cover full year costs pressures of £216k p.a. which will be met from the Central Contingency provision for the loss of income from schools transferring to academies.
- 2.3 Subject to the outcome of the due diligence process agree to enter into contract with Amey for a maximum value of £33.7m as a call-off from the Tri-Borough Framework Agreement commencing July 2016 for a minimum period of 5 years (with up to 3 year option to extend) for Strategic Property, Operational Property and Facilities Management. This will deliver part year savings of £177k in 2016/17 (excluding £339k one-off costs) increasing to £275k in a full year as set out in para 7.32 of this report.
- 2.4 Note that if the Amey proposal is agreed, the savings of £116k p.a. relating to Facilities Management approved as part of the 2016/17 Budget, will reduce to £76k p.a. (see para 7.31).
- 2.5 Agree that the Mail Delivery service to schools ceases and that the £58k saving is taken in 2016/17 (see para 7.7).
- 2.6 Agree that Due Diligence will need to be undertaken prior to the contract start date, as set out in para 7.18 of this report, which will require one-off funding totalling net £309k. This will be funded from the 2015/16 underspend in the Central Contingency. Due Diligence will be undertaken by both parties and any significant changes reported back to the Executive prior to any final contract agreement.
- 2.7 Note the additional income that Amey/Cushman and Wakefield believes will be generated through better management of our assets as set out in para 7.8 of this report, which will be phased over 3 years.
- 2.8 Agree that £100k be set aside from the Central Contingency for provision against potential future pension liabilities as set out in paras 7.22 – 7.30 of this report.
- 2.9 Agree that £287k of the overall budget be retained to fund 4 staff within the Client Unit as detailed in para 7.6 of this report.
- 2.10 Note that if the Council enters into a contract with Amey then the £30k fee already paid to Amey, as set out in para 3.9 of this report, for them to undertake a feasibility study will be reimbursed.
- 2.11 Note the potential savings of up to £28k p.a. from the Liberata contract, as set out in para 7.38.
- 2.12 Agree to consult with schools on the withdrawal of the discretionary services as set out in paragraphs 3.27 - 3.30 and delegate to the Director of Corporate Services the authority to give notice terminating these services (but not to extend or renew) with the agreement of the Portfolio Holders for Education and Resources.
- 2.13 Subject to Members' agreement of the above, agree that officers explore the market testing of:
  - Planning Services
  - Public Protection Services



### Corporate Policy

1. Policy Status: Existing Policy
  2. BBB Priority: Excellent Council & Quality Environment
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### Financial

1. Cost of proposal: £309k net one-off costs plus £216k revenue costs. Savings of £333k in a full year
  2. Ongoing costs: As above
  3. Budget head/performance centre: Facilities Management, Operational and Strategic Property (TFM) and also Planning and Public Protection
  4. Total current budget for this head: TFM £4.7m, Planning and Public Protection £4.2m
  5. Source of funding: N/A
- 

### Staff

1. Number of staff (current and additional): 53 ftes for TFM and 133 ftes for Planning and Public Protection
  2. If from existing staff resources, number of staff hours:
- 

### Legal

1. Legal Requirement: None
  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? No
2. Summary of Ward Councillors comments:

### 3. COMMENTARY

3.1 At their meeting on the 15<sup>th</sup> October 2014, the Executive agreed that the following range of services would form the basis of the bundle of services to be market tested as the Total Facilities Management package, subject to any further comments that may be received and finalised at the gateway report stage.

- Operational Property (including statutory compliance)
  - Reactive
  - Planned
- Facilities and Support Services
  - Mail services
  - Committee Room Support
  - Porters and attendants
  - Print management
  - Cleaning
  - Security
- Strategic Property (including statutory compliance)
  - Acquisitions
  - Disposal
  - Management of Non-Operational portfolio
  - Capital Works
- Planning Services
  - Building control services
  - Applications
  - Appeals
  - Development Control
  - Enforcement
  - Strategy and Projects
  - Land charges
- Public Protection
  - Environmental Protection
  - Trading Standards
  - Licensing
  - Food Safety
  - Health and Safety
  - Housing Enforcement
  - Housing Improvement
  - Public Health Nuisance

3.2 This work was being undertaken as part of the Council's broader commissioning approach to the delivery of services.

#### **Background**

3.3 In response to the decision taken by the Executive in October 2014, an officer working group has been developing output-based specifications in conjunction with the key Heads of Service and Service Leads. These specifications reflect service delivery at this point in time, i.e. the baseline service.

- 3.4 In bringing this work stream to a close, the Officer Working Group has had to ensure that service information and dates are accurate and can be relied upon for the purposes of market testing. This had been more time-consuming and onerous than initially envisaged.
- 3.5 The service specifications are now complete and have been signed off by the individual Heads of Service. Key Performance Indicators have also been developed and contract documentation is currently being finalised.
- 3.6 In the period following the Executive decision, officers identified a possible opportunity to benefit from joining the Tri-Borough Total Facilities Management Framework and began to engage with Amey and representatives from the Tri-Borough.

### **The Amey Proposal**

- 3.7 The Tri-Borough (composed of Westminster City Council, Hammersmith and Fulham London Borough Council and the Royal Borough of Kensington and Chelsea) has entered into a ten year Total Facilities Management contract with Amey Community Limited (Amey). The collaboration has enabled the Tri-Borough to generate substantial initial and future savings, secure non-financial benefits and create a streamline client function focused on contract management rather than delivery.
- 3.8 The Tri-Borough contract arrangements include a Framework Agreement which allows other London Boroughs to benefit from this procurement route. Such an approach means participating Boroughs avoid substantial procurement costs and secure savings earlier than would have otherwise been possible. The authorities that have recently joined the Framework Agreement are Camden, Bexley, Waltham Forest and Haringey.
- 3.9 Officers have been working with a Tri-Borough team of consultants and Amey to undertake a feasibility study which has identified a minimum level of savings that could be achieved by joining the Framework. This work was costed at £30k, which will be reimbursed if the Council signs up to the Framework. The involvement of Amey and their consultants has greatly assisted the Council in completing work on the specifications and understanding the requirement of the market when seeking to take property services to tender. The work has focused on three out of the original five services areas:
  - Strategic Property
  - Operational Property
  - Facilities Management
- 3.10 Both Planning Services and Public Protection have been excluded from the Tri-Borough work stream as they were not covered by the Statutory Notice that was sent for publication in the OJEU in November 2011 and are therefore not covered by the Framework Agreement. The Framework Agreement permits other London Boroughs to enter into separate agreements with Amey via the call off Agreement.
- 3.11 The Framework went live on the 1<sup>st</sup> October 2013 following an extensive OJEU procurement process lasting eighteen months. It was estimated to have cost the Tri-Boroughs £1.1m. Expressions of interests were received from 143 organisations of which eleven submitted responses to the Pre-Qualification Questionnaire. From this, five shortlisted bidders were invited to participate in a two stage Competitive Dialogue process. Three of the Bidders were shortlisted and in May 2013 the Tri-Borough cabinets approved the award of the contract to Amey Community Limited for a ten year contract for the provision of hard and soft facilities management services across their estates.

### 3.12 The key benefits in signing up to the Framework are:

- Realisation of savings at the earliest possible stage. It is likely that, subject to Members' approval to sign up to the Framework, there would be a go live date of the 1<sup>st</sup> July 2016 dependent on the successful completion of further due diligence work by both parties. This is substantially earlier than would be the case if the Council opted to pursue the procurement route where it is anticipated that the 'go live' date will be 1<sup>st</sup> April 2017 at the earliest.
- Limited investment required in entering the Framework to generate the identified savings giving rise to contractual and procurement savings.
- Fixed price throughout the life of the contract with the potential for further savings as efficiencies are driven through.
- Risk transfer whereby Bromley has certainty of service delivery and cost.

3.13 Amey will work in partnership with Cushman and Wakefield (previously DTZ) to reduce the Council's property costs and increase the Council's income from property. The proposals from Amey provide both financial savings to the Council as well as service benefits, not least around providing resilience, strategic capacity and commercial expertise that is required as the Council needs to be more efficient in how it provides services going forward, particularly those relating to Strategic Property Management.

#### Financial Benefits

3.14 The proposal provides for a partnership combining real estate management with strategic asset management. The Amey/ Cushman and Wakefield pricing proposal identifies a number of approaches to achieving savings:

#### Guaranteed Savings Targets

3.15 The Amey pricing proposal which, subject to due diligence, would deliver guaranteed savings of £210k p.a. from the 1<sup>st</sup> July 2016 on a budget of £4.4m per annum (4.7%). Amey propose to deliver these savings through operational and staffing efficiencies.

#### Incentivised Reward Targets

3.16 In addition, Cushman and Wakefield will seek to invest money to:

- Improve systems and processes, including re-structuring and up skilling the Strategic Property Team.
- Establish a strategic asset plan for the entire estate portfolio that will seek to define the work streams to deliver enhanced investment income, rationalise the operational asset base and exploit surplus property to maximise capital receipts.

Cushman and Wakefield will seek to generate a return on this investment on an incentivised basis by growing net investment income (excluding property generated by new capital) by a minimum of £1m (index adjusted) within three years. This will be achieved by:

- Reshaping the investment portfolio to improve returns and income growth prospects.
- Adopting a more commercial approach to managing rents.
- Adopting a more commercial approach to service charge recoveries.

The proposed incentive scheme is based on the following thresholds:

Band 1	0 to £350k of increased income	No fee
Band 2	£351k to £700k	7% of increment
Band 3	£701k to £1m	10% of increment

The figures above reflect that the first £350k of income identified by Cushman and Wakefield will accrue directly to the Council. Thereafter a banded fee will be allocated.

#### Future Efficiency Savings

- 3.17 Amey have indicated that they believe that there is scope for further efficiencies in the delivery of some of the Operational and Facilities Management Services and have proposed that any future efficiencies in these areas would be shared on an 80/20 basis in favour of the Council (based on 10% this would deliver savings to the Council of £65k p.a.). For example, Amey are currently reviewing the provision of a number of centralised functions including mail room and reprographics across a number of boroughs.
- 3.18 Amey will continue to utilise the Council's processes and procedures for a period of six months to gain a full understanding of the how the Council operates, the frameworks that are used and the competency of transferring staff.
- 3.19 Following this initial assessment process, Amey will look to integrate the Council's processes with its own and generate efficiencies where appropriate. In doing so, Amey would commit to ensuring that the Council's governance rules are accommodated.

