



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

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DATE: 29 June 2016

To: Members of the
**EXECUTIVE AND RESOURCES
POLICY DEVELOPMENT AND SCRUTINY COMMITTEE**

Councillor Simon Fawthrop (Chairman)
Councillor Keith Onslow (Vice-Chairman)
Councillors Nicholas Bennett J.P., Ian Dunn, Judi Ellis, Ellie Harmer,
William Huntington-Thresher, David Livett, Russell Mellor, Alexa Michael,
Tony Owen, Sarah Phillips, Michael Rutherford, Stephen Wells and Angela Wilkins

A meeting of the Executive and Resources Policy Development and Scrutiny
Committee will be held at Bromley Civic Centre on **THURSDAY 7 JULY 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/>*

PART 1 AGENDA

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

STANDARD ITEMS

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

In accordance with the Council's Constitution, questions to this Committee must be received in writing 4 working days before the date of the meeting. Therefore please ensure questions are received by the Democratic Services Team by 5pm on Friday 1st July 2016.

- 4 MINUTES OF THE EXECUTIVE AND RESOURCES PDS COMMITTEE MEETING
HELD ON 8TH JUNE 2016 (EXCLUDING EXEMPT ITEMS)
(Pages 5 - 12)**

5 MATTERS ARISING FROM PREVIOUS MEETINGS

(Pages 13 - 16)

6 FORWARD PLAN OF KEY DECISIONS

(Pages 17 - 30)

HOLDING THE RESOURCES PORTFOLIO HOLDER TO ACCOUNT

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

In accordance with the Council's Constitution, questions to this Committee must be received in writing 4 working days before the date of the meeting. Therefore please ensure questions are received by the Democratic Services Team by 5pm on Friday 1st July 2016.

8 SCRUTINY OF THE RESOURCES PORTFOLIO HOLDER

9 RESOURCES PORTFOLIO - PRE-DECISION SCRUTINY

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

a FORMER CHARTWELL BUSINESS CENTRE, CENTRAL DEPOT - IMPROVEMENT WORKS POST COMPLETION REVIEW REPORT

(Pages 31 - 36)

Bromley Town Ward

b TREASURY MANAGEMENT - ANNUAL REPORT 2015/16

(Pages 37 - 50)

c FORMAL CONSULTATION ON OUTLINE SERVICE PROPOSALS AND PROCUREMENT STRATEGY - BANKING CONTRACT

(Pages 51 - 60)

d BUDGET MONITORING 2016/17 DRAWDOWN OF CARRY FORWARDS FROM CENTRAL CONTINGENCY

(Pages 61 - 64)

HOLDING THE EXECUTIVE TO ACCOUNT

10 PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS

(Pages 65 - 68)

Members of the Committee are requested to bring their copy of the agenda for the Executive meeting on 20th July 2016.

POLICY DEVELOPMENT AND OTHER ITEMS

11 CUSTOMER SERVICES MONITORING REPORT

(Pages 69 - 78)

- 12 REVENUES SERVICE MONITORING REPORT**
(Pages 79 - 94)
- 13 BENEFITS SERVICE MONITORING REPORT**
(Pages 95 - 116)
- 14 EXCHEQUER SERVICE MONITORING REPORT**
(Pages 117 - 138)
- 15 SECTION 106 AGREEMENTS: UPDATE**
(Pages 139 - 158)
- 16 IT AND MOBILE PHONE CONTRACTS**
(To follow)
- 17 IMPACT OF EU REFERENDUM - UPDATE (IF REQUIRED)**
- 18 WORK PROGRAMME**
(Pages 159 - 164)

PART 2 AGENDA

- 19 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"> 20 EXEMPT MINUTES OF THE MEETING HELD ON 8TH JUNE 2016
(Pages 165 - 168) | <p>Information relating to the financial or business affairs of any particular person (including the authority holding that information)</p> |
| <ul style="list-style-type: none"> 21 PRE-DECISION SCRUTINY OF EXEMPT EXECUTIVE REPORTS | <p>Information relating to the financial or business affairs of any particular person (including the authority holding that information)</p> |

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EXECUTIVE AND RESOURCES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Minutes of the meeting held at 7.00 pm on 8 June 2016

Present:

Councillor Simon Fawthrop (Chairman)
Councillor Keith Onslow (Vice-Chairman)
Councillors Vanessa Allen, Nicholas Bennett J.P.,
Judi Ellis, Ellie Harmer, William Huntington-Thresher,
David Livett, Russell Mellor, Alexa Michael, Tony Owen,
Michael Rutherford, Stephen Wells and Angela Wilkins

Also Present:

Councillor Graham Arthur, Councillor Julian Benington,
Councillor Stephen Carr, Councillor Peter Fortune and
Councillor Peter Morgan

307 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies for absence were received from Councillor Ian Dunn (who was replaced by Councillor Vanessa Allen, and from Councillor Sarah Philipps.

308 DECLARATIONS OF INTEREST

Councillor Simon Fawthrop declared in relation to the IT contract that he was employed by British Telecom, and in relation to the report on the Widmore centre that his wife was employed by Bromley Adult Education College.

Councillor Keith Onslow declared in relation to the Insurance Renewals report that he was a pensioner of Zurich Municipal and that he was employed for two days a week by the Royal Borough of Greenwich.

Councillor Vanessa Allen declared that she was a pensioner of British Telecom.

Councillor Julian Benington declared in relation to the report on the Biggin Hill Memorial Museum that he was a Trustee of the Museum Trust.

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

No questions had been received.

310 MINUTES OF THE EXECUTIVE AND RESOURCES PDS COMMITTEE MEETINGS HELD ON 11TH AND 12TH MAY 2016 (EXCLUDING EXEMPT ITEMS)

RESOLVED that the minutes of the meetings held on 11th May 2016 and 12th May 2016 (excluding exempt information) be confirmed.

311 MATTERS ARISING FROM PREVIOUS MEETINGS
Report CSD16079

The Committee received an update on matters arising from previous meetings.

312 FORWARD PLAN OF KEY DECISIONS

The Committee noted the Forward Plan of Key Decisions as first published on 17th May 2016.

Councillor Judi Ellis requested that ward councillors be consulted on the options for Bromley Valley Gymnastics Centre.

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

One question for written reply had been received from Councillor Tony Owen – this is attached as Appendix A to these minutes.

314 PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS
Report CSD 16080

The Committee considered the following reports on the part 1 agenda for the Executive's meeting on 15th June 2016.

(5) Provisional Final Accounts 2015/16
Report FSD16040

The report set out the 2015/16 provisional outturn at Portfolio level and Council-wide, and summarised the implications for 2016/17. More detailed reports would be submitted to individual PDS Committees. The report contained various recommendations concerning carry-forwards, central Contingency and Prior Year Adjustments, and a recommendation that Council should approve the transfer of £7,024k to the Growth Fund.

A Member suggested that the money proposed to be transferred to the Growth Fund should be used to support service budgets, but other Members supported using the Growth Fund to invest for the future. A Member commented on the excess of income over expenditure – what he referred to as profit. Officers responded that it was necessary to reduce costs, generate savings across all budgets, and if possible to take these savings early. A

Member commented that although savings were being achieved the adverse effect on services was not being recognised and staff morale was declining in many services.

The Chairman of the Contracts Sub-Committee, Councillor Stephen Wells, commended the proposal to build a contracts database.

RESOLVED that the recommendations be supported.

(Councillors Vanessa Allen, David Livett and Angela Wilkins requested that their contrary votes be recorded.)

(6) Capital Programme Outturn 2015/16
Report FSD 16036

The report set out the final outturn on capital expenditure and receipts for 2015/16. The Executive was requested carry forward £8k of the unspent capital budget on the block provision for emergency works to surplus sites.

RESOLVED that the recommendations be supported.

(7) Biggin Hill Airport LTD (BHAL) – Proposal to Vary the Operating Hours
Report DRR16/057

Biggin Hill Airport Ltd (BHAL) had responded to the various conditions stipulated by the Council before the operating hours of the Airport could be varied. The Executive was recommended to confirm that the Council's conditions had been met, to agree that a Deed of Variation be entered into and to agree that any sum received to reimburse the Council for its costs would be ring-fenced for any potential future costs for increased monitoring.

Under the terms of the lease, the Airport had to meet the reasonable and proportionate costs of its application to change the lease, and the Airport had stated that it was their intention to do so. The Chairman stated that it was important that there was no delay in payment being made. Costs included payments to consultants and counsel, but were primarily staff costs. Councillor David Livett requested officers to explain exactly how these expenses had been provided for in the accounts.

The Committee was given an update on the judicial review proceedings that had been started in the High Court in Manchester. The matter had now been transferred to the High Court in London, but it was not anticipated that it would be possible for the case to continue.

Members discussed the position breaches of the Airport's operating rules. The Airport was responsible for pursuing aircraft operators who broke the rules, but some Members suggested that the Council should be able to pursue payments from the Airport where breaches occurred. The Committee was advised that this would not be reasonable.

The Chairman suggested that the agreement needed to be more explicit that helicopters were included within the calculation of the cap on the number of aircraft movements. A Member commented that section 7 of the agreement on the limit of 50,000 movements was vague, and sought clarification of what precisely “the Council” meant in this context. It was confirmed that this would be the relevant part of the Member structure responsible for issues concerning the Airport – this was the Executive under the Council’s current constitution.

A Member suggested that the Safety and Noise Review Board should include at least two independent people.

RESOLVED that the recommendations be supported and the Executive be requested to consider the comments made by the Committee.

315 WORK PROGRAMME 2016/17
Report CSD 16081

The Committee considered it work programme for 2016/17.

RESOLVED that

(1) The work programme be noted.

(2) Councillor Russell Mellor be appointed to the Contracts Sub-Committee.

316 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**

317 EXEMPT MINUTES OF THE MEETING HELD ON 12TH MAY 2016

The exempt minutes of the meeting held on 12th May 2016 were confirmed.

**318 PRE-DECISION SCRUTINY OF EXEMPT RESOURCES
PORTFOLIO HOLDER REPORTS**

The Committee scrutinised the following proposed decision by the Resources Portfolio Holder.

**318.1 INSURANCE RENEWALS 2016/17 - AWARD OF
CONTRACTS**

The Committee scrutinised proposals for the award of contracts for the Council's insurances.

**319 PRE-DECISION SCRUTINY OF EXEMPT EXECUTIVE
REPORTS**

The Committee scrutinised the following reports on the Executive's part 2 agenda for the meeting on 15th June 2016 –

- (14) Grant of Lease of the Widmore Centre to the STEP Academy Trust.
- (15) Biggin Hill Memorial Museum
- (16) The Glades Shopping Centre – Appointment of Professional Advisors
- (17) Gifting of the Mears Scheme to the Pension Fund
- (19) Temporary Accommodation: Trinity C of E Primary School and Castlecombe Primary School

The Meeting ended at 9.16 pm

Chairman

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

8TH JUNE 2016

7. QUESTION FOR WRITTEN REPLY

From Cllr Tony Owen to the Portfolio Holder for Renewal and Recreation

Will you please supply in tabular form all meetings that took place between BHAL and officers and/or members in relation to change of hours with the following information.

Date of meeting - Persons present - details of where minutes are held

Reply:

Please find attached the information requested on meetings that took place between BHAL and officers/or Members in relation to the change in hours proposal. No minutes of these meetings were made and the outcome of our discussions are contained in the Executive report and appendices.

Biggin Hill Airport Extension of Hours Application

Meetings between BHAL and officers and/or Members since Special Executive and Council Meeting 25th March 2015

Date	Meeting	Attendees
2015		
25 th March	Special Executive & Council meeting	Members/Officers/Members of the public
20 th April	LBB/BHAL meeting to discuss proposals and Council conditions	BHAL – Will Curtis, Andrew Walters, David Charles, David Gavin; LBB Home Team*
27 th May	Biggin Hill Demonstration of Noise Monitoring Equipment – at Biggin Hill	Council Members, Will Curtis and members of his team
11 th June	LBB/BHAL meeting to discuss proposals and Council conditions	BHAL – Will Curtis, Andrew Walters, David Charles, David Gavin; LBB Home Team*
30 th June	Biggin Hill Airport Focus Group Briefing	Council Members, Will Curtis and members of his team, Andrew Rogers, Dr. Hedley Pugh.
21 st August	LBB/BHAL meeting to discuss proposals and Council conditions	BHAL – Will Curtis; LBB Home Team*; Dr Chris Smith (LBB Consultant)
25 th November	Special Executive and Council	Members/Officers/Members of the Public
2016		
12 th February	LBB/BHAL meeting to discuss proposals and Council conditions	BHAL – Will Curtis, Andrew Walters; LBB Home Team*
1 st March	LBB/BHAL meeting to discuss proposals and Council conditions	BHAL – Will Curtis, Andrew Walters; LBB Home Team*
10 th May	LBB/BHAL meeting to discuss proposals and Council conditions	Cabinet Members, BHAL – Will Curtis. Andrew Walters; LBB Home Team*

* Biggin Hill “Home Team” refers to LBB officers: Marc Hume, Mark Bowen, Dr. Hedley Pugh, Andrew Rogers, Susan Fraser – some or all of these officers were present at the meetings referred to above.

London Borough of Bromley

Report No.
CSD16090

PART ONE - PUBLIC

Decision Maker: EXECUTIVE AND RESOURCES
POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Date: 7th July 2016

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

Title: MATTERS ARISING FROM PREVIOUS MEETINGS AND
UPDATES FROM OTHER PDS COMMITTEES

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: N/A

1. Reason for report

1.1 Appendix 1 to this report updates Members on matters arising from previous meetings which continue to be "live." Three matters are listed.

1.2 The report is also intended to provide an opportunity for PDS Chairmen to update the Committee on the work of their PDS Committees. The following meetings have been held recently -

- Environment PDS – 7th June 2016
- Care Services PDS – 28th June 2016
- Public Protection and Safety PDS – 29th June 2016
- Renewal & Recreation PDS – 5th July 2016

1.3 Updates from PDS Chairmen will be circulated following these meetings.

1.4 The Education Select Committee presented its first report to the Council meeting on 4th July 2016.

2. RECOMMENDATIONS

The Committee is invited to consider progress on matters arising from previous meetings.

Corporate Policy

1. Policy Status:
 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: £335, 590
 5. Source of funding: 2016/17 Revenue Budget
-

Staff

1. Number of staff (current and additional): 8 posts (7.27fte)
 2. If from existing staff resources, number of staff hours: Monitoring the Committee's matters arising takes a few hours between each meeting.
-

Legal

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

Customer Impact

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

Ward Councillor Views

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

Non-Applicable Sections:	Policy/Finance/Legal/Personnel
Background Documents: (Access via Contact Officer)	Minutes of previous meetings

Appendix 1

Minute Number/ Title/Date	PDS Request	Update	Action By	Completion Date
299 Corporate Contracts Register 12 th May 2016	Committee requested that the column with comments from the Commissioning Team be re-instated in the Register.	To be addressed in the next issue of the Contracts Register	Head of Corporate Procurement	August 2016
302 Bromley Youth Employment Project – Progress Update 12 th May 2016	Committee requested a report on the Council's internship scheme.	A report will be prepared for a future meeting	Director of Human Resources	August 2016
303 Work Programme 12 th May 2016	Cllr Ian Dunn requested a report on the IT support contract	A report will be prepared for a future meeting – once the new contract has bedded in.	Head of ICT	August/ October 2016

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LONDON BOROUGH OF BROMLEY

FORWARD PLAN OF KEY AND PRIVATE EXECUTIVE DECISIONS PUBLISHED ON: 14th June 2016

PERIOD COVERED: 14th June 2016 – 31st October 2016

DATE FOR PUBLISHING NEXT FORWARD PLAN OF KEY AND PRIVATE EXECUTIVE DECISIONS: 9th August 2016

WHAT IS BEING DECIDED?	WHO IS THE DECISION MAKER?	WHEN WILL THE DECISION BE MADE AND WHO WILL BE CONSULTED BEFORE THE DECISION IS MADE?	HOW WILL THE CONSULTATION TAKE PLACE?	HOW CAN YOU MAKE COMMENTS ON THE DECISION BEFORE IT IS MADE?	WILL THIS ITEM BE CONSIDERED IN PUBLIC OR IN PRIVATE?	WHAT SUPPORT DOCUMENTS AND OTHER INFORMATION WILL BE AVAILABLE?
COUNCIL						
EXECUTIVE						
BIGGIN HILL AIRPORT LTD (BHAL) - PROPOSAL TO VARY THE OPERATING HOURS	Executive	15 June 2016 Executive and Resources PDS Committee	Meeting	Contact Officer: Andrew Rogers Tel: 020 8461 7670 andrew.rogers@bromley.gov.uk	<u>Public Meeting</u>	Report and relevant background documents
TEMPORARY ACCOMMODATION - TRINITY C OF E PRIMARY SCHOOL AND CASTLECOMBE PRIMARY SCHOOL	Executive	Not before 15 June 2016 Executive and Resources PDS Committee	Meeting	Contact Officer: Robert Bollen Tel: 020 8313 4697 Robert.Bollen@bromley.gov.uk	<u>Private meeting - Exempt information - Financial/business affairs of a person or body</u>	Part 2 report - confidential
PARKING CONTRACT	Executive	15 June 2016 Environment PDS Committee and Executive and Resources PDS Committee	Meetings	Contact Officer: Ben Stephens Tel: 0208 313 4514 ben.stephens@bromley.gov.uk	<u>Private meeting - Exempt information - Financial/business affairs of a person or body</u>	Part 2 report - confidential

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GRANT OF LEASE OF THE WIDMORE CENTRE TO THE STEP ACADEMY TRUST	Executive	15 June 2016 Executive and Resources PDS Committee	Meeting	Contact Officer: Neil Thompson Tel: 020 8313 4603 neil.thompson@bromley.gov.uk	<u>Private meeting - Exempt information - Financial/business affairs of a person or body</u>	Part 2 report - confidential
BIGGIN HILL MEMORIAL MUSEUM	Executive	15 June 2016 Executive and Resources PDS Committee	Meeting	Contact Officer: Lydia Lee Tel: 01689 873 826 Lydia.Lee@bromley.gov.uk	<u>Private meeting - Exempt information - Financial/business affairs of a person or body</u>	Part 2 report - confidential
GRANT OF LEASE OF THE WIDMORE CENTRE TO THE STEP ACADEMY TRUST	Executive	15 June 2016 Executive and Resources PDS Committee	Meeting	Contact Officer: Neil Thompson, Robert Bollen Tel: 020 8313 4603, Tel: 020 8313 4697 neil.thompson@bromley.gov.uk , Robert.Bollen@bromley.gov.uk	<u>Private meeting - Exempt information - Financial/business affairs of a person or body</u>	Part 2 report - confidential
THE GLADES SHOPPING CENTRE - APPOINTMENT OF PROFESSIONAL ADVISERS	Executive	15 June 2016 Executive and Resources PDS Committee	Meeting	Contact Officer: Neil Thompson Tel: 020 8313 4603 neil.thompson@bromley.gov.uk	<u>Private meeting - Exempt information - Financial/business affairs of a person or body</u>	Part 2 report - confidential

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"GIFTING" OF MEARS SCHEME TO PENSION FUND	Executive	15 June 2016 Executive and Resources PDS Committee	Meeting	Contact Officer: Peter Turner Tel: 020 8313 4668 peter.turner@bromley.gov.uk	<u>Private meeting - Exempt information - Financial/business affairs of a person or body</u>	Part 2 report - confidential
ACQUISITION OF INVESTMENT PROPERTY	Executive	Not before 15 June 2016 Non-Executive Members, including Members of the Executive and Resources PDS Committee, will be invited to attend the Executive meeting to offer any comment.	Non-Executive Members, including Members of the Executive and Resources PDS Committee, will be invited to attend the Executive meeting to offer any comment.	Contact Officer: Neil Thompson Tel: 020 8313 4603 neil.thompson@bromley.gov.uk	<u>Private meeting - Exempt information - Financial/business affairs of a person or body</u>	Part 2 report - confidential

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FORMAL CONSULTATION ON OUTLINE SERVICE PROPOSALS AND PROCUREMENT STRATEGY - DOMICILIARY CARE SERVICES	Executive	13 July 2016 Care Services PDS Committee and Executive and Resources PDS Committee	Meetings	Contact Officer: Wendy Norman Tel: 020 8313 4212 Wendy.Norman@bromley.gov.uk	<u>Private meeting - Exempt information - Financial/business affairs of a person or body</u>	Part 2 report - confidential
GATEWAY REPORT FOR LEARNING DISABILITY SUPPORTED LIVING SCHEMES	Executive	Not before 13 July 2016 Care Services PDS Committee and Executive and Resources PDS Committee	Meetings	Contact Officer: Colin Lusted Tel: 0208 461 7650 Colin.Lusted@bromley.gov.uk	<u>Public meeting</u>	Report and relevant background documents
FORMAL CONSULTATION ON OUTLINE SERVICE PROPOSALS AND PROCUREMENT STRATEGY - NURSING CARE BEDS	Executive	13 July 2016 Care Services PDS Committee and Executive and Resources PDS Committee	Meetings	Contact Officer: Wendy Norman Tel: 020 8313 4212 Wendy.Norman@bromley.gov.uk	<u>Private meeting - Exempt information - Financial/business affairs of a person or body</u>	Part 2 report - confidential

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GATEWAY REVIEW HEALTH VISITING SERVICES	Executive	13 July 2016 Care Services PDS Committee and Executive and Resources PDS Committee	Meetings	Contact Officer: Dr Nada Lemic Tel: 020 8313 4220 Nada.Lemic@bromley.gov.uk	<u>Public meeting</u>	Report and relevant background documents
GATEWAY REVIEW COMMUNITY SEXUAL HEALTH SERVICES	Executive	13 July 2016 Care Services PDS Committee and Executive and Resources PDS Committee	Meetings	Contact Officer: Mimi Morris-Cotterill Tel: 020 8461 7779 Nada.Lemic@bromley.gov.uk	<u>Public meeting</u>	Report and relevant background documents
DRAFT LOCAL PLAN	Executive	Not before 13 July 2016 Development Control Committee	Meeting	Contact Officer: Mary Manuel Tel: 020 8313 4303 mary.manuel@bromley.gov.uk	<u>Public meeting</u>	Report and relevant background documents

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BUSINESS IMPROVEMENT DISTRICT STRATEGY FOR TOWN CENTRES	Executive	Not before 13 July 2016 Renewal and Recreation PDS Committee and Executive and Resources PDS Committee	Meetings	Contact Officer: Lorraine McQuillan Tel: 020 8461 7498 Lorraine.McQuillan@bromley.gov.uk	<u>Public Meeting</u>	Report and relevant background documents
COMMISSIONING - PROPOSED TOTAL FACILITIES MANAGEMENT CONTRACT	Executive	Not before 13 July 2016 Executive and Resources PDS Committee	Meeting	Contact Officer: Colin Brand Tel: 0208 313 4107 colin.brand@bromley.gov.uk	<u>Public meeting</u>	Report and relevant background documents
SITE G PROCUREMENT UPDATE	Executive	13 July 2016 Renewal and Recreation PDS Committee and Executive and Resources PDS Committee	Meetings	Contact Officer: Kevin Munnelly Tel: 020 8313 4582 kevin.munnelly@bromley.gov.uk	<u>Private meeting - Exempt information - Financial/business affairs of a person or body</u>	Part 2 report - confidential

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TENANCY SUSTAINMENT SERVICES	Executive	<p>Not before 01 August 2016</p> <p>Non-Executive Members, including Members of the Care Services and Executive and Resources PDS Committees, will be invited to attend any Special Executive meeting to offer any comment.</p>	<p>Non-Executive Members, including Members of the Care Services and Executive and Resources PDS Committees, will be invited to attend any Special Executive meeting to offer any comment.</p>	<p>Contact Officer:</p> <p>Wendy Norman Tel: 020 8313 4212 Wendy.Norman@bromley.gov.uk</p>	<p><u>Item is expected to be considered during the public part of any meeting with confidential material to be considered during exempt proceedings.</u></p>	<p>Report and relevant background documents</p>

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TENANCY SUSTAINMENT SERVICES FOR YOUNG PEOPLE	Executive	<p>Not before 01 August 2016</p> <p>Non-Executive Members, including Members of the Care Services and Executive and Resources PDS Committees, will be invited to attend any Special Executive meeting to offer any comment.</p>	<p>Non-Executive Members, including Members of the Care Services and Executive and Resources PDS Committees, will be invited to attend any Special Executive meeting to offer any comment.</p>	<p>Contact Officer:</p> <p>Wendy Norman Tel: 020 8313 4212 Wendy.Norman@bromley.gov.uk</p>	<p><u>Item is expected to be considered during the public part of any meeting with confidential material to be considered during exempt proceedings.</u></p>	<p>Report and relevant background documents</p>

WHAT IS BEING DECIDED?	WHO IS THE DECISION MAKER?	WHEN WILL THE DECISION BE MADE AND WHO WILL BE CONSULTED BEFORE THE DECISION IS MADE?	HOW WILL THE CONSULTATION TAKE PLACE?	HOW CAN YOU MAKE COMMENTS ON THE DECISION BEFORE IT IS MADE?	WILL THIS ITEM BE CONSIDERED IN PUBLIC OR IN PRIVATE?	WHAT SUPPORT DOCUMENTS AND OTHER INFORMATION WILL BE AVAILABLE?
OLDER PEOPLE'S RESPIITE AT HOME	Executive	<p>Not before 01 August 2016</p> <p>Non-Executive Members, including Members of the Care Services and Executive and Resources PDS Committees, will be invited to attend any Special Executive meeting to offer any comment.</p>	<p>Non-Executive Members, including Members of the Care Services and Executive and Resources PDS Committees, will be invited to attend any Special Executive meeting to offer any comment.</p>	<p>Contact Officer:</p> <p>Wendy Norman Tel: 020 8313 4212 Wendy.Norman@bromley.gov.uk</p>	<p><u>Item is expected to be considered during the public part of any meeting with confidential material considered during exempt proceedings.</u></p>	<p>Report and relevant background documents</p>
SUPPORTED LIVING CONTRACT AWARD	Executive	<p>07 September 2016</p> <p>Executive and Resources PDS Committee</p>	<p>Meeting</p>	<p>Contact Officer:</p> <p>Colin Lusted Tel: 0208 461 7650 Colin.Lusted@bromley.gov.uk</p>	<p><u>Item is expected to be considered during the public part of the Executive meeting with confidential material to be considered during exempt proceedings.</u></p>	<p>Report and relevant background documents</p>

WHAT IS BEING DECIDED?	WHO IS THE DECISION MAKER?	WHEN WILL THE DECISION BE MADE AND WHO WILL BE CONSULTED BEFORE THE DECISION IS MADE?	HOW WILL THE CONSULTATION TAKE PLACE?	HOW CAN YOU MAKE COMMENTS ON THE DECISION BEFORE IT IS MADE?	WILL THIS ITEM BE CONSIDERED IN PUBLIC OR IN PRIVATE?	WHAT SUPPORT DOCUMENTS AND OTHER INFORMATION WILL BE AVAILABLE?
AWARD OF CONTRACT FOR CAPITAL WORKS AT ST GEORGE'S C.E. PRIMARY SCHOOL	Executive	Not before 07 September 2016 Executive and Resources PDS Committee	Meeting	Contact Officer: Robert Bollen Tel: 020 8313 4697 Robert.Bollen@bromley.gov.uk	<u>Private meeting - Exempt information - Financial/business affairs of a person or body</u>	Part 2 report - confidential
FUNDING FOR AN EXTERNAL RECRUITMENT DRIVE FOR FOSTER CARERS FOR ADOLESCENTS	Executive	Not before 07 September 2016 Care Services PDS Committee and Executive and Resources PDS Committee	Meetings	Contact Officer: Ian Leadbetter Tel: 020 8313 4116 ian.leadbetter@bromley.gov.uk	<u>Public Meeting</u>	Report and relevant background documents
GLADES SHOPPING CENTRE - CAR PARK IMPROVEMENTS	Executive	Not before 07 September 2016 Executive and Resources PDS Committee	Meeting	Contact Officer: Neil Thompson Tel: 020 8313 4603 neil.thompson@bromley.gov.uk	<u>Private meeting - Exempt information - Financial/business affairs of a person or body</u>	Part 2 report - confidential

WHAT IS BEING DECIDED?	WHO IS THE DECISION MAKER?	WHEN WILL THE DECISION BE MADE AND WHO WILL BE CONSULTED BEFORE THE DECISION IS MADE?	HOW WILL THE CONSULTATION TAKE PLACE?	HOW CAN YOU MAKE COMMENTS ON THE DECISION BEFORE IT IS MADE?	WILL THIS ITEM BE CONSIDERED IN PUBLIC OR IN PRIVATE?	WHAT SUPPORT DOCUMENTS AND OTHER INFORMATION WILL BE AVAILABLE?
OUTCOME OF FEASIBILITY STUDY FOR DEVELOPMENT OPTIONS AT BROMLEY VALLEY GYMNASISTICS CENTRE	Executive	Not before 07 September 2016 Renewal and Recreation PDS Committee and Executive and Resources PDS Committee	Meetings	Contact Officer: John Gledhill Tel: 020 8461 7527 john.gledhill@bromley.gov.uk	<u>Public Meeting</u>	Report and relevant background documents
EXTRA CARE HOUSING SCHEMES - AWARD OF CONTRACT	Executive	Not before 12 October 2016 Care Services PDS Committee and Executive and Resources PDS Committee	Meetings	Contact Officer: Alicia Munday Tel: 020 8313 4559 Alicia.Munday@bromley.gov.uk	<u>Item will be considered during the public part of the relevant meetings with confidential material to be considered during exempt proceedings.</u>	Report and relevant background documents

WHAT IS BEING DECIDED?	WHO IS THE DECISION MAKER?	WHEN WILL THE DECISION BE MADE AND WHO WILL BE CONSULTED BEFORE THE DECISION IS MADE?	HOW WILL THE CONSULTATION TAKE PLACE?	HOW CAN YOU MAKE COMMENTS ON THE DECISION BEFORE IT IS MADE?	WILL THIS ITEM BE CONSIDERED IN PUBLIC OR IN PRIVATE?	WHAT SUPPORT DOCUMENTS AND OTHER INFORMATION WILL BE AVAILABLE?
CARELINK - AWARD OF CONTRACT	Executive	Not before 12 October 2016 Care Services PDS Committee and Executive and Resources PDS Committee	Meetings	Contact Officer: Alicia Munday Tel: 020 8313 4559 Alicia.Munday@bromley.gov.uk	<u>Item will be considered during the relevant meetings with confidential material to be considered during exempt proceedings.</u>	Report and relevant background documents
REVIEW OF BROMLEY TOWN CENTRE MARKET	Executive	Not before 12 October 2016 Renewal and Recreation PDS Committee and Executive and Resources PDS Committee	Meetings	Contact Officer: Lorraine McQuillan Tel: 020 8461 7498 Lorraine.McQuillan@bromley.gov.uk	<u>Public Meeting</u>	Report and relevant background documents
GATEWAY REPORT - ENVIRONMENTAL SERVICES CONTRACT	Executive	Not before 12 October 2016 Environment PDS Committee and Executive and Resources PDS Committee	Meetings	Contact Officer: Dan Jones Tel: 0208 313 4211 Dan.Jones@bromley.gov.uk	<u>Public meeting</u>	Report and relevant background documents

WHAT IS BEING DECIDED?	WHO IS THE DECISION MAKER?	WHEN WILL THE DECISION BE MADE AND WHO WILL BE CONSULTED BEFORE THE DECISION IS MADE?	HOW WILL THE CONSULTATION TAKE PLACE?	HOW CAN YOU MAKE COMMENTS ON THE DECISION BEFORE IT IS MADE?	WILL THIS ITEM BE CONSIDERED IN PUBLIC OR IN PRIVATE?	WHAT SUPPORT DOCUMENTS AND OTHER INFORMATION WILL BE AVAILABLE?
AWARD OF CONTRACT FOR CAPITAL WORKS AT SCOTTS PARK PRIMARY SCHOOL	Executive	Not before 12 October 2016 Executive and Resources PDS Committee	Meeting	Contact Officer: Robert Bollen Tel: 020 8313 4697 Robert.Bollen@bromley.gov.uk	<u>Private meeting - Exempt information - Financial/business affairs of a person or body</u>	Part 2 report - confidential
CARE SERVICES PORTFOLIO						
EDUCATION PORTFOLIO						
ENVIRONMENT PORTFOLIO						
PUBLIC PROTECTION AND SAFETY PORTFOLIO						
RENEWAL AND RECREATION PORTFOLIO						
RESOURCES PORTFOLIO						

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

Contact Officer: Keith Pringle, Chief Executive's Department: 020 8313 4508, keith.pringle@bromley.gov.uk

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Report No.
DRR16/063

London Borough of Bromley

PART 1 - PUBLIC

<Please select>

Decision Maker: Resources Portfolio Holder

Date: 7 July 2016

Decision Type: Non-Urgent Executive Non-Key

Title: **FORMER CHARTWELL BUSINESS CENTRE, CENTRAL DEPOT – IMPROVEMENT WORKS (POST COMPLETION REVIEW REPORT)**

Contact Officer: Catherine Pimm, Head of Asset Management and Strategic Projects
Tel: 020 8461 7834 E-mail: catherine.pimm@bromley.gov.uk

Chief Officer: Director of Regeneration and Transformation

Ward: Bromley Town

1. Reason for report

- 1.1 As part of the Capital Programme Procedures it is a requirement that schemes should be formally reviewed within one year of completion and the outcome of this review is brought to the Portfolio Holder for endorsement.
-

2. **RECOMMENDATION(S)**

- 2.1 That the Portfolio Holder endorses the findings of the Post Completion Review that has been carried out in respect of Former Chartwell Business Centre – Improvement Works.

Corporate Policy

1. Policy Status: <please select>.
 2. BBB Priority: <please select>.
-

Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A.
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £870k
 5. Source of funding: LBB Capital
-

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: Call-in is not applicable.
-

Customer Impact

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

Ward Councillor Views

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

3. COMMENTARY

3.1 The Capital Programme Procedures require that a post completion review be carried out within 12 months of the completion of schemes that are included within the programme. This process is designed to determine the Authority's performance in the following key area;

- Were the original scheme objectives achieved?
- Were the scheme costs contained within the original budget?
- Did the scheme complete on time?
- What was the level of customer satisfaction from the end user with the overall process?

