



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

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DATE: 1 July 2016

To: Members of the
EXECUTIVE

Councillor Stephen Carr (Chairman)

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

A meeting of the Executive will be held at Bromley Civic Centre on **WEDNESDAY**
20 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/>

A G E N D A

- 1 **APOLOGIES FOR ABSENCE**
- 2 **DECLARATIONS OF INTEREST**
- 3 **TO CONFIRM THE MINUTES OF THE MEETINGS HELD ON 31ST MAY 2016 AND 15TH JUNE 2016** (Pages 5 - 30)
- 4 **QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING**
In accordance with the Council's Constitution, questions must be received in writing four working days before the date of the meeting. Therefore please ensure that questions are received by the Democratic Services Team by 5pm on Thursday 14th July 2016.
- 5 **BUDGET MONITORING 2016/17** (Pages 31 - 62)
- 6 **CAPITAL PROGRAMME MONITORING - 1ST QUARTER 2016/17** (Pages 63 - 76)
- 7 **GATEWAY REPORT FOR LEARNING DISABILITY SUPPORTED LIVING SCHEMES** (Pages 77 - 86)
- 8 **DEPRIVATION OF LIBERTY SAFEGUARDS - PROPOSAL FOR FUTURE SERVICE DELIVERY** (Pages 87 - 96)

- 9 UPDATE ON REPLACEMENT OF HOUSING INFORMATION SYSTEMS**
(Pages 97 - 106)
- 10 COMMISSIONING STRATEGY - HEALTH VISITING AND FAMILY NURSE PARTNERSHIP** (Pages 107 - 120)
- 11 GATEWAY REVIEW - PROCUREMENT FOR A SEXUAL HEALTH EARLY INTERVENTION SERVICE** (Pages 121 - 136)
- 12 DRAFT LOCAL PLAN**
Circulated under separate cover.
- 13 THE STATEMENT OF COMMUNITY INVOLVEMENT (SCI) - RESPONSES TO CONSULTATION AND PROPOSED REVISIONS** (Pages 137 - 170)
- 14 BUSINESS IMPROVEMENT DISTRICT STRATEGY FOR TOWN CENTRES**
(Pages 171 - 186)
- 15 CONSIDERATION OF ANY OTHER ISSUES REFERRED FROM THE EXECUTIVE AND RESOURCES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE**
- 16 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

- | | |
|---|---|
| 17 EXEMPT MINUTES OF THE MEETING HELD ON 15TH JUNE 2016 (Pages 187 - 194) | Information relating to the financial or business affairs of any particular person (including the authority holding that information) |
| 18 FORMAL CONSULTATION ON OUTLINE SERVICE PROPOSALS AND PROCUREMENT STRATEGY - DOMICILIARY CARE SERVICES (Pages 195 - 208) | Information relating to the financial or business affairs of any particular person (including the authority holding that information) |
| 19 FORMAL CONSULTATION ON OUTLINE SERVICE PROPOSALS AND PROCUREMENT STRATEGY - NURSING CARE BEDS (Pages 209 - 218) | Information relating to the financial or business affairs of any particular person (including the authority holding that information) |

**20 CAPITAL PROGRAMME MONITORING –
1ST QUARTER 2016/17 - APPENDIX E**
(Pages 219 - 220)

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

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EXECUTIVE

Minutes of the meeting held on 31 May 2016 starting at 6.30 pm

Present

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

Also Present

Councillor Angela Wilkins

17 APOLOGIES FOR ABSENCE

Apologies were received from Councillor Colin Smith.

18 DECLARATIONS OF INTEREST

There were no declarations.

19 FOSTER CARER ALLOWANCES

Report CS16040

Following a review of current foster carer allowances and consultation, a revised schedule of allowances was recommended for implementation.

Of three options, it had been previously agreed (at the Executive Working Party on Child Safeguarding and Corporate Parenting) that the consultation with carers should focus on Option 2 (which included cessation of the additional allowances paid to foster carers to cover birthday, Christmas and holiday expenditure), estimated to generate savings in the region of £692,819 per annum in a full year. Details of the options and potential savings were appended to Report CS16040.