#### Service Benefits

- 3.20 The Amey option provides resilience, capacity, commercial experience and also will provide the Council with flexibility to call off strategic work as required. In the past officers would have to tender and appoint. This will save officer time and also provide financial savings as the bid from Amey allows for a 5% reduction of their current Framework rates.

#### Due diligence

- 3.21 Amey have indicated, subject to Members agreeing to join the Framework, that they will undertake formal due diligence which requires three months to complete. Due diligence will include sign off of the service plan and specification on which their price will be guaranteed. The costs of Amey's mobilisation will be an additional cost to the Council but this could be amortised over the life of the contract. It is anticipated that that this cost will be a maximum of £339k (including asset validation, condition surveys and IT mobilisation costs). Amey have proposed to further refine the cost prior to mobilisation and that this will be shared with LBB on an open book basis. The timetable for mobilisation is set out in Appendix 1.
- 3.22 As part of their due diligence, Amey have indicated that they would wish to undertake asset validation work to collect data on all our assets for their CAFM system (Computer-aided Facility Management e.g. the IT systems supporting Facilities Management operations) which they will need to manage and maintain our assets at the right frequency going forward. This one off work will cost £45k. They will also need to undertake full condition surveys on our key sites where we have not already done so, which will cost around £30k.

- 3.23 The condition surveys will provide officers with a better understanding of the level of backlog maintenance in the Council's estate and helping to inform the options that the Council has to consider, not merely with regard to future maintenance but also in order to comply with its statutory obligations. Once this work is completed the Council will be better placed to quantify any future risks and liabilities and this will help inform our asset strategy going forward.
- 3.24 The remaining sites tend to be small, less critical units where Amey's proposal is to carry out only reactive and chargeable works. The indicative costs of condition surveys provided by Amey has been compared to the costs that the Council incurs for similar works and has been found to be in line with the Council's cost expectation.

### Market Considerations

- 3.25 In light of the option presented by Amey/Cushman and Wakefield, it is not recommended to continue to pursue one large bundle of services, as the Amey proposal will:
- a) Provide resilience and increased capacity in strategic property to help meet some of our service priorities.
  - b) Potentially generate income through adopting a more commercial approach to asset management.
  - c) Deliver revenue savings earlier.
  - d) Provides economies of scale, as part of a Framework.
  - e) Make savings in officer time around tendering work for projects.
  - f) Make procurement savings.
- 3.26 Officers believe it will be more beneficial to award the services to Amey and then to consider Planning and Public Protection as a separate bundle. This will give us the option to consider joint tendering with other authorities around Planning and/ or Public Protection where the services will have a better synergy and the potential to generate greater savings. Subject to members agreeing to this approach, officers will bring back a gateway report on Planning and Public Protection to a future meeting of the Executive.

### Sold Services to Schools

- 3.27 Amey have been quite clear in discussions with officers that sold services to schools for Operational Property, is not an area that they are keen to expand, particularly given that it is operating at a net loss of £24k p.a. on the total budget for Caretaking and Reactive Maintenance. This is a risk area for Amey because of the number of schools converting to academies and work would be likely to cease post conversion.
- 3.28 Officers are therefore recommending that the Council gives 3 months' notice to schools for the caretaking services as is required by the requirements of the Service Level agreement.
- 3.29 The Council has responsibility to undertake statutory maintenance and inspections on all maintained schools and the cost of this is included with the Operational Property budget. This responsibility will continue until such times as those schools convert to academies. Operational property also undertakes through an SLA discretionary reactive services to schools, both academies and some but not all, maintained schools. Officers are also recommending that the Council gives 3 months' notice to end the delivery of all discretionary property maintenance and inspection services for both maintained and academy schools.

3.30 The recommendations to cease discretionary sold services to schools is in line with the approach taken on other such services formerly provided by the Council. Given the impact on schools which continue to use the services then it is recommended that there is a brief period of consultation with the schools. The option of cessation has been covered in the staff consultation. Given the declining income, the Council would have been taking such action irrespective of the consideration of the framework agreement.

#### **4. Planning and Public Protection**

- 4.1 Should Members agree, and subject to the outcome of due diligence, to join the Tri-Borough Framework for the delivery of Operation Property, Strategic Property and Facilities Management, consideration needs to be given to how to best manage the two remaining services that formed part of the original TFM Bundle, namely Planning and Public Protection.
- 4.2 The option exists to continue with the contract work that has been developed to date and take these two services to the market, either as a joint lot or as separate parcels. Discussions with the London Borough of Bexley indicate that they would be interested in developing a joint procurement exercise with Bromley encompassing these two services areas, as has been the case with Libraries and Parking Services. By adopting such an approach, both authorities could share in further benefits through economies of scale both in terms of contract development as well as through the market response. No suitable Frameworks have been identified for either of the two services and this is therefore not an option.
- 4.3 It is proposed to market test Planning and Public Protection through a Competitive Dialogue with Negotiation process. In the report to the Executive in October 2014, Members were advised that the newly agreed EU Procurement Regulations were due to be implemented in the UK around the turn of the year. In fact these were eventually implemented on the 25<sup>th</sup> February 2015. The new procedure allows for a fuller discussion on service delivery arrangements, price and alternative proposals, providing that an identified minimum requirement and the award criteria are unchanged, via direct negotiation. It is considered that the use of this new arrangement provides the best fit for the Council's intended contracting requirements and will be the best allowable approach to secure a successful tender/contract outcome.
- 4.4 The Services that would be included in this bundle are as follows:
- Planning Services
    - Building control services
    - Applications
    - Appeals
    - Development Control
    - Enforcement
    - Strategy and Projects
    - Land charges
  
  - Public Protection
    - Environmental Protection
    - Trading Standards
    - Licensing
    - Food Safety
    - Health and Safety
    - Housing Enforcement
    - Housing Improvement
    - Public Health Nuisance

4.5 Alternatively, Members may opt not to join the Amey Framework and request that all five services are market tested as originally anticipated.

## **5. PROCUREMENT**

5.1 The Framework contract documents that will form the basis of the contract (see Appendix 2) were drafted with inputs from external legal team retained by the Tri-Boroughs, who have also created a dedicated client/advisor for the operation of the Framework Users, to ensure sufficient and consistent framework management arrangements. As a result performance by the Service Provider will not only be reviewed by the Bromley client team, but also be over-viewed by the framework sponsors.

5.2 As identified in paragraphs 3.7-3.13 above, the Procurement Route used for the delivery of these services utilises an existing Framework Arrangement established by the Tri-Boroughs, which has subsequently been adopted by a number of other London Councils. The contract documents used for the initial tender process (which will form the basis of our own Agreement) provide for a robust, but balanced, approach to contract management. The service delivery arrangements, which are considered to be of additional benefit to the Council, having been drafted by external legal advisors to represent best practice and been tested in use by other authorities. Further information on the details of the Contract can be found in Appendix 2, however the following summarises a number of the more salient details which together provide for comprehensive management arrangements, while maintaining the desired degree of flexibility on service delivery arrangements where appropriate and agreed.

5.3 The Contract incorporates Open Book Accounting arrangements, in terms of costs incurred, with access to all associated records by the Client and Audit. The Service Provider has to maintain an embedded Quality Control process and has a duty to inform the Client of service failures which link through to robust Change Control and Performance Management arrangements. These arrangements extend to their supply chain and other partners used in delivery of different areas of the service.

5.4 While the Service Provider is obliged to complete work to the standards identified in the output based specification they are also under a duty to ensure all work completed by themselves or their supply chain, are carried out in accordance with Good Industry Practice and Legislation and covered by Parent Company Guarantees and Collateral Warranties. The Client has a right of step-in where continued poor performance is established at the Service Provider's cost.

5.5 While provision is made for a 5+3 year Contract Term, the Council also has the ability to give six months' Notice at any time which, subject to the establishment of associated costs already incurred or due, provides further flexibility to the Council if its circumstances change and the contract no longer provides for its needs in the future.

## **6. POLICY IMPLICATIONS**

6.1 Moving to a Commissioning Authority is in line with the Council's Corporate Operating Principles and is key to achieving the Building a Better Bromley 2020 Vision in ensuring that services continue to be provided as efficiently and effectively as possible, in light of the financial pressures facing the Council over the next few years.



## 7. FINANCIAL IMPLICATIONS

7.1 The overall budget for TFM is shown below:-

	2015-16 Gross Budget £	2015-16 Actual Expenditure £	2015-16 Part Yr £	2016-17 Full Yr £
Planned & Reactive Maintenance	1,919,950	1,919,950	0	0
Operational Property	767,640	812,640	78,000	216,000
Facilities Management	1,020,310	1,020,310	0	0
Multi Functional Devices (e.g. printers)				
Contract	290,190	290,190	0	0
Strategic Property	691,010	691,010	0	0
Mail Delivery service	22,520	22,520	0	0
<b>Total Net budget</b>	<b>4,711,620</b>	<b>4,756,620</b>	<b>78,000</b>	<b>216,000</b>

7.2 As you can see from the table above, the Operational Property budget is currently operating at a loss of £78k in 2015/16 which will increase to £216k by 2016/17 due to the impact of schools converting to academies and sold services. Amey have made it clear they are not interested in providing any sold services to school. In the past, core work has been charged to the Schools' Capital Programme to maximise income opportunities and this will no longer be possible (£183k) along with the impact of no longer providing sold services to schools (£33k). This issue has been identified throughout this year in the Budget Monitoring reports. To ensure this service is able to fulfil its core work, additional funding is required regardless of any decision about outsourcing.

7.3 The figures in the table above exclude premises costs such as Business Rates as this will be retained by the Council. It also excludes all income budgets as the Council will want to retain this (£8.2m budget).

### Amey Proposal

7.4 The Proposal from Amey/Cushman and Wakefield working in partnership will combine operational real estate expertise with strategic asset management, providing the Council with the reassurance that our properties will be managed to industry leading standards in a pro-active manner. The partnership will provide more capacity and skills in Strategic Property which has been an issue in last few years with the team having to rely on consultants to undertake some of the key priorities of the Service.