3.2 The information set out in the appendices shows the above information for Former Chartwell Business Centre - Improvement Works.

3.3 The scheme completed within budget and the original contract programme was met. A full analysis of the project is contained within the appendix.

4. POLICY IMPLICATIONS

4.1 One of the main aims of the Council's Asset Management Plan is to ensure that all the partners in the asset management planning processes are fully consulted on the process and its outcomes. Progression of the scheme will assist in meeting one of the key outcomes of Building a Better Bromley: Quality Environment.

5. FINANCIAL IMPLICATIONS

5.1 This report provides information on a Post Completion Review that has been carried out in respect of Former Chartwell Business Centre – Improvement Works.

5.2 The table below summarises the financial outturn position of the scheme: -

	£'000
Capital Estimate	870
Final scheme costs	859
Net underspend	-11

5.3 The scheme came in £11k below the latest approved capital estimate and this balance will be returned to capital receipts.

5.4 There were no direct revenue savings as a result of this scheme, however the Cleansing contractor gave an indication that there would be notional savings related to operating from the Central Depot compared to Beaverwood Depot. The estimated non-cashable savings from increased productivity and savings on fuel were £35k per annum, or a total of £245k over the seven year contract. This would have contributed to the savings of £818k per annum that were achieved from the re-tendering of the street cleansing contract as reported on 14 December 2011.

6. LEGAL IMPLICATIONS

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7. PERSONNEL IMPLICATIONS

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Non-Applicable Sections:	Personnel and Legal Implications Consultation
Background Documents: (Access via Contact Officer)	[Title of document and date]

APPENDIX 1

Former Chartwell Business Centre - Improvement Works

Scheme Details

1. The scheme comprised works to the former Chartwell Business Centre to enable the relocation of the street cleansing contractor from Beaverwood Depot to Central Depot, together with the provision of office facilities for the street cleansing client side staff.

Scheme History

2. In November 2007, the Depot Review Project concluded that there would be financial and service gains from relocating the street cleansing services from Beaverwood Depot to Central Depot. When the Chartwell Business Centre was vacated in 2011, it provided the opportunity to relocate the street cleansing service. The building costs included expenditure needed to maintain the useful life of the building and “enhancements” which were works required to make the building suitable for occupation by street cleansing services.
3. There were tight time constraints on the project as the new facilities had to be ready to coincide with the commencement of the new street cleansing contract, so the works were divided into two phases to speed up the programme: Roofing Works and Main Works.

	Original Estimate	Actual Expenditure	Variance
Former Chartwell Business Centre – Improvement Works	£870,000	£859,000	-£11,000

The works proceeded smoothly and completed on time and under budget.

Running Costs

4. There have been no changes to the running costs relating to this scheme.

Scheme Objectives

5. The objectives of the scheme were as follows:
 - Development of Central Depot as the Council’s main operational base for key operational services
 - Reduced traffic movements (mileage and fuel)
 - Greater service efficiencies, particularly from vehicle journeys
 - Potential synergy between waste services and street cleansing
 - Fit for purpose facilities
 - Reduction in backlog maintenance costs
 - Rationalisation of Depots
 - Vacation of Beaverwood Depot

Assessment of Scheme Success

6. Most of the scheme objectives have been met, although Beaverwood Depot continues to be occupied by contractors providing services for Environment and Community Services.

Assessment of Contract Efficiency

7.	Contract period – Roofing Works:	3 weeks
	Start Date:	30/4/2012
	Practical Completion:	2 July 2012
	Over-run:	2 weeks
	Contract period – Main Works:	20 weeks
	Start Date:	9/7/2012
	Practical Completion:	17 December 2012
	Over-run:	3 weeks

The roofing works overran due to inclement weather.

The practical completion certificate was issued 3 weeks later than anticipated for the main works. The works had been completed by the anticipated completion date of 23/11/2012, but the final connection of radio links to the main depot building prevented the issue of the practical completion certificate.

After occupation of the building there were several copper pipe leaks between 2013 and 2014. The defective pipework was replaced and samples of pipework analysed showing a manufacturing fault exacerbated by chlorination. The remaining pipework has been monitored and there have been no further failures since 2014.

It was decided to defer the review and closing of the account until the responsible officer was satisfied that there were no further problems with the pipework.

The Project Team were complimented by the client department on the excellent management of the project and satisfaction was expressed about the new facilities.

Outstanding Issues and Their Proposed Resolution

8. There are no outstanding issues.

Report No.
FSD16050

London Borough of Bromley

Agenda
Item No.

PART 1 - PUBLIC

Decision Maker: Resources Portfolio Holder

Date: For pre-decision scrutiny by Executive and Resources PDS Committee
on 7th July 2016
Council 26th September 2016

Decision Type: Non-Urgent Executive Non-Key

Title: TREASURY MANAGEMENT - ANNUAL REPORT 2015/16

Contact Officer: James Mullender, Principal Accountant
Tel: 020 8313 4292 E-mail: james.mullender@bromley.gov.uk

Chief Officer: Director of Finance

Ward: All

1. Reason for report

- 1.1 This report summarises treasury management activity during the March quarter and includes the Treasury Management Annual Report for 2015/16, which is required to be reported to full Council. The report ensures that the Council is implementing best practice in accordance with the CIPFA Code of Practice for Treasury Management. The report also includes an update on the Council's investment with Heritable Bank (paragraph 3.16). Investments as at 31st March 2016 totalled £285.5m (excluding the balance of the Heritable investment) and there was £24.4m of temporary external borrowing. For information and comparison, the balance of investments stood at £301.9m as at 31st December 2015 and £254.8m as at 31st March 2015 and, at the time of writing this report (24th June 2016) it stood at £287.6m.
-

RECOMMENDATION(S)

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

- (a) note the Treasury Management Annual Report for 2015/16 and**
- (b) approve the actual prudential indicators within the report.**

Corporate Policy

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

Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A.
 3. Budget head/performance centre: Interest on balances
 4. Total current budget for this head: £2.741m budget (net interest earnings) in 2015/16; surplus of £1.53m achieved in 2015/16. Budget for 2016/17 £3.491m
 5. Source of funding: Net investment income
-

Staff

1. Number of staff (current and additional): 0.25 fte
 2. If from existing staff resources, number of staff hours: 9 hours per week
-

Legal

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

Customer Impact

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

Ward Councillor Views

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

3. COMMENTARY

General

- 3.1 Under the requirements of the CIPFA Code of Practice on Treasury Management, the Council is required, as a minimum, to approve an annual treasury strategy in advance of the year, a mid-year review report and an annual report following the year comparing actual activity to the strategy. In practice, the Director of Finance has reported quarterly on treasury management activity for many years, as well as reporting the annual strategy before the year and the annual report after the year-end. This report includes details of investment performance in the final quarter of 2015/16 and the annual report for the whole of the financial year 2015/16. The 2015/16 annual treasury strategy, including the MRP (Minimum Revenue Provision) Policy Statement and prudential indicators, was originally approved by Council in February 2015. The review and amendments to the strategy (comprising an increase in the total investment limit for pooled investment vehicles from £25m to £40m) were approved by Council in October 2015.
- 3.2 Recent changes in the regulatory environment place a much greater onus on Members for the review and scrutiny of treasury management policy and activities. This report is important in that respect, as it provides details of the actual position for treasury activities and highlights compliance with the Council's policies previously approved by Members.
- 3.3 The Council has monies available for Treasury Management investment as a result of the following:
- (a) Positive cash flow;
 - (b) Monies owed to creditors exceed monies owed by debtors;
 - (c) Receipts (mainly from Government) received in advance of payments being made;
 - (d) Capital receipts not yet utilised to fund capital expenditure;
 - (e) Provisions made in the accounts for liabilities e.g. provision for outstanding legal cases which have not yet materialised;
 - (f) General and earmarked reserves retained by the Council.
- 3.4 Some of the monies identified above are short term and investment of these needs to be highly "liquid", particularly if it relates to a positive cash flow position, which can change in the future. Future monies available for Treasury Management investment will depend on the budget position of the Council and whether the Council will need to substantially run down capital receipts and reserves. Against a backdrop of unprecedented cuts in Government funding (which will require the Council to make revenue savings to balance the budget in future years), there is a likelihood that such actions may be required in the medium term, which will reduce the monies available for investment.
- 3.5 The Council has also identified an alternative investment strategy relating to property investment. To date, this has resulted in actual and planned acquisitions which generated £3m income in 2015/16, and full-year income of £4m. This is based on a longer term investment timeframe of at least 3 to 5 years. After allowing for foregone treasury management interest earnings (£0.5m), the financial forecast assumes net increased income of £4.5m from the acquisitions. This alternative investment ensures that the monies available can attract higher yields over the longer term.
- 3.6 A combination of lower risk investment relating to Treasury Management and a separate investment strategy in the form of property acquisitions (generating higher yields and risks) provides a balanced investment strategy. Any investment decisions will also need to consider the likelihood that interest rates will increase at some point. The available resources for the medium term, given the ongoing reductions in Government funding, will need to be regularly reviewed.

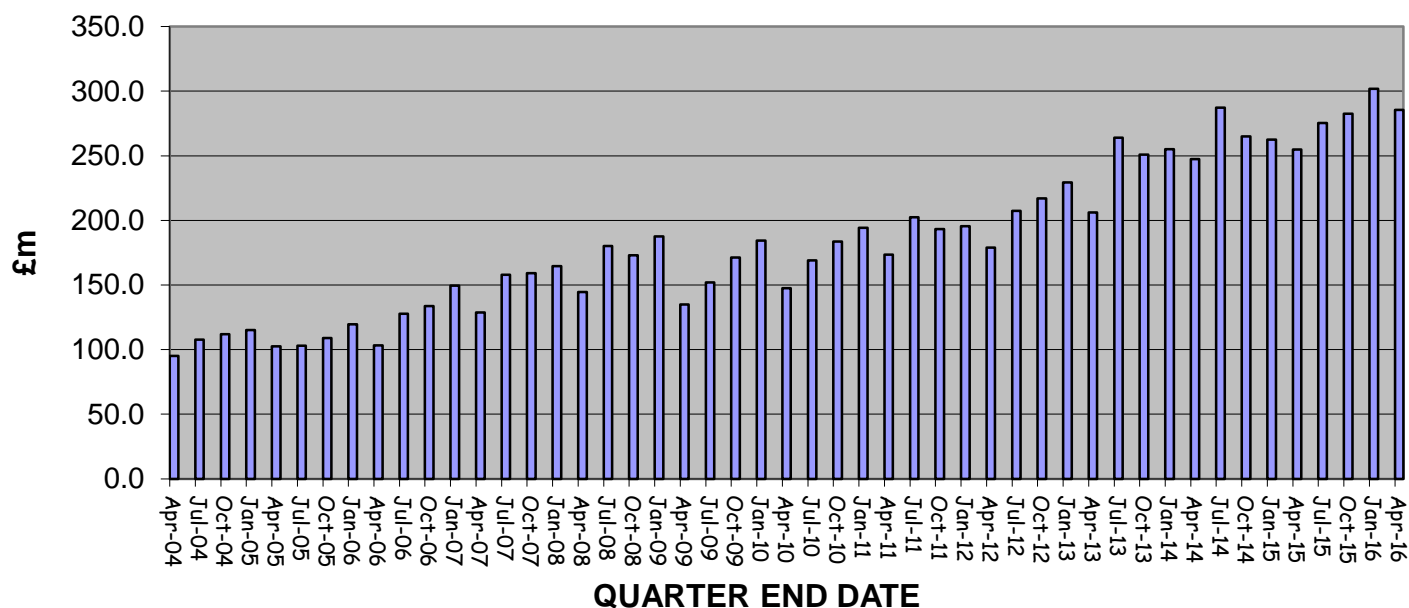
Treasury Performance in the quarter and year ended 31st March 2016

- 3.7 **Borrowing:** Between 29th February and 31st March 2016, some short-term temporary borrowing was required. This was primarily due to activity in quarter four, mainly relating to the purchase of three investment properties and an anticipated capital receipt not being realised. The borrowing, all from other Local Authorities, had an average principal over this period of £10.4m at an average rate of 0.42% (total interest cost £4k). As at 31st March, there was a total outstanding of £24.4m, which was fully repaid by 4th April 2016. No other borrowing was required for the earlier part of the year.
- 3.8 **Investments:** No investments were placed in the March quarter. The following table sets out details of investment activity during the March quarter and the whole of the financial year 2015/16:-

Main investment portfolio	Qtr ended 31/03/16		1/4/15 to 31/03/16	
	Deposits	Ave Rate	Deposits	Ave Rate
	£m	%	£m	%
Balance of "core" investments b/f	247.50	1.41	207.50	1.29
New investments made in period	0.00	0.00	70.00	1.33
Investments redeemed in period	-7.00	0.97	-37.00	0.84
"Core" investments at end of period	240.50	1.43	240.50	1.43
Money Market Funds	0.00	para 3.13	0.00	para 3.13
Santander 180 day notice account	10.00	para 3.14	10.00	para 3.14
CCLA Property Fund	25.00	para 3.15	25.00	para 3.15
Diversified Growth Funds	10.00	para 3.15	10.00	para 3.15
Total investments at end of period	285.50	n/a	285.50	n/a

- 3.9 Details of the outstanding investments at 31st March 2016 are shown in maturity date order in Appendix 1 and by individual counterparty in Appendix 2. An average return of 1% was prudently assumed for new investments in the 2015/16 budget in line with the estimates provided by the Council's external treasury advisers, Capita, and with officers' views. The average return on the new "core" investments placed during 2015/16 was 1.33%, compared to the average LIBID rates of 0.36% for 7 days, 0.46% for 3 months, 0.61% for 6 months and 0.90% for 1 year. The improved average rate earned on new investments placed in 2015/16 mainly reflects longer-term deposits placed with other local authorities and banks and compares favourably with the budget assumption.
- 3.10 Reports to previous meetings have highlighted the fact that options with regard to the reinvestment of maturing deposits have become seriously limited in recent years following bank credit rating downgrades. Changes to lending limits and eligibility criteria, most recently in October 2014 (an increase of £40m (from £40m to £80m) in the lending limits of both Lloyds and RBS and an increase in the maximum period from 2 years to 3 years) have alleviated this to some extent, but there are still not many investment options available other than placing money with instant access accounts at relatively low interest rates. Active UK banks on the Council's list now comprise only Lloyds, RBS, HSBC, Barclays, Santander UK and Nationwide and all of these have reduced their interest rates significantly in recent years. The Director of Finance will continue to monitor rates and counterparty quality and take account of external advice prior to any investment decisions.
- 3.11 The chart below shows total investments at quarter-end dates back to 1st April 2004 and shows how available funds have increased steadily over the years. This has been a significant contributor to the over-achievement of investment income against budgeted income in recent years.

TOTAL INVESTMENT PORTFOLIO



Interest Rate Forecast

3.12 Base rate has now been 0.5% since March 2009 and the latest forecast by Capita Treasury Solutions (in May 2016) is for it to begin to slowly rise from early 2017 (a quarter later than the previous estimate given in January 2016). For comparison, Capita's latest two interest rate forecasts are shown below.

Date	LATEST FORECAST (May 16)				PREVIOUS FORECAST (Jan 16)			
	3 month		6 month	1 year	3 month		6 month	1 year
	Base Rate	Libid	Libid	Libid	Base Rate	Libid	Libid	Libid
Jun-16	0.50%	0.50%	0.70%	1.00%	0.50%	0.50%	0.70%	1.00%
Sep-16	0.50%	0.50%	0.70%	1.00%	0.50%	0.60%	0.80%	1.10%
Dec-16	0.50%	0.60%	0.80%	1.10%	0.75%	0.80%	0.90%	1.20%
Mar-17	0.75%	0.80%	0.90%	1.20%	0.75%	0.90%	1.00%	1.30%
Jun-17	0.75%	0.80%	1.00%	1.30%	1.00%	1.00%	1.20%	1.50%
Sep-17	1.00%	1.00%	1.20%	1.50%	1.00%	1.10%	1.30%	1.60%
Dec-17	1.00%	1.10%	1.40%	1.70%	1.25%	1.30%	1.50%	1.80%
Mar-18	1.25%	1.30%	1.60%	1.90%	1.25%	1.40%	1.60%	1.90%
Jun-18	1.25%	1.30%	1.70%	2.00%	1.50%	1.50%	1.70%	2.00%
Sep-18	1.50%	1.60%	1.80%	2.10%	1.50%	1.60%	1.80%	2.10%
Dec-18	1.50%	1.80%	2.00%	2.30%	1.75%	1.80%	2.00%	2.30%
Mar-19	1.75%	1.90%	2.20%	2.40%	1.75%	1.90%	2.20%	2.40%

However, these projections do not reflect any potential impact of the referendum decision to leave the EU, and although due in July, an updated forecast may not be available until after the meeting of this committee.

Other accounts

3.13 Money Market Funds

The Council currently has 6 AAA-rated Money Market Fund accounts, with Prime Rate, Ignis, Insight, Blackrock, Fidelity and Legal & General, all of which have a maximum investment limit of

£15m. In common with market rates for fixed-term investments, interest rates on money market funds have fallen considerably in recent years. The Ignis and Legal & General funds currently offer the best rate (around 0.53%). The total balance held in Money Market Funds has fluctuated considerably during the year, moving from £22.3m as at 1st April 2015 to £17.8m as at 30th June 2015, £20.1m as at 30th September 2015, £9.4m as at 31st December 2015 and zero as at 31st March 2016. The total peaked at £57.2m in October 2015 and averaged £27.7m over the whole year. The Money Market Funds currently offer the lowest interest of all eligible investment vehicles with the exception of the Government Debt Management Account Deposit Facility (currently 0.25%). During the year, funds have been withdrawn to fund other, more attractive investments, most recently in the December quarter, when the Council invested £10m in Santander's 180 call account at 1.15%, £5m with Lloyds Bank at 1.82% for 3 years, and £10m with Lancashire County Council at 1.5% for 3 years.

Money Market Funds	Date Account Opened	Ave. Rate 2015/16	Ave. Daily balance 2015/16	Actual balance 31/03/16	Latest Balance 24/06/16	Latest Rate 24/06/16
		%	£m	£m	£m	%
Prime Rate	15/06/2009	0.48	8.2	0.0	8.0	0.53
Ignis	25/01/2010	0.048	11.3	0.0	13.5	0.52
Insight	03/07/2009	0.47	2.8	0.0	0.0	0.50
Legal & General	23/08/2012	0.46	5.4	0.0	15.0	0.54
Blackrock	16/09/2009	-	-	0.0	0.0	0.41
Fidelity	20/11/2002	-	-	0.0	0.0	0.42
TOTAL			27.7	0.0	36.5	

3.14 Santander 180 Day Notice Account

In November 2015, £10m was placed with Santander UK in their 180 day notice account at a rate of 1.15%. This is a very good rate for (potentially) 6 month money, but notice was given in May 2016 to ensure that this did not breach the one year maximum permitted with Santander.

3.15 Pooled Investment Schemes

In September 2013, the Portfolio Holder and Full Council approved the inclusion of collective (pooled) investment schemes as eligible investment vehicles in the Council's Investment Strategy with an overall limit of £25m and a maximum duration of 5 years. The limit was subsequently increased to £40m by Council in October 2015. Such investments would require the approval of the Director of Finance in consultation with the Resources Portfolio Holder.

CCLA Property Fund

Following consultation between the Director of Finance and the Resources Portfolio Holder, an account was opened in January 2014 with the CCLA Local Authorities' Property Fund and an initial deposit of £5m was made, followed by further deposits of £5m in July 2014, £5m in March 2015 and £10m in October 2015. The investment in the CCLA Fund is viewed as a medium to long-term investment and dividends are paid quarterly. The investment returned 5.25% net of fees in 2014/15 and 5.02% (net) in 2015/16.

Diversified Growth Funds

In October 2014, the Council approved the inclusion of investment in diversified growth funds in the investment strategy and, in December, £5m was invested with both Newton and Standard Life. The Funds both performed very well in just over three months to 31st March 2015; the Newton Fund returning 21.5% and the Standard Life Fund returning 21.9%. In accordance with the Council decision, interest equivalent to 27% of the total dividend was transferred to the Parallel Fund, set up in 2014/15 with an opening balance of £2.7m to mitigate the potential

revenue impact of future actuarial Pension Fund valuations. However, performance has not been so impressive in 2015/16, with the Newton Fund returning 0.85% (net – an overall gain of £43k) and the Standard Life Fund returning -5.05% (net – an overall loss of £253k). The overall net gains since inception have been 5.3% (£337k) and 0.7% (£47k) for the Newton and Standard Life funds respectively. This downturn in performance echoes that seen in the Pension Fund’s Diversified Growth Funds (and Global Equities Funds) during 2015/16. It should be noted that these types of investments should be considered as longer term investments over a three to five year period.

3.16 Investment with Heritable Bank

Members will be aware from regular updates to the Resources Portfolio Holder and the Executive that the Council had £5m invested with the Heritable Bank, a UK subsidiary of the Icelandic bank, Landsbanki. In October 2008, the bank was placed in administration and the investment was frozen. An initial dividend was paid to the Council in July 2009 and, since then, a further 14 dividends have been received. To date, a total of £4,985k has been received (98% of the total claim of £5,087k), leaving a balance of £102k (2%). Council officers and its external advisers remain hopeful of a full recovery.

3.17 External Cash Management

Since 2003, external cash managers, Tradition UK Ltd, have managed a proportion of the Council’s cash portfolio (£10m up to 2010 and £20m from then) and have provided advice and information on treasury management matters. In 2014/15, Tradition UK achieved a return of 1.28%, which compared with the in-house team rate of 1.06% for “core” investments (1.55% including investments with the pooled vehicles). During 2015/16, Tradition UK returned 1.42% against the in-house team return of 1.43% for “core” investments (1.25% including pooled vehicles). As reported to the Executive and Resources Committee on 3rd February 2016, the contract with Tradition was terminated in December 2015, resulting in a fee saving of £12,500 per annum. The table below shows details of their current deposits, all of which have been placed for periods of two or three years.

Bank	Sum	Start Date	Maturity	Period	Rate
Lloyds	£7.5m	18/08/14	18/08/16	2 years	1.28%
RBS	£5.0m	26/08/14	26/08/16	2 years	Min 1.52%; max 2.00% (linked to 3 month Libor)
West Dumbartonshire Council	£2.5m	26/03/14	24/03/17	3 years	1.60%
Perth & Kinross Council	£5m	23/03/14	24/03/17	3 years	1.45%

Actual prudential indicators for 2015/16

3.18 The old capital control system was replaced in April 2004 by a prudential system based largely on self-regulation by local authorities themselves. At the heart of the system is The Prudential Code for Capital Finance in Local Authorities, developed by CIPFA. The Code requires the Council to set a number of prudential indicators designed to monitor and control capital expenditure, financing and borrowing. The indicators for 2015/16 were approved by the Executive and the Council in February 2015 and were revised and updated in December 2015. Appendix 3 sets out the actual performance in 2015/16 against those indicators.

Economic Background during 2015/16 (provided by Capita Treasury Solutions)

- 3.19 Market expectations for the first increase in Bank Rate moved considerably during 2015/16, starting at quarter 3 2015 but soon moving back to quarter 1 2016. However, by the end of the year, market expectations had moved back radically to quarter 2 2018 due to many fears including concerns that China's economic growth could be heading towards a hard landing; the potential destabilisation of some emerging market countries particularly exposed to the Chinese economic slowdown; and the continuation of the collapse in oil prices during 2015 together with continuing Eurozone growth uncertainties.
- 3.20 These concerns have caused sharp market volatility in equity prices during the year with corresponding impacts on bond prices and bond yields due to safe haven flows. Bank Rate, therefore, remained unchanged at 0.5% for the seventh successive year. Economic growth (GDP) in the UK surged strongly during both 2013/14 and 2014/15 to make the UK the top performing advanced economy in 2014. However, 2015 has been disappointing with growth falling steadily from an annual rate of 2.9% in quarter 1 2015 to 2.1% in quarter 4.
- 3.21 The Funding for Lending Scheme, announced in July 2012, resulted in a flood of cheap credit being made available to banks which then resulted in money market investment rates falling materially. These rates continued at very low levels during 2015/16.
- 3.22 The sharp volatility in equity markets during the year was reflected in sharp volatility in bond yields. However, the overall dominant trend in bond yields since July 2015 has been for yields to fall to historically low levels as forecasts for inflation have repeatedly been revised downwards and expectations of increases in central rates have been pushed back. In addition, a notable trend in the year was that several central banks introduced negative interest rates as a measure to stimulate the creation of credit and hence economic growth.
- 3.23 The ECB had announced in January 2015 that it would undertake a full blown quantitative easing programme of purchases of Eurozone government and other bonds starting in March at €60bn per month. This put downward pressure on Eurozone bond yields. There was a further increase in this programme of QE in December 2015. The anti-austerity government in Greece, elected in January 2015 eventually agreed to implement an acceptable programme of cuts to meet EU demands after causing major fears of a breakup of the Eurozone. Nevertheless, there are continuing concerns that a Greek exit has only been delayed.
- 3.24 As for America, the economy has continued to grow healthily on the back of resilient consumer demand. The first increase in the central rate occurred in December 2015 since when there has been a return to caution as to the speed of further increases due to concerns around the risks to world growth.
- 3.25 On the international scene, concerns have increased about the slowing of the Chinese economy and also its potential vulnerability to both the bursting of a property bubble and major exposure of its banking system to bad debts. The Japanese economy has also suffered disappointing growth in this financial year despite a huge programme of quantitative easing, while two of the major emerging market economies, Russia and Brazil, are in recession. The situations in Ukraine, and in the Middle East with ISIS, have also contributed to volatility.

Regulatory Framework, Risk and Performance

- 3.26 The Council's treasury management activities are regulated by a variety of professional codes and statutes and guidance:
- The Local Government Act 2003 (the Act), which provides the powers to borrow and invest as well as providing controls and limits on this activity;

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

3.27 The Council has complied with all of the above relevant statutory and regulatory requirements, which limit the levels of risk associated with its treasury management activities. In particular, its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management means that its capital expenditure is prudent, affordable and sustainable and its treasury practices demonstrate a low risk approach.

4. POLICY IMPLICATIONS

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

5. FINANCIAL IMPLICATIONS

5.1 An average rate of interest of 1.39% was achieved in 2015/16, including 1.33% on all new "core" investments placed during the year (compared to the budget assumption of 1%), money market funds and pooled investment schemes. The final outturn for net interest on investments and borrowing in 2015/16 was £4,269k compared to the budget of £2,741k. This was in no small part due to returns on the CCLA Property Fund. The other main contributory factor, apart from the higher interest rate earned on new investments, was the fact that average investment balances during the year (£267m) were higher than expected.

5.2 With regard to 2016/17, there is still no sign of interest rates improving and an average rate of 1% has again been prudently assumed for interest on new fixed term deposits in the 2016/17 revenue budget, in line with the estimates provided by the Council's external treasury advisers, Capita, earlier in the year and with officers' views. The Bank of England base rate is still expected to rise, but the expected start of the rise has been put back to early 2017 and could be even later. There have been no improvements to counterparty credit ratings, as a result of which the restrictions to investment opportunities that followed ratings downgrades in recent years have still been in place. However, the increases in the limits for the two part-nationalised banks (Lloyds and RBS) approved by the Council in October, together with higher rates from longer-term deals placed with other local authorities, higher average balances than anticipated and the strong performance of the CCLA Property Fund have enabled the 2016/17 budget to be

increased to £3,491k, after allowing for foregone interest earnings as a result of further property acquisitions.

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

INVESTMENTS HELD AS AT 31ST MARCH 2016

Counterparty	Start Date	Maturity Date	Rate of Interest %	Amount £m
FIXED DEPOSITS	01/04/2015	31/03/2016		
GREATER LONDON AUTHORITY	01/04/2014	01/04/2016	1.14000	15.0
LLOYDS BANK	13/04/2015	13/04/2016	1.00000	5.0
RBS (collar deposit - floor 1.15%; ceiling 1.37%)	21/05/2014	23/05/2016	1.15000	15.0
LLOYDS BANK	07/07/2014	07/07/2016	1.25000	2.5
BARCLAYS BANK	29/07/2015	29/07/2016	1.02000	10.0
SANTANDER	06/08/2015	08/08/2016	1.00000	10.0
LLOYDS BANK	18/08/2014	18/08/2016	1.28000	7.5
RBS (collar deposit - floor 1.52%; ceiling 2.00%)	26/08/2014	26/08/2016	1.52000	15.0
WARRINGTON BOROUGH COUNCIL	31/10/2013	31/10/2016	1.45000	5.0
LONDON FIRE & EMERGENCY PLANNING AUTHORITY	28/11/2013	28/11/2016	1.50000	5.0
LLOYDS BANK	04/12/2014	05/12/2016	1.09000	25.0
RBS (Certificate of Deposit)	13/02/2015	13/02/2017	1.34000	10.0
WEST DUMBARTONSHIRE COUNCIL	26/03/2014	24/03/2017	1.60000	2.5
PERTH & KINROSS COUNCIL	26/03/2014	24/03/2017	1.45000	5.0
NORTHUMBERLAND COUNTY COUNCIL	15/08/2014	15/08/2017	1.50000	5.0
DONCASTER MBC	15/08/2014	15/08/2017	1.88000	5.0
LB CROYDON	22/08/2014	22/08/2017	1.50000	10.0
RBS (Certificate of Deposit)	30/10/2014	30/10/2017	1.85000	40.0
BLAENAU GWENT CBC	04/12/2014	04/12/2017	1.90000	3.0
LLOYDS BANK	16/04/2015	16/04/2018	1.49000	30.0
LLOYDS BANK	19/11/2015	19/11/2018	1.82000	5.0
LANCASHIRE COUNTY COUNCIL	18/12/2015	18/12/2018	1.50000	10.0
TOTAL FIXED INVESTMENTS				240.5
OTHER FUNDS				
SANTANDER 180 DAYS CALL ACCOUNT	22/11/2015			10.0
CCLA LOCAL AUTHORITY PROPERTY FUND	30/01/2014			25.0
STANDARD LIFE - DIVERSIFIED GROWTH FUND	22/12/2014			5.0
NEWTON - DIVERSIFIED GROWTH FUND	22/12/2014			5.0
TOTAL INVESTMENTS				285.5
ICELANDIC BANK DEPOSIT				
HERITABLE BANK	28/06/2007	29/06/2009	6.42000	5.0

INVESTMENTS HELD AS AT 31ST MARCH 2016

	FROM	TO	RATE	£m	TOTAL £m	LIMIT	EMAINING
<u>UK BANKS</u>							
BARCLAYS BANK	29/07/2015	29/07/2016	1.02000	10.0	10.0	20.0	10.0
SANTANDER	06/08/2015	08/08/2016	1.00000	10.0	10.0	20.0	0.0
LLOYDS BANK	13/04/2015	13/04/2016	1.00000	5.0			
LLOYDS BANK	07/07/2014	07/07/2016	1.25000	2.5			
LLOYDS BANK	18/08/2014	18/08/2016	1.28000	7.5			
LLOYDS BANK	04/12/2014	05/12/2016	1.09000	25.0			
LLOYDS BANK	16/04/2015	16/04/2018	1.49000	30.0			
LLOYDS BANK	19/11/2015	19/11/2018	1.82000	5.0	75.0	80.0	5.0
RBS (collar deposit - floor 1.15%; ceiling 1.37%)	21/05/2014	23/05/2016	1.15000	15.0			
ROYAL BANK OF SCOTLAND	26/08/2014	26/08/2016	1.52000	15.0			
ROYAL BANK OF SCOTLAND - CD	13/02/2015	13/02/2017	1.34000	10.0			
ROYAL BANK OF SCOTLAND - CD	30/10/2014	30/10/2017	1.85000	40.0	80.0	80.0	0.0
<u>UK BUILDING SOCIETIES</u>							
<u>LOCAL AUTHORITIES</u>							
GREATER LONDON AUTHORITY	01/04/2014	01/04/2016	1.14000	15.0	15.0	15.0	0.0
NORTHUMBERLAND COUNTY COUNCIL	15/08/2014	15/08/2017	1.50000	5.0	5.0	15.0	10.0
WARRINGTON BOROUGH COUNCIL	31/10/2013	31/10/2016	1.45000	5.0	5.0	15.0	10.0
WEST DUMBARTONSHIRE COUNCIL	26/03/2014	24/03/2017	1.60000	2.5	2.5	15.0	12.5
PERTH & KINROSS COUNCIL	26/03/2014	24/03/2017	1.45000	5.0	5.0	15.0	10.0
LB CROYDON	22/08/2014	22/08/2017	1.50000	10.0	10.0	15.0	5.0
BLAENAU GWENT CBC	04/12/2014	04/12/2017	1.90000	3.0	3.0	15.0	12.0
DONCASTER MBC	15/08/2014	15/08/2017	1.88000	5.0	5.0	15.0	10.0
LONDON FIRE & EMERGENCY PLANNING AUTHORITY	28/11/2013	28/11/2016	1.50000	5.0	5.0	15.0	10.0
LANCASHIRE COUNTY COUNCIL	18/12/2015	18/12/2018	1.50000	10.0	10.0	15.0	5.0
<u>OTHER INVESTMENTS</u>							
SANTANDER (180 DAYS CALL ACCOUNT)	23/11/2015		1.15000	10.0	10.0	20.0	0.0
CCLA LOCAL AUTHORITY PROPERTY FUND	30/01/2014		0.00000	25.0			
STANDARD LIFE - DIVERSIFIED GROWTH FUND	22/12/2014		0.00000	5.0			
NEWTON - DIVERSIFIED GROWTH FUND	22/12/2014		0.00000	5.0	35.0	40.0	5.0
LESS: FORWARD DEALS					0.0		
TOTAL INVESTMENTS				285.5	285.5		
HERITABLE BANK	28/06/2007	29/06/2009	6.42000	5.0	5.0	0.0	-5.0

Prudential and Treasury Indicators – Actual 2015/16

Prudential and Treasury Indicators are relevant for the purposes of setting an integrated treasury management strategy and require the approval of the Council. The table below shows the actual performance in relation to the indicators in 2014/15 and compares the actual in 2015/16 with the original estimates approved in February 2015 and with the revised estimates (“probable”) reported in the mid-year review in December 2015. Further details on capital expenditure outturn were reported to the Executive on 15th June 2016.