In parallel with the L B Bromley consultation, the Bromley Foster Care Association (BFCA) also surveyed its membership. Outcomes indicated concern for the proposed changes as did outcomes from open meetings. The Portfolio Holder and his assistant met BFCA representatives on 25th April 2016. The Portfolio Holder was minded to recommend a revised proposal which left the current professional fees unchanged, introduce the DfE weekly maintenance allowances, and continue to pay the two weeks additional allowance towards holiday cost but to cease the additional week allowances for birthday and Christmas payments. Additionally, the Portfolio Holder was prepared to recommend that the reduction in maintenance allowance was phased in, with 50% of the reduction from 1 September 2016 and full implementation from 1st September 2017.

Following subsequent representations from the Chair of the BFCA, the Portfolio Holder revised the proposals further to include Christmas and

birthday allowances .The consequent rates, outlined in Report CS16040, would generate savings of c£545k as opposed to c£693k.

Along with an intention to improve support and training for Foster Carers the Portfolio Holder for Care Services felt the measures presented a good package. Councillor Angela Wilkins (Crystal Palace) suggested there would be indirect costs from the measures and was particularly concerned about the way the process had been handled. Cllr Wilkins also referred to the cost of bringing up a child and suggested that higher costs were linked to younger and teenage children. As such Cllr Wilkins asked why flat rate reductions were not being proposed. Cllr Wilkins also enquired about the level of data provided by comparator boroughs.

It was understood that the comparison figures were like for like and officers had not been asked to consult on flat rate reductions although previous consideration had been given at the Executive Working Party on Child Safeguarding and Corporate Parenting.

The Portfolio Holder for Care Services highlighted that the Council very much values the role of Foster Carers. An intention of an extra weekly amount to cover higher teenage costs was to improve the numbers of foster carers for the age range. The Portfolio Holder for Renewal and Recreation suggested that schools provide a greater push to help looked after children further achieve academically. In this regard, the Portfolio Holder for Education highlighted the Education White Paper.

In considering the recommendations in Report CS16040, the Portfolio Holder for Care Services proposed that Recommendation 2 ii be qualified to indicate that the revised rates of allowances be implemented with immediate effect for new Foster Carers and from 1st September 2016 for existing Foster Carers.

RESOLVED that:

- (1) the content of Report CS16040, including the appendix, be noted;**
- (2) the revised foster carer allowances (outlined at paragraph 3.14 of Report CS16040) be implemented with immediate effect for new Foster Carers and from 1st September 2016 for approved existing foster carers;**
- (3) the Department for Education maintenance allowances be used as the core allowance in the calculations for connected person, special guardianship, adoption and child arrangement financial assessments from 1st July 2016 for all new carers; and**
- (4) a review be endorsed of foster carer training and support packages, in consultation with foster carers, and monitored through the Executive Working Party for Safeguarding and Corporate Parenting.**

Chairman

The Meeting ended at 6.55 pm

EXECUTIVE

Minutes of the meeting held on 15 June 2016 starting at 7.00 pm

Present

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

Also Present

Councillor Vanessa Allen, Councillor Julian Benington,
Councillor Nicholas Bennett J.P., Councillor William
Huntington-Thresher and Councillor Melanie Stevens

20 APOLOGIES FOR ABSENCE

There were no apologies.

21 DECLARATIONS OF INTEREST

Cllr Kate Lymer declared the following interests:

- Item 10 by virtue of her son attending nursery at Havelock Recreation Ground
- item 14 as a Governor at Bickley Primary School
- items 7 and 15 as recipient of complimentary tickets to the Biggin Hill Festival of Flight event held on Saturday 11th June 2016.

Cllr Nicholas Bennett JP, Cllr Julian Benington and Cllr Melanie Stevens as visiting Members also declared an interest in items 7 and 15 by virtue of receiving complimentary tickets to the Biggin Hill Festival of Flight. Cllr Benington also declared his interest in item 15 as a Trustee of the Biggin Hill Memorial Museum Trust.

Councillor Peter Morgan declared a personal interest at item 5 in view of his daughter being a Director of Kier Property Services.

22 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 18TH MAY 2016

The minutes be confirmed.

23 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING

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

24 PROVISIONAL FINAL ACCOUNTS 2015/16

Report FSD16040

Report FSD16040 provided a broad overview of the Council's provisional 2015/16 financial outturn both Council-wide and at portfolio level. Potential implications for 2016/17 were also summarised.

More detailed reports would be submitted to individual PDS Committees and the Education Budget Sub-Committee. Details of carry forward requests and a summary of the Council's capital programme were also included in the report.