7.5 The table below provides a breakdown of the guaranteed savings that will be achieved from the Amey proposal based on a five year contract with the option to extend for a further three years:-

	<b>Budget 2015/16 £</b>	<b>Client</b>	<b>Budget 2015/16 £</b>	<b>Bid from Amey £</b>	<b>Diff £</b>
<b>Guaranteed Saving</b>					
Operational Property	767,640	68,000	699,640	549,640	-150,000
Strategic Property	691,010	150,900	540,110	480,110	-60,000
Facilities Management	1,020,310	68,130	952,180	952,180	0
MFD Contract	290,190	0	290,190	290,190	0
R&M	1,919,950	0	1,919,950	1,919,950	0
Mail Delivery	22,520	0	22,520	22,520	0
	<b>4,711,620</b>	<b>287,030</b>	<b>4,424,590</b>	<b>4,214,590</b>	<b>-210,000</b>
<b>Future Efficiencies</b>				<b>-65,000</b>	<b>-65,000</b>
<b>NET SAVING - AMEY</b>	<b>4,711,620</b>	<b>287,030</b>	<b>4,424,590</b>	<b>4,149,590</b>	<b>-275,000</b>
Mail Delivery - schools & other sites (not required)	58,000	0	58,000	0	-58,000
<b>Total Expenditure</b>	<b>4,769,620</b>	<b>287,030</b>	<b>4,482,590</b>	<b>4,214,590</b>	<b>-268,000</b>
FTE's		4			

7.6 As you can see from the table above, it is proposed at the Council creates a Client Team comprising three managerial posts and one administrative post at a cost of £287k p.a. to manage the client function. It is proposed that the manager of the team is graded at MG4 and will need to have strategic property experience. A breakdown of the proposed structure is shown in Appendix 3. The recruitment to these posts will be undertaken as soon as possible in order that the new Client Team is established during the due diligence process.

7.7 The table above also shows that the Council spends £58k on a mail courier service in schools and other sites which are now no longer required. This saving can be taken in 2016/17.

7.8 In addition to the savings in the table above, the proposal from Amey/Cushman and Wakefield also allows for a further £1m additional income that will be realised through better use of Councils assets. The potential £1m additional income target identified by Cushman and Wakefield will be phased over 3 years, broken down as follows:-

	<b>LBB cumulative £'000</b>	<b>Amey cumulative £'000</b>	<b>Total cumulative £'000</b>
2016/17	-350	0	-350
2017/18	-675	-25	-700
2018/19	-945	-55	-1,000

- 7.9 The incentivised reward target of £1m from 2018/19, of which the Council will receive £945k p.a., is based on experience that Cushman and Wakefield have seen with other contracts when they have implemented improved and more efficient property management systems. They believe that through using better IT systems to the existing platform and by enhancing the supporting systems, processes and management information they will minimise risk and alert where there is the opportunity to develop or maximise income opportunities. The incentivised reward target is about growing net investment income through re-shaping the investment portfolio to improve income returns and income growth and adopting a more commercial approach to managing rents and service charge recoveries (where applicable). This will cover things such as challenging existing utilisation of the assets against the highest and best value that can be derived from alternative uses and maximising value from those assets that are surplus, non-performing or that are identified for disposal.
- 7.10 The final saving offered by the Amey proposal is around future savings from our “core” work that sits within facilities management/operational property based on an 80:20 split. They are confident that they can deliver savings once the contract is up and running of 10% of those budgets (£806k) which will give the council further £65k revenue saving from 2016/17. Savings already identified by the Council for 2016/17 is agreed, will reduce some of this saving.
- 7.11 Efficiencies around facilities management will be achieved through printing whereby Amey is likely to arrange for large scale printing for boroughs within the framework to be pulled together and undertaken in a central area such as an industrial site. Also using all their contracts for maintenance should deliver economies of scale for the Framework.
- 7.12 The table below provides a summary of the additional cost pressures and savings possible from outsourcing of this service as covered in the paragraphs above:-

	Part Yr.		
	2016/17	2017/18	2018/19
	£'000	£'000	£'000
<b>Growth Pressures</b>			
Impact of Academies/sold services (para 7.1 &7.2)	216	216	216
<b>Savings from Amey Proposal</b>			
Guaranteed savings (para 7.5)	-157	-210	-210
Potential Future Efficiencies in service (para7.7)	-20	-65	-65
	-177	-275	-275
LBB savings - Mail Delivery	-58	-58	-58
<b>SUB-TOTAL</b>	<b>-19</b>	<b>-117</b>	<b>-117</b>
<b>Additional Income Target</b>			
Maximise use of Assets - £1m (para 7.8 - 7.9)	-350	-675	-945
<b>TOTAL</b>	<b>-369</b>	<b>-792</b>	<b>-1,004</b>

Over the 5 year contract term the savings from the Amey proposal will achieve savings in the region of £1.375m and £2.750m if the contract is extended by a further 5 years. This excludes any efficiency delivered through better use of our assets (£1m income target). The total maximum value of this contract is £33.7m.

## **Call –Off Work – Projects**

- 7.13 The Council spends significant sums of money on consultants to support the delivery of key projects where there is no one internally that is able to provide this. As an example of this there has been the work on Biggin Hill, the Civic Centre and Acquisition of Investment Properties. Engaging consultants to do this work is often time consuming for officers as there is a tendering process that has to be followed, along with delays to the overall project delivery timetable whilst this work is undertaken. If Members agree to the Amey proposal, this work would be undertaken directly by Cushman and Wakefield going forward. This will be undertaken as part of a call-off contract and the budgets to fund this will be identified at the time the Project is signed off.
- 7.14 Cushman and Wakefield will be investing their own money into this (see para 3.16 above) on the assumption that they will optimise the return on income growth and be the consultants the Council uses for all our strategic property projects. They will seek to generate a return on this investment on an incentivised basis through increasing net investment income and support to the Council on strategic projects, which will no longer have to be tendered for.
- 7.15 Cushman and Wakefield have offered Bromley a 5% reduction on their fees from the current Framework rates. This will enable the Council to procure any strategic work required from the framework at a competitive rate without the need to tender for individual projects. A potential saving on our overall expenditure could be realised as well as officer time as the procurement process will be shortened and therefore future budget savings could be generated quicker.
- 7.16 It should be noted that the current framework is linked to inflation being charged at RPI rates.
- 7.17 In the event that staff are made redundant within the first few months of transfer as part of the due diligence exercise then the Council will be liable for these one off costs. These will be charged to the Central Contingency provision for redundancy/early retirement costs.

## **Due Diligence and One-off Costs**

- 7.18 As part of the due diligence process, there will be additional one-off mobilisation costs of £114k, visual condition survey costs of £30k, asset validation £45k and isolated IT costs of £150k, in total £339k. These costs could either be met up front or amortised over the life of the contract but for the purposes of his report they have been assumed to be one-off costs. The Investment Fund has money set aside to undertake condition surveys which the £30k could be charged against.
- 7.19 The biggest area of risk that will be identified through the Due Diligence process will be the condition of our assets given our decision some years ago to reduce the maintenance budget. The standard TFM model used in the Framework is to have a “no comprehensive limit” but it is likely this will have to be modified with regard to Bromley given our decision a few years ago to delay repairs and maintenance where possible to our buildings, in the light of having to make significant budget savings. Due Diligence will highlight any concerns they have around safety issues and it is inevitable that there will be one-off maintenance costs that will need to be funded. This will be an issue for any tenderer however and is not specific to the Amey proposal.
- 7.20 Until Due Diligence is completed it will not be possible to confirm the overall budget implications so a further report will have to come back to the Executive prior to joining the Framework if the assumptions in this report are significantly different.
- 7.21 It is unlikely that the Council will be able to benefit from savings in corporate overheads as the Amey proposal assumes that the staff will be based on site and therefore accommodation/IT costs have been treated as a pass through cost. If the Council is unable to provide accommodation then the contract sum will increase.

## Pension Issues

- 7.22 Under the terms of the proposed Framework agreement, the pension provisions are contrary to the Council's existing policy.
- 7.23 The Framework provides for the contractor to meet the ongoing Future Service Cost only with no liability for any proportion of a service deficit that may accrue, even if in relation to the period post transfer. The contractor would bear the costs arising from any discretionary employer decisions that may be applied, but for some possible exclusions detailed in their proposal relating to ill health retirement. Any further clarification would need to be identified as part of due diligence.
- 7.24 The Council's existing policy with regard to the funding of pension liabilities is to require contractors to meet the cost of both future service and any deficit accrued in relation to the period of the contract. Any liabilities that arise relating to the period up to the contract start date would continue to be met by the Council. This excludes any decisions made or discretions applied by the contractor that may result in additional liabilities for which the contractor would be responsible in full. This takes account of the Council's agreement to 100% fund eligible employees up to the relevant transfer date whilst protecting the Council from liabilities that may arise from actions taken by a contractor. The Council also requires an Admission Body to provide a suitable Bond or Guarantee. It is not clear from the Framework agreement whether this forms part of the proposal and therefore would require further consideration as part of due diligence.
- 7.25 The proposed pension provisions in the Framework would represent a significant departure for the Fund's existing policy, and would place far greater risk upon the Council with regard to meeting any further deficits that may accrue.
- 7.26 The Council has discretion to review the current pensions policy in individual exceptional circumstances (e.g. where significant savings may be realised). However, under the Local Government Pension Scheme Regulations, any deficit that is unable to be met (either in full or in part) by the contractor (or any person providing an indemnity, bond or guarantee) must be met by the "related employer". Any deficits that accrue relating to the period of the contract that is not met by the contractor under the terms proposed would therefore have to be met by the Council and a contribution to the Fund to meet such a deficit would be required.
- 7.27 The actuary has provided a report giving an indication of the level of risk, over the 5 year contract period. This includes the following variables:
- A simple unexpected 5% increase in liabilities (for whatever reason – e.g. changes in demographic assumptions) would equate to shortfall of c£400k.
  - If the net discount were to fall by 0.5%, liabilities would increase by c£800k.
  - A 10% fall in return seeking assets would equate to a shortfall of c£660k.
  - If pay growth is 0.5% higher than the assumed rate, a consequential increase in liabilities may occur of c£150k.
- 7.28 The risks detailed above are neither an exhaustive list, nor are each of them exclusive. The figures represent the build-up of all liabilities not just that post transfer. A broad brush indicator of those in relation to the 5 year contract period (the extent to which the contractor or the Council, should the policy be changed may be required to pay to meet the cost) could be in the region of c£465k. This could be mitigated by setting aside a sum each year from the savings achieved to meet any such payment.
- 7.29 It is therefore proposed that should Members consider that the pensions position be reviewed in this case, a sum of £100k per annum be set aside from the Central Contingency.