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

PRUDENTIAL INDICATORS	2014/15	2015/16	2015/16	2015/16
	actual	estimate	probable	actual
Total Capital Expenditure	£50.5m	£59.2m	£80.4m	£76.2m
Ratio of financing costs to net revenue stream	-1.3%	-1.3%	0%	0%
Net borrowing requirement (net investments for Bromley)				
brought forward 1 April	£244.8m	£230.0m	£254.8m	£254.8m
carried forward 31 March	£254.8m	£205.3m	£260.0m	£261.1m
in year borrowing requirement /movement in net investments	£10.0m	-£24.7m	£5.2m	£1.1m
Capital Financing Requirement as at 31 March	£4.3m	£2.0m	£4.0m	£3.8m
Incremental impact of capital investment decisions	£ p	£ p	£ p	£ p
Increase in council tax (band D) per annum	-	-	-	-

TREASURY MANAGEMENT INDICATORS	2014/15	2015/16	2015/16	2015/16
	actual	estimate	probable	actual
Authorised Limit for external debt -				
borrowing	£30.0m	£30.0m	£30.0m	£30.0m
other long term liabilities	£30.0m	£30.0m	£30.0m	£30.0m
TOTAL	£60.0m	£60.0m	£60.0m	£60.0m
Operational Boundary for external debt -				
borrowing	£10.0m	£10.0m	£10.0m	£10.0m
other long term liabilities	£10.0m	£20.0m	£20.0m	£20.0m
TOTAL	£20.0m	£30.0m	£30.0m	£30.0m
Actual external debt	£4.3m	£2.0m	£4.0m	£28.2m
Upper limit for fixed interest rate exposure	100%	100%	100%	100%
Upper limit for variable rate exposure	20%	20%	20%	20%
Upper limit for total principal sums invested for more than 364 days beyond year-end dates	£200.0m	£170.0m	£170.0m	£170.0m

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Report No.
FSD16045

London Borough of Bromley

Agenda
Item No.

PART 1 - PUBLIC

Decision Maker: Resources Portfolio Holder

Date: For pre-decision scrutiny by Executive and Resources PDS Committee on 7th July 2016

Decision Type: Non-Urgent Executive Non-Key

Title: **FORMAL CONSULTATION ON OUTLINE SERVICE PROPOSALS AND PROCUREMENT STRATEGY - BANKING CONTRACT**

Contact Officer: Tracey Pearson, Chief Accountant
Tel: 020 8313 4323 E-mail: tracey.pearson@bromley.gov.uk

Chief Officer: Director of Finance

Ward: All

1. Reason for report

The Council's current contract with HSBC for the provision of banking services is due to expire on 31st March 2017. It is proposed to re-tender the contract for a period of five years, with an option to extend for a further two years. With a potential seven year contract term, the total value of the contract is estimated to be approximately £560k (based on current levels) and, in accordance with the Council's Contract Procedure Rules, the approval of the Resources Portfolio Holder is therefore required to enable the procurement process to commence.

2. RECOMMENDATION(S)

Following consideration by the Executive and Resources PDS Committee, the Resources Portfolio Holder is requested to agree:

2.1 that the contract for the Council's banking services be tendered;

2.2 that the contract length will be for a period of five years with the option to extend for a further two years.

Corporate Policy

1. Policy Status: Existing policy. Section 151 of the Local Government Act 1972 requires that Authorities make arrangements for the proper administration of their financial affairs.
 2. BBB Priority: Excellent Council.
-

Financial

1. Cost of proposal: Estimated cost £80k per annum (at current levels)
 2. Ongoing costs: Recurring cost.
 3. Budget head/performance centre: Miscellaneous Financial Accounting Expenses
 4. Total current budget for this head: £92k (2016/17 Budget for Bank Charges)
 5. Source of funding: General Fund
-

Staff

1. Number of staff (current and additional): 0.1 fte (current)
 2. If from existing staff resources, number of staff hours: approx. 3.5 hours per week
-

Legal

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

Customer Impact

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

Ward Councillor Views

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

3. COMMENTARY

- 3.1 The Council's contract with HSBC (formerly Midland Bank) for the provision of banking services began in April 1997, having originally been awarded for five years with an option to extend for a further two years. This option was taken from 1st April 2002 and further extensions were subsequently agreed by Members from 1st April 2004 (for 2 years), 1st April 2006 (for 2 years) and 1st April 2008 (for 1 year).
- 3.2 The service was tendered under EU procedures in 2008/09 and a new contract was awarded to HSBC for an initial period of four years from 1st April 2009 with an option to extend for a further two years. That option was exercised under delegated authority in 2013 taking the contract expiry date to 31st March 2015.
- 3.3 Following consideration by the Executive and Resources PDS Committee on 12th March 2015, the Resources Portfolio Holder agreed that the contract be extended for a further two years and the current contract therefore expires on 31st March 2017.
- 3.4 The main elements of the banking service include:
- Receipt of payments to the Council through a number of sources including cash, cheque, direct debit, standing order and credit/debit cards;
 - Clearance of payments by the Council to staff, pensioners and suppliers through a variety of processing methods including cheque, CHAPS, BACS and direct debit;
 - HSBC's electronic banking system (HSBCNet) which provides on-line access to bank statements, balances and transactions as well as the facility to make electronic payments (CHAPS and BACS).
- 3.5 Over recent years, the nature of transactions has been changing significantly. The use of cash and cheques, which are relatively costly to handle, is declining and being replaced by faster and simpler methods such as internet banking and direct debits. Given this shift, there may be benefits arising from a full tendering exercise involving a review of the Council's banking arrangements and associated costs.
- 3.6 Officers have explored the possibility of using a framework agreement but the only one available appears to be a framework placed jointly by the Eastern Shires Purchasing Organisation (ESPO) and the Yorkshire Purchasing Organisation (YPO). Whilst this framework is available for use nationally by local authorities and other public sector bodies, there are only three banks listed (Lloyds, Barclays and RBS Group). Additionally, the framework is due to expire on 20th May 2017 and, although there appears to be an option for a one year extension, this is a little too close to our contract award date to provide sufficient flexibility to allow for any unforeseen or unexpected events that may arise.
- 3.7 It is proposed to seek tenders for a period of five years from 1st April 2017 to 31st March 2022 with an option to extend for a further two years. As the total contract value is in excess of the EU threshold, the process must comply with EU Public Procurement Rules. This will involve running the tender under a negotiated process including advertising the contract in the Official Journal of the European Union (OJEU) and on Contract Finder, both of which are mandatory and will also obtain the widest possible coverage. Further details about the recommended procurement strategy are shown in section 9 below.

- 3.8 The cost of banking services should not be the only factor and consideration of the potential resource implications, and associated costs, of any transfer from one bank to another would also be required. This will need to be carefully reflected in the detailed tender specification.
- 3.9 A change of banks can involve considerable disruption to the Council's financial arrangements and also impact on our suppliers and members of the public. Although it has never been formally quantified, a significant amount of officer time was required when the Council last changed banks in 1997 in preparing for and implementing the transfer and dealing with problems that arose in the early months of the new contract. Regardless of this, banking related costs can be high and there may well be benefits arising from a full tendering exercise.
- 3.10 The Council is entitled to take account of costs connected with a change of banks in determining the most financially advantageous tender. These may include:
- development work to change print programme for cheque production;
 - printing of other stationery (eg. invoices, dunning letters, paying in books, council tax and NNDR bills);
 - changing banking arrangements for Liberata, remaining schools and imprest accounts;
 - changing set up details in financial systems;
 - re-writing of IT/financial system interfaces;
 - training for new electronic banking system;
 - temporary resource(s) to manage the transition (including run down of existing bank account, dealing with initial queries in first few months of new contract, updating bank signatories, communications with all account users regarding new bank details).
- 3.11 It will be important to ensure that the tender process enables flexibility within the contract to take account of the Council's commissioning agenda and potential further outsourcing of services. Whilst this may result in significant changes to the profile and volume of activity, prices per transaction will be fixed and the overall price will vary depending on the volume/value of transactions. Officers will need to ensure that this is fully reflected in the service specification.

4. SERVICE PROFILE / DATA ANALYSIS

- 4.1 A summary of activity levels for the period January to December 2014 is attached at appendix 2. HSBC will be required to provide updated volume and activity data for inclusion in the tender documentation.

5. CUSTOMER PROFILE

- 5.1 The Council makes payments to a wide range of customers including employees (payroll and pensions), housing benefit claimants, foster carers, direct payments, HMRC (tax and VAT), and external providers.
- 5.2 Income received includes council tax payers, businesses rates, government grants and general customer/client receipts.

6. MARKET CONSIDERATIONS

- 6.1 When the banking contract was last tendered in 2008 four expressions of interest were received but only two tenders were received by the submission deadline, both of which included proposed terms and conditions that did not comply with the Council's specification. The contract was awarded following negotiation and agreement on the final terms and conditions to be put in place.

6.2 Although the contract has not been tendered for some time, the local authority banking market has historically been quite restricted and experience would indicate that only two banks would be likely to submit a tender. In each of the last two tender exercises only HSBC and National Westminster (RBS) submitted bids and, on both occasions, the two prices quoted were similar.

7. STAKEHOLDER CONSULTATION

7.1 This is a corporate Council contract that does not materially affect the way services are provided to our stakeholders. No formal consultation is required in advance of a tendering exercise.

7.2 Should a change of banks be required, users of the Council's banking facilities will need to be fully engaged in the transfer (Liberata, Schools, Election Accounts, Mayor's Charity Account).

7.3 A full communication strategy would also be required as part of the project plan to ensure that relevant parties (eg. customers who pay the Council) are informed of any change to banking details.

8. SUSTAINABILITY / IMPACT ASSESSMENTS

8.1 This proposal has been judged to have no or a very small impact on local people and communities.

9. OUTLINE PROCUREMENT STRATEGY & CONTRACTING PROPOSALS

- **Estimated Contract Value**

9.1 £80k per annum (based on current levels);
£400k total contract value over five year period / £560k over seven year period.

- **Other Associated Costs**

9.2 The tendering will be done within existing resources at no additional cost.

9.3 As set out in para. 3.10, should the outcome of the tendering exercise result in a change of banks, there will be cost and resource implications associated with the transfer. Although difficult to quantify, a survey of other London boroughs carried out in 2008 suggests this could be in the region of £50k to £75k (this would be absorbed over the life of the contract).

- **Proposed Contract Period**

9.4 Five years with an option to extend for a further two years.

- **Procurement Project Plan**

9.5 The invitation to tender will require tenderers to complete a pricing schedule based on actual transaction volumes over the last year and to answer a range of questions on services provision (quality, ability / willingness to comply with Council requirements, experience, etc.).

9.6 The tenders will be evaluated on the basis of 60% pricing and 40% quality of service and will be carried out using the Council's standard CIPFA evaluation model.

9.7 Marks awarded for quality of service have yet to be finalised but are likely to include areas such as:

- provision of banking services required (as specified);
- number of bank accounts required to be maintained;
- paying in facilities;
- reconciliation services;
- BACS facilities;
- credit facilities;
- electronic banking services/systems;
- technical requirements;
- relationship management;
- contingency and support arrangements;
- managing the transfer.

9.8 It is expected that the new contract will be awarded by the end of January to allow for a 2 month lead in period in the event that the contract is awarded to a new provider. A summary draft timetable is attached at appendix 1.

10. POLICY CONSIDERATIONS

10.1 Section 151 of the Local Government Act 1972 states that “every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs”. The Director of Finance is the Council’s Section 151 Officer.

11. COMMISSIONING & PROCUREMENT CONSIDERATIONS

11.1 Due to the way this sector works and the previous unwillingness to engage on standard terms and conditions at the last tender, it is proposed to use a competitive procedure with negotiation with the commentary and mark up of the Council’s contract forming part of the evaluation process.

12. FINANCIAL CONSIDERATIONS

12.1 The 2016/17 budget for bank charges is £92k.

12.2 The total annual cost is variable as it is dependent on activity levels and, since 2008, has ranged from £72k to £90k. The average yearly cost over the same period is £83k. It is not possible, at this stage, to assess whether a new contract would realise any significant savings.

12.3 Based on current levels the annual cost would be approximately £80k giving a total contract value over a five year period of £400k. Should the optional extension be agreed, the total contract cost would be £560k over a seven year period.

12.4 For contracts with a total value of between £500k and £1m, the approval of the relevant Portfolio Holder is required to enable the procurement process to commence.

12.5 Financial implications may include the potential cost of transferring to a new provider should HSBC be unsuccessful or not wish to re-tender for the service. In evaluating tender submissions, the Council is entitled to take account of costs connected with a change of banks in determining the most financially advantageous tender.

13. PERSONNEL CONSIDERATIONS

- 13.1 There are no personnel implications to consider with regard to the tendering of this service.
- 13.2 Should the outcome of the tendering exercise result in a change of banks, there will be significant resource implications to be considered in facilitating the transfer.

14. LEGAL CONSIDERATIONS

- 14.1 This report seeks the approval of the Resources Portfolio Holder to procure a contract for the provision of Banking Services for a period of 5 years with an option to extend for a period or periods of up to 2 years and an estimated total value of £560k.
- 14.2 Rule 5 of the Contract Procedure Rules provides that for a contract with a total value of £500k or more, the relevant Portfolio Holder will be formally consulted on the intended action and contracting arrangements.
- 14.3 The Public Contracts Regulations 2015 apply to this contract and the Council will need to comply with these Regulations. Procuring the contract using a competitive procedure with negotiation is a compliant procedure. Regulation 65 requires that at least 3 candidates must be invited to tender.
- 14.4 The report author will need to consult with the Legal Department regarding the contract terms and conditions.

Non-Applicable Sections:	None
Background Documents: (Access via Contact Officer)	Extension to Banking Contract (Executive and Resources PDS Committee 12 th March 2015)

Completion of Authorisation Process and Contract Documentation Draft Timetable		
		note (1)
Issue of OJEU Contract Notice	1 st Aug 2016	1 st Aug 2016
Receipt of Expressions of Interest	6 th Sep 2016	6 th Sep 2016
<i>Pre-qualification Process</i>		
Issue ITT to Shortlisted Organisations	21 st Sep 2016	21 st Sep 2016
Receipt of Tenders	24 th Oct 2016	24 th Oct 2016
<i>Evaluation and Review Processes</i>		
Identification of Final Bidder	7 th Nov 2016	21 st Nov 2016
Final Tender Price Established	23 rd Nov 2016	7 th Dec 2016
Executive & Resources PDS Committee (for pre-decision scrutiny of Resources Portfolio Holder Decision)	4 th Jan 2017	4 th Jan 2017
<i>Standstill / Call-in Period</i>		
Contract Award	25 th Jan 2017	25 th Jan 2017

- 1) should a re-iterative process be required as part of the evaluation and review process, a further 14 days will be required.

Money transmission	Volumes
Account maintenance fee	88
Automated credits	21,072
Branch cash in (note)	174,177
Branch cash in (coin)	20,363
Branch cash out (note)	101,929
Branch cash out (coin)	6,142
Branch cash withdrawals - encashment	400
Cash paid in- cash centre (simple)	202,472
Cash paid in- cash centre (complex)	636,285
Cash centre - bulk till coin	18,770
Cheques paid	34,077
Direct debits paid/unpaid	11,452
Standing orders	22
Cheques collected - to branches	4,033
Cheques collected - to iPSL unencoded	29,334
Other debits	806
Other credits	1,107
Credits received - HSBC Branch	1,335
Credits received - bulk to centre	5,715
Credits received - via other banks	4
Statements - additional	1,424
Stopped Cheques	695
Head Office Collection Accounts	
Credits to HSBC branches	36,859
Cheques collected at HSBC branches	35,667
Cash paid in at HSBC branches - value	9,831,789
Credits from other banks	52,927
Bacs	
Item price	1,197,068
File charge	1,368
Bacs over-limit - 9.00 to 5.00pm	14
Bacs over-limit - after 5.00pm	1
HSBCnet Bacs over-limit	3
Bacs retrievals	55
Bacs per payment (HSBCnet on-screen input)	985
HSBCnet	
Monthly service charge	12
Additional accounts reporting (5 accounts free)	99
Additional user access IDs (5 users free)	87
HSBCnet transaction charges	
MT103 Book Payment	52
MT103 UK GBP Payment	387
MT103 EEA EUR Payment	3
MT103 EEA GBP Payment	2
MT103 International Payment	2
International Inwards charge	13
Faster Payment Receipts	96,449
Faster Payments	0
Information Services	
Statements - daily files	253
Statements - daily items	290
Statements - weekly files	52
Statements - weekly items	52
Unpaid direct debit items	43
Statements - transactions	252
HO collection transaction items	534

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Report No.
FSD16052

London Borough of Bromley

Agenda
Item No.

PART 1 - PUBLIC

Decision Maker: Resources Portfolio Holder

Date: for pre-decision scrutiny by Executive and Resources PDS Committee on 7th July 2016

Decision Type: Non-Urgent Executive Non-Key

Title: **BUDGET MONITORING 2016/17 - DRAWDOWN OF CARRY FORWARDS FROM CENTRAL CONTINGENCY**

Contact Officer: Tracey Pearson, Chief Accountant
Tel: 020 8313 4323 E-mail: tracey.pearson@bromley.gov.uk

Chief Officer: Director of Finance

Ward: Borough Wide

1. Reason for report

- 1.1 This report requests approval for drawdown from the central contingency of underspends carried forward from 2015/16 to be allocated to the Resources Portfolio.
-

2. **RECOMMENDATION(S)**

- 2.1 **The Resources Portfolio Holder is requested to agree the drawdown from the Central Contingency of 2015/16 carry forward sums totalling £551k (net of grant income) as detailed in para. 3.3.**

Corporate Policy

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

Financial

1. Cost of proposal: N/A
 2. Ongoing costs: Non-recurring cost.
 3. Budget head/performance centre: Resources Portfolio
 4. Total current budget for this head: £40.3m 2016/17 Latest Approved Budget
 5. Source of funding: Controllable Revenue Budget for Resources Portfolio
-

Staff

1. Number of staff (current and additional): 269 full-time equivalent posts (per 2016/17 Budget)
 2. If from existing staff resources, number of staff hours: N/A
-

Legal

1. Legal Requirement: Statutory requirement. The statutory duties relating to financial reporting are covered within the Local Government Act 1972; the Local Government Finance Act 1998; the Accounts and Audit Regulations 2015; the Local Government Act 2000; and the Local Government Act 2002.
 2. Call-in: Call-in is applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The 2016/17 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

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

3. COMMENTARY

- 3.1 On 15th June 2016, Executive approved the carry forward of 2015/16 underspends totalling £1,401k (net) subject to the funding being allocated to the Central Contingency to be drawn down on the approval of the relevant Portfolio Holder. In addition, £301k relating to the Council's repairs and maintenance budgets was carried forward under delegated authority. Further details are provided in the 2015/16 Provisional Final Accounts report.
- 3.2 As part of the first budget monitoring report for 2016/17 (Executive on 20th July 2016), Executive are requested to note the carry forwards being requested to be drawn down and allocated to Portfolio budgets this cycle. These are summarised in the table below and details have been reported to the relevant PDS Committees on the dates shown.

	£'000s
Renewal & Recreation (5th July 2016)	373
Public Protection & Safety (29th June 2016)	61
Executive & Resources (7th July 2016)	801
Environment (7th June 2016)	388
Care Services (28th June 2016)	862
Total Expenditure	2,485
Government Grant Income	Cr 1,478
Total net carry forwards requested for drawdown this cycle	1,007

- 3.3 The total sum relating to the Resources Portfolio being requested this cycle is £801k and £250k of this sum is funded by government grant providing a net carry forward of £551k. Details are provided in the table below:

2015/16 Carry Forward Sums – Request to Drawdown		£'000
Individual Electoral Registration	A grant of £73k was received in March 2016 to support the changes required for the introduction of Individual Electoral Registration. Due to the late notification of this funding expenditure will be incurred in 2016/17 and a carry forward was approved.	73
Debt Management System	Balance of Transformation grant income set aside to fund finalising of the new Debt Management System in 2016/17.	177
BT Contract Transition Costs	To meet the additional transition costs and continuation of a transition manager as approved by Executive in September 2015.	77
IT Upgrade – Anerley Business Centre	In October 2015 Executive approved funding of £30k payable to the Crystal Palace Community Development Trust as a contribution towards the upgrade of IT in Anerley Business Centre. This work is planned to go ahead during 2016/17.	30
Transparency Agenda	Funding for the continuation of a post within Strategic Property in relation to the required updating and verification of property ownership records in accordance with the Transparency Agenda.	14
Residential Property Acquisitions (SPV)	Funding previously approved for specialist legal, actuarial, accounting and tax advice. This relates to the SPV for the acquisition of residential properties for temporary accommodation and the 'gifting' of a significant asset to the Council's pension fund. A carry forward was agreed to meet the cost of the specialist advice required to finalise arrangements in 2016/17.	291
Continued Overleaf		

2015/16 Carry Forward Sums – Request to Drawdown (cont'd)		
Staff Merit Awards	As part of introduction of Localised Pay, Members agreed a merited reward for exceptional performers. The balance of the 2015/16 provision was carried forward to be awarded in 2016/17.	89
Contracts Register/ Summaries Database	One-off funding to build a database that holds all the information currently held on the Councils Contract Register along with additional information such as waivers approved, gate reports, audit issues and risks. The work is anticipated to be completed within the next 6 months.	50
	Total Expenditure	801
	Grant Income	<u>Cr 250</u>
	Total (net of Grant Income)	551

3.4 The Resources Portfolio Holder is requested to approve that the items set out in the table above be drawn down and allocated to Resources Portfolio budgets.

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.

5. FINANCIAL IMPLICATIONS

5.1 These are contained within the body of the report. The sums carried forward relate to underspends in 2015/16 where expenditure is likely to be incurred in 2016/17. Further details are provided in the 2015/16 Provisional Final Accounts report to Executive on 15th June 2016.

Non-Applicable Sections:	Legal, Personnel
Background Documents: (Access via Contact Officer)	Provisional final Accounts - Executive 15 th June 2016; Budget Monitoring 2016/17 – Executive 20 th July 2016; Financial Management Budget Monitoring files with Resources finance section.

Report No.
CSD16091

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE AND RESOURCES
POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Date: 7th July 2016

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

Title: PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS

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: N/A

1. Reason for report

- 1.1 This report draws the Committee's attention to reports on the draft agenda for the next meeting of the Executive on 20th July 2016. Members are requested to bring a copy of their Executive agenda to the PDS Committee's meeting.
-

2. RECOMMENDATION

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

Corporate Policy

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

Financial

1. Cost of proposal: No Cost:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Democratic Services
 4. Total current budget for this head: £335,590
 5. Source of funding: 2016/17 Revenue budget
-

Staff

1. Number of staff (current and additional): 8 (7.27 fte)
 2. If from existing staff resources, number of staff hours: Preparing this report takes less than one hour of staff time.
-

Legal

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

Customer Impact

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

Ward Councillor Views

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

3. COMMENTARY

3.1 At each meeting, Members of this Committee have the opportunity to carry out pre-decision scrutiny of items for decision at forthcoming Executive meetings. This report identifies the reports expected for the next meeting of the Executive on 20th July 2016 to enable the Committee to prioritise which reports should be scrutinised. At the time of writing, this is the draft list of expected reports but it is likely that the list may be changed before the agenda is published on Thursday 30th June 2016.

Part 1

Budget Monitoring ¹
Capital Programme Monitoring (Part 1) ¹
Gateway Report – Learning Disability Supported Living Schemes ^{2 3}
Deprivation of Liberty Safeguards ³
Housing IT System Contract Award (Part 1) ^{2 3}
Commissioning Strategy Health Visiting & Family Nurse Partnership ^{2 3}
Gateway Review – Procurement for a Sexual Health Early Intervention Service ^{2 3}
Total Facilities Management ^{1 2}
Draft Local Plan ^{2 5}
Statement of Community Involvement: Responses to Consultation & Proposed Revisions ⁵
Business Improvement District Strategy for Town Centres ^{2 6}

Part 2

Capital Programme Monitoring (Part 2) ^{1 2}
Formal Consultation on Outline Service Proposals and Procurement Strategy – Domiciliary Care Services ^{2 3}
Housing IT System (Part 2) ²

Key –

- ¹ Reports recommended for pre-decision scrutiny by this PDS Cttee;
- ² Reports which are key or private decisions;
- ³ Reports being considered at Care Services PDS Committee on 28th June 2016
- ⁴ Reports being scrutinised at Renewal & Recreation PDS Committee on 5th July 2016
- ⁵ Reports being considered at Development Control Committee on 11th July 2016

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

Non-Applicable Sections:	Policy/Finance/Legal/Personnel
Background Documents: (Access via Contact Officer)	Forward Plan as published 14 th June 2016

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Report No.
CSD16087

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE AND RESOURCES
POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Date: Thursday 7 July 2015

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

Title: CUSTOMER SERVICES MONITORING REPORT

Contact Officer: Duncan Bridgewater, Head of Customer Service
Tel: 0208 461 7676 E-mail: Duncan.Bridgewater@bromley.gov.uk

Chief Officer: Director of Corporate Services

Ward: (All Wards);

1. Reason for report

This report provides information on the performance of the Customer Service Contract provided by Liberata for the period 1st December 2015 to 31st May 2016.

A letter from Amanda Inwood –Field, Contract Director for Liberata, provides her update on each individual element and is attached at **Appendix 1**.

2. **RECOMMENDATION(S)**

The Committee is requested to note and comment on the information contained within the report and the letter provided by Liberata detailed in Appendix 1.

Corporate Policy

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

Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A
 3. Budget head/performance centre: 437000
 4. Total current budget for this head: £849,000
 5. Source of funding: Revenue
-

Staff

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

Legal

1. Legal Requirement: None – Although Customer Service provides initial point of contact for many statutory services
 2. Call-in: Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected):
66,000 visitors, 3000,000 phone calls, 30,000 e-mails and 3,700,000 web visits annually
-

Ward Councillor Views

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

3. COMMENTARY

3.1 The Head of Customer Service monitors the contract with Liberata against the set Key Performance Indicators, see appendix 2.

Contact Centre

3.2 Overall the contract has performed well. Call volumes increased in April, as is normal at the start of a new financial year. However, this has continued throughout May mainly due to the London Elections and the EU referendum, and has impacted on the service level (SL) performance. Call volumes are anticipated to remain high up to the referendum, after which performance should recover. The wait and talk times below are averages, in seconds, across the respective months.

3.3 The table below shows the Contact Centre performance.

	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16
Offered	12,123	14,863	14,921	16,894	18,602	20,290
Answered	11,550	13,477	13,190	14,828	15,939	15,150
% of Calls Answered	95.3%	90.7%	88.4%	87.8%	85.7%	74.3%
Abandoned	573	1,386	1,731	2,066	14.3%	5,140
Answered in SL	8,842	8,287	7,622	8,304	8,253	6,439
SL Target	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
% of Calls Ans. in 60 sec	76.6%	61.5%	57.8%	56.0%	51.8%	42.5%
Wait Time (secs)	54	110	134	129	142	174
Talk Time (secs)	245	190	254	255	244	252

Out of Hours Service

3.4 The table below shows contact centre performance of the out of hours contact centre provider, which continues to perform well.

	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16
Offered	842	873	738	1,076	916	1,184
Answered	801	850	712	1,035	893	1,155
% of Calls Answered	95.1%	97.4%	96.5%	96.2%	97.4%	97.5%
Abandoned	40	23	26	33	23	29
Answered in SL	672	728	81	817	785	1,002
SL Target	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
% of Calls Ans. in 30 sec	80.7%	84.3%	80.7%	76.5%	87.0%	85.0%

Emails

3.5 The table below shows the number of emails responded to against target.

	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16
Emails Received	1,298	1,479	1,296	1,476	1,767	1,719
Emails Processed Greater Than 5 Days Old	0.0%	0.2%	0.1%	0.0%	5.7%	6.00%

Reception

3.6 The table below show Reception's performance responding to visitors, against target. Visitor volumes traditionally increase around annual council tax billing in March and continue throughout April. Volumes in May have reduced and performance against target is recovering. The 'triage' reception desk at the front door is working well and reduces customer waiting times.

	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16
Footfall	1,400	1,807	1,579	1,604	2,037	1,784
80% in 5 Minutes	87.5%	92.5%	83.1%	74.9%	76.4%	79.5%
SL Target	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%

Bromley Knowledge

3.7 The table below shows the performance of the web team against target for providing updates to web pages within the specified time period.

Title	Measure	Monitoring Frequency	Reporting Frequency	Target	Performance
Critical Updates	% completed within 1 working hour	Daily	Monthly	100% within 1 working hour	100%
Urgent Updates	% completed within 1 working day	Daily	Monthly	100% within 1 working day	100%
Important Updates	% completed within 2 working days	Daily	Monthly	100% within 2 working days	100%
Regular Updates	% completed within 5 working days	Daily	Monthly	100% within 5 working days	100%

3.8 For information, the volume of work on the website is detailed below.

Request	Dec	Jan	Feb	Mar	Apr	May
Web Page Update	29	56	36	64	62	53
Online Form creation/amendments	20	50	57	48	67	79
Online Payment integration	2	3	2	1	1	0
News Item	3	2	2	1	2	0
Press Release	10	7	5	7	8	5
Carousel Item	3	3	1	3	3	1
Friendly URL Creation	2	1	2	2	2	1
Social Media item	4	6	4	3	2	5
Event promotion	2	0	0	1	1	1
Other	9	6	7	9	9	8
Total	70	86	120	141	157	153

Web Activity

3.9 Web volumes remain consistent over the last few months, with slight increases in March, April and May which are down to Council Tax annual billing and the London Elections and EU referendum. We have seen a steady and sustained growth of forms being completed online. It is important to note the growing number of

forms being completed by My Bromley Account holders. We have also seen a steady increase in the number of people viewing the website on a mobile or tablet device.

3.10 Work continues to develop our on-line offer to customers, and a new and enhanced bulky waste collection module was recently launched. Appointment bookings for Registrars are due to be released too.

3.11 The table below highlights overall activity.

	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16
Total visits to www.bromley.gov.uk	254,343	331,190	277,506	333,870	324,489	339,170
Pages viewed www.bromley.gov.uk	949,477	1,245,869	1,068,693	1,353,160	1,290,095	1,291,436
Visits by device - desktop	119,341	157,276	138,113	160,581	154,333	156,287
Visits by device - mobile	90,077	117,763	95,358	118,446	119,242	128,906
Visits by device - tablet	44,925	56,151	44,035	54,843	50,914	53,977
% non-desktop	53.1%	52.5%	50.2%	51.9%	52.4%	53.9%
Total Forms Completed (X forms)	5413	7,355	7,465	11,100	10,203	10,400
% Forms completed by registered MBA users	9.61%	9.31%	8.67%	12.25%	14.33%	14.27%

MyBromley Account

3.12 In terms of general progress, we have had a very successful registration campaign throughout annual billing of Council Tax. There are now over 25,000 active users.

3.13 A second survey of My Bromley Account customers has been carried out and there has been 1000 replies. These are currently being analysed, which should provide useful insight into what additional services customers would wish to see included within My Bromley Account. This will be reported in the next report to Members.

3.14 A new initiative has recently began, with the aim to reduce call volumes to the Revenues & Benefits Helpline. Customers are now being encouraged to log into their account to view council tax balances and to use the extensive suite of forms to apply for discounts, exemptions or to register a change of address or details, as well as requesting a refund. This has seen a doubling of on-line requests in some areas, and an overall increase in the number of forms being submitted. Feedback from customers has been generally positive.

3.15 Safeguards remain in place for those who are unable to access the web or cannot self-serve. This is provided by mediated access via the Contact Centre, and supported access via Reception/Library internet. PCs.

3.16 Redesign work of the My Bromley Account homepage is continuing in order to incorporate a range of personalised information to the user. This will encourage use of the account, and also provide quick and easy access to important and personal information for the customer.

Customer Satisfaction Surveys

3.17 Liberata are required to survey a random sample of customers using Reception and Contact Centre services, and achieve over 90% of customers who are either satisfied or very satisfied, and less than 10% dissatisfied or very dissatisfied. The table below shows the performance of 629 surveys completed in the period of this report. It appears the dip satisfaction levels coincides with the increased call volumes and wait times.

	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16
Satisfied/Very Satisfied	83.3%	100.0%	81.9%	69.3%	86.3%	64.7%
Dissatisfied/Very Dissat.	16.7%	0.0%	18.1%	30.7%	13.7%	35.3%

Complaints and Compliments

3.18 The total number of complaints received throughout the period was 6 and there was 1 compliment.

	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16
Complaints	0	4	0	0	0	2
Compliments	0	1	0	0	0	0

4. POLICY IMPLICATIONS

None

5. FINANCIAL IMPLICATIONS

The contract is forecast to spend to budget.

6. PERSONNEL IMPLICATIONS

None

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

Appendix 1 – Letter from Liberata Contract Director

Mark Bowen
Director of Corporate Services
London Borough of Bromley
Civic Centre
Stockwell Close
Bromley
BR1 3UH

Date: 5th June 2016

Our Ref: AIF/TB

Dear Mark,

As we approach the July Executive & Resources PDS meeting where we consider and review the performance of Corporate Customer Services, we take this opportunity to write to you with Liberata's assessment of the performance of this critical high profile service that we provide to London Borough of Bromley (LBB) and its citizens.

This summary covers performance for the period 1st December 2015 to 31st May 2016.

Customer Services performance

The Corporate Contact Centre performed well in the period December 2015 to May 2016 with an overall service level of 57% of calls answered in 60 seconds against a target of 50%, with some 86% of calls being answered in total. May proved to be a challenging month when service level fell below target with the Contact Centre receiving high call volumes on the registrars, waste and electoral services. The latter has been generated by a great deal of interest in the EU Referendum. A further strain on the Contact Centre during May was felt with a significant increase in emails compared to what would be received in an average month. To help with this demand, Liberata deployed some additional resource in their Shared Service Centre (SSC) to help deal with the increase in calls, and process the emails.

During the period, the team answered 96% of all Switchboard calls, with an overall service level of 92% against the same target of 50%.