The Portfolio Holder for Resources highlighted notable features including:

- development of a database to hold Contract Register and other related information as an important step forward;
- action following data matching on single person discounts contributing to a 2015/16 Council Tax surplus on the Collection Fund (along with good debt recovery levels, more new properties in the borough and the impact of the council tax support scheme being lower than budgeted);
- use of remaining underspends, including those in Central Contingency, to provide one-off funding for the Council's Growth Fund (providing investment for economic development and additional income through business rate growth, investment income and new homes bonus), the Council needing to be dependent upon its own income by 2020;
- no expected variation to the level of general reserves as at 31st March 2016 for General Fund balances;
- an increase of £1.5m against budget in the outturn for interest earnings on balances; and
- Growth Fund investment.

Carry forward of £89k from a £200k Central Contingency provision in 2015/16 for exceptional performance reward would be additional to the amount provided for 2016/17. Concerning income from s106 payments, the Leader highlighted a need to continually review how s106 monies are being used. In a housing context, the Portfolio for Renewal and Recreation suggested use of s106 monies for proposed housing at Site G.

Councillor Vanessa Allen (Clock House) highlighted the Labour Group's opposition to reduced funding levels for social services and suggested that budgets should be fully spent rather than transfer underspends to the Growth Fund. Cllr Allen suggested there were many other ways for the Council to

generate income (instead of a Growth Fund) such as more joint venture schemes in housing.

The Leader emphasised the necessity of gatekeeping and containing expenditure and there was no suggestion in transferring monies to the Growth Fund that budgets were being reduced.

RESOLVED that:

- (1) the provisional revenue and capital outturns for the 2015/16 financial year, and the earmarked balances on the General Fund as at 31st March 2016, be noted;**
- (2) a more detailed analysis of the 2015/16 final outturn be reported for each Portfolio to PDS committees;**
- (3) the variations in 2015/16 impacting on the Council's 2016/17 financial position be noted;**
- (4) comments from the Education, Care and Health Services Department, the Director of Transformation and Regeneration, and the Executive Director of Environment and Community Services, as detailed at Appendix 1B to Report FSD16040, be noted;**
- (5) the carry forwards of £301k related to repairs and maintenance, approved under delegated authority as detailed at Appendix 5 to Report FSD16040, be noted;**
- (6) the requests for carry forwards totalling £1,401k (net) as detailed at Appendix 5 to Report FSD16040 be approved, subject to the funding being allocated to Central Contingency to be drawn down on approval from the relevant Portfolio Holder;**
- (7) a total of £589k funding be released from Central Contingency as detailed at paragraph 3.2.1 of Report FSD16040;**
- (8) the return to Central Contingency of £45k as detailed at paragraph 3.2.2 of Report FSD16040 be noted;**
- (9) a sum of £97,400 be set aside from the 2015/16 underspends in Central Contingency as detailed at paragraphs 3.2.3 and 3.2.4 of Report FSD16040;**
- (10) the Prior Year Adjustments totalling £1,577k, as detailed at section 3.4 of Report FSD16040, be noted; and**
- (11) Council be recommended to approve the transfer of £7,024k to the Growth Fund as detailed at section 4.2 of Report FSD16040.**

25 CAPITAL PROGRAMME OUTTURN 2015/16

Report FSD16036

Members received the final outturn on capital expenditure and receipts for 2015/16.

Details included a breakdown of the overall capital expenditure in 2015/16 analysed between Portfolios and schemes. A breakdown was also provided of the original Capital Programme for 2015/16 and changes agreed during 2015/16 to arrive at the latest Approved Capital Programme.

RESOLVED that:

(1) the report be noted; and

(2) the unspent capital budget (£8k) on the block provision for emergency works to surplus sites be carried forward as detailed at paragraphs 3.10 and 3.11 of Report FSD16036.

26 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 its operating hours could be varied.

Following the Executive meeting on 25th November 2015 discussions with BHAL on the Council's conditions and BHAL's response focussed on:

- the Noise Action Plan (NAP) which had not altered since last referred to the Executive;
- a Management Information Letter (MIL) on how BHAL would implement and manage the NAP including, where appropriate, BHAL's response to the Council's conditions, including the six additional conditions agreed by Executive on 25th November 2015; and
- a Deed of Variation which, subject to the agreement of the Council/BHAL, would incorporate the approved changes to the operating hours into the lease.

Copies of the above documents were appended to Report DRR16/057. The NAP and MIL would be appended to the Deed of Variation and enforceable under the lease of Biggin Hill Airport.