7.30 The Council understands that the terms of the Framework agreement are unable to be amended to align with the Council's stated pension's position. However, this would not prevent the contractor participating in a tendering exercise, should the Council wish to market test this service outside of the Framework, although given the number of other local authorities that are using this Framework, the contractor may take a view this would not be worth the time, costs and effort involved.

### Savings assumed in the 2016/17 Draft Budget

7.31 A sum of £116k has been included in the 2016/17 Budget relating to facilities management and support. If the Amey proposal is agreed then £40k of this saving will not proceed as it will be delivered within the Amey savings.

### Summary

7.32 The issues outlined in the financial section of this report are summarised in the table below:-

	2016/17 Budget £'000	2017/18 Budget £'000	Full Yr. Budget £'000
<b>Amey Proposal</b>			
Contract Savings	-157	-210	-210
Further contract efficiencies	-20	-65	-65
	-177	-275	-275
Mail Delivery - Schools & other sites	-58	-58	-58
<b>Gross Savings</b>	-235	-333	-333
Less new savings assumed in the draft budget	40	40	40
<b>Net Additional Savings</b>	-195	-293	-293
<b>Additional Income Opportunity - Amey</b>	-350	-675	-945
<b>Other costs</b>			
One-off Amey costs	339		
Reimbursement from Amey	-30		
Provision for Pension Risk	100	100	100
Growth Pressures	216	216	216
	625	316	316
Potential Net Savings	80	-652	-922

7.33 The "growth" of £216k p.a. is not linked to the Amey proposal at all and regardless of any decision taken around the future of the TFM services, this money will need to be added into the budget for 2016/17 as a growth bid in order that operational property is able to fulfil core work once schools convert to academies and the Council no longer provides sold services. Amey have made it clear they are not interested in providing any sold services to schools and

therefore the Council will need to give notice now to comply with the conditions within the SLA. This growth pressure will be met from the Central Contingency provision for the loss of income from schools transferring to academies.

- 7.34 Within the Amey bid the one-off costs of £309k net of reimbursement, will be funded from the 2015/16 underspends in the Central Contingency.
- 7.35 The one off work in part relates to condition surveys and updating our asset register which is not as accurate as it could be. Officers consider this to be an important piece of work to help both inform our future asset risks and potential liability which, as an organisation we need to know. This information once produced will also help in discussions around asset disposals and retention.
- 7.36 The provision for the potential pension risk of £100k p.a. may never be required as it will depend on what happens at the end of the contract term and be subject to future actuary valuations. This will be funded from the Central Contingency.
- 7.37 The opportunity that the Amey proposal offers is around future income through better management of our assets (potential additional income of £945k by year 3, and also efficiencies resulting from improved management arrangements. There are also the additional benefits resulting from using Cushman and Wakefield as our preferred consultant on all Projects relating to Strategic Asset Management.
- 7.38 If the Amey proposal is agreed there could be savings arising from the Liberata Contract. Liberata currently process around 14,500 property invoices each year through the Property database Confirm to various organisations, in the future they would only pay one organisation so the volume of invoices will greatly reduce. If Amey does not require all this resource a saving could be realised on the contract of up to £28k p.a. but this will only confirmed following the completion of due diligence. Any saving will be actioned via a Change Control Notice with Liberata during 2016/17.
- 7.39 As part of the contract with Amey, they will be required to commission Building Consultancy Services associated and funded from the Capital Programme.

## **8. LEGAL IMPLICATIONS**

- 8.1 In 2004 the Public Sector Directive introduced, for the first time, clear provisions into European Union public procurement law covering the setting up and running of framework agreements by contracting authorities. These were included in English law through the Public contracts Regulations 2006. The 2006 Regulations under which this Framework was procured have been replaced by the 2015 regulations. However the procurement approach is complaint with both regimes. The Council's interest in the use of the Framework was clearly identified in the advertisement for the framework and If the Council proceeds it will be utilising a properly commissioned Framework Agreement which it is entitled to participate in.

## **9. PERSONNEL IMPLICATIONS**

- 9.1. There has been engagement with staff, trade unions and departmental representatives around market testing of these services since November 2014. This followed the Executive decision on the 15<sup>th</sup> October 2014 to look at the options for market testing for a bundle of services, which included Strategic Property, Operational Property, Facilities Management, along with Planning and Public Protection. Staff and their representatives have been invited to attend briefing sessions with the key officers. Formal consultation on the proposals outlined in this report commenced on 25 January 2016 and concluded on 24 February 2016. This involved a number of meetings with the affected staff groups and the Trade Unions. The outcome of the

consultation, including key issues and concerns that have been raised by staff, along with the management response is included in Appendix 4.

- 9.2. There are currently 52 permanent staff (42.6 FTEs excluding vacancies) along with an additional 10 casual staff working across the services in scope of these proposals. Any staffing implications arising from any recommendations or any potential award will need to be carefully planned for and managed in accordance with Council policies and procedures and with due regard for the existing framework of employment law. Any further dialogue with Amey and Cushman and Wakefield will consider whether or not the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) as amended (2014) would apply and the consequential legal and financial implications arising from this. If Members agree to enter into a contract with Amey, as a call-off from the Tri-Borough Framework Agreement then some or all of the staff may be subject to TUPE. In this event it is envisaged that the employment of 42 staff would transfer to Amey and that 10 other staff who currently work in Strategic Property would transfer to Cushman and Wakefield.

## 10. IT IMPLICATIONS

- 10.1 Should the Council award the contract to Amey then officers recommend that we cease all current arrangements for IT and ask the contractor to provide their own IT arrangements.
- 10.2 A workshop will be held to agree the full scope of ICT as required by LBB, the interfaces between different systems and the management information (MI) requirements for the client function.
- 10.3 It is anticipated that the IT mobilisation costs will be a maximum of £150k and these are included within the one-off costs detailed in Section 7 of this report. Around £50k of this is required for licences and hardware and £100k on resources.

## 11. STAKEHOLDER CONSULTATION

- 11.1 There have been on-going discussions with staff and other affected service users throughout the development of the specification and the dialogue with Amey, with Service Heads contributing to the process. The Trade Unions and Departmental Representatives have also been consulted on progress to date.
- 11.2 Should the Council opt to join the Tri-Borough Framework, Amey will look to include current local suppliers currently providing services in the 3 service areas and consider their inclusion to work with Amey in the future delivery of the service.

## 12. SUSTAINABILITY/ IMPACT ASSESSMENTS

- 12.1 The decision to join the Amey Tri-Borough Framework is judged to have no or a very small impact on local people and communities beyond those identified elsewhere in the report.
- 12.2 The Framework contract requires Amey to undertake an annual customer satisfaction survey on behalf of the Council which will be utilised to measure the impact of their delivery.

<b>Non-Applicable Sections:</b>	[List non-applicable sections here]
Background Documents: (Access via Contact Officer)	Information held in the Finance and Commissioning Teams, which includes the detailed specifications, form of Tender KPIs etc.



## APPENDIX 1

### Proposed Process to Contract:

<b>Timescales</b>	<b>Work Streams</b>
April - May	Undertake Condition Surveys
April - June	Preparation of Call Off Contract
April - May	Mobilisation and Borough readiness
July	Contract Commencement

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## APPENDIX 2

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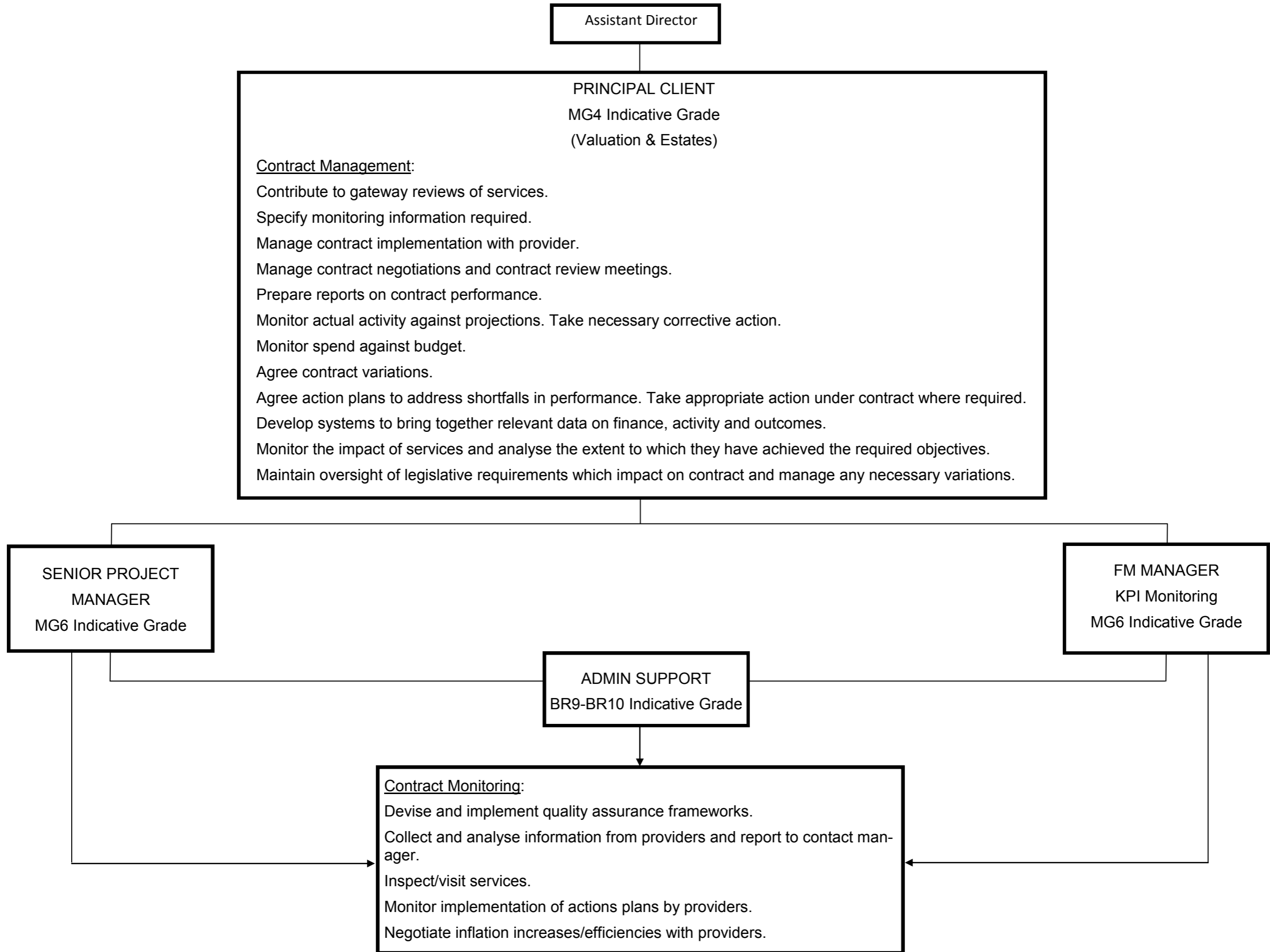
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Indicative Client Structure—grades to be confirmed