Our SSC in Barrow now handle more than half of all Corporate calls and 92% of all Switchboard calls, and are delivering the service to a high standard.

Our Corporate face-to-face team have delivered a service level of 82% over the period against a target of seeing 80% of customers in 5 minutes. The team are now well into the practice of trying to complete as many customer transactions as possible at the new Triage Reception desk and by the Floor Walkers.

We have continued to work closely with our out-of-hours partner, and they continue to deliver a good service.

Website performance

The Council website remains the most important method for customers to gain information or transact with the council with well over 300k unique visits each month. Interestingly, since the website was made responsive to mobiles and tablets, the number of visitors choosing to view the website in this way has risen to over 50% which is a trend we believe will continue.

Forms and Digital by Default

Encouraging customers to use our extensive suite of forms is still a key aim and we are encouraged that we regularly achieve 10k forms plus, per month being submitted. The Revenue service also recently embarked on a project with Bromley Knowledge team and the Contact Centre to reduce call volumes and move to a digital by default environment. This meant withdrawing specific services and making them an online service only. The results of this have seen a doubling of transactions for customers wanting to register a change of address, or apply for a single person discount. We have also removed the option for customers to request a balance enquiry over the phone, again encouraging customers to register for a MBA and view their account online. Customer satisfaction remains high and as a result, the service is introducing further changes to other lines of business.

MyBromley Account developments

MyBromley Account continues to grow and following the new bills being sent out for Council Tax, the number of active subscribers has risen to over 25,000.

Naturally the ability to present personalised content to users is key to customers returning, and to that extent, users can now see a personalised waste collection schedule and their council tax account information. We are continually working on other elements, some of which have been made available to us by the GIS team, however we are yet to place these elements within a personal account. Much of the development over the next few months will be how best to present this information without compromising or cluttering the MBA homepage.

We are also considering how we can maximise the use of alerts and notifications to customers who have registered to partially deflect demand, but also inform and engage with residents about issues they care about.

The main challenge for Liberata and the Council over the coming months will be the move to a new web language (.net to PHP) within Jada and some developments may be put on hold as the team have to manage their resources for this important migration.

Surveys and feedback

Following the success of the last survey, we have reissued a slightly revised survey and have received over 1000 responses about MBA and what developments customers would like us to pursue. Top of the list was Electoral services which we will be discussing with the development group. Revenues and Benefits were also popular with customers wanting to do more online and a greater ability to manage their own account.

Customers found registering and using the website easy to use, however we are slightly concerned that return visits remain low. We hope to counter this with the development of the alerts and notifications and increasing the range of services available within the account.

Web developments

Customers can now perform even more tasks online including booking an automated Bulky Waste collection. While this has proved very challenging to introduce and taken longer than we would have liked, the service is now live, reducing the number of calls to the CSC for this service. The next phase is to introduce aspects of the Registrars service in a similar way.

Work also continues on a number of channel shift projects to help reduce traditional contact methods, including changes to IVR messaging to Parking and developing an online booking system for Registrars.

Liberata remains firmly committed to delivering an outstanding service to the London Borough of Bromley and its citizens.

Yours sincerely,

Amanda Inwood-Field
Contract Director

Appendix 2 - Performance Monitoring

Customer Contact Centre - Key Performance Indicators (KPI's)

	Measure	Definition		Target
1	Call Management	Number of calls answered by the agents within the specified timescales compared to total number of calls received		50% Calls answered within 1 minute
2	Email Management	Number of emails responded to within 5 working days compared to total number of emails received		100% responded to within 5 working day
3	Face to Face Management	Number of customers entering the reception areas must be seen within 5 minutes of their arrival compared to total number of customers, remainder within 15 minutes		80% of customers seen within 5 minutes of arrival
4	Switchboard Management	% of calls bailed to operator or requesting operator answered within 15 seconds		50% Calls answered within 1 minute
5	Customer Satisfaction	% of randomly selected customers, across different channels are either satisfied or very satisfied		90%

Web Management – Key Performance Indicators (KPI's)

Title	Measure	Monitoring Frequency	Reporting Frequency	Target
Critical Updates	% completed within 1 working hour	Daily	Monthly	100% within 1 working hour
Urgent Updates	% completed within 1 working day	Daily	Monthly	100% within 1 working day
Important Updates	% completed within 2 working days	Daily	Monthly	100% within 2 working days
Regular Updates	% completed within 5 working days	Daily	Monthly	100% within 5 working days

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Report No.
FSD16043

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE AND RESOURCES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Date: Thursday 7 July 2016

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

Title: REVENUES SERVICE MONITORING REPORT

Contact Officer: John Nightingale, Head of Revenues and Benefits
Tel: 020 8313 4858 E-mail: john.nightingale@bromley.gov.uk

Chief Officer: Peter, Turner, Director of Finance

Ward: All

1. Reason for report

- 1.1 This report provides information regarding the performance of the Revenues Services provided by Liberata for the 6 months up to the 31st March 2016. A letter from Amanda Inwood-Field, Liberata's Contract Director, provides an update on each individual service and is attached at Appendix 1 with statistical data relating to the Revenues service shown in subsequent appendices.

2. **RECOMMENDATION(S)**

- 2.1 **The PDS is requested to note the information contained within the report and the letter provided by Liberata detailed in Appendix 1.**

Corporate Policy

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

Financial

1. Cost of proposal: Not Applicable
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: 400003
 4. Total current budget for this head: £3.3m
 5. Source of funding:
-

Staff

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

Legal

1. Legal Requirement: Statutory Requirement
Local Government Finance Act 1988
The Council Tax (Administration and Enforcement) Regulations 1992
Local Government Finance Act 2012
Rating Law and Practice: England and Wales
LGPS Regulations 2013
 2. Call-in: Applicable:
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The services covered in this report affects all Council Taxpayers, Business Ratepayers, Members and Pensioners, this could amount to an estimated 139,000 households.
-

Ward Councillor Views

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

3. COMMENTARY

- 3.1 The Revenues and Benefits Team monitors the contract, sets targets and performance standards, liaises with partners, progresses the development and improvement of services through leadership on specific improvement initiatives. The team also ensures the services comply with current legislation, financial regulations, contractual obligations and audit requirements. A summary of performance by the services is contained in Appendix 2.
- 3.2 To maintain the drive for improved service performance, monthly service review meetings are held with operational and senior Liberata management. The Heads of Service of Liberata and Bromley meet regularly to deal with escalated issues, review policies and develop new ideas.

Council Tax

- 3.3 The in-year Council Tax collection rate for 2015/16 was 97.72%, which was 0.03% higher than achieved in the previous financial year. This was the 6th highest of the 33 London Authorities.

The collection rate on current year and arrears was 97.49% which was 0.08% down on the previous year.

In the financial year 2015/16 the number of household registered for Council Tax increased from 137,835 to 138,604. In the same period the number of households receiving SPD fell from 43,840 to 43,426.

Additional recovery tools introduced in 2015/16 include the commencement of SMS text messaging. Texts are forwarded prior to the issue of the final reminder when the charge payer loses the right to pay by instalments.

Business Rates

- 3.4 The in-year collection for 2015/16 was 98.87%, an improvement of 0.07% on the previous year. This was the 11th highest of the 33 London Authorities.

The collection rate for current years and arrears was 97.09%, down 0.02% on the previous year.

In 2015/16 there was a significant increase in the number of companies opting to pay by 12 monthly instalments. This placed additional pressure on the section to strictly monitor payments ensuring they contact the account holder immediately where February and/or March instalment is not received.

From April 2016 Retail Relief came to an end. Advanced notification was forwarded to all business in receipt of assistance advising of the change and their corresponding increase in liability from April 2016.

In the financial year 2015/16 the number of properties registered for Business Rates fell from 7,364 to 7,256.

Cashiers

- 3.5 The payment kiosk sited in the Civic Centre central reception continued to take high volume of payments. However, the usage has reduced in transactions and value from that of the previous year. In the financial year 2015/16 payments to the value of £2,044,615 was taken by this means compared to £2,493,403 in the previous year.

Payroll

3.6 The average number of payments made each month is as follows:

LBB General / Schools	4,007
Pensions	4,967

During 2015/16 the Payroll Section undertook the additional work associated with 11 schools converting to Academy status

Pensions

3.7 Membership numbers recorded on the pension's administration system as at 31 March 2016 were 6234 actives, 5287 deferreds and 5084 pensioners.

The new Teachers Pension Scheme was successfully implemented in 2015/16.

4. FINANCIAL IMPLICATIONS

4.1 The report refers to the significant income collection undertaken through the Exchequer Services contract with Liberata.

Non-Applicable Sections:	Policy, Legal and Personnel
Background Documents: (Access via Contact Officer)	

John Nightingale
Head of Revenues and Benefits
London Borough of Bromley
Civic Centre
Stockwell Close
Bromley
BR1 3UH

Date: 22 June 2016

Our Ref: AIF/RJ

Dear John

As we approach the July 2016 Executive & Resources PDS meeting where we consider and review the Exchequer service, we take this opportunity to write to you with Liberata's assessment of the performance that we have provided to London Borough of Bromley (LBB) and its citizens.

This summary covers performance for the 12 months from 1st April 2015 to 31st March 2016.

Council Tax

The in-year collection for the 12 months to 31st March 2016 was 97.79% which showed an increase of 0.09% compared to the previous year. This improved collection placed us 6th in the London Revenue Group performance table, which was one place higher than the previous year. Our collection rate for all years was affected by the increasing volume of static debt, that is debt which is below the minimum amount for a summons to be issued. As such our collection rate of 97.50% was down by 0.08% compared to the previous year.

In recognition of the need to reduce the amount of static debt, we undertook a trial project during the year. We reviewed our records to identify 100 cases where all previous recovery action had failed. These cases were passed to a firm of solicitors who wrote to inform the debtor that payment was required to prevent committal action from being taken. This resulted in a number of payments being received and as a result the project has been extended into the 2016/17 year.

There has been an increase in the collectable debt compared to the previous year due to the increase in Council Tax together with working-age Council Tax Support claimants still being required to contribute a minimum of 19% of the households' Council Tax liability.

We are continuing with our collection and recovery initiatives which include reviewing the top 100 debtors, proactively chasing older debts, issuing 'pay up' letters on account balances which are below the summons threshold, reviewing cases with an attachment pending for both benefits and earnings, progressing cases held at Liability Order stage and monitoring cases sent to the enforcement agents. In addition we are also continuing to use SMS texting as an additional reminder to prompt tax payers to pay before the issuing of the final reminder when they lose the right to pay by instalments. This, together with a continuation of our normal recovery work, has resulted in 52,125 reminders being issued and 24,171 finals. The combination of these initiatives has resulted in a direct benefit to taxpayers as we have seen a reduction in the number of court summons (27%) issued compared to last year.

The drop-in summons surgeries are continuing each month. This provides taxpayers with the opportunity to meet with Customer Services staff to discuss issues and make arrangements to pay.

In line with the Councils Channel Shift programme we sought to increase the number of residents signing up to the My Bromley Portal. We did this by making certain activities only accessible via the Portal rather than by calling the Contact Centre. The activities affected included the completion of a Single Persons Discount application form, completion of a Moving Home form and viewing the balance on the current years Council Tax account. The impact of these changes was to help increase the number of new active accounts on the

Portal by 3,550 (22%). As a result we plan to make additional activities accessible solely via the Portal during 2016/17 to further drive up Portal usage.

Business Rates

The in-year collection rate for Business Rates for the year to 31st March 2016 was 99.05%, which was an improvement of 0.25% on the previous year. The rounding of our result to 99.1%, in line with Government submissions, meant that we were placed joint 8th in the London Revenue Group performance table. If we compared on a like-for-like basis the authority would be placed higher in the table. The All Year collection rate for the same period was 97.09% which 0.02% down on the previous year.

The number of ratepayers making payments over 12 months has continued to increase. This has placed greater importance on the need to accurately predict the final month's receipts. As well as identifying and contacting defaulters as early as possible, in the lead up to the final two months of the year, we also contact some of the larger payers to ensure that their remaining payments are received on time.

Debt chasing continues to play a very important part, ensuring we are maximising the recovery of outstanding revenue. The team have continued with its targeted collection activities, focusing on checking the Top 100 live and closed debts each month. Defaulters, failed arrangements and cases with our Enforcement Agents are regularly scrutinised to ensure that debts do not remain static.

We also identified and canvassed businesses that were considered eligible for relief schemes, this proactive approach helped to reduce the net collectable debt. Ratepayers contacting the department by telephone or correspondence were encouraged to submit applications for relief where applicable. We have again this year sought to utilise Retail Relief where possible and ran a campaign focusing on businesses which had yet to apply. The relief entitled them to a reduction in their rates of up to £1,500 for 2015/16. Those establishments that we identified as potentially meeting the criteria for this relief were issued with an application form together with information on the application process. The scheme was very successful, with over £1.7million being awarded this financial year. The active promotion of this and the Small Business Rate Relief has helped reduce the number of final notices, summonses and liability orders issued compared to last year.

Orpington Business Improvement District (BIDs)

Our collection rate as at the end of March 2016 was 98.48% which was an increase of 1.70% against the previous year. This has been achieved through continued focus on the in-year debtors for default payments and also reviewing the prior years' outstanding debts.

Cashiers

For the 12 months to 31st March 2016, £29.08m was collected which covered 57,115 transactions and included amounts taken via the Kiosk, post, central income and all parking revenue.

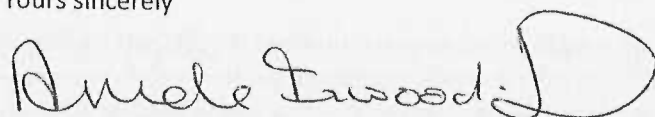
Pensions and Payroll

During the 12 month period to 31st March 2016 the Payroll Team continued to provide a valued service with an average accuracy rate of 99.9%; the Pension Team achieved an average of 97.2% service level compliance.

During April 2015 the new Teacher's Pension Scheme was successfully implemented together with the changes to the NHS Pension Scheme.

Liberata remains firmly committed to delivering an outstanding service to the London Borough of Bromley and its citizens.

Yours sincerely



Amanda Inwood-Field
Contract Director

The key elements of the Revenues Service includes (2015/16 figures):

- £ 175 million – Annual amount of Council Tax raised
- £ 91 million – Annual amount of Business Rates raised
- £ 13.9 million – Annual payment of Council Tax Support
- £ 127.5 million - Annual payment of Housing Benefit
- £ 83.0 million – Gross payment of staff salaries (through the LBB payroll service, including schools, excluding Academies) for the period April to March 2016
- £ 26.0 million – Payment of pensions for the period April to March 2016
- £ 29.08 million Year to date revenue on 57,115 transactions, this includes Kiosk
- (1,800 Loomis cash collections during the period April 2015 to March 2016)

Council Tax Data:

In year collection performance by Liberata is shown below:

Best Value PI's	Actual 04/05	Actual 05/06	Actual 06/07	Actual 07/08	Actual 08/09	Actual 09/10	Actual 10/11	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual 15/16
BV9:CTAX Collected	97.1%	97.0%	97.0%	97.1%	97.03%	97.28%	97.59%	97.65%	97.76%	97.50%	97.70%	97.79%

Actual 31st March 2016 – 97.79%

The amount of collectable debt raised for the year 2015/16 was **£175m** (net of Benefits) in respect of **137,835** properties.

2,954 Cheque refunds and **6,124 BACs** refunds totalling **£2,355,635.52** have been issued from 1st April 2015 to 31st March 2016.

The following Council Tax recovery notices were issued:

	2006/7	2007/8	2008/09	2009/10	2010/11	31/03/12	31/03/13	31/03/14	31/03/15	31/3/16
Reminders	53,371	41,710	39,382	34,892	34,971	51,920	45,816	56,256	54,745	52,125
Summonses	13,757	14,244	13,432	17,061	19,774	16,436	16,168	19,267	13,158	9,543
Liability Orders	10,135	6,270	7,079	10,713	12,956	9,396	10,868	9,999	8,645	8,337
14 day letters – Enforcement Agent warning	11,332	11,276	10,761	13,127	11,823	11,757	12,518	15,816	10,103	12,214
Accounts passed to Enforcement Agent	5,864	6,896	6,882	9,724	9,538	All at 14 day stage	All at 14 day stage	All at 14 day stage	All at 14 day stage	All at 14 day stage

NB: The first 14 day letters were issued directly to the bailiffs from **11 July 2011**.

The 2014/15 debt carried forward at the 1st April 2015 was £4,586,436.66

Council Tax - Summoned Debt	
Summonses / costs	£809,385.40
Arrangement	£232,955.76
Bailiff /14 DAY	£1,842,827.70
Attachment	£118,347.22
Bankruptcy	£46,464.74
Liability	£583,797.75
Un-summoused Debt	
Finals	£288,027.75
Un-summoused	£664,630.34
Total	£4,586,436.66

The breakdown analysis of the total 2014/15 debt outstanding at the 1st April 2015 of £4,586,436.66 is shown above.

The balance of the total 2014/15 debt outstanding as at the 31st March 2016 is £2,638,490.88 a reduction of £1,947,945.78

Council Tax Arrears Breakdown as at 31st March 2016

	Arrears B/F 31.03.2015	Arrears carried forward at 31.03.2016	Net reduction	Actual % collection
1993	306.42	209.79	96.63	
1994	447.58	196.38	251.20	
1995	1,439.33	160.93	1,278.40	
1996	2,731.69	1,169.72	1,561.97	
1997	4,826.14	2,515.44	2,310.70	
1998	12,517.66	6,520.73	5,996.93	
1999	19,381.27	13,651.12	5,730.15	
2000	37,607.52	23,651.23	13,956.29	
2001	66,185.00	44,141.19	22,043.81	
2002	103,114.09	69,689.22	33,424.87	
2003	149,883.88	107,204.25	42,679.63	
2004	195,376.86	142,983.80	52,393.06	
2005	275,054.61	193,953.15	81,101.46	
2006	379,161.83	279,312.86	99,848.97	
2007	497,129.26	353,204.84	143,924.42	
	1,745,163.14	1,238,564.65	506,598.49	29.03
2008	641,395.43	445,474.78	195,920.65	30.55
2009	732,180.99	508,826.89	223,354.10	30.51
2010	899,052.82	641,250.31	257,802.51	28.67
2011	1,214,004.12	919,521.49	294,482.63	24.26
2012	1,652,849.39	1,263,642.68	389,206.71	23.55
2013	2,629,316.57	1,861,020.04	768,296.53	29.22
2014	4,586,436.66	2,638,490.88	1,947,945.78	42.47
	12,355,235.98	9,516,791.72	4,583,607.40	

Business Rates Data:

In year collection performance by Liberata is shown below:

Best Value PI's	Actual 04/05	Actual 05/06	Actual 06/07	Actual 07/08	Actual 08/09	Actual 09/10	Actual 10/11	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual 15/16
BV10: Rates Collected	98.7%	99.6%	99.5%	99.8%	99.1%	99.02%	98.9%	98.81%	98.72%	98.70%	98.80%	99.05%

Actual 31st March 2016 – 99.05%

The amount of collectable debt raised for the year 2015/16 is **£91 million** in respect of **7,364** properties.

There have been **1,109** refunds actioned from the 1st April 2015 to the 31st March 2016 amounting to **£3,422,177.21** in respect of vacation and rateable value reductions.

The following recovery notices were issued -

	2004/5	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Reminders Issued	4,352	3,486	4,972	4,559	3,609	3,977	3404	2,536	4,023	3,545	4,445	4,263
Final Notices Issued	359	239	585	1,698	1,529	1,892	1,824	1,741	2,014	2,472	2,353	1,560
Summonses Issued	1,024	1,137	980	894	704	903	725	1,156	987	1,091	1,053	535
Liability Orders	706	775	675	602	426	666	672	749	683	771	734	411
7 day letters issued	423	1,021	1,421	605	299	674	367	471	501	No longer used	No longer used	No longer used
Accounts passed to Enforcement Agent	200	322	542	331	130	316	430	537	645	650	444	283

The **2014/15** debt carried forward at 1st April 2015 was **£1,016,451.63**

NNDR recovery stage	amount
Un-summonsed	£49,321.81
Arrangement	£44,754.95
Enforcement Agent	£83,721.13
Final	£106,645.67
Liability	£572,872.33
Reminders	£107,006.70
Summonsed	£52,129.04
total	£1,016,451.63

Movement in arrears for reporting period –

Arrears total 1990 - 2014/15 as at 01/04/15 **£1,658,308.47**

Arrears total 1990 - 2014/15 as at 31/3/16 **£ 831,547.83**

Reduction Overall arrears £ 826,760.64

Business Rates Arrears breakdown as at 31st March 2016

	Arrears B/F 31.03.2015	Arrears carried forward	Net reduction	Actual % collection
2005	-	2,032.39	-2,032.39	0.00%
2006	-	270.62	-270.62	0.00%
2007	-	277.50	-277.50	0.00%
2008	6,250.00	5,822.64	427.36	6.84%
2009	21,980.08	18,814.02	3,166.06	14.40%
2010	19,847.12	26,932.65	-7,085.53	-35.70%
2011	48,257.88	33,662.27	14,595.61	30.25%
2012	217,045.18	143,541.97	73,503.21	33.87%
2013	328,476.58	163,577.79	164,898.79	50.20%
2014	1,016,451.63	436,615.98	579,835.65	57.05%
	1,658,308.47	831,547.83	826,760.64	

Cashiers Data

The cashiering service dealt with the following transactions in the period 1st April 2015 to 31st March 2016

Civic Centre Total	Transactions including Kiosk
£29,088,158.18	57,115

Payroll Data:

The average number of payments made each month/annually is shown below:

	Monthly	Annually
Non Teaching/Teaching	4,007	48,084
Pensions	4,967	59,604

Appendix 2

Complaints Data:

Service	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Council Tax	115	86	109	104	125	118	277 (210 unfounded)	372 (292 unfounded)	540 (446 unfounded)	427 (378 unfounded)
NNDR	3	4	2	0	2	1	7 (7 unfounded)	4 (4 unfounded)	21 (7 unfounded)	10 (9 unfounded)
Pensions	14	24	7	9 (5 unfounded)	7 (4 unfounded)	7 (2 unfounded)	3 (2 unfounded)	4 (2 unfounded)	4 (1 unfounded)	2
Payroll	37	10	5	10 (6 unfounded)	9 (3 unfounded)	4	9 (2 unfounded)	5 (2 unfounded)	9 (7 unfounded)	4 (2 unfounded)
Cashiers	0	0	0	0	0	0	0	0	0	0

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Report No.
FSD16042

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE AND RESOURCES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Date: Thursday 7 July 2016

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

Title: BENEFITS SERVICE MONITORING REPORT

Contact Officer: John Nightingale, Head of Revenues and Benefits
Tel: 020 8313 4858 E-mail: john.nightingale@bromley.gov.uk

Chief Officer: Peter Turner, Director of Finance

Ward: (All Wards);

1. Reason for report

- 1.1 This report provides information regarding the performance of the benefit services provided by Liberata during the period 1 Oct 2015 to 31 Mar 2016. A letter from Amanda Inwood-Field, Liberata's Contract Director, is attached as Appendix 1. This communication provides Liberata's perspective on performance, together with an update on initiatives to be introduced in the coming months.

2. RECOMMENDATION(S)

- 2.1 The PDS is requested to note the information contained within the report and the letter provided by Liberata detailed in Appendix 1.
- 2.2 The Portfolio Holder approve that it be recommended in the consultation exercise for the Authority's 2017/18 Council Tax Support/Reduction Scheme that the scheme remain the same as that currently in place.

Corporate Policy

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

Financial

1. Cost of proposal: Not Applicable
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: 400002
 4. Total current budget for this head: £3.9m
 5. Source of funding: Government Grants and Subsidy
-

Staff

1. Number of staff (current and additional): 4 plus Liberata staff
 2. If from existing staff resources, number of staff hours: N/A
-

Legal

1. Legal Requirement: Statutory Requirement.

The main pieces of legislation covering these services are:

Housing Benefit Regulations 2006

The Council Tax Reduction Schemes Regulations 2012

Local Government Finance Act

2. Call-in: Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 21,300 households (approx).
-

Ward Councillor Views

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

3. COMMENTARY

- 3.1 The Revenues and Benefits Team monitors the contract, sets targets and performance standards, liaises with partners, progresses the development and improvement of services through leadership on specific improvement initiatives. The team also ensures the services comply with current legislation, financial regulations, contractual obligations and audit requirements. Graphical illustrations as to the level of performance being achieved are attached as appendices to this report.
- 3.2 To maintain the drive for improved service performance, service review meetings are held with operational and senior Liberata management. Weekly meetings take place between senior managers in both organisations to discuss escalated items, technological advances and further development opportunities.

Outstanding Work

- 3.3 The amount of outstanding work stood at 6188 items as at the end of March 2016. This included 1717 items where the Benefits Section has written requesting information and a response is awaited.
- 3.4 The specification included in the 2011 contract with Liberata required that the level of outstanding items should not exceed 2000 or 3000 including cases where we are awaiting further information. This figure was based on the number of documents being received over a period of two weeks. As reported previously, this figure is currently being reviewed due to the implementation of Atlas and Real Time Information significantly increasing the number of documents received by the Benefits section. The outstanding work target will be calculated once the impact of “optional Real Time Information” is known,
- 3.5 The level of outstanding work since April 2014 is illustrated at Appendix 2

Claim Processing

- 3.6 The speed of processing indicator is a combination of the time taken to assess new claims and change of circumstances.

The table below shows Liberata’s performance against the target of 13 days:

Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16
11.12	7.91	13.30	10.83	12.36	11.34	11.69	15.32	14.10	14.15	7.08	3.02

Average 2014/15 13.85 days

Average 2015/16 11.40 days

Performance under the Right Time Indicator is illustrated as Appendix 3

The average processing days covers a wide variance amongst claims. Appendices 4a & 4b shows the “spread” of claims that make up the average for both new claims and change in circumstances.

Attached as Appendices 5a & 5b are the latest benchmarking figures released by the DWP in respect of new claims and change of circumstances processing. The tables/graphs show performance up until the 31/12/15, the latest date to which information is available

Error Rate

- 3.7 The Exchequer Services specification requires the contractor to ensure that financial errors are found in less than 5% of the cases checked by the Authority's monitoring team. The level of tolerance for errors is strict compared to many other authorities; with DWP statistics indicating that the average error rate nationally is in excess of this figure. However, the tolerance was set in the knowledge that errors result in poor customer service and waste of resources through reworking.
- 3.8 The contractor was outside the 5% tolerance level in 6 months in just one month 2015/16 with performance over the year being well within the required standard.

April 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16
%	%	%	%	%	%	%	%	%	%	%	%
2.3	3.0	7.0	4.5	1.6	1.19	1.10	2.31	4.76	0.69	2.11	1.6

A graphical illustration of the table is attached as Appendix 6.

Complaints

- 3.9 Considerable changes have occurred in both Housing Benefit legislation and Council Tax Support since April 2013, with many experiencing a reduction in entitlement. In many cases this has led to a complaint and/or an appeal as a result of the claimant not comprehending the revised entitlement is a result of changes to the scheme. However, the number of "Stage 2" complaints remains a good indication as to the service being provided given that the Section has previously been given the opportunity to address the customers area of discontent.

A graph showing the number of Stage 2 complaints received is attached as Appendix 7.

Housing Benefit Overpayments

- 3.10 Under the specification, the 2015/16 target for overpayment recovery is 83%. However, this target was made prior to the introduction of "Atlas" and "Real Time Information". Both of these have had the effect of significantly increasing the number and value of overpayments created. In respect of "Real Time Information" this commenced in September 2014 and brought about a sharp increase in the level of debt created, leading to an overall reduction in the percentage recovered compared to previous years. This pattern has been experienced and widely publicised by many London Authority's and one would expect Councils all over the country.

Earlier this calendar year the DWP announced that they were intending to commence the forwarding of "optional RTI" files to LA's. There is no obligation on the receiving Authority to action these files; however failure to do so would result in claimants receiving the incorrect level of Housing Benefit and Council Tax Support. The "optional RTI" files are due to be received from June/July 2016 and are estimated to be 3 times in number compared to the "standard RTI". Given the large increase in the number and value of HB overpayments these

initiatives created, the Executive agreed on the 18th May 2016 to suspend the incentive & penalty regime included in the Exchequer Services specification. Appendix 8 shows the monthly recovery rates since April 2014.

Call Centre (Help-Line)

- 3.11 The graph at Appendix 9 details the performance of the Call centre from April 2014.

The abandonment rate for March 2016 was 3.6%. Whilst it is always the intention that 100% of calls are answered, the achieved level of performance is good in the light of Council Tax demands for 2016/17 just being issued.

Caseload

- 3.12 A graph showing the number of claims in payment is attached as Appendix 10. There has been a significant increase in the overall caseload since Liberata first became responsible for the service in 2002. However, in recent years the number of claims has reduced and stood at 21,324 on the 31 March 2016 whereas it was 23,856 in April 2012.

Discretionary Housing Payments (DHP)

- 3.13 The July 2013 meeting of the E&R PDS approved the Authority's DHP policy together with the application form for requesting assistance. In the financial year 2015/16, DHP's were made to 689 households granting awards to the value of £509,475. This figure is £69 above the Government contribution of £509,406..

The Government funding for 2016/17 has increased to £617,897. The section intends to retain the policy previously agreed; however is aware that there is likely to be a greater demand for assistance, particularly in light of the increases rental levels in the private sector.

Council Tax Support/Reduction (CTS)

- 3.14 The Council Tax scheme for 2015/16 was agreed at Full Council in December 2014, this retained the maximum level of CTS payable for working-age claimants at 81%. Following a public consultation exercise, Full Council adopted the 2016/17 scheme on the 14th December 2015. The 2016/17 scheme reduced the maximum level of assistance available to a claimant of working-age to 75%.

The Authority is required to undertake an annual public consultation exercise to seek resident's views on the scheme to be operated in the following financial year. It is recommended that the Authority commences a consultation exercise in August based on the scheme for 2017/18 being the same as for the current year.

Universal Credit (UC)

- 3.15 UC for single claimants was introduced in Bromley on the 18/01/16. At present this had little impact on the Benefits Section as the majority of recipients have been non-householders, with no rental or Council Tax liability. In the period up until the 31/3/16 the Benefit Section were required to cancel 10 claims as a result of UC being awarded. This figure does not include out of borough placements.

The date(s) for further roll-out have not been announced.

4 FINANCIAL IMPLICATIONS

4.1 Housing Benefit and Council Tax Support present a significant “business”. The 2015/16 budget includes payments in excess of £126 million for Housing Benefit and £14 million (net) for Council Tax Support. Good performance is important to meeting our customer needs. Any deterioration in performance could result in, for example:

- Increase in “local authority error” overpayments, leading to receipt of reduced subsidy from Central Government;
- Potential increase in overpayments which may not be recoverable

Non-Applicable Sections:	Policy, Legal and Personnel
Background Documents: (Access via Contact Officer)	

John Nightingale
Head of Revenues and Benefits
London Borough of Bromley
Civic Centre
Stockwell Close
Bromley
BR1 3UH

Date: 15th June 2016

Our Ref: AIF/GT

Dear John,

As we approach the July Executive & Resources PDS meeting where we consider and review the performance of the Benefits service, we take this opportunity to write to you with Liberata's assessment of the performance of this critical, high profile service that we provide to London Borough of Bromley (LBB) and its citizens.

We are very pleased to report that Liberata continues to make significant improvements in the performance of the Benefits Service. Our close partnership working with both the Housing and Leaving Care Team has continued to grow with strong liaison between all parties. This has resulted in claims being processed quickly and queries being resolved in a timely manner.

Liberata are very pleased to inform that we have retained our CCA Global Standard version 6 accreditation for Customer Service which is one of the most prestigious awards for Customer Service Excellence, Innovation, Inspiration and Leadership. This is a great achievement for our Shared Service Contact Centre and recognition of our staff who have delivered an award winning service for our customers.

This summary covers performance for the period 1st April 2015 to 31st March 2016.

1. Current Status of the Benefits Service

The Benefits caseload, which measures all households receiving Housing Benefit and/or Council Tax Support, was 21,324 as at the end of March 2016. This has reduced from the end of March 2015 when the caseload was 22,180.

In terms of our current position for the nationally recognised Right Time Indicator, our average performance as at 31st March 2016 was 11.02 days compared to

13.85 days for the same period last year. This is against an annual contractual target of 13 days.

The processing performance of New Claims was 18.84 days and Changes was 8.43 days. The DWP acceptable levels of performance are 31 days for New Claims and 16 days for Changes.

The improvement in processing time is as a direct result of the processes put in place in 2014/15. We continue to focus on building and improving these processes further to deliver an exceptional service to our customers.

We can confirm that the workload continues to be processed within compliance and requests for further information are sent to customers within 10 working days.

1.1 Temporary Accommodation

We continue to see a significant number of customers accessing the Temporary Accommodation channel. This is as a result of the shortage of affordable privately rented accommodation within the Borough which continues to be an issue for customers. In addition, we are still seeing the affect of the Benefit Cap as customers that previously had their benefit restricted and continued paying their rent are increasingly unable to afford these properties.

The joint working between Liberata's dedicated Temporary Accommodation resource and the Housing teams has proven to be effective. This is relayed to Liberata during the regular liaison meetings with our stakeholders and the appropriate teams within the Council.

We have significantly reduced the number of queries from our stakeholders by implementing both phases of the automated reporting as to the status of benefit claims. These outline the current position of a customer's benefit claim and their assessed entitlement once the claim has been calculated.

We offer verification training to all Council and stakeholder new starters. This allows the staff to verify original documents to the DWP's standards and enables claims to be processed promptly, as requestes for further information are minimised.

1.2 ATLAS

ATLAS is a process of transferring data from the DWP systems to the Local Authority systems. The data reports on changes which may not have been reported by the customer. These changes enable us to ensure the entitlement of customers is correct and consistent with the information held by the DWP. All three phases of ATLAS are now live with a high number of welfare Benefits being

reported on. The number of ATLAS files, and the volume of data contained in them, continues to inflate the number of outstanding workload items.

We are able to automate many of the DWP benefits which are reported to us through the ATLAS process. This includes the automation of changes to Working Tax Credits and Child Tax Credits. However, we are continuing to investigate further automation on areas such as Pension Credit changes and Disability Benefits.

1.3 Real Time Information

Based on the success of the Real Time Information (RTI) pilot, the HMRC initiative to reduce fraud and error, the DWP have decided to continue with this initiative for 2015/16. We have created a total of £1.7m worth of overpayments as a direct result of RTI data matched for the period April 2015 to March 2016.

Early this calendar year the DWP advised that Authorities will receive 'Optional' RTI files. These are likely to be three times the volume of the current mandatory RTI files which we process. Although the processing of these is not mandatory, LBB have opted into the initiative on the basis that otherwise claimants listed could continue to receive the incorrect level of assistance.

1.4 Quality

We have continued making significant improvements in the quality of the assessments which we carry out. The average error rate for the period April 2015 to March 2016 was 2.50% compared to 5.49% for the same period in 2014/15.

We are very pleased with the level of quality and continue to focuss on reducing errors. The robust quality management framework which we have in place ensures that claims are processed to a high standard which minimises the potential to create errors.

1.5 Overpayment Strategy

The creation of overpayments is a natural bi-product of the administration of Housing Benefit & Council Tax Support, with recovery needing to be sought from some of the most vulnerable members of the community.

The recovery rate as at 31st March 2016 was 75.69%. This figure was adversely impacted by the creation of overpayments as a result of the RTI initiative. The recovery rate excluding RTI overpayments at the end of March 2016 was 84.22% against a target of 83%.

We have increased the level of resource on our overpayments team to ensure that we maximise our recovery capacity.

The incentive/penalty scheme has been suspended as agreed at the recent meeting of the Executive. However, Liberata continues to report on recovery performance on all overpayment debt which has been created.

Our recovery process utilises proactive measures to maximise collection. All debts over £2,000 are sent to a solicitors firm to assist in obtaining County Court Judgements.

We are now using Direct Earnings Attachments as a recovery method. This allows us to recover a customer's debt directly from their earnings.

Blameless tenant recovery continues to be a highly effective mechanism in recovering debts from landlords that receive benefit for multiple tenants. Since the initial implementation of Blameless Tenant we have seen landlords repay overpayments promptly to prevent this form of recovery taking place.

1.6 Universal Credit

Bromley has now gone live with the first phase of migration to Universal Credit which only covers single working aged claimants.

The impact of the migration to Universal Credit has been minimal, however as further areas of the caseload transfer we will begin to see a more significant effect. We are seeing more effort required in dealing with the requests received from the DWP in relation to complex housing costs and rental information. We have a dedicated resource that is the Single Point Of Contact (SPOC). The SPOC liaises directly with the DWP by email and telephone and ensures any requests which we receive from them are dealt with promptly and within the DWP service level of 5 days.

2. Call Centre & Customer Services

The number of Revenues & Benefits customers seen in Customer Services for the period 1st April 2015 to 31st March 2016 totalled 44,220. During this period 74% of customers were seen within 15 minutes, against a target of 85%. During the same previous 12 month period the team saw 49,992 customers and delivered a service level of 88%. Although footfall numbers have fallen from the previous period, the team have had to deal with increasingly more complex queries, many of which were from customers affected by the Welfare Reform changes. There is also more focus on first time resolution, which has the knock-on affect of making the transaction times longer, but has the positive affect of reducing visitor numbers.

During the same period, the Contact Centre (Help Line) received 198,483 calls with 88% answered. In the equivalent previous 12 months, the Contact Centre received 232,304 calls. This demonstrates that channel shift has been effective in

the 2015/16 financial year, as the team continue to promote the online forms, information on Council's website and the My Bromley portal.

3. Service Developments

Liberata's goal is to continue to improve and enhance the services provided to the Council and its citizens through the introduction of innovative and effective solutions.

Examples of current year new and ongoing initiatives;

- Implementation of online Change of Address form
- Implementation of Academy 'Insight' which is the upgraded software to the previous Academy 'Decisions & Appeals' which will play a significant role in ensuring process compliance and minimising delays with processing times
- Further recruitment of a new team of assessors who will be based at our Burnley office
- Automation of 'Benefit Cap' cases
- Automation of Real Time Information (RTI) HMRC data matches
- Piloting the cross working of call centre and back office staff
- Implementing a new scanning process where documents will be scanned at the point of submission by customers at reception
- Implementation of 'Capita Connect'. This will allow customer to use online forms to make a new claim or report changes to an existing claim. The information on the forms will be integrated with the back office processing system
- Introduction of a Triage reception within our Customer Services area. Customers are now able to submit documents quickly without having to take a ticket and wait for their number to be called

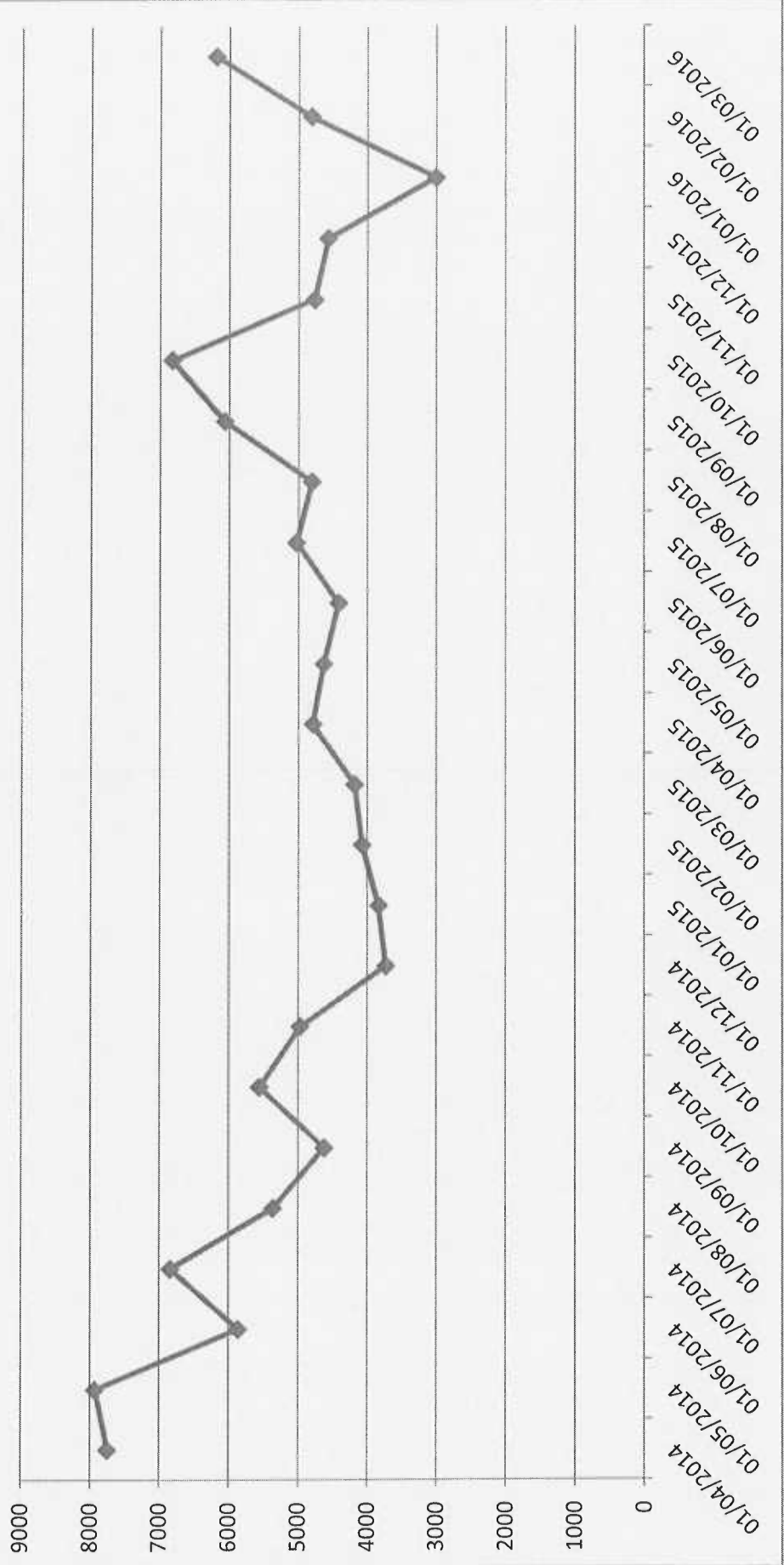
Liberata remains firmly committed to delivering an outstanding service to the London Borough of Bromley and its citizens.

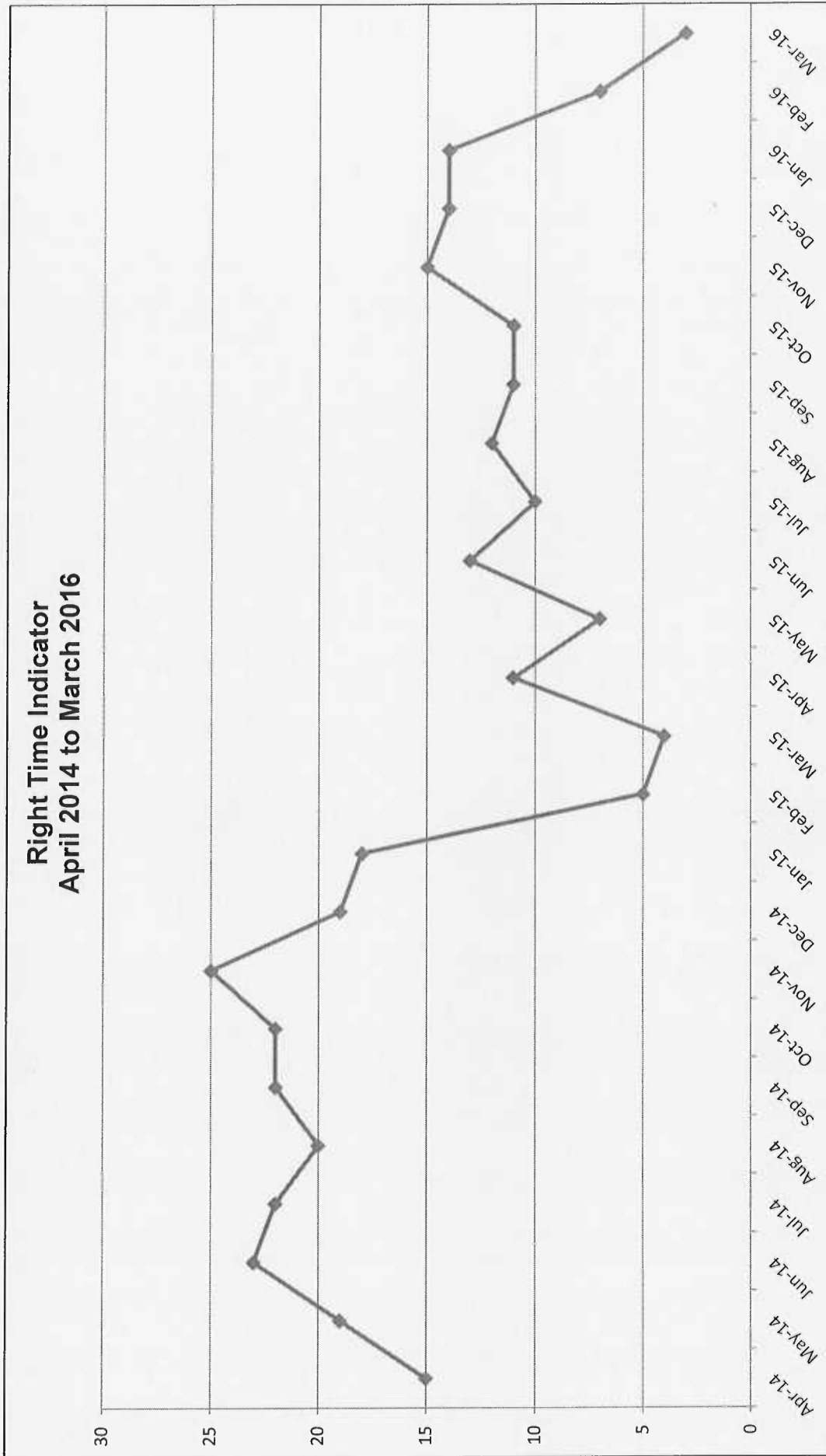
Yours sincerely,



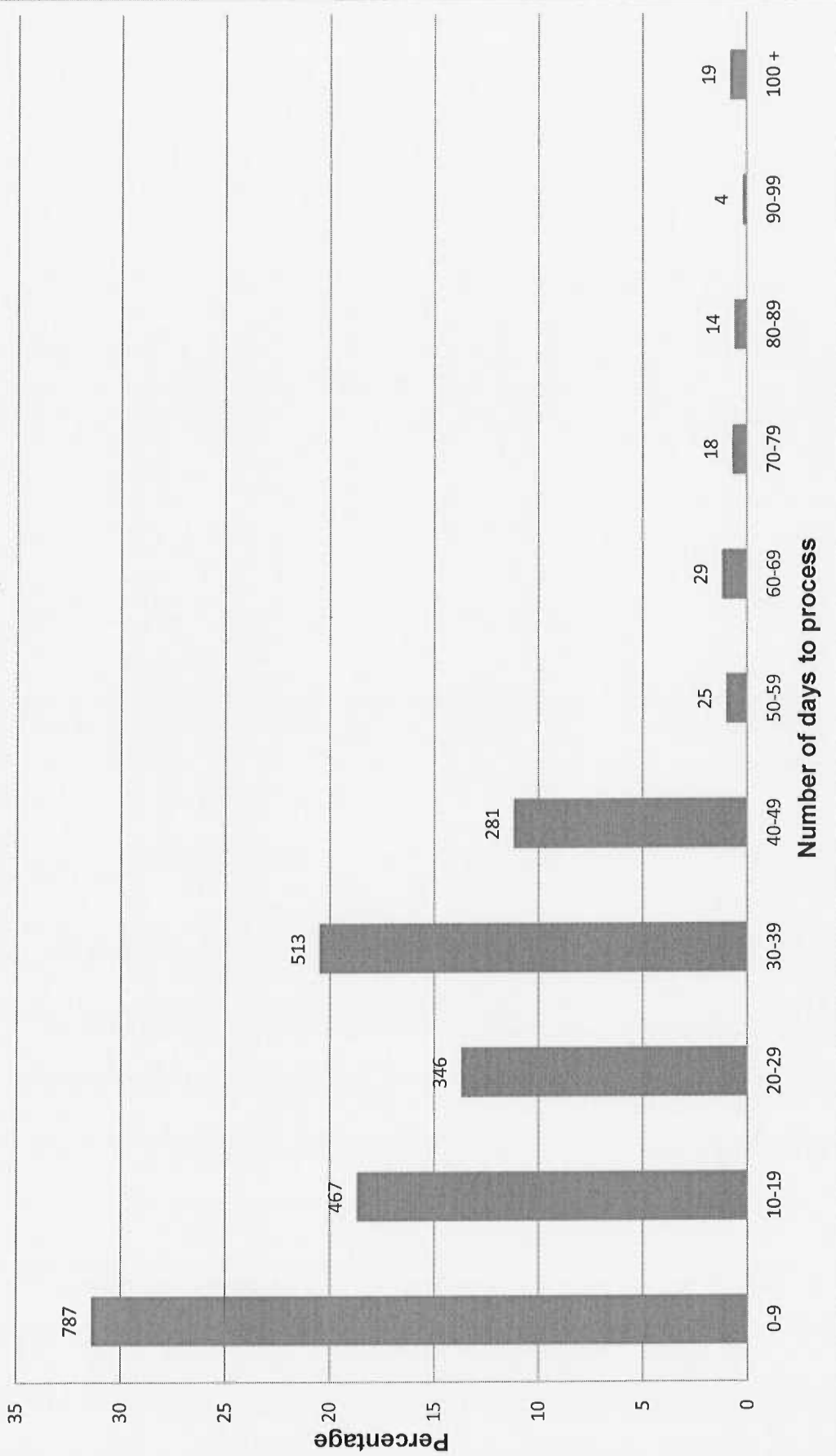
Amanda Inwood-Field
Contract Director

**Total Pending and Outstanding Work
April 2014 to March 2016**



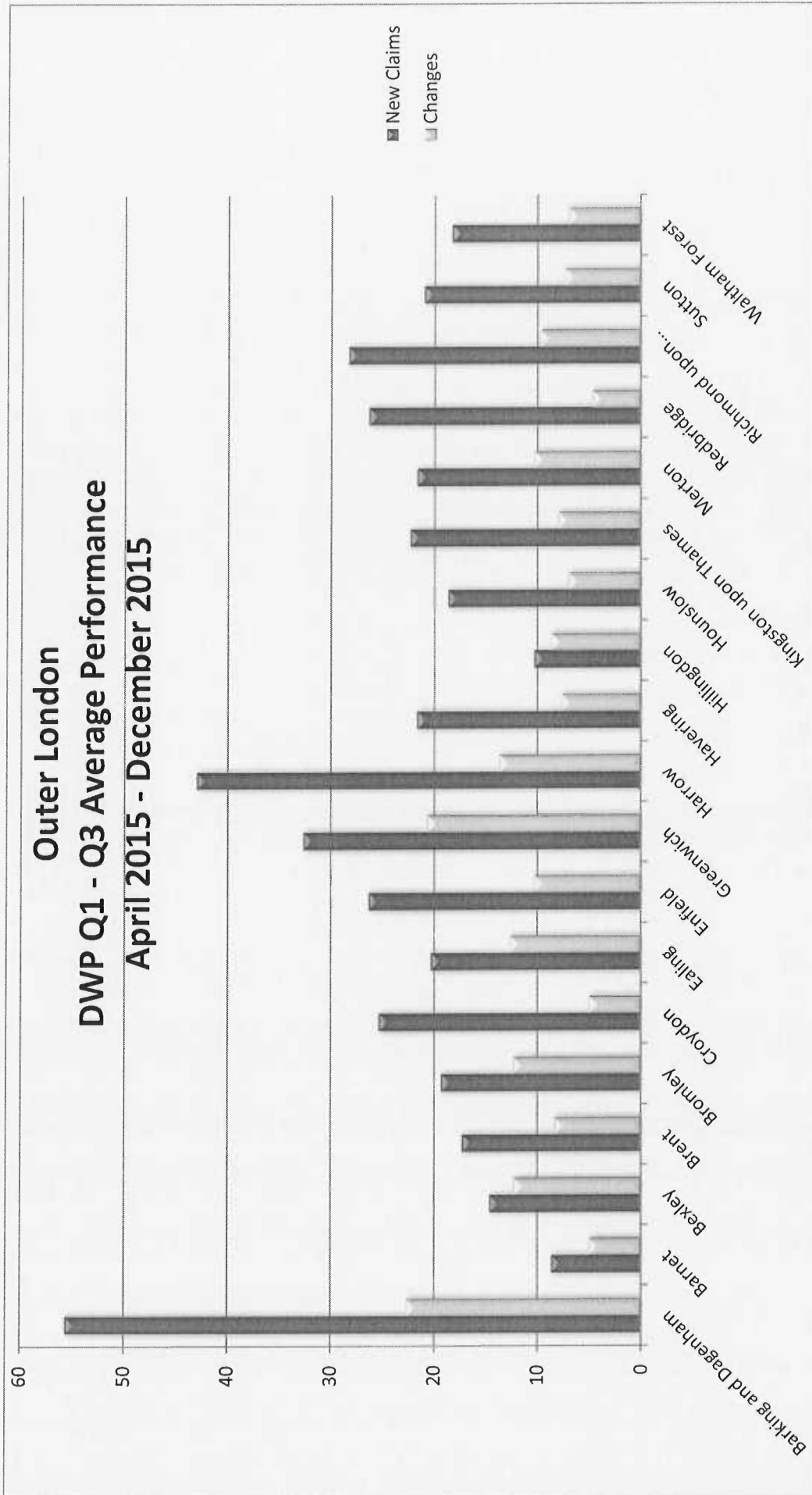


Housing Benefit - processing time breakdown October 2015 to March 2016
 New Claims (2503 cases)

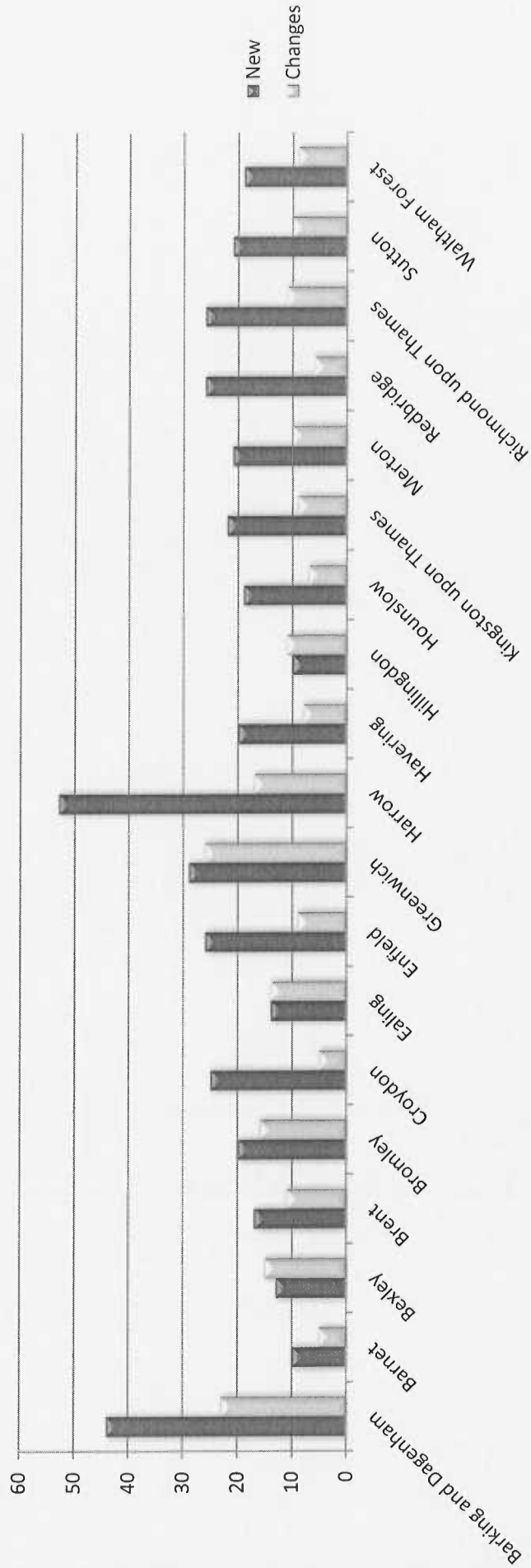


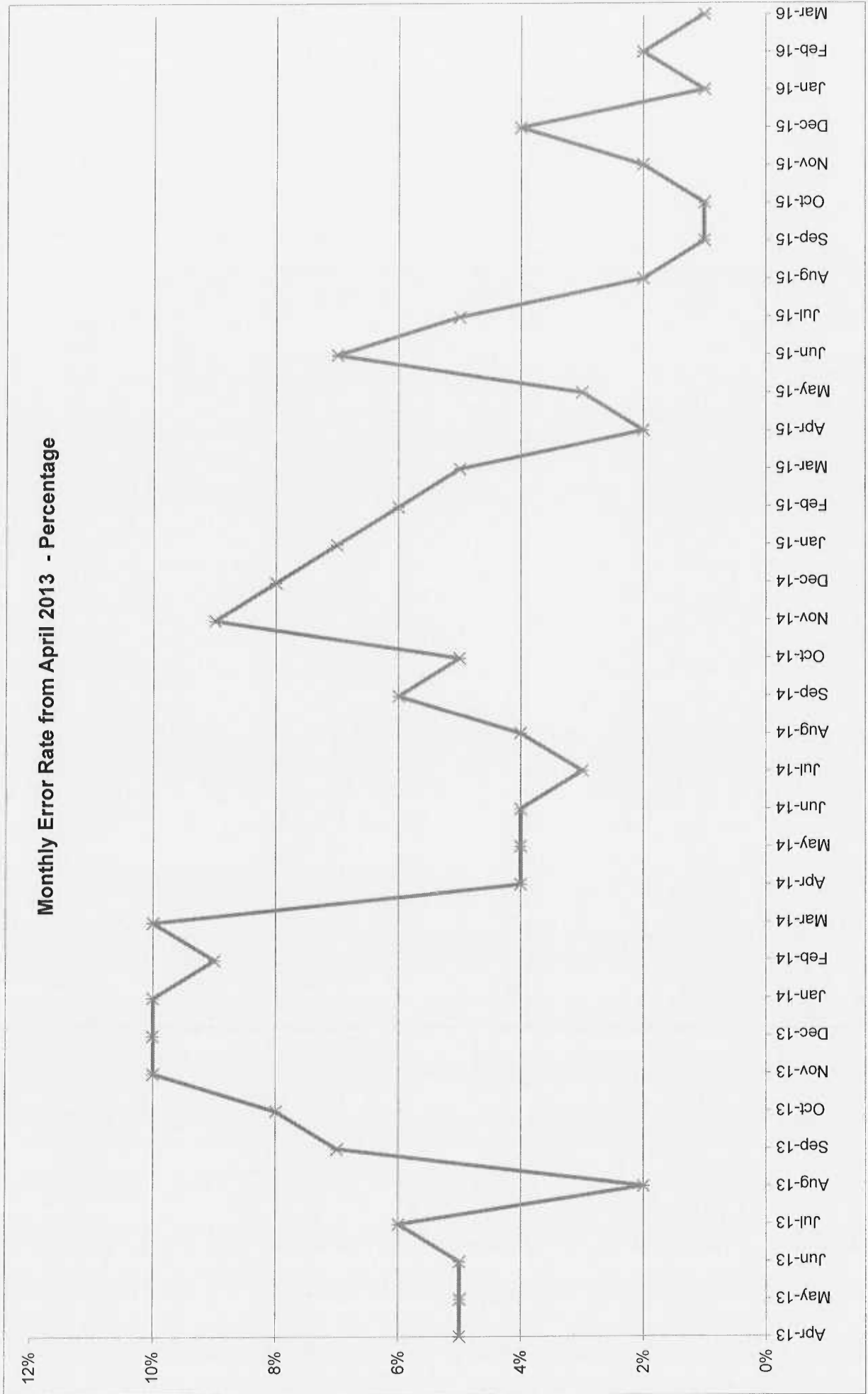
**Housing Benefit - processing time breakdown October 2015 to March 2016
Change in Circumstances (49439)**



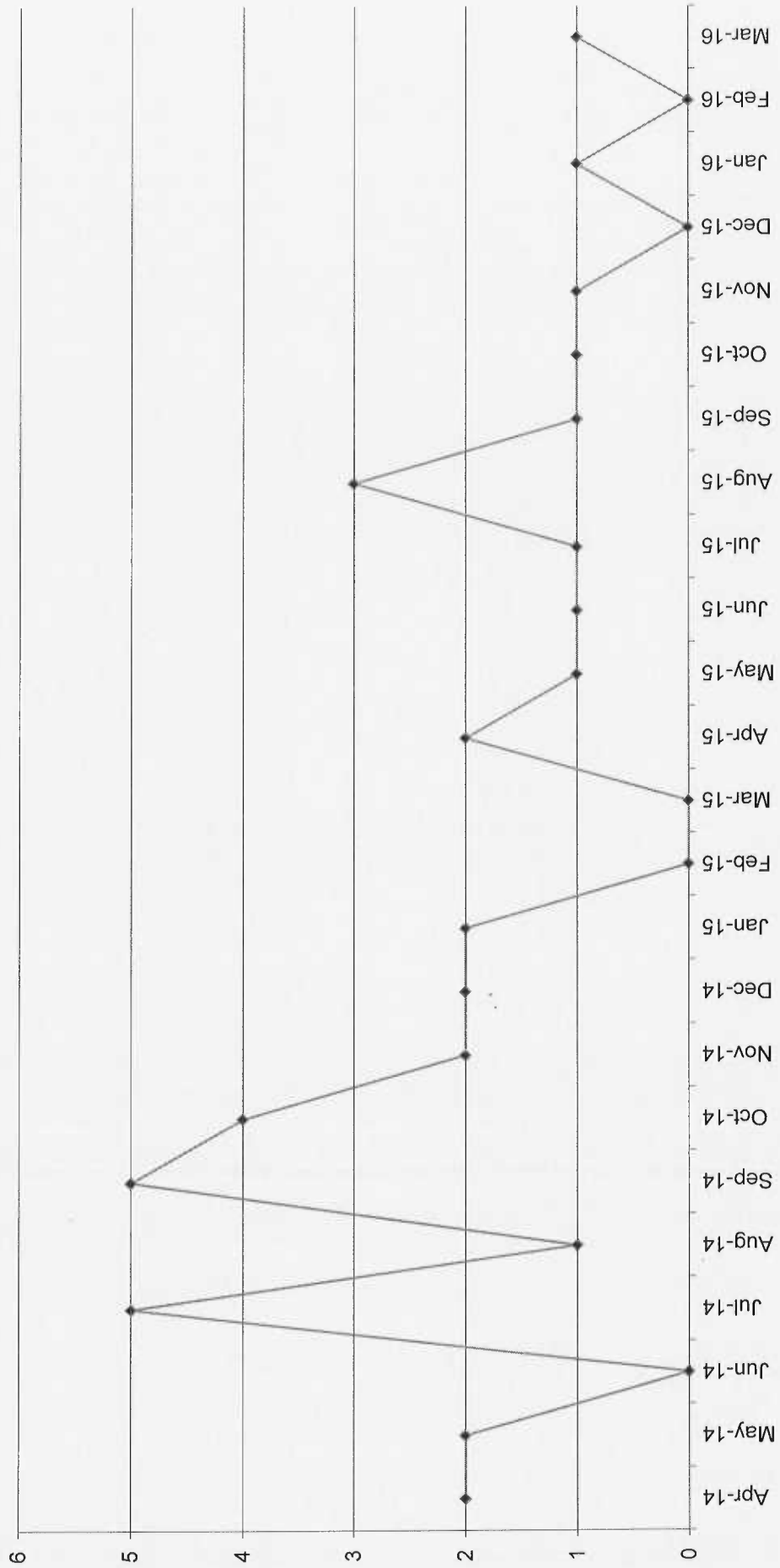


Outer London DWP Q3 Average Performance October 2015 - December 2015

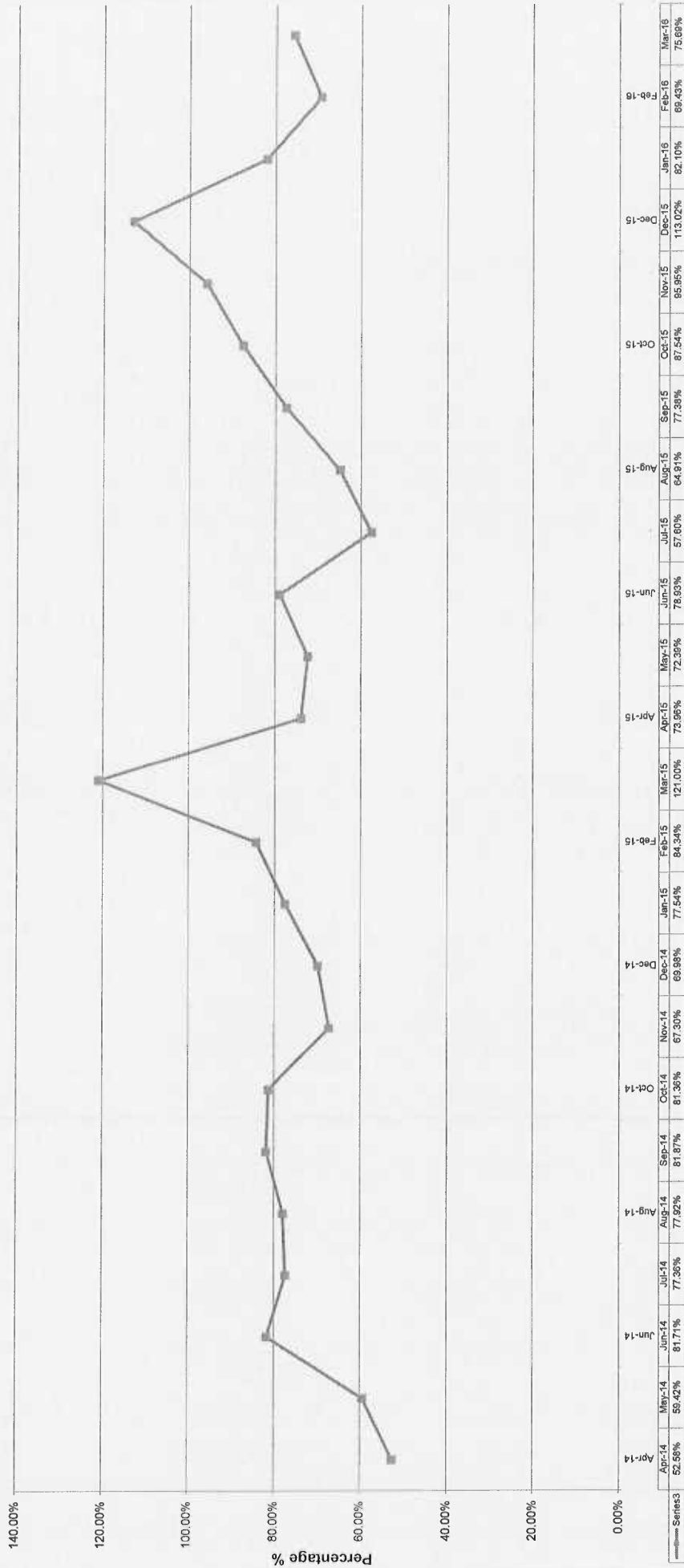




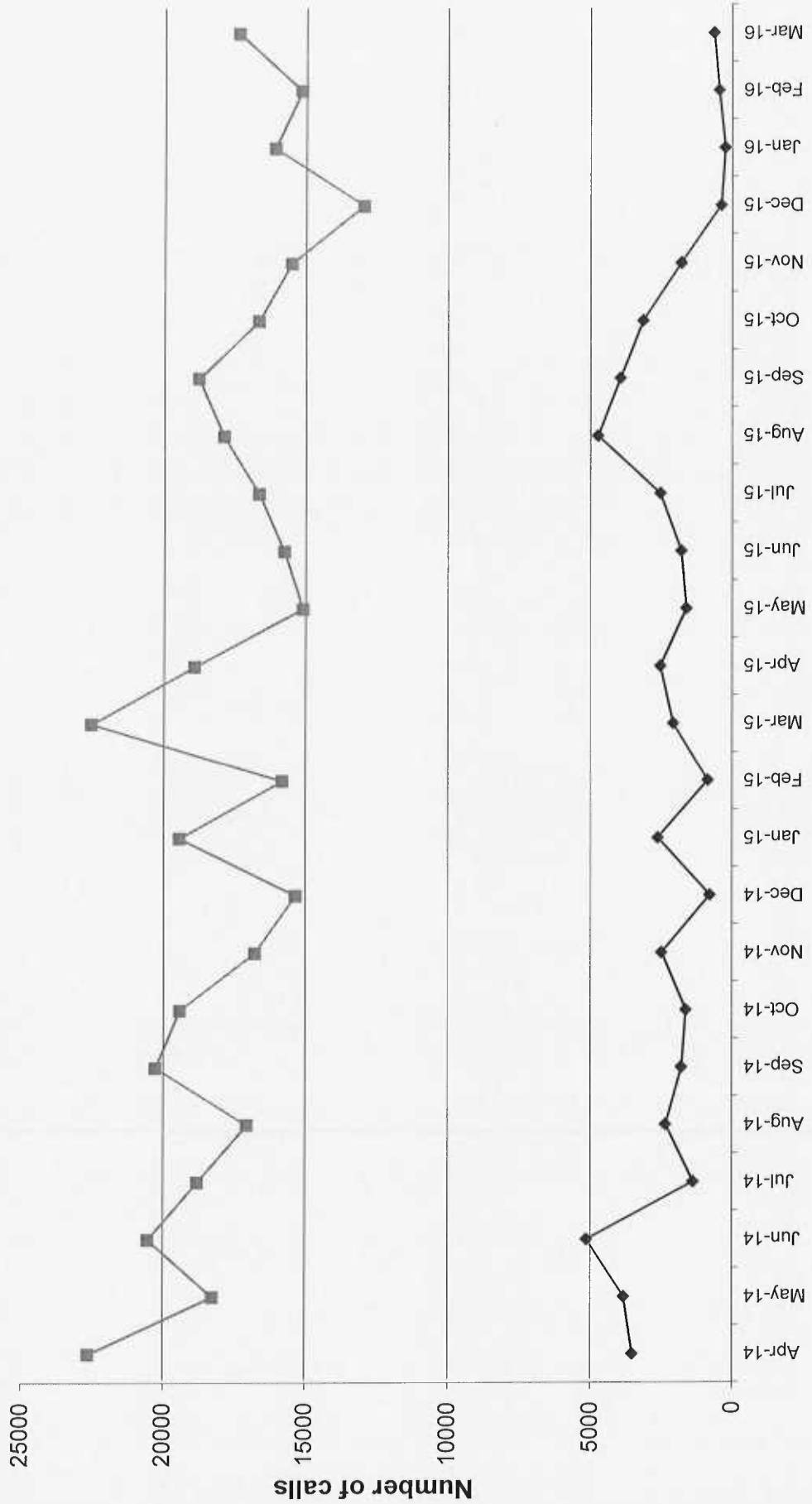
Housing and Council Tax Benefit Stage 2 Complaints from April 2014