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## APPENDIX 4

### TFM Staff Consultation Queries

#### Transfer of Undertakings (Protection of Employment) (TUPE) queries

Please note, if Members agree to proceed with the Amey/Cushman & Wakefield (C&W) proposal, questions relating to TUPE will be considered and responded to as part of a separate TUPE consultation.

**1. Can you confirm pensions would be protected under 'Admitted Status' provisions?**

**Will the Bromley staff be able to continue with the Bromley pension scheme?**

TUPE Regulations preserve/protect employees' terms and conditions when a business or undertaking is transferred to a new employer. Contracts of employment, which include pensions, remain the same when transferred to the new employer whilst employees remain in the same job. Continuous service and terms and conditions are protected at the point of transfer.

**2. Can you confirm how the pension is transferred? E.g. Do we continue to pay into the LGPS with 12% contributions from the employer and circa 5.8% from the employee or do Amey set up their own pension fund on the same or different terms?**

See 1 above.

**3. Can you confirm that current working hours would be maintained under Amey/ C&W?**

See 1 above.

**4. I currently work 35 hours plus 35 hours overtime – would this continue?**

Staff members would TUPE on the basis of their current contractual terms and conditions. In the event that the contract is awarded to Amey/C&W they would be required to inform and consult on any changes they envisaged undertaking for economic, technical or organisational reasons.

**5. Referring to Appendix 1 of the staff consultation document, the current acting role 'Reactive Team Leader' is not shown.**

The substantive role would be subject to TUPE.

**6. Has there been any consideration given as to whether our current MTC contractors could demonstrate individual operatives being committed to LBB works so that they would need to be included in the TUPE transfer?**

When contracts end, if TUPE conditions apply to post(s) then this will be resolved between the two contractors.

**7. How long do your TUPE terms and conditions apply for after transfer?**

See 1 above.

**8. If you took a promotion at Amey/C&W would you still retain the terms and conditions you TUPE transferred with?**

See 1 above.

**9. One member of the Capital Projects team is on statutory maternity leave (expected to return in August 2016). What are the implications of her transferal?**

TUPE would apply in the same way. Staff on maternity leave (and other long-term leave) are being consulted on the proposals along with all other staff who are affected by the proposals.

**10. Will redundancy offers be made available to staff at risk?**

This question is not applicable as under the Amey/C & W proposal, no staff are at risk of redundancy.

**11. Why are voluntary redundancies not being offered, particularly as the commissioning team have stated that many of the current “sold services” will no longer be provided in future?**

Whilst employees are not at risk of redundancy, as a consequence of these proposed arrangements, there is nothing to prevent employees requesting voluntary redundancy outside of these proposals. Any requests would be considered on a case by case basis by the Chief Officer, in liaison with the Director of Human Resources. Decisions would be made on the basis of whether there was a financial and business case for agreeing to such a request.

**12. When would the new pay day be?**

At this time, we do not know whether the current pay day would change. If Members agree to proceed with the Amey/ C&W proposal, this would be addressed during the TUPE consultation period.

**13. What happens to the Essential Car User allowance currently payable to staff?**

Following a decision by the General Purposes and Licensing Committee the Council’s Essential Car User Allowance is being phased out. Newly appointed staff no longer receive the allowance. As already communicated current staff, who are in receipt of the allowance, will see the allowance reduced by 50% from 1 April 2016, with the allowance being removed completely by 1 April 2017. In addition the mileage rate will increase to 45p per mile. In the event of Amey/C & W being awarded the contract these contractual arrangements would transfer to the new employer whilst employees remain in the same job.

**14. What happens to staff who take advantage of the Child Care Plus scheme LBB sign up to?**

This scheme is specifically linked to your employment with LBB and is not transferable. Any credits already paid into the scheme can still be used however. In the event that Amey/C & W are awarded the contract they would be able to advise whether they have their own comparable scheme that employees could sign up to.

**Casual/ Agency staff**

**15. A) Confirm under Item 7 of the (Staff Consultation Document) the statement that there would be no general inclusion of contract or casual staff (subject to individual work assessments), in light of rights under time served rules.**

In the event that the contract is awarded to Amey/C & W agency workers would not be eligible to TUPE transfer as their employment relationship is with their Agency not Bromley Council. Casual staff will be considered on a case by case basis.

**B) If applicable when will TUPE option be notified to the relevant staff?**

Casual staff will be subject to individual assessment of each casual work arrangement.

**16. Agency staff are vital to the functioning of the Porter/ Attendant team – will agency staff also be subject to TUPE?**

No – see 15 A) above.

**17. Agency Staff – Your document states that Agency staff are not included. Our current Agency staff provide essential cover in our Attendants and Committee Room Support Teams. Will these posts be retained within the Service? Committee Room Support and Site Support are also provided through the site security contract. Will this continue as, if not, it will place additional hours on the small Attendant Team?**

In the event that the contract is awarded to Amey/C & W then it would be for the new provider to consult on how they would envisage managing the cover arrangements for this service.

**Annual leave**

**18. Prior to the transfer date 1st July, will staff then be having their holiday leave capped on a prorata basis or continue with entitlements/commitments?**

If Members agree to proceed with the Amey/ C&W proposal, this would be addressed during the TUPE consultation period.

**Location of staff**

**19. Confirm the location staff will be based at with Amey, either in terms of the three teams; planned, reactive and business support or on an individual basis. Will staff continue to work from the Civic Centre?**

At this time we are unable to confirm this, although it is likely most staff would continue to be based at the Civic Centre. This matter would be addressed during the TUPE consultation period if Members agree to proceed with the Amey/ C&W proposal.

**20. Confirm whether transferred staff will still retain parking rights in the Civic centre.**

**If staff will continue to work from the Civic Centre, will parking be provided?**

This would be covered as part of due diligence and TUPE consultation.

**21. Will there be extra money given to staff who change location and subsequently have to travel to London?**

**If staff are expected to relocate will any additional personal expenses be reimbursed? (E.g. additional travel expense to Kensington and Chelsea**

This would be addressed as part of TUPE consultation if the contract is awarded to Amey/C & W.

**Project timescales**

**22. Confirm the date of the transfer as still being 1<sup>st</sup> July in view of the moved date for the report to committee now being in March.**

If Members agree to proceed with the Amey/C & W proposal, this is still the proposed implementation date, subject to the outcome of due diligence.

## **Contract details**

**23. Confirm the term of the proposed LBB contract with Amey/ C&W.**

5+3 years.

**24. Will Amey be undertaking 1:1 interviews with staff?**

This would be addressed as part of TUPE consultation.

**25. Is there a break clause or an opportunity to exit the arrangement?**

There is a Determination Clause which can be invoked within the first six months of commencement, with no penalties. We can exit the contract if the service is continually faulted. The term of the contract is 5+3 years so there is an option after 5 years.

**26. Can we see the Invitation to Tender and other associated documents?**

This has been done through an existing framework so these documents were not required.

**27. At the initial meeting, it was quoted that the contract would be looked at for both value for money and quality of service, but it appears the quality of service is no longer a requirement.**

As part of the evaluation process, consideration has been given to quality and cost of service provision.

## **Client team**

**28. Are client team roles being ring fenced to existing staff or being offered externally?**

No staff are at risk of redundancy so there is no need to ring-fence posts, however staff may wish to apply for posts via the Council's recruitment processes when they are advertised.

**29. Clarify on the proposed Client Team, were there is a job description titled Senior Property Manager, yet the structure chart indicates Senior Project Manager.**

This will be rectified.

**30. Confirm having become the outsourced contractor, we are still able to continue to meet with and liaise directly with LBB Client departments.**

No, all activity will be directed through the LBB client team unless otherwise agreed.

**31. Who will the client be?**

Please see answer to question 28 above.

**32. Some people from Appendix 1 may apply for client roles. Has this been accounted for financially?**

Yes.

**33. Considering a lot of the works will be electrical and mechanical, there are no such skills in the client team being set up. Would the in house Bromley "client structure" monitoring the Amey contract be capable of monitoring these works? Should there not be an M&E engineer looking after Bromley's interests?**

It's an output based specification and the contractor would be subject to adequate monitoring arrangements.

### **Service specifications**

#### **34. What about the opportunity for misunderstanding in the specifications?**

Heads of Service have signed off the specifications. Any remaining issues would be resolved in due diligence, should Members agree to proceed.

#### **35. Staff have not been given the full information available. The people who are currently doing the job are best placed to judge the proposal.**

The managers of each service have signed off their specifications as being correct.

#### **36. What about the potential for misunderstandings regarding post titles, job descriptions and the specification?**

Service Heads, Managers and staff have been involved in the drawing up of the specifications. The Heads of each service have signed off their specifications as being correct. These have been passed to Amey/C & W along with job descriptions and staffing structures. Any remaining issues would be resolved in due diligence, should Members agree to proceed.