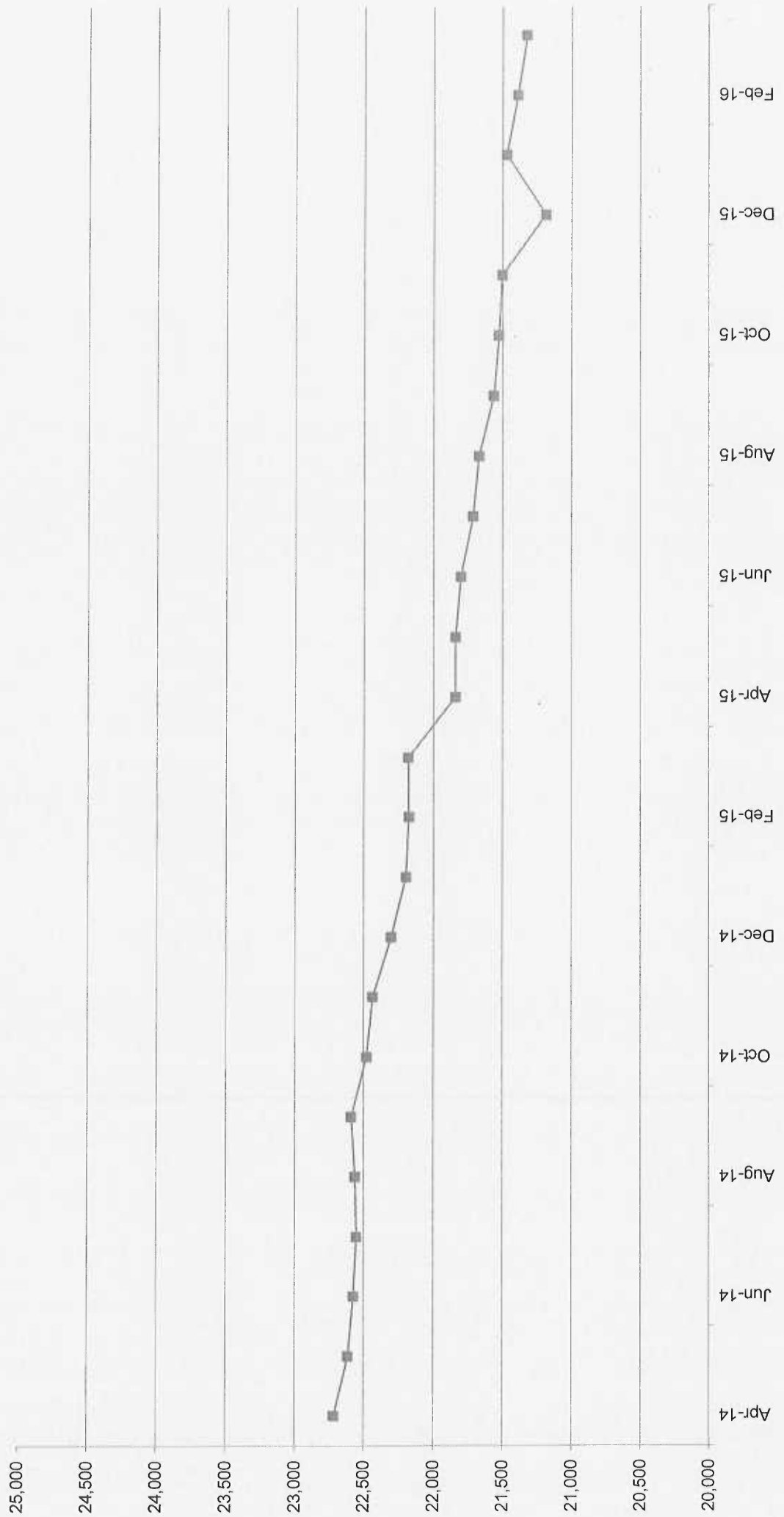
Monthly Overpayment % recovered against that created From April 2014 every 2 months



Calls Received and Abandoned by Month from April 2014



Caseload from April 2014 every 2 months



London Borough of Bromley

Report No.
FSD16049

PART ONE - PUBLIC

Decision Maker: EXECUTIVE AND RESOURCES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Date: Thursday 7 July 2016

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

Title: EXCHEQUER SERVICE MONITORING REPORT

Contact Officer: Claudine Douglas-Brown, Head of Exchequer Services
Tel: 020 8461 7479 E-mail: Claudine.Douglas-Brown@bromley.gov.uk

Chief Officer: Director of Finance

Ward: (All Wards);

1. Reason for report

This report provides information regarding Liberata's performance in the provision of Exchequer Services up to the 31st March 2016. A letter from Amanda Inwood-Field, Liberata's Contract Director, provides an update on each individual service and is attached at Appendix 1 with statistical data relating to the services shown in subsequent appendices.

2. **RECOMMENDATION(S)**

The Committee is requested to note the information contained within the report and the letter provided by Liberata detailed in Appendix 1.

Corporate Policy

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

Financial

1. Cost of proposal: Not Applicable:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: 400004, 400008, 400022
 4. Total current budget for this head: £1.5m
 5. Source of funding:
-

Staff

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

Legal

1. Legal Requirement: Statutory Requirement: The amount of legislation is too extensive to cite in full, below are detailed the major Acts and Regulations covering the services:

Late Payment of Commercial Debts (interest) Act 1998

The County Court Act 1984

Environmental Protection Act 1990

Housing Act 2004

The Care Act 2014

2. Call-in: Applicable:
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The services covered in this report affect those who owe general income to the Council, all of the Council's suppliers and all adult social care clients. This could amount to an estimated 40,000 people.
-

Ward Councillor Views

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

3. COMMENTARY

This report provides information regarding the performance of the Exchequer Services provided by Liberata for the period 1st April 2015 to 31st March 2016.

The Exchequer Team which consists of 4 members of staff, monitor the compliance of Liberata our contractor for Exchequer Services, against the overall Contract to ensure that services are provided to the required standard, within the agreed timeframe, meeting the agreed targets and performance standards. Where there are areas of concern or underperformance, the Head of Exchequer Services will agree an action plan to address these issues. The team also ensures the services comply with current legislation, financial regulations, contractual obligations and audit requirements.

To maintain the drive for improved service performance, monthly service review meetings are held with operational and senior Liberata management. To further illustrate the commitment to the continuous improvement agenda the Contract Director and Finance Service Delivery Manager at Liberata meets with Bromley regularly to deal with escalated issues, review policies and develop new ideas.

The Exchequer Services covered in this report are:-

- Sundry Debtors, Mortgages and Corporate Debt
- Accounts Payable
- Financial Assessment and Charging
- Appointee and Deputyship

4. SUNDRY DEBTORS, MORTGAGES & CORPORATE DEBT

Sundry debts are measured on the unpaid balances at the end of each month. At the 31st March 2016, there were 3,439 invoices outstanding totalling £6.05m. Of the total amount outstanding £2.31m (38.18%) had been outstanding for less than 30 days.

The collection rate for **in-year debt** as at 31st March 2016 was **92.92%** against a target of 90% with income of £48.54m being collected.

This showed an improvement on the previous year and resulted in additional income of £1.52m additional income collected.

The table below shows the collection rate as at 31st March for the last 3 years for comparison.

	2013/14	2013/14	2015/16
31 March Performance	73%	88.8%	92.9%
Target	88%	89%	90%

The adjusted collection rate was 93.6%, after taking into account debts that were on hold with the Council such as:-

- CIL debts (Community Infrastructure Levy invoices) totalling £83k were raised during 2015/16 but were not payable until 2016/17

- Over £265k of invoices raised in-year that remained in dispute at the end of 2015/16..

The level of invoices being disputed by debtors with the Council has decreased by £123k on the previous financial year.

Appendix 2 shows the comparison between the levels of outstanding debt for each month from April to March for the years 2012-13 through to 2015-16.

Appendix 3 shows the comparison between the numbers of invoices outstanding each month from April to March for the years 2012-13 through to 2015-16.

As you can see the number of invoices has outstanding has increased slightly however the value of the debt outstanding has decreased considerably when compared to the same time last year.

4.1 Aged Debt as at 31st March 2016

The combined out-of-year collection was 65.95% as at the end of March 2016. If this is adjusted for debts that were on hold with the Council this increases the collection rate to 85.97% which is an increase of 17.9% on the previous year.

A recovery plan to improve the collection performance on the older debt was agreed with Liberata in 2015/16 and this continues to be monitored on a monthly basis.

The profile of the total debt outstanding as at 31st March for the last three years is shown in the table below, along with the overall % reduction in 2015/16. This is then further broken down to show the status of the debt.

	31-Mar-14	31-Mar-15	31-Mar-16	Reduction
	£000	£000	£000	
Pre 2011/12	1,198	923	701	24%
2011/12	539	353	194	45%
2012/13	759	530	396	25%
2013/14	10,175	838	521	38%
2014/15	N/A	4,424	594	87%
2015/16	N/A	N/A	3,650	N/A
Total	12,671	7,068	6,056	14%

Overall Recovery Position as at 31st March 2016

Outstanding balance and Recovery position of debts raised in the years below							
Fin Year in which the original debt was raised	Pre 2011	11 - 12	12 - 13	13 - 14	14 - 15	15 - 16	Grand Total
Recovery being pursued	£K	£4K	£1K	£9K	£9K	£2,556K	£2,578K
In recovery, paid by instalments	£21K	£12K	£20K	£31K	£22K	£344K	£451K
Secured by charge on property	£36K	£44K	£69K	£19K	£75K	£47K	£290K
Appointee & Deputyship in place	£2K	£11K	£11K	£40K	£52K	£64K	£181K
Applying for Power of Attorney				£K	£3K	£24K	£28K
Awaiting probate				£3K	£45K	£53K	£102K
Standing probate search in place		£3K	£15K	£19K	£5K	£10K	£52K
Probate granted - recovery being pursued			£29K		£K	£2K	£31K
Vol contribution/sponsorship							
With LBB for instructions	£31K		£5K		£45K	£64K	£144K
Pre debt collector checks	£8K	£26K	£38K	£6K	£10K	£39K	£127K
With debt collector	£12K	£5K	£18K	£28K	£67K	£76K	£207K
Pre legal action review	£3K			£2K	£7K	£K	£12K
Applying for County Court Claim	£25K	£30K	£13K	£18K	£40K	£51K	£176K
Judgement obtained - Attachment of earnings			£K			£K	£1K
Judgement obtained - Charging Order	£97K	£1K	£21K	£87K		£3K	£209K
Judgement obtained - Enforcement options in review	£31K		£4K		£K	£K	£36K
Judgement obtained - Order of Information	£K		£K			£K	£1K
Judgement obtained - Payment arrangement	£23K	£3K	£6K	£3K			£34K
Judgement obtained - Garnishee order					£2K	£5K	£6K
Judgement obtained - High Court Enforcement	£42K		£5K	£11K	£5K	£2K	£66K
With LBB legal dept for instructions	£3K	£7K	£2K	£10K	£5K	£1K	£28K
Awaiting cancellation			£2K		£1K	£1K	£4K
Recommended for write off	£288K	£34K	£59K	£38K	£12K	£3K	£434K
In dispute, with service departments	£76K	£14K	£77K	£197K	£187K	£296K	£848K
Admin penalty - cannot be recovered until HB and/or CTB overpayment is paid	£3K	£1K	£1K			£K	£5K
Premises Licences - no reminders required					£K	£4K	£4K
Grand Total	£701K	£194K	£396K	£521K	£594K	£3,646K	£6,053K

4.2 Utility Debt

The total debt for utilities was £384k as at 31st March 2016, this represents a reduction of £200k (34%) on the previous year. British Telecom is the largest debtor with an outstanding debt of £212k.

Utility debt is the largest contributor to the disputed debt total with over £184k remaining in dispute at the year-end; 90% of this is directly attributable to British Telecom. However, officers in Environmental and Community Services remain in discussion with British Telecom over disputes and the level of unpaid invoices. All amounts agreed will then be paid and draft invoicing for all utilities will be put in place which will help to reduce the number of invoices raised and subsequently disputed or cancelled.

Appendix 4 shows a summary of Utility debt as at 31st March 2016.

4.3 Invoicing/Income

The Income Team raised 18,219 sundry invoices with a value of £56.6m from 1st April 2015 to 31st March 2016 which was £13m more than in the previous year. Of these, 2,107 invoices, with a value of £5.46m, were subsequently cancelled. This includes cancellations where charges are raised in advance and the service is subsequently cancelled.

Appendix 5 shows the value of invoices raised month by month for the period from 1st April 2015 to 31st March 2016 compared to the same periods in the previous three financial years.

Appendix 6 shows the number of invoices raised month by month for the period from 1st April 2015 to 31st March 2016 compared to the same periods in the previous three financial years.

4.4 Trade Waste

The outstanding debt on Trade Waste as at 31st March was £231k.

Analysis of Trade Balance	£000
Under 30 days old	4
Invoices 31 - 365 days old	80
Invoices over 1 year old	88
Agreed payment arrangements/Direct Debits	4
Invoices in dispute	38
Awaiting cancellation	7
Awaiting write off	10
TOTAL	231

4.5 Nightly Paid Accommodation Charges

The outstanding debt for Nightly Paid Accommodation charges as at 31st March 2016 was £2.61m for current and former occupiers.

£6.14m was collected from Housing Benefit awards from 1st April 2015 to 31st March 2016, which is an increase of £1.88m (44%) on the previous year.

£639k was collected in payments from the debtors in the period from 1st April 2015 to 31st March 2016, which is an increase of £276k (76%) on the previous year.

	Arrears as at 31 March 2016
Charges raised for current year	£7,427,991
Arrears brought forward	£2,213,901
Payments received from debtors	-£639,309
Housing Benefit awards	-£6,136,500
Sub total	£2,866,083
Less charges written on/off	-£251,683
Total	£2,614,400

4.6 Innovation and Service Improvements

As part of our continuous improvement process we have reviewed the current recovery systems and have expanded the scope for the Single View system to include a debt management system which will be implemented in 2016/17. This will allow data concerning an individuals' debt to be extracted from different systems and presented in a single screen to give a consolidated view of their debt position. Debt information will be extracted from the systems covering Sundry Debts, Domiciliary Care Debt, Council Tax, Housing Benefit Overpayments, Trade Waste and Business Rates. The Single View will provide:

- Improved debt collection – improving the visibility of a client's debt position will lead to an increase in recoverability
- Improved debt management – the consolidated view of a customer's debt will aid early intervention in cases where they may be experiencing financial difficulties. repayment plan can be put into place to prevent additional costs from being incurred by the customer
- Improved customer experience – rather than being chased separately by the different debt recovery teams, the customer can be chased once in order to discuss all of their debts

The added benefits from the Debt Management system include:

- Automated direct debit facility
- Ability to set up direct debits to collect current charges and arrears (e.g. for domiciliary care, carelink or commercial rents)
- Powerful instalment arrangement facilities allowing multiple debt types to be incorporated into a single arrangement
- Performance management reporting for monitoring recovery staff
- Online performance and benchmarking analysis for monitoring contractor performance

5. ACCOUNTS PAYABLE

A BV8 summary covering the period from 1st April 2015 to 31st March 2016 is shown below. This shows that the percentage of undisputed invoices that were paid within 30 days was 99%. This is a 1% increase against the previous year which was 98%. The percentage of invoices paid within 20 days has also increased by 1% from 96% in March 2015 to 97% in March 2016.

		BV8 Summary				1st April 2015 to 31st March 2016			
Manuals	Target: 98%	Invoices Over 30	Invoices Under 30	Total	%	Invoices Over 20	Invoices Under 20	Total	%
Adult and Community Services *		0	55	55	100%	1	54	55	100%
Corporate Services		2	473	475	100%	2	473	475	100%
Children & Young People +		6	410	416	100%	8	408	416	100%
Environment and Leisure		0	99	99	100%	5	94	99	77%
R&R (Inc. Libraries & LE/PP)		165	2,309	2,474	96%	505	1,969	2,474	91%
Payroll (R05 - R20)		4	508	512	97%	7	505	512	93%
Utilities		15	1,637	1,652	99%	35	1,617	1,652	99%
Confirm (Highways, IS, Property)		41	15,195	15,236	100%	67	15,169	15,236	100%
		233	20,686	20,919	99%	630	20,289	20,919	98%
I-Proc Target: 98%									
Adult and Community Services *		166	13,112	13,278	99%	238	13,040	13,278	98%
Corporate Services		56	2,510	2,566	98%	138	2,428	2,566	96%
Children & Young People +		110	5,302	5,412	97%	205	5,207	5,412	94%
Environment and Leisure		89	2,426	2,515	97%	164	2,351	2,515	94%
R&R (Inc. Libraries & LE/PP)		79	2,605	2,684	92%	156	2,528	2,684	87%
		500	25,955	26,455	98%	901	25,554	26,455	96%
Carefirst Target: 98%									
T01	Residential	161	17,640	17,801	100%	375	17,426	17,801	99%
T04	Children & Young People	29	6,109	6,138	100%	41	6,097	6,138	100%
		190	23,749	23,939	100%	416	23,523	23,939	99%
Adults Target: 98%									
T02	Respite & Carers Budget	7	513	520	97%	41	479	520	79%
		7	513	520	97%	41	479	520	79%
Cumulative YTD Total		930	70,903	71,833	99%	1,988	69,845	71,833	97%

The table below shows the percentage split in the method of payments to suppliers. The percentage of suppliers paid by BACS from 1st April 2015 to 31st March was 89% which was a 2% increase on the previous year.

Month	2014/15				Month	2015/16			
	BACS Count	BACS %	Cheque Count	Cheque %		BACS Count	BACS %	Cheque Count	Cheque %
Apr	3,032	89%	393	11%	Apr	2,798	89%	335	11%
May	2,534	85%	434	15%	May	2,419	87%	359	13%
Jun	2,633	86%	440	14%	Jun	2,646	87%	384	13%
Jul	3,157	89%	404	11%	Jul	3,293	89%	421	11%
Aug	2,451	88%	331	12%	Aug	2,343	89%	292	11%
Sep	2,597	85%	474	15%	Sep	2,447	88%	348	12%
Oct	2,676	87%	388	13%	Oct	2,395	89%	307	11%
Nov	2,392	84%	447	16%	Nov	2,323	87%	344	13%
Dec	3,036	91%	311	9%	Dec	2,800	91%	279	9%
Jan	2,761	87%	397	13%	Jan	2,617	88%	355	12%
Feb	2,434	87%	361	13%	Feb	2,421	89%	292	11%
Mar	3,501	88%	485	12%	Mar	3,202	91%	306	9%
33,204				87%	4,865				13%
31,704						89%	4,022		11%

6. FINANCIAL ASSESSMENTS & CHARGING

The Key Performance Indicator figures for the team covering the period from 1st April 2015 to 31st March 2016 are shown below:

Indicator	Target 2014/15	Actual to 31/3/15	Actual to 31/3/16
Financial Assessments			
Complete Financial Assessments within 10 working days	100%	97%	100%
Produce the charging file from CareFirst weekly	100%	100%	100%

6.1 Innovation and Service Improvements

During the 12 month period under review Liberata have implemented the following initiatives to improve the team's performance and productivity:

- Visiting Officers now have access to DWP records to allow them to capture and validate customer's benefits information before their visits. This has helped to reduce the amount of time the Officers now spend verifying documentation during the completion of their financial assessments.
- New reports have been produced that provide status information on a number of key activities undertaken by the team. These reports are produced from the CareFirst system and have replaced the old spread sheets that were previously manually updated by the

team. As a result both Liberata Management and the Exchequer Services team have access to real time information.

- The Financial Assessment Form has been redesigned in order to make it easier for service users to understand and complete. This, in turn, will help improve the quality of the information received.
- A project is being carried out, with the Council's CareFirst Support team, to fully utilise existing functionality within the CareFirst system that will allow the production of letters directly from the system. Once completed this solution will help improve the quality of the data currently being produced manually and reduce processing time.

7. **APPOINTEE & DEPUTYSHIP**

The Key Performance Indicator figures for the team covering the period from 1st April 2015 to 31st March 2016 are shown below:

Indicator	Target 2014/15	Actual to 31/3/15	Target 2015/16	Actual to 31/3/16
Appointee & Deputyship				
Referral of applications received to the Panel within 14 working days	100%	100%	100%	97%
Raise invoices for charges within 2 months of the anniversary of the court order	70%	100%	100%	74%

As at 31st March 2016 the team had 239 clients of which 178 were for Appointeeship and 61 were for Deputyship. In the 12 months to 31st March 2016 they arranged for 23 Community Funerals and sold two properties with two further properties currently being marketed for sale. Corrective action has been taken to ensure that future invoices are raised within the set timescales.

7.1 **Innovation and Service Improvements**

Liberata have continued to work with Lloyds Bank to move from the present manual banking processes to online accounts. The implementation of the Lloyds Link online system is due to take place on 4th July 2016. In line with this change, Lloyds bank have agreed to pay an enhanced rate of interest on all balances held in the client bank accounts.

Liberata have invested £430k in respects of 16 Deputyship clients into the Court Funds Office and/or into a personal Individual Savings Accounts.

The Caspar application was successfully transferred to a Liberata Server and upgraded to the latest version 4.27 which has Liberata to access additional functionality within the system.

8. COMPLAINTS

The table below shows the number of complaints received since April 2013 split between justified and unjustified. For the range of services being provided the numbers of complaints are relatively low. The number of complaints received by the Financial Assessment team increases each time there is a significant change to the charging policy for adult social care such as the introduction of an arrangement fee for full cost clients in May 2015.

	2013/14	2014/15	2015/16
Sundry Debtors/Income			
Justified	13	15	10
Unjustified	1	1	3
Total	14	16	13
Accounts Payable			
Justified	2	2	
Unjustified	2	2	2
Total	4	4	2
Financial Assessment & Management			
Justified	28	24	14
Unjustified	8	3	3
Total	32	27	17
Appointee & Deputyship			
Justified		3	2
Unjustified			
Total	N/A	3	2

9. FINANCIAL IMPLICATIONS

The report refers to the significant income collection undertaken through the Exchequer Services contract with Liberata.

Non-Applicable Sections:	[Policy, Legal and Personnel
Background Documents: (Access via Contact Officer)	

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Appendix 1

Claudine Douglas-Brown
Exchequer Manager
London Borough of Bromley
Civic Centre
Stockwell Close
Bromley
BR1 3UH

23 June 2016

Our Ref: AIF/RJ

Dear Claudine,

As we approach the July 2016 Executive & Resources PDS meeting where we consider and review the Exchequer service, we take this opportunity to write to you with Liberata's assessment of the performance that we have provided to London Borough of Bromley (LBB) and its citizens.

This summary covers performance for the 12 month period 1st April 2015 to 31st March 2016.

Debtors and Income

The in-year collection figure on Sundry Debts was 92.92% as at 31st March 2016, which was 2.92%% above the target of 90.00% and generated additional income of £1.52m. Of the total debt outstanding, £2.31m (38.18%) related to debts which were less than 30 days old.

The combined out-of-year collection was 65.95% as at the end of March 2016 which is lower than the previous year. However, there are certain categories of debt where we are unable to carry out recovery action and this adversely affected our performance, these debt types include the following:

- Debts in Dispute of £485k
- Debts secured by Charging Orders of £449k
- Debts recommended for Write Off of £405k
- Debts where the Council has placed a hold on recovery work £76k

The above debts total £1.42m and represented 58.81% of the outstanding debt as at 31st March 2016. If our collection figure was adjusted by these debts then we would have achieved 85.97%.

The total debt figure for the main utility companies as at 31st March 2016 was £384k which was a reduction of £200k (34%) on the previous year. British Telecom is the largest debtor with an outstanding balance of £212k.

Liberata continues to work in partnership with service departments to improve collection and recovery. Liberata regularly meets with London Borough of Bromley staff to discuss arrears and proposals for process changes in order to improve the service to our customers and to increase collection.

The need for Nightly Paid Accommodation has continued to rise and this has resulted in an increase in the volume of debts associated with this area. During the 12 months to 31st March 2016 payments received direct from debtors totalled £639k which exceeded the previous year by £276k (76%). In addition the amount collected from Housing Benefit awards was £6.14m which was £1.88m (44%) higher than the previous year.

Accounts Payable

During the year to 31st March 2016 the percentage of invoices that were paid within 30 days was 99% which was a 1% increase compared to the previous year. The percentage paid within 20 days during the same period has also increased by 1% from 96% to 97%.

The percentage of suppliers paid by BACS has increased from 87% to 89%.

Financial Assessment and Management Team

During the 12 month period under review we started a number of initiatives to improve the Financial Assessment team's performance and productivity and these included the following:

- Visiting Officers now have access to DWP records to allow them to capture and validate customer's benefits information. This will reduce the amount of time spent on verifying documentation when carrying out financial assessments in the office and out on visits.
- A number of reports have been produced that record the status and progress of key activities performed by the team. These are produced from CareFirst and replace the spread sheets that were previously being manually updated to provide the same information. This means that both Liberata Management and the Council have access to real time information.
- A revised Financial Assessment Form has been produced and implemented. This is designed to be more understandable than the previous version so should be easier for the users to complete and will result in an improvement in the quality of information received.

- We are currently working with the Council's IT team to implement a solution which will allow us to produce letters directly from the CareFirst system rather than having to manually retype them. This will further improve the quality of the data currently being produced manually and save on processing time.

Appointee & Deputyship Team

As at 31st March 2016 the team had 239 clients of which 178 were for Appointeeship and 61 were for Deputyship. In the twelve months to 31st March 2016 they arranged 23 Community Funerals and sold properties for two clients. There are a further two properties which are currently in the process of being marketed and sold.

Liberata are working with Lloyds Bank to move from the current manual banking processes to online accounts. The implementation of the new Lloyds Link online system is due to take place in July 2016. In line with this change, Lloyds bank have agreed to pay an enhanced rate of interest on all balances held in the client bank accounts.

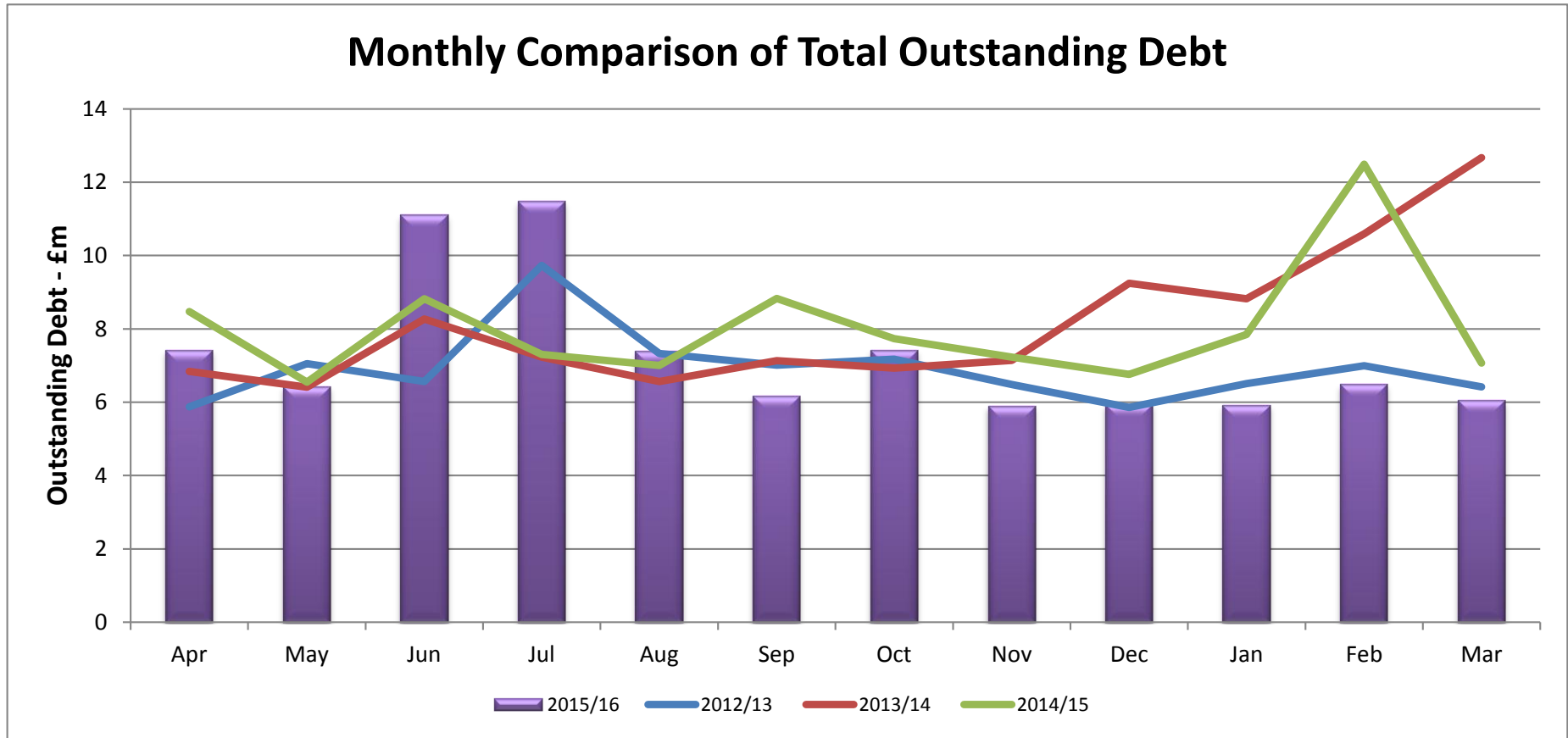
We have now invested £430k in respects of 16 Deputyship clients into the Court Funds Officer and/or into a personal Individual Savings Accounts (ISA's) in line with the Council's investment policy.

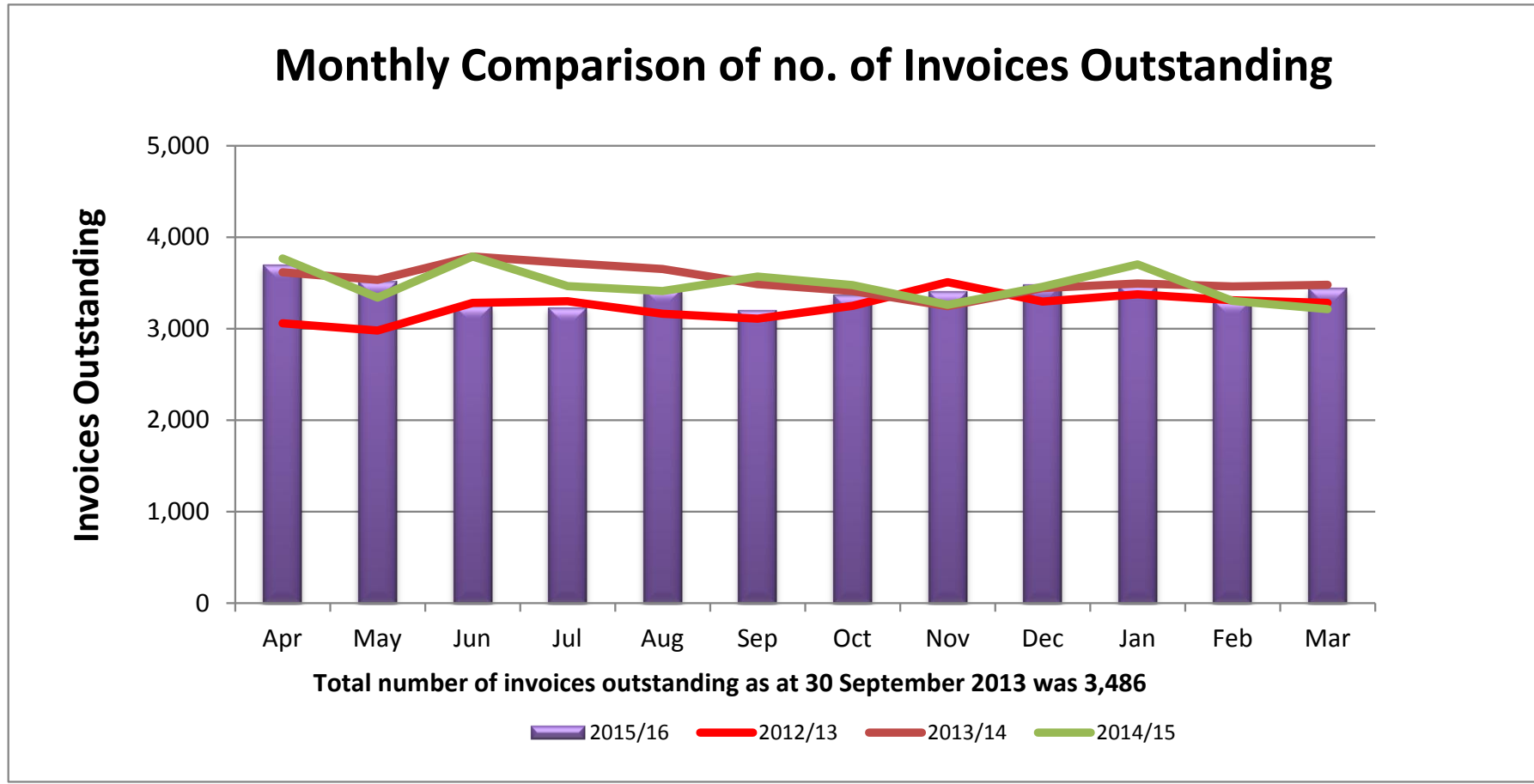
Liberata remains firmly committed to delivering an outstanding service to the London Borough of Bromley and its citizens.

Yours sincerely

Amanda Inwood-Field
Contract Director

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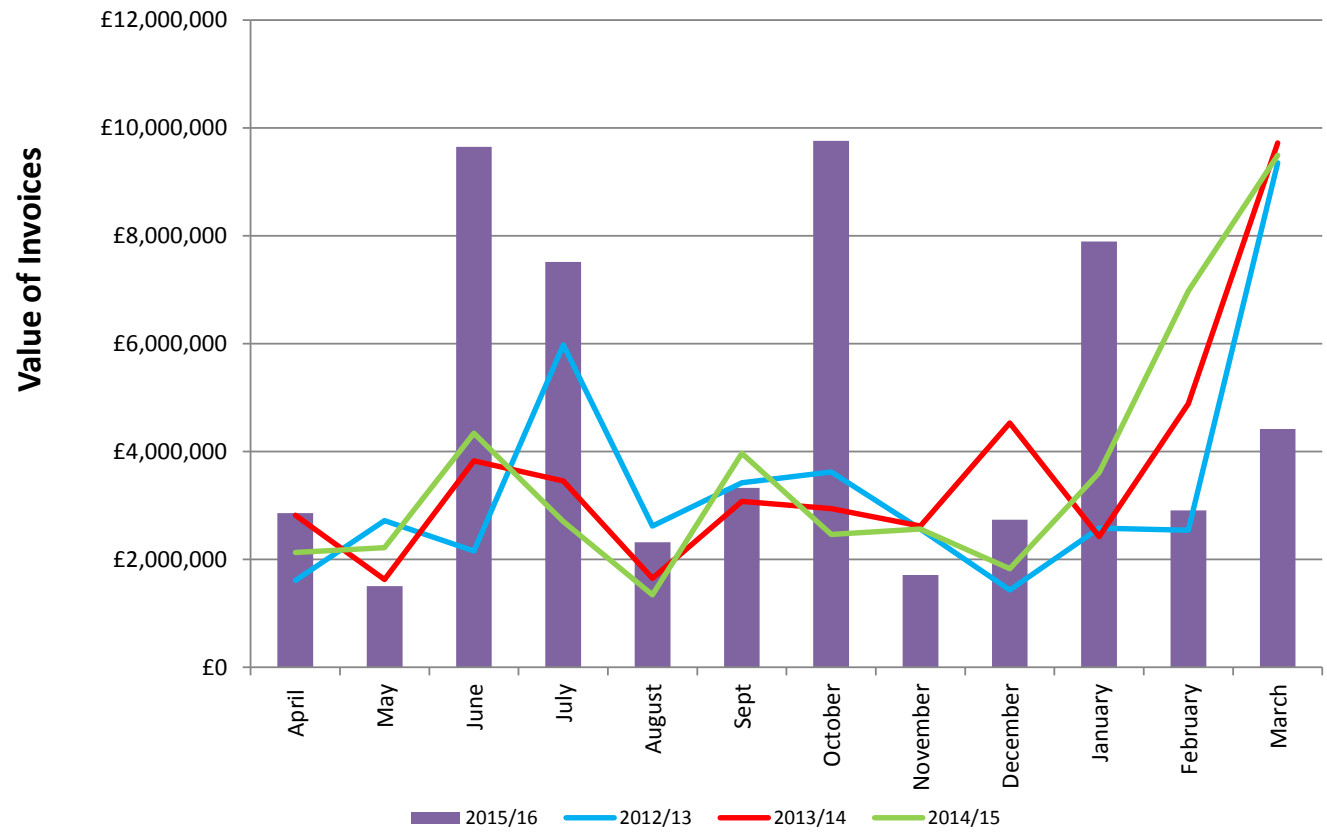
Age Profile of outstanding Utility Debts as at 31st March 2016

Utility	Pre 2011	2011/12	2012/13	2013/14	2014/15	2015-16	TOTAL BALANCE
Virgin Media	NIL	NIL	NIL	NIL	NIL	£84,776.25	£84,776.25
British Telecom	NIL	NIL	£5,274.50	£69,159.50	£54,387.50	£82,962.50	£211,784.00
EDF	NIL	NIL	NIL	NIL	NIL	NIL	£0.00
UK Power Networks Ltd	NIL	NIL	NIL	NIL	£207.15	£11,140.00	£11,347.15
Southern Gas	NIL	NIL	NIL	NIL	NIL	£28,093.50	£28,093.50
Thames Water	NIL	NIL	NIL	NIL	£16,163.00	£32,179.50	£48,342.50

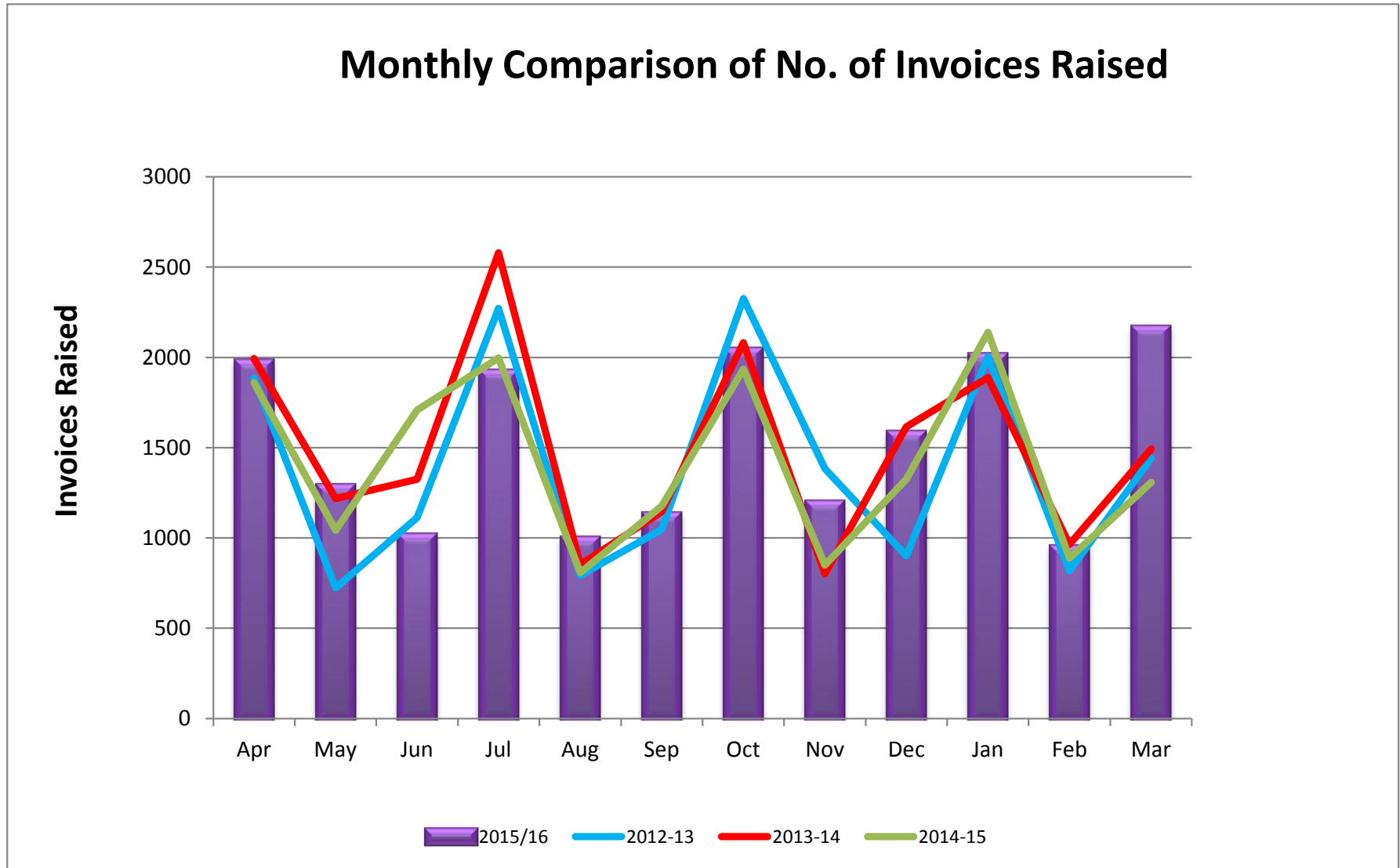
Overall Recovery Position of outstanding Utility Debts as at 31st March 2016

Utility	Total under 30 days old	Total over 30 days old	Total outstanding	No. of invoices in dispute	Amount of invoices in dispute	Amount marked for write off
Virgin Media	£9,596.00	£75,180.25	£84,776.25	0	£0.00	£0.00
British Telecom	£9,248.00	£202,536.00	£211,784.00	37	£167,059.00	£0.00
EDF	£0.00	£0.00	£0.00	0	£0.00	£0.00
UK Power Networks Ltd	£7,944.00	£3,403.15	£11,347.15	1	£40.00	£0.00
Southern Gas	£17,401.00	£10,695.50	£28,093.50	0	£0.00	£0.00
Thames Water	£30,857.00	£17,485.50	£48,342.50	6	£17,485.50	£0.00

Monthly Comparison of the Value of invoices Raised



Monthly Comparison of No. of Invoices Raised



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Report No.
FSD16048

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Executive and Resources PDS

Date: 7 July 2016

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

Title: SECTION 106 AGREEMENTS: UPDATE

Contact Officer: Jim Kehoe, Chief Planner & Claire Martin, Head of Finance
Tel: 020 8313 4554 020 8313 4286 E-mail: jim.kehoe@bromley.gov.uk
claire.martin@bromley.gov.uk

Chief Officer: Marc Hume, Director of Renewal and Transformation

Ward: Boroughwide

1. Reason for report

This report provides an update on Section 106 Agreements.

2. **RECOMMENDATION(S)**

2.1 The Executive and Resources PDS are asked to note the report and the contents of the attached Appendices 1-5.

Corporate Policy

1. Policy Status: Existing Policy: IMP1 of the Unitary Development Plan
 2. BBB Priority: Safer Bromley: Plus Children and Young People, Vibrant and thriving Town Centres and Quality Environment
-

Financial

1. Cost of proposal: Estimated Cost Not Applicable
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: S106 Deposits
 4. Total current budget for this head: £6,270,990
 5. Source of funding: S106 Deposits
-

Staff

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

Legal

1. Legal Requirement: Statutory Requirement: S106 of the Town and Country Planning Act enables the Local Authority to make agreements with applicants to secure benefits relating to the granting of planning permission. This is reflected in Policy IMP1 of the Unitary Development Plan which relates to planning obligations.
 2. Call-in: Not Applicable: This report does not involve an executive decision
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Section 106 agreements are made with the applicant for the benefit of the future occupants of new developments and also for the benefit of existing residents in the vicinity of a new development
-

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 an update following the last report that was submitted to Executive and Resources PDS Committee in March 2016.

Background information

3.2 The detail of every S106 agreement is stored in at least one of Appendices 1, 2 and 3.

3.3 Appendix 1 records the 'negative/restrictive obligations' and include developments that are restricted by the S106 either by use, limitations on development within the curtilage or an obligation not to implement a previous permission.

3.4 Appendix 2 records the 'positive non-financial' contributions. These agreements form the larger proportion of planning obligations gained through Section 106. Mostly they relate to the provision of affordable housing units.

3.5 Appendix 3 records 'positive financial' contributions. There are 7 main service areas where monies are received through the use of S106 obligations: Local Economy, Community or Town Centre use, Highways/Traffic (including Transport for London), Education, Healthcare, Land (which records payments for landscaping), Affordable (which records payments in lieu of affordable housing) and Other (which records payments for any other contributions which do not fall into one of the above categories). The full Appendix 3 also shows that since March 2003 a wide variety of contributions have been negotiated through S106 agreements including funds for the education provision, travel plans, traffic calming/crossings, town centre improvement funding, public footpath maintenance, CCTV schemes and woodland management schemes. The Council uses the NHS London Healthy Urban Development Unit (HUDU) model, which gauges the impact that residential developments have on the capacity of health services. This formula produces a health contribution per unit.

3.6 Appendix 4 has been compiled from and updated using information from the Oracle accounting system and the Council's Public Register and Contribution record, which is held with the Public Register along with copies of all S106 legal agreements dating back to 1998.

3.7 If a S106 includes obligations from more than one category the details are recorded in each of the relevant appendices.

3.8 The full Appendices cover the period from March 2003 to date with details of over 356 sealed legal agreements. Copies of these documents are available to view in the Members Room.

3.9 The Committee may note that there can be considerable time delay between the issuing of a Section 106 grant of permission and subsequent implementation of development (up to 5 years) when the obligation becomes due. There is always a possibility that a development will not go ahead at all where a developer feels the development is no longer viable.

3.10 All S106 legal agreements are registered as a Land Charge against the property and are registered at the Land Registry with the title deeds of a property or piece of land.

Section 106 Agreements: Update

3.11 Appendices 1 to 3 of this report provide details of 9 new agreements since the last update in June 2015.

3.12 Appendix 1 shows a table with 6 'negative' S106 legal agreements.

3.13 Appendix 2 shows a table with 0 new 'positive non-financial' S106 legal agreements. The total net affordable housing gain since March 2016 amounts to 0 units.

It should be noted that 11 affordable units were secured at 165 Masons Hill, Bromley and this was reported to E&R PDS on March 16th 2016. The applicant subsequently submitted an application to amend the S106 legal agreement to remove the need to provide any affordable housing. The Council refused this application. However permission was granted on appeal for the removal of the need to provide any affordable housing and the affordable units now revert to market units.

The full Appendix 2 table shows that since March 2003 the Council sealed legal agreements that will potentially net 1,507 new affordable housing units. This figure reflects the reduction referred to above.

3.14 As can be seen from the tables LBB will not necessarily receive all of these housing units unless they are built and handed over but the agreements are in place. In terms of revenue as a non-stockholding authority the Council does not gain direct asset value through Section 106 of the 1990 Town and Country Planning Act. All housing assets acquired are held by our partner RSLs.

3.15 Appendix 3 shows 6 new agreements of specific 'positive financial gain to the Council.

3.16 Members should note that the detailed description of the agreement terms in Appendix 3 gives an indication of any time limitations on spend together with whether interest is accrued to the contributions.

3.17 Appendix 4 gives the details of the current balances the Council holds for S106 agreements, split by service area category mentioned in 3.5 above and by revenue/capital classification and the time limit for spending monies. The precise implications of the 'time limit' are set out in the individual planning agreements. The level of 'Commitments' in Appendix 4 has increased substantially in the last 24 months. This is mainly due to commitments to additional school and health projects, for example a grant agreement with the local NHS Clinical Commissioning Group. Lead officers who can provide further details in each of the service areas are shown in paragraph 4.12 below.

3.18 A complete set of Appendices 1, 2 and 3 has been left in the Members Room.

3.19 'Significant' new agreements are listed in the table below, with full details included in the appendices:-

Ref 360	Harris Academy Beckenham, Manor Way, Beckenham, BR3 3SJ	Highways - £40,000
Ref 366	All Saints Catholic School Layhams Road West Wickham BR4 9HN	Cycle Voucher to the value of £50 towards the purchase of a bicycle provided to the first occupier of each residential unit. Oyster Card preloaded to the value of £1,272 provided to the first occupier of each residential unit. School Travel Plan Incentive organised with local schools to create or increase the use of the walking buses and cycle trains initiatives. Appointment of a Travel Plan Champion no later than three months prior to the date of first occupation of any of the residential units who shall remain in place for three years after first occupation of the final residential unit. £20,000 towards the school travel plan incentive fund within 20 working days after the date on which the first residential unit is occupied.

4. POLICY IMPLICATIONS

- 4.1 Development Plan policies play a crucial role in securing appropriate planning obligations. Policy IMP1 of the Unitary Development Plan (saved policies 2004) sets out the Council's approach to Section 106 agreements, and supports the objectives of 'Building A Better Bromley' including, Safer Communities, A Quality Environment and Ensuring that all children and young people have opportunities to achieve their potential.
- 4.2 The sustainability of vibrant town centres is also one of the Council's key priorities and Section 106 funding, where appropriate, can make a significant contribution in achieving one of the Council's main aims.
- 4.3 The Government sets out criteria for when planning obligations are sought in the National Planning Policy Framework (NPPF) paras 203 to 206, and full operational use guidance details are now found in the National Planning Practice Guidance (NPPG) document paras 1-31.
- 4.4 The London Plan (Policy 8.2: Planning Obligations) requires boroughs to give priority to affordable housing, public transport improvements, tackling climate change, learning and skills, health facilities, childcare provision and the provision of small shops and have clear local policies to these ends.
- 4.5 A Supplementary Planning Document (SPD) on Planning Obligations was adopted by the Council in December 2010. The SPD provides non-statutory guidance on the Council's general approach to planning obligations, and where possible the requirements, and mechanisms for infrastructure contributions.
- 4.6 The SPD also incorporates the implication of CIL regulations which came into force on 6th April 2010. CIL Regulation 122 places into law three statutory tests, explained in the Legal Implications section below.

It is the Council's intention to develop a local CIL alongside the Local Plan and produce a charging schedule with a CIL Regulation list of infrastructure projects taken from the Infrastructure Delivery Plan schedule.

- 4.7 From 6th April 2015, Regulation 123 came into effect regarding scaling back of the 'pooling' mechanism for planning obligations; this will ensure that the use of s106 and CIL (regarding projects that will, when CIL is introduced in Bromley, appear on a published CIL 123 project list) do not overlap.
- 4.8 As an interim arrangement, until a local CIL is in place, when the Council will need to seek specific financial contributions from developers (e.g. '£x' for the provision of a new classroom at 'y' primary school or in the 'z' ward), rather than the historic/generic approach of seeking generic contributions (e.g. '£x for Education provision') and to comply with the regulations that only a maximum of five contributions are spent for such a specific item of infrastructure. The introduction of this part of Reg 123 does not affect s278 Highways obligations nor apply to affordable housing contributions. These interim arrangements are expected to last until a local CIL is in place, due in 2017.
- 4.9 In those cases where Affordable Housing Policy has not been met due to financial viability and subsequently there have been difficulties in the implementation of a specific project, the Council will consider whether the sum should be used instead for Affordable Housing.
- 4.10 The addendum to the SPD, to explain changes to unit threshold, and the pooling of s106's was approved by Executive in June 2015.

- 4.11 Mayoral Community Infrastructure Levy (CIL) was introduced on 1st April 2012 (London Plan Policy 8.3). Bromley acts as a collecting authority on behalf of the Mayor. Mayoral CIL is collected on new development (as defined under regulations) at a rate of £35 per square metre in Bromley (subject to periodic inflation increases) which change annually. The current Mayoral CIL rate is £42 per square metre.
- 4.12 Members should note that Lead Officers who can assist with further details including for Scrutiny purposes have been identified for each of the service areas for which S106 contributions are received as follows:

Highways, Road safety and Parking – Angus Culverwell
 Local Economy – Kevin Munnelly
 Housing – Sara Bowrey
 Education – Rob Bollen
 Healthcare/CCG – Richard Hills
 Community Facilities – Colin Brand
 CCTV – Jim McGowan

It is suggested that Lead Officers brief the Chairman of other Scrutiny Committees on this report and discuss ongoing scrutiny arrangements with them.

5. FINANCIAL IMPLICATIONS

- 5.1 The table below summarises the complete Appendix 3 (in the Member's room), giving a breakdown across the service areas of all S106 obligations agreed and details of whether the sums are confirmed (eg development has started) or provisional (S106 obligation agreed but development not started): -

Area	S106 Sums Confirmed £	S106 Sums Provisional £	Total £
Local Economy, Town Centre, Community Use	3,283,100	4,346,736	7,629,836
Highways/Traffic/Parking	1,450,293	50,000	1,500,293
Education	5,179,870	2,357,962	7,537,832
Healthcare/CCG	1,643,555	282,378	1,925,933
Landscape	222,500	65,000	287,500
Housing	10,144,469	2,931,230	13,075,699
Other	318,000	0	318,000
	22,241,787	10,033,306	32,275,093

- 5.2 Of the £22.242m confirmed sums, £19.269m has been received and £8.667m has been spent, leaving an unspent balance of £10.602m, excluding interest accrued of £18.7k.
- 5.3 The summarised financial position of the unspent balances across the service areas (detailed in Appendix 4) is as follows: -

Area	Balance as at 31.5.16 £	Current Outstanding Commitments £	Latest Balance as at 31.5.16 £
Revenue			
Local Economy, Town Centre, Community Use	45,000	0	45,000
Highways/Traffic/Parking	624,936	62,500	562,436
Health/Primary Care Trust	1,159,205	683,057	476,148
Landscape	0	0	0
Other	320,050	0	320,050
Total Revenue Balance	2,149,191	745,557	1,403,634
Capital			
Housing	5,413,700	3,166,244	2,247,456
Education	2,869,900	250,000	2,619,900
Highways/Traffic/Parking	81,977	81,977	0
Local Economy, Town Centre, Community Use	106,013	106,013	0
Total Capital Balance	8,471,590	3,604,234	4,867,356
Total Section 106 Balance	10,620,781	4,349,791	6,270,990

5.4 The balance above includes interest that has accrued to five of the S106 agreements within the revenue balances, totalling £1,951 and six agreements within the capital balances, totalling £16,776.

5.5 On 2 April 2014, Executive agreed to set aside £192,500 from S106 monies in an earmarked reserve for the future maintenance of Cheyne Woods and Cyphers Gate open space, in accordance with the criteria set out in the specific agreements. There is also a sum of £183,534 held in an earmarked reserve for the management and maintenance of Langley Waterside Nature Reserve from the Glaxo site development. The table below provides Members with an update on the use of these monies: -

Earmarked Reserves	Current Balance £	Actual Spend £	Outstanding Commitments £	Latest Balance £
Management of Cyphers Gate Open Space	147,329	0	6,828	140,501
Management of Cheyne Woods	25,946	0	5,196	20,750
Management of Langley Waterside Nature Reserve	174,587	0	18,975	155,612
	347,862	0	30,999	316,863

6. LEGAL IMPLICATIONS

6.1 The power of a Local Planning Authority to enter into a Planning Obligation with anyone having an interest in land in their area is contained in section 106 of the Town and Country Planning Act 1990 (as amended by Section 12 of the Planning and Compensation Act 1991). Planning Obligations made under section 106 comprise both obligations and unilateral undertakings. Government advice on the use of section 106 is contained within NPPG paras 1-23.

6.2 A Planning Obligation may only be created by a person with an interest in the relevant land, and may be created either by means of an agreement with the Local Planning Authority or by means of a unilateral undertaking. An Obligation may restrict development or the use of land, need specific works to take place or need a financial contribution towards a work or service of public benefit.

6.3 The main features of a Planning Obligation are:

- It applies to the land, so enforcement of it would be against the person who agreed it (normally the applicant) or their successor in title.

- It can also be enforced by a legal injunction. Where a person has defaulted on a requirement to carry out works on the land, the Local Planning Authority may also enter onto the land to enforce the terms of the Obligation and to claim back its reasonable costs arising from this action.
 - It can contain a restriction on use of the land or a requirement for works to be undertaken thereon, that can be for an indefinite period, a stated period, or a period defined by reference to some future event, e.g. the completion of specified works.
 - Contribution(s) may be expressed as being due:
 - (a) Singly, on a specified date, or one that can be derived from defined future event(s),
 - (b) In instalments, the amounts of which can be stated or derived from a formula, that are payable on specified dates or on dates based on future events, e.g. stages of the development, and
 - (c) Singly or in instalments, the amounts of which can be stated or derived from a formula, that are payable on specified date(s), or at defined times after, the completion of the development, e.g. to contribute to maintenance needs.
- 6.4 A section 106 Agreement can be varied with the agreement of the Local Planning Authority; there is also a formal application and appeals process in certain circumstances. Section 106 contributions may be time limited in the agreement or undertaking. Even where this is not the case then section 12(3) Planning and Compensation Act 1991 Section allows a person to apply for a planning obligation to be discharged after 5 years and if money has not been spent or there is not a clear intention to spend within a reasonable time a local authority may be made to refund in such cases.
- 6.5 The planning system works on the principle that planning permissions cannot be bought from or sold by a Local Planning Authority. Negotiations to gain benefits from development proposals must take place in a way which is seen to be fair and reasonable. By working in this way, Planning Obligations can improve the quality of development proposals which might otherwise have to be refused.
- 6.6 Planning Obligations must be related to the scale and nature of the development being proposed. CIL regulation 122 came into force under the Community Infrastructure Levy (CIL) Regulations in April 2010 and places into law three statutory tests which are based upon the original five policy tests in Circular 05/05. The three tests are;
- a) necessary to make development acceptable in planning terms;
 - b) directly related to the development; and
 - c) fairly and reasonably related in scale and kind to the development.
- 6.7 The Council acting as Local Planning Authority cannot allow unacceptable developments because of unnecessary or unrelated benefits that the applicant may be offering. Equally applicants cannot be expected to pay for facilities which are only needed to deal with existing shortfalls in the area.

Non-Applicable Sections:	Personnel
Background Documents: (Access via Contact Officer)	2008/09 budget monitoring files within ES Impact of Large Developments – Progress Monitoring Report March 2006 Shared file listing all S106 agreements Executive & Resources PDS Committee 8th Jan 2014 Executive & Resources PDS Committee 10 th July 2014

	Executive & Resources PDS Committee 19 th Nov 2014 Executive & Resources PDS Committee 3 rd June 2015 Executive & Resources PDS Committee 16th March 2016 Supplementary Planning Document (SPD) on Planning Obligations: Addendum to Changes to Pooling S106 Contributions and S106 Threshold Changes. DC Committee 24 th March 2015 and Executive 10th June 2015
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SECTION 106 AGREEMENTS REQUIRING A RESTRICTIVE OR 'NEGATIVE' OBLIGATION - CHANGES SINCE MARCH 2016

Ref No	App No	Address	Nature of Application	Date	Legal Agreement	Gain
359	15/04319	The Haven Springfield Road Sydenham London SE26 6HG	S73 Application for a Minor Material Amendment to 14/0399/FULL1 (46 residential units and associated works), amendment to include change to house types across site, roof form to house type 1 amended, house type 7 removed, removal of first floor rear roof terraces to house type 1, external elevation changes to all dwellings including the addition of Juliet balconies and changes to window design and size, installation of photo voltaic panels to roofs, erection of two double garages, instillation of electric charging points and change of front boundary walls to railings, dwarf brick wall and hedges.	16th Feb 2016	Affordable Housing Schedule amended to provide 2x1 bed wheelchair units to SELHP standards. "Dwelling" in para 1 and 2 of Schedule 2 to the Main Agreement replaced by "Open Market Dwelling". Amended wording of Clause 2.6.1 (see Deed for details). The definition of "Affordable Housing Dwellings" shall be deleted and amended to provide 19 dwellings (9 Affordable Rent and 10 Intermediate). Amend Affordable Rent Dwellings definition to 4 x 3 bed Affordable Rent Dwellings. Amend Affordable Housing Schedule to add 2 x 2 bed Intermediate Dwellings, making a total of 6. DEED OF VARIATION.	0
362	15/04323	Marqueen House 215-223 High Street Beckenham BR3 1BN	Change of use of first, second and third floors from Class B1 (a) office to Class C3 dwellinghouse to form 18 one bedroom flats and 5 car parking spaces. (56 day application for prior approval in respect of transport and highways, contamination and flood risks under Class O Part 3 of the GPDO 2015)	18 th November 2015	Car Club Contribution of £2,500 to be paid prior to commencement towards cost of Council providing car club parking space. CPZ contribution of £5,000 to be paid, prior to commencement, towards cost of any CPZ extension within the vicinity of the Proposed Development. All contributions to be refunded to the owner if unspent after 5 years. Residents will not be entitled to a parking permit unless they are the holder of a disabled persons badge issued pursuant to Section 21 of the Chronically Sick and Disabled Persons Act 1970.	
Page 149 63	15/04343	Provident House 6 - 20 Burrell Row Beckenham BR3 1AT	Change of use from Class B1 (a) office to Class C3 dwellinghouses to form 18 one bedroom and 2 two bedroom flats (56 day application for prior approval in respect of transport and highways, contamination and flooding risks under Class M, Part 3 of the GPDO).	18th November 2015	Car Club Contribution of £2,500 to be paid prior to commencement towards cost of Council providing car club parking space. CPZ contribution of £5,000 to be paid, prior to commencement, towards cost of any CPZ extension within the vicinity of the Proposed Development. All contributions to be refunded to the owner if unspent after 5 years. Residents will not be entitled to a parking permit unless they are the holder of a disabled persons badge issued pursuant to Section 21 of the Chronically Sick and Disabled Persons Act 1970.	

Ref No	App No	Address	Nature of Application	Date	Legal Agreement	Gain
364	15/04293	Ironstone House 205 - 213 High Street Beckenham BR3 1AH	Change of use of first, second and third floors from Class B1 (a) office to Class C3 dwellinghouses to form 18 one bedroom flats (56 day application for prior approval in respect of transport and highways, contamination and flooding risks under Class O Part 3 of the GPDO 2015)	18th November 2015	Car Club Contribution of £2,500 to be paid prior to commencement towards cost of Council providing car club parking space. CPZ contribution of £5,000 to be paid, prior to commencement, towards cost of any CPZ extension within the vicinity of the Proposed Development. All contributions to be refunded to the owner if unspent after 5 years. Residents will not be entitled to a parking permit unless they are the holder of a disabled persons badge issued pursuant to Section 21 of the Chronically Sick and Disabled Persons Act 1970.	
365	15/04324	Oxford House 11 London Road Bromley BR1 1BY	Extension to construct a third floor to provide three 2-bedroom residential units and associated roof terraces. Infill and single storey rear extension to provide office storage. Elevational alterations to existing building to include reconfiguration and replacement of existing windows and new render facade with elements of grey banding and yellow. PART RETROSPECTIVE	17th May 2016	CPZ contribution of £3,000 to be paid, prior to first occupation, towards cost of the CPZ within the vicinity of the Proposed Development. Any unspent or uncommitted contributions to be refunded to the owner after 5 years plus accrued interest. Residents will not be entitled to a parking permit unless they are the holder of a disabled persons badge issued pursuant to Section 21 of the Chronically Sick and Disabled Persons Act 1970. Owners and occupiers of each Residential Unit to be provided with cycle parking facilities in accordance with the London Plan. Two years free membership to the Car Club for the first occupier of a residential unit.	
366	13/03743	All Saints Catholic School Layhams Road West Wickham BR4 9HN	Demolition of all school buildings, with the exception of the Reception building, and part demolition of the North Stable block, and erection of 48 dwellings comprising 24x4 bed houses, 16x1 bed flats and 8x 2 bed flats and conversion of the stable block into 2x2 bed residential units, together with 108 car parking spaces. Associated landscaping, hardstanding areas, cycle stores and bin stores. Conversion of existing Reception building to 799sqm of office floorspace (Class b1A) together with 8 dedicated car parking spaces and the construction of 2 tennis courts, designated car park. Erection of pavilion and amenity area for community use.	22nd March 2016	Cycle Voucher to the value of £50 towards the purchase of a bicycle provided to the first occupier of each residential unit. Oyster Card preloaded to the value of £1,272 provided to the first occupier of each residential unit. School Travel Plan Incentive organised with local schools to create or increase the use of the walking buses and cycle trains initiatives. Appointment of a Travel Plan Champion no later than three months prior to the date of first occupation of any of the residential units who shall remain in place for three years after first occupation of the final residential unit. £20,000 towards the school travel plan incentive fund within 20 working days after the date on which the first residential unit is occupied.	