#### **37. Will Amey be undertaking an examination of individual's current workloads to establish the suitability of current staff resourcing levels?**

Yes, Amey/ C&W have been passed information on job descriptions and specifications and structure charts.

#### **38. Is the Amey proposal based on LBB's specifications or Amey/ C&W's specifications?**

The proposal and price are based on LBB's requirements and specification which has been signed off by Heads of Service.

#### **39. In the past, we have had to 'absorb' extra work required of us. Would Amey/ C&W require extra money for this work?**

We would expect Amey to carry out the full range of works currently performed. The specification is based on the work currently performed by the teams in house.

### **Due diligence**

#### **40. Who would be involved in due diligence?**

Amey, Cushman and Wakefield, internal staff the project team and staff that would TUPE transfer should Members agree to proceed.

### **C&W and Amey relationship**

#### **41. Will C&W pass work to Amey?**

This will be a partnership and both organisations will be focussed on ensuring the contract works.

#### **42. What is the relationship between Amey/C&W?**

Amey is the lead partner and C&W is a strategic partner of Amey.

#### **43. What would happen if the relationship broke down between Amey and C&W?**

Amey would be responsible for finding another provider to satisfy the Council's requirements.

**44. How was C&W identified as a partner? How do we know they offer the most competitive price?**

In the variation order, it states that the rates are aligned with other competitive rates. The price can be checked as value for money on an open book basis.

**Interactions with existing contractors**

**45. How will Amey/ C&W interact with TLG?**

An SLA is being prepared internally by the Assistant Director for Streetscene and Greenspace who is responsible for the TLG contract and interactions will be based on this agreement.

**46. Will Liberata still be collecting debt?**

Yes.

**Existing contracts**

**47. Clarify whether Amey intend to continue with our existing contractor arrangements through to contract completion dates. If not what notice period will be given to these contractors?**

This will be covered during due diligence. Amey have said they would run local 'meet the supplier' days for current contractors to see if it is viable for the current contractors to continue to provide these services going forward.

**48. How will subsequent contracts for works be procured under Amey? Do they have in-house contractors?**

Amey would be responsible for the delivery of the works and the contract would be for a fixed price. They will have a supply chain and they will look to place work with our suppliers if those suppliers can fulfil requirements.

**Breakdown of savings/ efficiencies**

**49. In item 2.5, clarify the makeup of the stated £806k figure and how this relates to the £4.4m as noted in 2.3.**

Amey have identified potential savings in some budgets within FM and Operational Property totalling £806k, where they believe they can make 10% savings, split between LBB and Amey on an 80:20 basis.

**50. Referring to item 2.3, do the stated efficiencies of £150k relate to posts or budget savings?**

The proposal from Amey refers to a number of efficiencies which will be clarified during due diligence.

**51. Referring to the item 2.3, what are the consequences if the stated £150k savings are not achieved?**

As the contract is for a fixed price, providing our requirements do not change then the price is guaranteed.

**52. Where are the efficiencies coming from?**

Amey have discussed a number of efficiencies and benefits relating to increased resilience and capacity, Amey/C&W's commercial expertise and greater flexibility.

**53. What are the IT costs?**

It is anticipated that the IT mobilisation costs will be a maximum of £150k, around £50k of this is required for licences and hardware and £100k on resources.

### **Capital projects**

**54. The CPV code for capital projects over £250k was not included in the OJEU notice.**

There is a difference between works and services. Our property department tender capital works and, subject to Member agreement, Amey would take over the function of our Property department going forward. Like the Council, Amey would not be providing the works 'in house'.

**55. Who will deliver Education capital projects?**

The contract will operate as it does now which is that, at times, Amey would provide the service.

**56. My understanding is that Amey have indicated they wouldn't be able to perform the variety of roles in capital projects that is currently being performed.**

The contract is based on the current specification.

**57. The Tri-borough TFM OJEU Notice (TED ref: 3/S 119-204204) does not include an OJEU Code for the Project Management of large Capital Projects (Value over £250,000). A copy of the Notice is attached. The Tri-Borough Committee Decision Award Report, also attached, clearly states that the Framework is only for small capital projects. We do not therefore believe that Strategic Capital Projects can be transferred under TUPE to this Framework.**

The Council is not a direct provider, and has not been for a number of years, of any direct building consultancy type services e.g. architects etc. This contract is concerned with the management of the Council's estate, the maintenance of its buildings and associated activities. As at present, and within the specification agreed, we would agree the process for how, when and if necessary, we would commission consultancy skills that may be required with Amey. The Head of Procurement has considered the OJEU codes included in the original Tri-Borough notice and they provide sufficient scope for them to manage the commissioning of project work on our behalf.

**58. We have been in dialogue with two other Local Authorities who are already signed up to the Tri-borough Framework. Both authorities confirmed that they did not sign up to deliver Capital Projects through the Framework as, in their opinion, to do so would be unlawful.**

The Head of Procurement has confirmed the proposals in this document are not unlawful. I refer you to paragraph 3 of the Tri-Borough Executive Decision Report, in particular 3.4 which states:

*3.4 The Councils will be purchasing an end-to-end managed service rather than a simple contracted labour force for delivery with the aim of using common processes in comparable ways to reduce costs, improve compliance and increase flexibility of service across the Councils.*

This is exactly the process that this Authority wants to use which is akin to that of Westminster City Council.

**59. Amey recently presented how they believe capital projects could be delivered through their framework. It was clear they could only provide a limited project management function, carrying out significantly fewer functions than the current in-house Client side team. They noted that the Council would have to retain a significant client side responsibility for procurement and contract management. Your proposals do not address this gap, but does create a significant risk to the Council.**

The specifications for the three services set out the work that officers currently undertake. The specifications have been signed off by Heads of Service and agreed by Amey.

**60. In light of the above we believe the two separate Project Management roles in a construction project have been misinterpreted. It should be noted that there are two roles, one 'client side' and one 'project side'. There is a clear separation between both roles with particular emphasis on decision making, probity, transparency and official financial sign off held Client side. By delegating both of these functions to a framework consultant we believe there is a conflict of interest with the council being exposed to significant risk.**

The roles currently contained within the Council's Capital Programme Team advise a number of clients across the Council in the delivery of the Capital Programme Scheme. In the event that the contract is awarded to Amey, this role will be taken up by Amey and will be overseen by the client identified.

**61. We also note that a Client PM's role should be separate from the architect, and other design and cost consultants employed on a project to ensure transparency and probity. Your proposal however has them working for the same organisation. There is a potential conflict of interest here.**

The client will overview this separately. The role we have described provides for the necessary division of activities. In order to be as efficient as possible, we must get our contractors to do more. This doesn't impinge on the Council's ability to ensure probity and value for money.

**62. Large capital projects require a significant amount of input from the Client (including; information gathering, procurement methodology, design decisions, stakeholder engagement, consultation, planning, tendering, evaluation, award, change control and payment). We do not see how one Client side officer could satisfactorily deliver all of this as well as all the other property functions stated.**

The contract would require the contractor to undertake all of the roles that you have described with the quality assurance and necessary overview undertaken by the client. This structure is very similar to that employed in the Tri-Borough by Westminster City Council.

**63. Capital projects are delivered by multi-disciplinary consultants, appointed by the Client side Project Manager following competitive tender. During Amey's presentation they confirmed they were unable to provide this through the framework. If these services cannot be provided through the framework, how can Amey be appointed to deliver them in a way that demonstrates compliance with the Council's Contract Procedure Rules? Consultancy Services are currently competitively tendered and value for money can be demonstrated.**

To be covered following discussion with Amey.



**64. In Colin Brand's email dated 21st December 2015 and in several meetings it was stated that that the Capital Projects Team would transfer on a "pass through basis". We have still not received clarification as to what this means despite repeated requests. There is no reference to this term under the Framework.**

The budget that exists would be passed over to Amey, subject to further due diligence work.

**65. Strategic Capital Projects are currently delivering 26 projects with a total budget value of £36.15m. These projects are for several council departments and many of the projects span over 2-3 years. We cannot see how these projects can continue to be managed and payments made to consultants and contractors if the PM is working for a consultant and not LB Bromley.**

The management of £36.16m is overseen by the Capital Projects Team. This arrangement would continue under Amey.

**66. There is no clear explanation how Education Capital Projects will be delivered in the future. It is our view that this should have formed part of the outsourcing review with Amey Communities Ltd.**

The arrangements for Education Capital Projects would be delivered in the same way as now. The commissioning would be done by the Education client and delivered externally, as they currently are.

**67. The 'Senior Property Manager' title on the draft Job Description is also called the 'Senior Project Manager' in Appendix 3.**

Noted.

**68. The 'Senior Property Manager' Job Description does not ask for an industry recognised Professional Qualification. If the council wishes to have an intelligent client function we would suggest this is introduced.**

Noted.

**69. For any construction work involving two contractors, the Council, as 'Client' has a legal obligation to comply with its obligations under the Construction Design and Management Regulations 2015. This responsibility cannot be delegated. We believe a single client officer will be unable to satisfactorily deliver all of this as well as the other property functions stated.**

The arrangements with Amey and the client would cover any regulatory requirements.

**70. Paragraph 2.2 states "Amey will deliver Capital Projects". This infers that Amey will also be the contractor, which is a conflict of interest if the proposal is for them also to be the client officer, and design consultant.**

Noted, in the event that the contract is awarded to Amey, Amey will commission the delivery of capital projects.

**71. The Commissioning Team in the recent consultation meeting with staff advised that no savings were being taken from Capital Projects. If a service benefit cannot be demonstrated either, then there appears to be no gain from outsourcing this small department.**

The proposal from Amey delivers both financial and service benefits, including improvements in service, resilience and capacity. It also allows greater commercial expertise and speed in terms of procurement.

**72. The Commissioning Team stated that the £60k 1FTE saving presented was taken from the resignation of the Head of Strategic Projects. This position is being fulfilled by the new 'TFM Principal Client' MG4 post however. We do not, therefore, see how this can be presented as a saving.**

A £60k saving would be delivered across the overall contract. The client post (MG4) is not within these figures.

**73. None of the officers delivering the current service have been asked to comment on the Amey submission or participate in the evaluation of any quality criteria. We express concern that the commissioning team have not engaged with any LBB Officers delivering the service or any other professional person in the review and evaluation of Amey's final bid.**

Staff have been engaged in the process where possible. The extensive work carried out by the Tri-Borough has already established the credentials of the Service Provider.

## **Operational Property**

### **SLAs**

**74. Confirm if Amey will be continuing to undertake LBB statutory repairing responsibilities to LBB remaining Schools. Confirm whether Amey will be continuing with our schools SLA service to both LBB Schools and Academies.**

This responsibility will continue until such time as those schools convert to academies. Members will need to decide whether they want to continue to provide an SLA service for schools.

**75. Will the planned school works for 16/17 proceed under Amey? Or will all the schools be Academy by April '16?**

Where the Council continues to have a responsibility for schools, we would carry out any required works.

### **Property maintenance**

**76. Advise, given the significant backlog of building maintenance and ageing plant and equipment, how this is being dealt with under the contract with Amey. Will Amey still perform reactive maintenance on assets which have not been properly maintained by LBB historically? What if Amey identify a building and consider that it is not worth maintaining.**

Similar to the current way, the process would consist of Amey assessing the maintenance to be performed and Members would make a decision about whether or not to carry out these works. Due diligence will be undertaken around surveying key properties and that will be reported back to Members which will help inform the future strategy for those buildings.

**77. Amey/ C&W, as profit making companies, will be eager to make money and cannot be objective on repairing recommendations.**

The client and the monitoring mechanisms set out in the actual contract would clearly set out how Amey/ C&W would be required to operate. The proposals from Amey will generate significant savings to the council over the contract term, based on the current specification.

**78. What checking process will be in place to ensure maintenance has been carried out properly?**

As with all contracts, the client team will be monitoring the overall performance of the Amey contract and proper monitoring arrangements will be in place.

**79. Referring to Item 2.1 under Operational Property Asbestos management is shown as being provided by Public Protection.**

**Confirming that the individual concerned only undertakes resurveys, the procurement and administration of the contract is managed by Operational Property.**

This has been noted.

**80. Paragraph 2.1 of your document does not reference statutory compliance (other than asbestos) under Operational Property or Asset Management under Strategic Property. We presume these are oversights.**

These are just generic headings, setting out the broad requirements. The specifications, signed off by Heads of Service, contain all the necessary requirements, including statutory compliance and this is covered in the contract.

**81. Paragraph 2.5 references a minor works programme in the sum of £806K. The recent Executive Report on the repairs and maintenance budgets does not correlate to the figures or budget head presented in your document.**

Comment noted. The £806k doesn't relate to the minor works programme. It should have said Operational Property/ FM budgets.

**82. Paragraph 2.6 refers to the removal of the need to competitively tender. Does this mean that Amey have a competitively tendered supply chain to fully deliver planned maintenance works, and indeed a full supply chain for reactive and cyclical maintenance too?**

The Framework allows us to avoid the need for competitive tendering. In due diligence, we would establish the appropriate arrangements for establishing these activities. The Framework also provides an overview from the Tri-Borough client.

### **Strategic Property**

**83. What upskilling will be provided by C&W? What further information will have to be provided to C&W?**

This would be covered as part of further TUPE consultation and due diligence.

### **Facilities and Support Services**

**84. Artwork – This is currently held in a format that can only be accessed with Apple computers. Would this equipment transfer to Amey so that the artwork is still available to Bromley or will this service cease?**

The artwork would transfer to Amey.

**85. Car Parking – There is no mention of the management of Staff Car Parking. Will this operational service transfer to Amey?**

Yes, the specification required of Amey will be the same as the scope of services now.

## Mail Room

**86. Who will take over responsibility for sourcing the licenses and providing the envelopes for the Response Paid service?**

The specification required of Amey will be the same as the scope of services now.

**87. What will happen to the Members' pigeon holes? Is it appropriate for commercially sensitive information (i.e. Part 2 Reports) to be left in a contractor managed environment?**

Amey would have a contractual duty of confidentiality.

**88. Will we still be able to take advantage of the currently achieved savings by using the PPI rates given to Local Authorities?**

Yes.

**89. How will Liberata's post that goes through the current Post Room be managed?**

The specification required of Amey would be the same as the scope of services now.

**90. What will happen when the current Franking Machine leases expire at end March 2017?**

Subject to Member agreement to the Proposal, this would be Amey's responsibility to act on.

## Printing

**91. What are the plans for printing that needs to be undertaken by external printers (e.g., specialist printing or large volumes)? Do they have a similar facility to the Essex Framework Agreement we currently use with CDS?**

Amey would have to provide the service in a process agreed with the client. It is envisaged that there would be similar quotation and tender processes to those used by the Council but this will be looked at further during due diligence.

**92. Will currently centrally held budgets for Paper & Copiers continue or will each department be given their own budgets back?**

No, each department would not be given individual budgets.

**93. What will happen when the current Copier leases expire in November '16 and February '17?**

Amey would need to continue to fulfil LBB requirement but it would be Amey's responsibility to find a way to provide this.

## Paper Supplies

**94. Will we still be responsible for the centralised purchase and distribution of paper supplies for the Civic Centre and our Satellite sites?**

Yes, the specification required of Amey will be the same as the scope of services now.

**95. Will we still be able to take advantage of the cheaper prices we have as a Local Authority or do they have their own suppliers? Will Amey apply an extra charge for this if they have to purchase the paper and recharge Bromley?**

Yes, Amey would be able to use our Framework. The contract is a fixed price for the scope of services currently provided. This process will be looked at further during due diligence.

## **TNT**

**96. There is no mention of the management of the TNT Archive service we currently provide. Will this be put out to Departments to do themselves?**

This would be covered as part of due diligence.

## **Ad Hoc Ordering**

**97. We currently order all stationery for the Coroner's Office through Office Depot and recharge them. Will this continue with the service when it transfers to Amey?**

No, this would not continue.

## **Events**

**98. We generally work over 12 hours when we support various corporate, Mayoral, Civic events including Elections. Will Amey be prepared to continue with existing arrangements and will additional duty costs be assigned to the requesting client?**

The scope of work required of Amey/ C&W would be the same as required of in house teams now.

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Report No.  
CSD16051

London Borough of Bromley

PART ONE - PUBLIC

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**Decision Maker:**      **General Purposes & Licensing Committee**

**Executive**

**Date:**                    **22 March 2016**  
                                 **23 March 2016**

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

**Title:**                    **FIFTH REPORT OF THE CONSTITUTION IMPROVEMENT  
WORKING GROUP**

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

**Chief Officer:**        Mark Bowen, Director of Corporate Services

**Ward:**                    All

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1.    Reason for report

- 1.1    The fifth report of the Constitution Improvement Working Group is attached. The Working Group was appointed by the Executive to consider constitutional issues and make recommendations to full Council. The Working Group recommends an experiment with an Education Select Committee, with appropriate changes to executive decision making to release the Select Committee from the majority of pre-decision scrutiny; various minor amendments to the Constitution including measures to clarify call-in arrangements; the establishment of a Contracts Sub-Committee reporting to Executive and Resources PDS Committee; and recommends that there should be no changes to Councillor numbers.

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2.    **RECOMMENDATIONS**

**That the recommendations in the fifth report of the Constitution Improvement Working Group be supported and referred to full Council.**

**That the Director of Corporate Services be authorised to draw up the necessary detailed changes to the wording of the Constitution for approval by Council.**

### Corporate Policy

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

### Financial

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

### Staff

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

1. Legal Requirement: None:
  2. Call-in: Not Applicable: Decisions on changing the Constitution are the responsibility of full Council
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The proposals affect all Councillors
- 

### Ward Councillor Views

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

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





# Constitution Improvement Working Group

## Fifth Report February 2016

(General Purposes & Licensing Committee 22<sup>nd</sup> March 2016/  
Executive 23<sup>rd</sup> March 2016/Council 11<sup>th</sup> April 2016)



## Constitution Improvement Working Group - 5<sup>th</sup> Report

### 1. Introduction

- 1.1 The Constitution Improvement Working Group (CIWG) was originally established by the Council's General Purposes and Licensing Committee on 25<sup>th</sup> June 2008. Subsequently, the Working Group was made a sub-group of the Executive. The CIWG has produced 4 Reports and in addition various ad-hoc recommendations to the Council at its meetings on 19<sup>th</sup> January 2009 (1<sup>st</sup> Report), 16<sup>th</sup> March 2009 (2<sup>nd</sup> Report), 27<sup>th</sup> April 2009, 26<sup>th</sup> October 2009, 15<sup>th</sup> December 2009 (3<sup>rd</sup> Report), 29<sup>th</sup> March 2010, 28<sup>th</sup> June 2010, 26<sup>th</sup> March 2012, 12<sup>th</sup> November 2012 (4<sup>th</sup> Report) and 15<sup>th</sup> May 2013.
- 1.2 This, the 5<sup>th</sup> Report of the Working Group to Council, recommends a trial of a radical change to the way the Council develops policy and scrutinises the working of the Council.
- 1.3 Other recommendations are of a more minor nature and seek, in the main, to ensure that the constitution contains no anomalies and that procedures are improved.