SECTION 106 AGREEMENTS REQUIRING 'POSITIVE' NON-FINANCIAL OBLIGATION - CHANGES SINCE MARCH 2016

Ref No	App No	Address	Nature of Application	Date	Legal Agreement	Gain (Units)
359	15/04319	The Haven Springfield Road Sydenham London SE26 6HG	S73 Application for a Minor Material Amendment to 14/0399/FULL1 (46 residential units and associated works), amendment to include change to house types across site, roof form to house type 1 amended, house type 7 removed, removal of first floor rear roof terraces to house type 1, external elevation changes to all dwellings including the addition of Juliet balconies and changes to window design and size, installation of photo voltaic panels to roofs, erection of two double garages, installation of electric charging points and change of front boundary walls to railings, dwarf brick wall and hedges.	16th Feb 2016	Affordable Housing Schedule amended to provide 2x1 bed wheelchair units to SELHP standards. "Dwelling" in para 1 and 2 of Schedule 2 to the Main Agreement replaced by "Open Market Dwelling". Amended wording of Clause 2.6.1 (see Deed for details) . The definition of "Affordable Housing Dwellings" shall be deleted and amended to provide 19 dwellings (9 Affordable Rent and 10 Intermediate). Amend Affordable Rent Dwellings definition to 4 x 3 bed Affordable Rent Dwellings. Amend Affordable Housing Schedule to add 2 x 2 bed Intermediate Dwellings, making a total of 6. DEED OF VARIATION.	0
			TOTAL NUMBER OF UNITS SINCE MARCH 2016			0

SECTION 106 AGREEMENTS REQUIRING A 'POSITIVE' FINANCIAL OBLIGATION - CHANGES SINCE MARCH 2016

TAKEN FROM THE PUBLIC REGISTER OF CONTRIBUTIONS														
Ref No.	App No.	Address of application	Nature of Application	Date of S106	Legal agreement	Gain	Rec'd	Community Use/ Town centre / local economy	Highways/Traffic / parking	Education	Healthcare / CCG	Landscaping	Other	Housing
358	15/00696	Broadway House 3 High Street Bromley BR1 1LF	Extension of third, fourth, eighth and ninth floor to provide 9 flats	28th October 2015	Highways Contribution - £2,500 for lining and signing a dedicated parking bay for use by a nominated Car Club Operator. Paid prior to first residential occupation of the Development. No time limit for spending or when the contribution would become repayable to the owner.	Highways Contribution £2,500			£2,500					
360	15/00909	Harris Academy Beckenham, Manor Way, Beckenham, BR3 3SJ	Demolition of all buildings on site (except the basketball block) and erection of replacement buildings to accommodate a 3 storey 6FE Academy (8,112 sqm GIA) for 1,150 pupils and a 2 storey primary Academy for 420 pupils together with temporary classroom accommodation for a period of two years, provision of 97 car parking spaces, 170 cycle parking spaces, associated circulation and servicing space, multi-use games areas and landscaping.	6th November 2015	Highways Contribution - £40,000 as a contribution towards the cost of resurfacing Manor Way, Beckenham. To be paid on or before the First Occupation Date. To be expended in accordance with the provisions of the agreement within seven years.	Highways Contribution £40,000			£40,000					
361	15/05003/ RECON	Orpington Police Station The Walnuts Orpington BR6 0TW	S73 Minor Material Amendment application for external alterations to the elevations and terraces in respect of application 14/03316/FULL1: Demolition of existing buildings and erection of part 4 rising to part 9 storey building for use as a health and wellbeing centre on the ground and first floors plus a retail (Class A1/A3) unit on the ground floor together with 34 x 1 bedroom flats and 49 x 2 bedroom flats (total 83 flats) on the upper floors with ramp to basement and 46 basement car parking spaces (including 4 disabled spaces) together with refuse and recycling facilities, cycle storage and landscaping proposals	20th April 2016	Car club contribution of £8,300 to be paid before 1st occupation of a residential property to be paid to the Car Club Operator (not to Lb Bromley) solely for the car club contribution purpose. CPZ deposit contribution means the sum of £12,000 to be used to implement a controlled parking zone to be paid before occupation of the 1st residential property. Disabled parking bay contribution of £2,000 to be paid on or before the commencement of development. Education contribution means the sum of £160,491.61. The Owner will pay 50% of the contribution to the Council on or before 1st occupation of the first residential property. The Owner will pay the remaining 50% to the Council on or before occupation of the 63rd residential property. For preschool facilities at St Pauls Cray Primary School. Public realm contribution of £326,050 to be paid in 4 instalments of £85,512.50 for specified public realm works (see s106 for details). 1ST - before commencement of development. 2ND - on or before occupation of the 1st residential property. 3RD - on or before occupation of the 42nd residential property. 4TH - on or before occupation of the 63rd residential property. To design and construct 8 of the residential properties as wheelchair Housing. Upon written request any part of the contributions that have not been expended within 8 years of receipt will be repaid to the Owner. The Owner will reserve and set aside the Healthcare Facility Area for a Healthcare Facility in accordance with the terms of Schedule 2 of the agreement. The Council to hold contributions in an interest bearing account.	CPZ deposit contribution £12,000 Disabled parking contribution £2,000 Education contribution £160,491.61 Public realm contribution £326,050	part rec'd	£326,050	£14,000	£160,492				

TAKEN FROM THE PUBLIC REGISTER OF CONTRIBUTIONS														
Ref No.	App No.	Address of application	Nature of Application	Date of S106	Legal agreement	Gain	Rec'd	Community Use/ Town centre / local economy	Highways/ Traffic / parking	Education	Healthcare / CCG	Landscaping	Other	Housing
362	15/04323	Marquee House 215-223 High Street Beckenham BR3 1BN	Change of use of first, second and third floors from Class B1 (a) office to Class C3 dwellinghouse to form 18 one bedroom flats and 5 car parking spaces. (56 day application for prior approval in respect of transport and highways, contamination and flood risks under Class O Part 3 of the GPDO 2015)	18th November 2015	Car Club Contribution of £2,500 to be paid prior to commencement towards cost of Council providing car club parking space. CPZ contribution of £5,000 to be paid, prior to commencement, towards cost of any CPZ extension within the vicinity of the Proposed Development. All contributions to be refunded to the owner if unspent after 5 years. Residents will not be entitled to a parking permit unless they are the holder of a disabled persons badge issued pursuant to Section 21 of the Chronically Sick and Disabled Persons Act 1970.	Car Club Contribution of £2,500 CPZ contribution of £5,000 **£7,000 payable covers agreements 362, 363 and 364**			£7,000					
363	15/04343	Provident House 6 - 20 Burrell Row Beckenham BR3 1AT	Change of use from Class B1 (a) office to Class C3 dwellinghouses to form 18 one bedroom and 2 two bedroom flats (56 day application for prior approval in respect of transport and highways, contamination and flooding risks under Class M, Part 3 of the GPDO).	18th November 2015	Car Club Contribution of £2,500 to be paid prior to commencement towards cost of Council providing car club parking space. CPZ contribution of £5,000 to be paid, prior to commencement, towards cost of any CPZ extension within the vicinity of the Proposed Development. All contributions to be refunded to the owner if unspent after 5 years. Residents will not be entitled to a parking permit unless they are the holder of a disabled persons badge issued pursuant to Section 21 of the Chronically Sick and Disabled Persons Act 1970.	Car Club Contribution of £2,500 CPZ contribution of £5,000 **£7,000 payable covers agreements 362, 363 and 364**			£0					
364	15/04293	Ironstone House 205 - 213 High Street Beckenham BR3 1AH	Change of use of first, second and third floors from Class B1 (a) office to Class C3 dwellinghouses to form 18 one bedroom flats (56 day application for prior approval in respect of transport and highways, contamination and flooding risks under Class O Part 3 of the GPDO 2015)	18th November 2015	Car Club Contribution of £2,500 to be paid prior to commencement towards cost of Council providing car club parking space. CPZ contribution of £5,000 to be paid, prior to commencement, towards cost of any CPZ extension within the vicinity of the Proposed Development. All contributions to be refunded to the owner if unspent after 5 years. Residents will not be entitled to a parking permit unless they are the holder of a disabled persons badge issued pursuant to Section 21 of the Chronically Sick and Disabled Persons Act 1970.	Car Club Contribution of £2,500 CPZ contribution of £5,000 **£7,000 payable covers agreements 362, 363 and 364**			£0					
365	15/04324	Oxford House 11 London Road Bromley BR1 1BY	Extension to construct a third floor to provide three 2- bedroom residential units and associated roof terraces. Infill and single storey rear extension to provide office storage. Elevational alterations to existing building to include reconfiguration and replacement of existing windows and new render facade with elements of grey banding and yellow. PART RETROSPECTIVE	17th May 2016	CPZ contribution of £3,000 to be paid, prior to first occupation, towards cost of the CPZ within the vicinity of the Proposed Development. Any unspent or uncommitted contributions to be refunded to the owner after 5 years plus accrued interest. Residents will not be entitled to a parking permit unless they are the holder of a disabled persons badge issued pursuant to Section 21 of the Chronically Sick and Disabled Persons Act 1970. Owners and occupiers of each Residential Unit to be provided with cycle parking facilities in accordance with the London Pan. Two years free membership to the Car Club for the first occupier of a residential unit.	CPZ contribution of £3,000			£3,000					

TAKEN FROM THE PUBLIC REGISTER OF CONTRIBUTIONS														
Ref No.	App No.	Address of application	Nature of Application	Date of S106	Legal agreement	Gain	Rec'd	Community Use/ Town centre / local economy	Highways/ Traffic / parking	Education	Healthcare / CCG	Landscaping	Other	Housing
366	13/03743	All Saints Catholic School Layhams Road West Wickham BR4 9HN	Demolition of all school buildings, with the exception of the Reception building, and part demolition of the North Stable block, and erection of 48 dwellings comprising 24x4 bed houses, 16x1 bed flats and 8x 2 bed flats and conversion of the stable block into 2x2 bed residential units, together with 108 car parking spaces. Associated landscaping, hardstanding areas, cycle stores and bin stores. Conversion of existing Reception building to 799sqm of office floorspace (Class b1A) together with 8 dedicated car parking spaces and the construction of 2 tennis courts, designated car park. Erection of pavilion and amenity area for community use.	22nd March 2016	Cycle Voucher to the value of £50 towards the purchase of a bicycle provided to the first occupier of each residential unit. Oyster Card preloaded to the value of £1,272 provided to the first occupier of each residential unit. School Travel Plan Incentive organised with local schools to create or increase the use of the walking buses and cycle trains initiatives. Appointment of a Travel Plan Champion no later than three months prior to the date of first occupation of any of the residential units who shall remain in place for three years after first occupation of the final residential unit. £20,000 towards the school travel plan incentive fund within 20 working days after the date on which the first residential unit is occupied.	£20,000 towards the school travel plan incentive fund			£20,000					
TOTAL SECTION 106 CONTRIBUTIONS SINCE MARCH 2016								£326,050	£44,000	£160,492	£0	£0	£0	£0

REVENUE ITEMS

Public register ref	Address of application	Use of monies	31st March 2016	Movement during 2016/17	Commitments	Movement during 2016/17	Balance as at 31.5.16	Time Limit for spend
			Expenditure		Income			
			£	£	£	£	£	
Highway improvement works & traffic schemes								
104	Bristol Street Motors, Masons Hill/Prospect Place	Highway improvement works	(30,000.00)	0.00	30,000.00	0.00	0.00	April 2009
173	Knotley Springfield Gardens West Wickham	£15k for highway works and £2.5k for traffic order	(15,000.00)	0.00	0.00	0.00	(15,000.00)	Oct 2011
206	J Sainsbury Pallant Way	£20k towards bus improvement	(20,000.00)	0.00	0.00	0.00	(20,000.00)	July 2013
231	117 Widmore Road Bromley	£2.5k highways contributions	(2,500.00)	0.00	0.00	0.00	(2,500.00)	June 2014
232	Garrard House, 2-6 Homesdale Road Bromley	£2k for loading restriction contribution	(2,000.00)	0.00	0.00	0.00	(2,000.00)	May 2015
178	178 Ravensbourne College	£20k Highways and £10k Footpath	(30,000.00)	0.00	30,000.00	0.00	0.00	Jan 2017
178	179 Ravensbourne College	£225k public transport contribution for additional bus to serve local bus route No. 314	(225,000.00)	0.00	0.00	0.00	(225,000.00)	Feb 2019
208 (176)	Land at South of Ringers Road	£50k traffic management contribution to implement 20mph restriction zone in Ringers Rd & Ravensbourne Rd + TMOs	(50,000.00)	0.00	0.00	0.00	(50,000.00)	Dec 2018
F0657	Blue Circle Sports Ground	£80k bus stop contributions (4 in total)	0.00	0.00	0.00	(80,000.00)	(80,000.00)	May 2021
F0657	Blue Circle Sports Ground	£25k towards Oakley Road junction	0.00	0.00	0.00	(25,000.00)	(25,000.00)	May 2021
F0739	The Rising Sun	Highways contribution £22.232k	0.00	0.00	0.00	(22,231.50)	(22,231.50)	June 2021
Total for Highway improvement works			(374,500.00)	0.00	60,000.00	(127,231.50)	(441,731.50)	
Road Safety and cycle schemes								
108	Aquila, Golf Road Bickley	£60k traffic calming	(29,833.34)	0.00	0.00	0.00	(29,833.34)	Dec 2014
211	Land R/O 91-117 Copers Cope Road, Beckenham	£15k for travel studies	(15,000.00)	0.00	0.00	0.00	(15,000.00)	N/A
Total Road Safety & cycle schemes			(44,833.34)	0.00	0.00	0.00	(44,833.34)	
Local Economy and Town Centres								
284	Westmoreland car park, Simpson Road, Bromley	£20k Town Centre contribution	(20,000.00)	0.00	0.00	0.00	(20,000.00)	Oct 2018
208 (176)	Land at South of Ringers Road	£50k Town Centre contribution	(25,000.00)	0.00	0.00	0.00	(25,000.00)	Dec 2018
Total Local Economy & Town Centres			(45,000.00)	0.00	0.00	0.00	(45,000.00)	
Parking								
120	Beckenham hospital, Croydon Road Beckenham	£10k car park, £30k residents parking scheme	(18,000.00)	0.00	0.00	0.00	(18,000.00)	
110	77 Addington Road West Wickham	Contribution to on street parking	(1,000.00)	0.00	0.00	0.00	(1,000.00)	
204	Tesco - Homesdale Road	£40k towards controlled parking zone	(23,307.54)	0.00	0.00	0.00	(23,307.54)	July 2014
194	Reliance House	£5k towards 'white lining' for the provision of public and car club parking & restoration of redundant crossovers	(2,658.88)	0.00	0.00	0.00	(2,658.88)	
185	101 Palace Road Bromley	£3k for white lining car parking spaces and redstoning crossovers parking Permit Scheme, Car Club Scheme	(2,904.59)	0.00	0.00	0.00	(2,904.59)	
231	117 Widmore Road Bromley	£2.5k towards car club	(2,500.00)	0.00	0.00	0.00	(2,500.00)	June 2014
284	Westmoreland car park, Simpson Road, Bromley	£2.5k towards car club	(2,500.00)	0.00	0.00	0.00	(2,500.00)	Oct 2018
339	Kingswood House	£21k parking restriction contribution	(21,000.00)	0.00	0.00	0.00	(21,000.00)	Oct 2021
350	Orpington Police Station	£2k contribution for disabled parking	(2,000.00)	0.00	0.00	0.00	(2,000.00)	Mar 2024
358	Broadway House	£2.5k for a car club parking space	0.00	0.00	2,500.00	(2,500.00)	0.00	
Total parking schemes			(75,871.01)	0.00	2,500.00	(2,500.00)	(75,871.01)	

Public register ref	Address of application	Use of monies	31st March 2016	Movement during 2016/17	Commitments	Movement during 2016/17	Balance as at 31.5.16	Time Limit for spend
Community facilities								
83	Kelsey Square Beckenham	Environmental improvements	(10,000.00)	0.00	0.00	0.00	(10,000.00)	
Total Community Facilities			(10,000.00)	0.00	0.00	0.00	(10,000.00)	
Other minor schemes								
204	Tesco - Homesdale Road	£10k webcam contribution	(10,050.00)	0.00	0.00	0.00	(10,050.00)	Oct 2013
290	Kent County Cricket Ground	£300k contribution towards sports	(300,000.00)	0.00	0.00	0.00	(300,000.00)	Feb 2021
Total other minor schemes			(310,050.00)	0.00	0.00	0.00	(310,050.00)	
Healthcare/CCG								
172	The George High Street Farnborough	£12,228 towards additional primary care infrastructure	(12,228.00)	0.00	12,228.00	0.00	0.00	
180	James Dixon Schl site Anerley Park	£26,496 for Health	(26,496.00)	0.00	26,496.00	0.00	0.00	Aug 2012
218	The Partridge, Chipperfield Road	£13,244 for Health care	(13,244.00)	0.00	13,244.00	0.00	0.00	Mar 2014
197	Orpington Halls High St Orpington	£13,243 for health care	(13,243.00)	0.00	13,243.00	0.00	0.00	Aug 2014
230	Enterprise Hse, 45 Homesdale Road	£84,296 for healthcare cont'n	(84,296.00)	0.00	84,296.00	0.00	0.00	Feb 2015
227	Land Rear Of Nugent Shopping Park, Cray View Close, St Mary Cray, Orpington	£7,695 for health	(7,695.00)	0.00	7,695.00	0.00	0.00	
214	Anerley School for Boys, Versialles Rd Penge	Healthcare contribution	(105,780.00)	0.00	105,780.00	0.00	0.00	April 2014
228	Land at former 1-23 Orchard Grove Orpington	£98,240 for healthcare contribution	(98,240.00)	0.00	98,240.00	0.00	0.00	
237	Oatlands 210 Anerley Road Penge	£26,270 healthcare contribution	(26,270.00)	0.00	26,270.00	0.00	0.00	Mar 2016
223	Anerley School for Boys, Versialles Rd Penge (Blocks A, B & C)	£75,768 healthcare contribution	(75,768.00)	0.00	75,768.00	0.00	0.00	Apr 2017
274	Denton Court, 60 Birch Row	£40,797 Health contribution	(40,797.00)	0.00	40,797.00	0.00	0.00	
178	Ravensbourne College (Instalment 1 of 3)	Healthcare contribution (£163k in total)	(55,000.00)	0.00	55,000.00	0.00	0.00	Feb 2019
178	Ravensbourne College (Instalment 2 of 3)	Healthcare contribution (£163k in total)	(55,000.00)	0.00	55,000.00	0.00	0.00	Feb 2019
178	Ravensbourne College (Instalment 3 of 3)	Healthcare contribution (£163k in total)	(53,000.00)	0.00	53,000.00	0.00	0.00	Mar 2019
301	47 Homesdale Road	£16k healthcare contribution	(16,000.00)	0.00	16,000.00	0.00	0.00	Sep 2024
303	2 Betts Way	Healthcare contribution £24.871k	(24,871.00)	0.00	0.00	0.00	(24,871.00)	Nov 2024
334	Hayes Court, West Common Road	Healthcare contribution £103.827k	(103,827.44)	0.00	0.00	0.00	(103,827.44)	
300	76 High Street Orpington	Healthcare contribution £44k	(44,000.00)	0.00	0.00	0.00	(44,000.00)	Apr 2020
323	Sheila Stead House (Interest to accrued)	Healthcare contribution £35.953k	(36,093.96)	0.00	0.00	0.00	(36,093.96)	Jun 2025
311	Graham Chiesman House	Healthcare contribution £119.04k	(42,162.95)	0.00	0.00	0.00	(42,162.95)	Jun 2020
208	Land at south side Ringers Road	Healthcare contribution £42k	(119,040.00)	0.00	0.00	0.00	(119,040.00)	Aug 2020
324	1 Chilham Way	Healthcare contribution £52.315k	(52,315.00)	0.00	0.00	0.00	(52,315.00)	Nov 2025
327	Oakfield Centre	Health contribution £37.742k	(37,742.00)	0.00	0.00	0.00	(37,742.00)	
344	The Rising Sun	Health contribution £16.096k	0.00	0.00	0.00	(16,096.00)	(16,096.00)	June 2021
Total Healthcare /CCG			(1,143,109.35)	0.00	683,057.00	(16,096.00)	(476,148.35)	
Total S106 Revenue Balance			(2,003,363.70)	0.00	745,557.00	(145,827.50)	(1,403,634.20)	

Public register ref	Address of application	Use of monies	31st March 2016	Movement during 2016/17	Commitments	Movement during 2016/17	Balance as at 31.5.16	Time Limit for spend
CAPITAL ITEMS								
	Housing							
167	Oakwood Court, Bromley Road	£725k towards affordable housing	(94,540.05)	0.00	94,540.05	0.00	0.00	June 2015
178	Ravensbourne College (instalment 1 of 5)	Affordable housing contribution (£1,411k)	(282,200.00)	0.00	282,200.00	0.00	0.00	Jan 2017
178	Ravensbourne College (instalment 2 of 5)	Affordable housing contribution (£1,411k)	(282,200.00)	0.00	282,200.00	0.00	0.00	Feb 2019
178	Ravensbourne College (instalment 3 of 5)	Affordable housing contribution (£1,411k)	(282,200.00)	0.00	282,200.00	0.00	0.00	Feb 2019
178	Ravensbourne College (instalment 4 of 5)	Affordable housing contribution (£1,411k)	(282,200.00)	0.00	44,114.61	0.00	(238,085.39)	Mar 2019
178	Ravensbourne College (instalment 5 of 5)	Affordable housing contribution (£1,411k)	(282,200.00)	0.00	0.00	0.00	(282,200.00)	Mar 2019
256	Enterprise Hse, 45 Homesdale Road	£4,000 - affordable housing contribution	(4,000.00)	0.00	4,000.00	0.00	0.00	Feb 2016
289	Holy Trinity, Plaistow Lane	£2,173,150 housing contribution	(2,173,150.00)	0.00	2,173,150.00	0.00	0.00	Mar 2017
191/202	102 Martins Rd Bromley	£3,838.80 wheelchair payment	(3,838.80)	0.00	3,838.80	0.00	0.00	Feb 2016
267	Invicta Works, Chalk Pit Avenue, Orpington, BR5 3JQ	Affordable housing contribution £226.801k	(226,801.00)	0.00	0.00	0.00	(226,801.00)	Apr 2019
285	H Smith Engineers Ltd, Fordcroft Rd, BR5 2DB	Contribution towards wheelchair adapted units £5.512k	(5,512.00)	0.00	0.00	0.00	(5,512.00)	May 2019
321	Sunridge Park Management Centre Ltd	Affordable housing contribution £700k	(466,666.00)	0.00	0.00	(233,000.00)	(699,666.00)	July 2022
334	Hayes Court, West Common Road	Housing contribution £94k	(94,000.00)	0.00	0.00	0.00	(94,000.00)	
300	76 High Street Orpington	Affordable Housing cont'n £205.182k	(205,182.00)	0.00	0.00	0.00	(205,182.00)	Apr 2020
311	Graham Chiesman House	Affordable hsing cont'n of £383.397k	(383,397.00)	0.00	0.00	0.00	(383,397.00)	Jun 2020
341	Grays Farm Production Village	Affordable hsing cont'n of £105k	(105,000.00)	0.00	0.00	0.00	(105,000.00)	Nov 2020
	Interest accrued to S106 housing capital		(7,612.96)	0.00	0.00	0.00	(7,612.96)	N/A
	Total Housing		(5,180,699.81)	0.00	3,166,243.46	(233,000.00)	(2,247,456.35)	
	Education							
178	Ravensbourne College (instalment 1 of 5)	Education contribution (£550k in total)	(110,000.00)	0.00	0.00	0.00	(110,000.00)	Feb 2019
178	Ravensbourne College (instalment 2 of 5)	Education contribution (£550k in total)	(110,000.00)	0.00	0.00	0.00	(110,000.00)	Feb 2019
178	Ravensbourne College (instalment 3 of 5)	Education contribution (£550k in total)	(110,000.00)	0.00	0.00	0.00	(110,000.00)	Feb 2019
178	Ravensbourne College (instalment 4 of 5)	Education contribution (£550k in total)	(110,000.00)	0.00	0.00	0.00	(110,000.00)	Mar 2019
178	Ravensbourne College (instalment 5 of 5)	Education contribution (£550k in total)	(110,000.00)	0.00	0.00	0.00	(110,000.00)	July 2019
186	Blue Circle	Education contribution	(500,000.00)	0.00	250,000.00	0.00	(250,000.00)	Feb 2018
223	Anerley School for Boys, Versialles Rd Penge (Blocks A, B & C)	£91,176 education contribution	(91,176.00)	0.00	0.00	0.00	(91,176.00)	Apr 2017
274	Denton Court, 60 Birch Row	£205,230.62 Education contribution	(205,230.62)	0.00	0.00	0.00	(205,230.62)	Jun 2019
301	47 Homesdale Road	£53.59k Education contribution	(53,590.45)	0.00	0.00	0.00	(53,590.45)	Sept2024
303	2 Betts Way	Education cont'n £83.826k	(83,825.77)	0.00	0.00	0.00	(83,825.77)	Nov 2024
334	Hayes Court, West Common Road	Education cont'n £103.827k	(103,827.44)	0.00	0.00	0.00	(103,827.44)	
296A	Land at rear of 86-94 High St Beckenham	Education contribution £182.389k	(182,389.38)	0.00	0.00	0.00	(182,389.38)	
323	Sheila Stead House (Interest to accrued)	Education contribution £168.738k	(168,737.54)	0.00	0.00	0.00	(168,737.54)	Jun 2025
302	Day Centre, Chipperfield Rd	Education contribution £335.511k	(335,511.48)	0.00	0.00	0.00	(335,511.48)	Jun 2025
321	Sunridge Park Management Centre Ltd (instalmt 1 of 2) (Interest to accrued)	Education contribution £50k	(25,000.00)	0.00	0.00	(25,000.00)	(50,000.00)	July 2022
324	1 Chilham Way	Education contribution £283.047k	(283,046.92)	0.00	0.00	0.00	(283,046.92)	Nov 2025
327	Oakfield Centre	Education contribution £211.618k	(211,617.82)	0.00	0.00	0.00	(211,617.82)	
344	The Rising Sun	Education contribution £44.36k	0.00	0.00	0.00	(44,360.00)	(44,360.00)	June 2021
	Interest accrued to S106 community capital items		(6,586.64)	0.00	0.00	0.00	(6,586.64)	N/A
	Total Education		(2,800,540.06)	0.00	250,000.00	(69,360.00)	(2,619,900.06)	

Public register ref	Address of application	Use of monies	31st March 2016	Movement during 2016/17	Commitments	Movement during 2016/17	Balance as at 31.5.16	Time Limit for spend
Highway improvement works & traffic schemes								
203	Multi-storey car park at Earls Way Orpington	£80k for bus stop enhancement	(81,976.60)	0.00	81,976.60	0.00	0.00	Sept 2014
Total for Highway improvement works			(81,976.60)	0.00	81,976.60	0.00	0.00	
Local Economy								
350	Orpington Police Station	Public Realm contribution £81.513k	(81,512.50)	0.00	81,512.50	0.00	0.00	Mar 2024
351	The Walnuts	Public Realm contribution £24.5k	(24,500.00)	0.00	24,500.00	0.00	0.00	
Total for Local Economy			(106,012.50)	0.00	106,012.50	0.00	0.00	
Total S106 Capital Balance			(8,169,228.97)	0.00	3,604,232.56	(302,360.00)	(4,867,356.41)	
Total Section 106 Balance			(10,172,592.67)	0.00	4,349,789.56	(448,187.50)	(6,270,990.61)	

Report No.
CSD16092

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE AND RESOURCES
POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Date: 7th July 2016

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

Title: WORK PROGRAMME 2016/17

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: N/A

1. Reason for report

- 1.1 This report offers the Committee an opportunity to consider its work programme for 2016/17, including scheduled meetings and PDS working groups. The Committee has nine meetings scheduled during 2016/17 – the dates are set out in Appendix 1, with a draft list of the items to be considered.
-

2. **RECOMMENDATIONS**

The Committee is requested to consider its work programme and indicate any particular issues that it wishes to consider.

Corporate Policy

1. Policy Status: Existing Policy: All PDS Committee receive a report on their work programmes.
 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: £335,590
 5. Source of funding: 201617 revenue budget
-

Staff

1. Number of staff (current and additional): 8 posts (7.27fte)
 2. If from existing staff resources, number of staff hours: Maintaining the work programme takes less than an hour between meetings.
-

Legal

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

Customer Impact

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

Ward Councillor Views

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

3. COMMENTARY

Meeting Schedule

- 3.1 Each PDS Committee determines its own work programme, balancing the roles of (i) holding the Executive to account, (ii) policy development and review and (iii) external scrutiny. This Committee has the additional role of providing a lead on scrutiny issues and coordinating PDS work.
- 3.2 PDS Committees need to prioritise their key issues. The work programme also needs to allow room for items that arise through the year, including Member requests, call-ins and referrals from other Committees. Committees need to ensure that their workloads are realistic and balanced, allowing sufficient time for important issues to be properly scrutinised. Members also need to consider the most appropriate means to pursue each issue – the current overview and scrutiny arrangements offer a variety of approaches, whether through a report to a meeting, a time-limited working group review, a presentation, a meeting focused on a single key issue or any other method.
- 3.3 A schedule of the Committee’s meetings in 2016/17 is attached at [Appendix 1](#), along with draft lists of reports. The timing of meetings is tied to the need to pre-scrutinise Executive agendas. As in previous years, question sessions with the Leader, Resources Portfolio Holder and Chief Executive are being arranged.

Sub-Committees and Working Groups

- 3.4 The Policy Development and Scrutiny Toolkit suggests that each Committee should aim to carry out no more than two or three full scale reviews each year, and it offers guidance and techniques for prioritising reviews. At a time of pressure on Member and officer resources it is important that any additional work is carefully targeted at priority issues where improvements can be achieved. In recent years, this Committee has examined a number of issues through its Working Groups - part of the Committee’s workload may include follow-up work on some of these reviews.
- 3.5 In 2015/16 the Committee established a Contracts Working Group which met seven times under the chairmanship of Councillor Stephen Wells. Following the Constitution Improvement Working Group’s fifth report, Council approved the establishment of a Contracts Sub-Committee, as a Sub-Committee of this Committee. The Sub-committee held its first meeting on 22nd June 2016.
- 3.6 A schedule of Sub-Committees and Working Groups across all PDS Committees is attached as [Appendix 2](#) to this report. This will be updated for future meetings as other PDS Committees meet and confirm which Working Groups to appoint.

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

COMMITTEE MEETING SCHEDULE 2016/17

Meeting 1: Thursday 12th May 2016

Standard items (Matters Arising/Forward Plan/Executive Agenda/PDS Updates/Work Programme)
Corporate Contracts Register
Bromley Youth Employment Project - Monitoring

Meeting 2: Wednesday 8th June 2016

Standard items (Matters Arising/Forward Plan/Executive Agenda/Work Programme)

Meeting 3: Thursday 7th July 2016

Standard items (Matters Arising/Forward Plan/Executive Agenda/Work Programme)
Scrutiny of the Resources Portfolio Holder
Monitoring Report: Customer Services
Monitoring Report: Revenues Service
Monitoring Report: Benefits Service
Monitoring Report: Exchequer Services
Section 106 Monitoring
Mobile Phone Contract and Annual IT Support Contracts

Meeting 4: Wednesday 31st August 2016

Standard items (Matters Arising/Forward Plan/Executive Agenda/Work Programme)
Corporate Contracts Register
Scrutiny of the Chief Executive
Council Internship Scheme

Meeting 5: Wednesday 5th October 2016

Standard items (Matters Arising/Forward Plan/ Executive Agenda/Work Programme)
Scrutiny of the Leader
IT Support Contract

Meeting 6: Wednesday 23rd November 2016

Standard items (Matters Arising/Forward Plan/Executive Agenda/Work Programme)
Scrutiny of the Resources Portfolio Holder

Meeting 7: Wednesday 4th January 2017

Standard items (Matters Arising/Forward Plan/Executive Agenda/Work Programme)
Monitoring Report: Customer Services
Monitoring Report: Revenues Service
Monitoring Report: Benefits Service
Monitoring Report: Exchequer Services

Meeting 8: Wednesday 1st February 2017

Standard items (Matters Arising/Forward Plan/Executive Agenda/Work Programme)
Corporate Contracts Register
Scrutiny of the Chief Executive

Meeting 9: Wednesday 15th March 2017

Standard items (Matters Arising/Forward Plan/Executive Agenda/Work Programme)
Scrutiny of the Leader
Annual PDS Report for 2016/17

PDS SUB-COMMITTEES AND WORKING GROUPS 2016/17

SUBJECT	DURATION	MEMBERSHIP
EXECUTIVE AND RESOURCES PDS		
Contracts Sub-Committee	Approved by Council on 11 th April 2016. First meeting on 22 nd June 2016	Cllrs Stephen Wells (Ch), Simon Fawthrop, William Huntington-Thresher, Russell Mellor, Keith Onslow, Chris Pierce and Angela Wilkins
CARE SERVICES PDS		
Health Scrutiny Sub-Committee	Met on 8 th June 2016; next due to meet on 2 nd November 2016.	Cllrs Judi Ellis (Ch), Ruth Bennett, Kevin Brooks, Mary Cooke, Hannah Gray, David Jefferys, Terence Nathan, Catherine Rideout, Charles Rideout & Pauline Tunnicliffe
Our Healthier South East London Joint Health Overview and Scrutiny Committee (with Bexley, Greenwich, Lambeth, Lewisham & Southwark)	Met on 1 st February 2016, 26 th April 2016 and 17 th May 2016.	Cllrs Judi Ellis and Hannah Gray (subject to consideration at Care Services PDS Committee on 28 th June)
EDUCATION SELECT COMMITTEE		
Education Budget Sub-Committee	Next due to meet on 27 th September 2016	Cllrs Kathy Bance, Julian Benington, Nicholas Bennett, Alan Collins, Judi Ellis & Neil Reddin
ENVIRONMENT PDS		
Streetscene Working Group	Appointed by Environment PDS Committee on 7 th June 2016	To be confirmed at the mnext PDS meeting.
Highways and Footways Working Group	Appointed by Environment PDS Committee on 7 th June 2016	To be confirmed at the mnext PDS meeting.
Congestion Working Group	Appointed by Environment PDS Committee on 7 th June 2016	To be confirmed at the mnext PDS meeting.
PUBLIC PROTECTION AND SAFETY PDS		
RENEWAL AND RECREATION PDS		
Beckenham Working Group		Cllr Michael Tickner (Ch) and ward councillors.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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