**Councillor Nicholas Bennett JP**  
**Chairman, Constitution Improvement Working Group**

## **2. Executive Summary – Recommendations**

### **Scrutiny and Decision Making**

- 2.1 That a trial of a “select committee” approach be undertaken by the Education PDS Committee in 2016/17.**
- 2.2 That, based on the outcome of the trial, further consideration be given to new scrutiny and decision making structures at the appropriate time.**
- 2.3 The procedures for referral for scrutiny set out in Section 5 of this report be agreed.**

### **Call-in**

- 2.4 Where Executive decisions have been submitted for pre-decision scrutiny at full Council there should not be a further right of call-in provided the Executive decision accords with the views of Council.**
- 2.5 A Member who is party to the call-in shall not chair the PDS meeting considering the call-in.**
- 2.6 The relevant PDS Committee must meet to consider a call-in within ten working days of the call-in being received by the Proper Officer (including the day of the call-in and the day of the meeting) unless the parties agree to extend the date to the next ordinary meeting of the PDS Committee, if this is later.**
- 2.7 A decision which has been referred back to the Executive following a call-in must be considered within 20 working days of the call-in meeting, or it will fall.**

### **Minor Constitutional Changes**

- 2.8 The Constitutional Conventions (Appendix 1 to the Constitution) should be deleted and key points incorporated into the main Constitution.**
- 2.9 Public questions to be put on the same basis as Member questions, i.e. all first questions to be taken then second and third questions.**
- 2.10 To enshrine in the Constitution the rule that if a Member is not present for all of an item they are unable to vote on it.**
- 2.11 That evening meetings should normally start at 7.00 p.m. – this should be written into the Constitution.**

- 2.12 Executive Members should only to be able to substitute for other Executive Members at regulatory and general Committees.**
- 2.13 A recorded vote will be taken where five Members rising in their seats indicate their support.**

**Contracts Sub-Committee**

- 2.14 That a Contracts Sub-Committee be established in 2016/17 by Executive and Resources PDS Committee with scope to examine contracts and commissioning issues across the Council.**

**Councillor Numbers**

- 2.15 No changes be made to Councillor numbers at present.**

### **3. Scrutiny and Decision Making**

- 3.1 Until 2002, the Council decision making structure was based on a system of committees covering the different areas of the Council's operations. This was replaced by the Leader and Executive structure in 2002 and the creation of six Policy Development and Review (PDR), later Policy Development and Scrutiny (PDS), Committees. In addition, separate meetings were held in public on a regular cycle for Portfolio Holders to consider recommendations for their executive decision. The need for these regular meetings, which seldom lasted more than a few minutes and which very few people attended, was often limited. This approach was discontinued in 2009 following the first report of the CIWG which introduced the current pre-decision scrutiny sessions at the PDS committees. Since then there have been very few 'call ins' of decisions for further scrutiny. Minor amendments to the system were introduced subsequently to enable a Portfolio Holder to circulate to members by email a 'minded to' proposed decision on relatively minor matters, whereby if members have no objection the decision is implemented after five days. This has been used for such items such as the appointment of school governors and minor revisions to the highway.
- 3.2 The Working Group has considered extending this system to allow scrutiny members to focus on a "select committee" approach. Subject to safeguards, we propose that this is introduced on a pilot basis in 2016/17 to one of the PDS Committees (Education PDS Committee) and potentially, after that, to all scrutiny committees. This will save considerable time and paper at meetings - experience has shown that most recommendations for decision by Portfolio Holders are approved with little or no debate.
- 3.3 We recognise that the policy making structure needs revision. With a number of notable exceptions most policy development has not emanated from the PDS committees but has come about through initiatives led by the Executive and the Portfolio Holders. We have considered how backbench members can still contribute to the development of policy through the new ways of working. The role of scrutiny is essential to any organisation, but particularly in a democratically elected and accountable one like the Council. Through the 'call for evidence' proposal for the select committee it is hoped that the residents of the Borough may make a contribution to the process with their expertise and knowledge. Such "select committee" scrutiny will not only help to ensure that the Council and its contractors are more efficient, economic and effective in the provision of services but will also play keep role in suggesting improvements and policy changes to the Executive.

### **4. Portfolio Holder Decision Making**

- 4.1 Portfolio Holders can make decisions without the need to call a formal meeting advertised under the "Access to Information" rules. Pre-decision scrutiny is a local rather than a legal requirement. Therefore, there is flexibility to revise the Constitution to streamline Portfolio Holder decision making at Bromley.

- 4.2 The following structures could be used for Portfolio Holder decision going forward, and on a trial basis in 2016/17 for Education Portfolio decisions, to allow space for the PDS Committee to concentrate on taking a “select committee” approach, with most decisions taking the route in column 1 below, rather than column 4 as happens now:

### **PORTFOLIO HOLDER DECISION MAKING**

Portfolio Holder and Director agree forthcoming decisions and produce a Forward Plan



Director produces report and draft decision



Portfolio Holder considers, revises decision if necessary and either -

1. Circulates a ‘minded to’ decision	1. Refers to the Executive for decision	1. Decides to take decision at public meeting	1. Refers to Select Committee for pre-decision scrutiny
2. The report is circulated to all Members. A 5 day period for referral for scrutiny is allowed, except in cases of urgency, where agreed, by PDS Chairman and Leader. PDS Chairman, Group Leader and one other Member, any 5 Members or, where a matter affects one Ward, all Ward Councillors (except Darwin where it is the Ward Councillor and one other Member) may refer the decision in for pre-decision scrutiny. Items referred for scrutiny shall be heard within 10 working days.	2. No change to present procedure	2. No change to present procedure	2. No change to present procedure

## **5. Referral for Scrutiny**

- 5.1 If the revised decision making arrangements set out above are adopted, then there will be a need to establish clear procedures. To distinguish this from call-in, which will still remain, we propose to name this process “referral for scrutiny.” The process for the referral for scrutiny could be as follows –

- 5.2 A referral for scrutiny can be triggered by –

- The Chairman of the relevant Select Committee;

- A group leader and one other Member;
- Where a decision affects a particular ward, all ward members (or the ward member plus one other member in the case of Darwin Ward);
- Any 5 members.

5.3 Except in cases of urgency, Members will be given 5 days to refer a decision for scrutiny.

5.4 The referral for scrutiny must be heard by the relevant PDS Committee within 10 working days of the decision being referred.

## **6. Call-in**

6.1 Members considered the call-in process and propose four changes that will overcome recent concerns and clarify the timings in the Constitution. These are -

- As has happened occasionally, Executive decisions have been submitted for pre-decision scrutiny before full Council and in these cases it is considered that there should not be a further right of call-in.
- A Member who is party to the call-in shall not chair the PDS meeting considering the call-in.
- The relevant PDS Committee must meet to consider a call-in within ten working days of the call-in being received by the Proper Officer (including the day of the call-in and the day of the meeting) unless the parties agree to extend the dates to the next ordinary meeting of the PDS Committee, if this is later.
- A decision which has been referred back to the Executive following a call-in must be considered within 20 working days of the call-in meeting, or it will fall.

## **7. Minor Constitutional Changes**

7.1 The Constitutional Conventions (Appendix 1 to the Constitution) should be deleted and key points incorporated into the main Constitution – Reason: to reduce the potential for conflict between documents and to shorten the Constitution.

7.2 Public questions to be put on the same basis as Member questions, i.e. all first questions to be taken then second and third questions – Reason: to maximise the opportunity for different residents to have their question put.

7.3 To enshrine in the Constitution the rule that if a Member is not present for all of an item they are unable to vote on it – Reason: to support proper decision making processes.

- 7.4 The Council agreed at its meeting on March 26<sup>th</sup> 2012 a recommendation from the General Purposes and Licensing Committee on March 14<sup>th</sup> 2012 that evening meetings should normally start at 7.00 p.m. – this should be written into the Constitution.
- 7.5 Executive Members should only to be able to substitute for other Executive Members at regulatory and general Committees – Reason: to remove an anomaly in the Constitution and prevent two Executive Members serving by substitution.
- 7.6 The Council Procedure Rules currently allow for a recorded vote (effectively, a roll-call) when one third of Members present request it. We considered whether the requirement for one third of Members present was too high, and concluded that it should only be necessary for five Members to indicate support for a recorded vote by rising in their seats.

## **8. Contracts Sub-Committee**

- 8.1 A Contracts Working Group was established by Executive and Resources PDS Committee in 2015. We consider that there is a need for this Working Group to be formalised for 206/17 as a Sub-Committee of the Executive and Resources PDS Committee with scope to examine issues relating to contracts and commissioning across the Council.

## **9. Councillor Numbers**

- 9.1 No changes are proposed to the number of councillors.
- 9.2 The Working Group has considered this matter in depth. On the basis that Bromley already has the largest number of electors per councillor in London, and the future responsibilities that might be imposed on the Council, we have decided that this would not be the right to time to reduce councillor numbers.



Report No.  
CSD16046

London Borough of Bromley

PART ONE - PUBLIC

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**Decision Maker:** **DEVELOPMENT CONTROL COMMITTEE EXECUTIVE**

**Date:** 22 March 2016  
23 March 2016

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

**Title:** **PETITION - KNOLL AREA OF SPECIAL RESIDENTIAL CHARACTER (ASRA)**

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

**Chief Officer:** Mark Bowen, Director of Corporate Services

**Ward:** Petts Wood and Knoll; Orpington

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1. Reason for report

- 1.1 At the full Council meeting on 22<sup>nd</sup> February 2016 Members received a petition from the Knoll Residents Association asking the Council to designate an area of Petts Wood and Knoll ward (and including a small part of Orpington ward) as an Area of Special Residential Character (ASRC). The petition was referred by Council to Development Control Committee and the Executive recommending that the proposal be included in the Development Plan process.
- 

2. **RECOMMENDATION**

**That Development Control Committee recommends to the Executive that the merits of establishing a Knoll Area of Special Residential Character (ASRC) be formally considered through the Local Plan process, and the petition be included as a submission seeking this change.**

### Corporate Policy

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

### Financial

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

### Staff

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

### Legal

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

### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The petition contains in excess of 900 signatures.
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments: Ward Councillors have supported the proposal

### 3. COMMENTARY

3.1 The Council's Petition Scheme allows for petitioners to present their case to full Council if they are dissatisfied with the Council's response to their petition, provided that the number of verified signatures exceeds the threshold of 500. In this case, the lead petitioner, Mr Paul Savage, Chairman of the Knoll Residents Association, addressed Council at the meeting on 22<sup>nd</sup> February 2016.

3.2 The full prayer of the petition is as follows –

*“To safeguard the distinctive character of the Knoll Area (broadly the area bounded by Dale Wood Road, Crofton Lane, Lynwood Grove cutting across to Irvine Way, Broxbourne Road, Chislehurst Road, Orpington High Street continuing into Sevenoaks Road until the railway line) by designating it an Area of Special Residential Character. We, the undersigned, are adult residents of the Knoll and petition the London Borough of Bromley to designate the Knoll area an ASRC.”*

3.3 At the Council meeting, it was proposed by Cllr Peter Morgan, seconded by Cllr Peter Dean and agreed that the issue should be referred to Development Control Committee and the Executive for consideration with the recommendation that it is formally considered through the Local Plan process.

<b>Non-Applicable Sections:</b>	Policy/Finance/Legal/Personnel
Background Documents: (Access via Contact Officer)	Petition Scheme Petition from Knoll Residents Association

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