Members were recommended to confirm that the Council's conditions had been met, to agree that the Deed of Variation be entered into, and to agree

that any sum received to reimburse the Council its costs be ring-fenced for any future costs of increased monitoring.

In response to a concern at the Executive and Resources PDS Committee meeting, 8th June 2016, on what might happen under the new arrangements should helicopters not rise to 1000ft (helicopters follow flight paths set down by NATS/CAA), it was explained that a mandatory condition to do so could be detrimental to health and safety and the safety of the airport (there was no authority to override Air Traffic Control instructions which might vary daily for any number of reasons). BHAL would, however, look to enforce helicopters rising to 1000ft where practical. It was also suggested at the PDS meeting that the Safety and Noise Review Board (SANARB) should include independent representation and it was confirmed that BHAL had agreed to the Board's membership including a resident observer.

The MIL would be incorporated in the Deed of Variation and would be enforceable as such. Should the cap of 50,000 annual movements appear likely to be breached (or was breached) in the first five years of the NAP, the NAP would be reviewed and the Council could suspend the extended hours pending completion of the review. Member endorsement would be needed to implement the outcome of any such review and to implement the outcome of a review after five years.

Monitoring would be undertaken as part of the lease agreement and the sum received from BHAL to reimburse the Council its costs related to the application (up to approximately £160k excluding officer time) would be ring-fenced to supplement existing resources and ensure robust monitoring. Leading state of the art monitoring equipment would be used and regular reports would be expected back to the Executive. A robust set of arrangements were in place and the NAP also outlined information that would be provided to the Airport Consultative Committee (ACC) each quarter including a report on the number of departures and arrivals on each runway.

Constraints in the NAP would limit noise compared to limits in the existing lease which provided ineffective control for the future. Noise contours and limits were provided and the Council's conditions were met. Real time monitoring information would also be provided. A planning application had recently been considered concerning lights for the 03 flightpath, the Civil Aviation Authority (CAA) advising that the proposal was at Stage 4 in the CAA process, the next stage being formal consultation. Employment opportunities would also be enhanced with a recent announcement of two large companies locating to BHAL.

It was confirmed that a Judicial Review had been issued but not served or pursued with diligence by the applicant.

It seemed to the Portfolio Holder for Care Services that there was an insufficient level of benefit coming back to the borough in return for the variation. However, the Leader was unable to support such a view referring to

benefits highlighted earlier in discussion by the Portfolio Holder for Renewal and Recreation and the Council's noise consultant.

Upon a vote, a majority of four Members voted in support of the recommendations, with one Member voting against and two Members abstaining.

RESOLVED that:

- (1) BHAL has satisfactorily met all of the Council's conditions;**
- (2) a Deed of Variation to the lease be entered into in the form appended to Report DRR16/057; and**
- (3) any sum received to reimburse the Council its reasonable costs incurred be ring-fenced for any potential future costs of increased monitoring that will be needed for the revised operating hours of the Airport.**

27 FLOODING AND WATER MANAGEMENT ACT

Report ES16032

Report ES16032 reviewed Council progress as Lead Local Flood Authority (LLFA) with responsibilities and activities for the coming year also considered.

Approval was sought to release £213k (allocated for local flood risk management) from Central Contingency to fund on-going maintenance and improvements to surface water drainage assets. Approval was also sought to release a one-off DEFRA grant of £69,482 from Central Contingency to fund technical advice on surface water drainage proposals through planning applications. Advice would be particularly provided on proposals for surface water drainage in major development - any residual funding supplementing maintenance/improvements to other drainage assets for surface water.

RESOLVED that:

- (1) a sum of £213k be released from 2016/17 Central Contingency to implement proposals detailed in Report ES16032, and a sum of £213k be included in future budgets;**
- (2) the DEFRA grant of £69,482 be released to meet the costs of providing technical advice on surface water drainage proposals through the planning process as well as the maintenance and improvements of surface water drainage assets; and**
- (3) the LLFA future works programme be approved.**

28 CHISLEHURST RECREATION GROUND - PAVILION LEASE

Report ES16035

The Football Association (FA) had previously indicated to FC Elmstead that they would support improvements to the pitches and clubhouse at Chislehurst Recreation Ground, the club currently having a Delegated Management Agreement (DMA) from the Council to use the facilities.

Following ground levelling and pitch drainage works supported by £47k grant funding from the Premier League and FA Facilities Fund (delivered by the Football Foundation), along with additional funding from the Council and Chislehurst Playing Fields Association (CPFA), the newly restored pitches were launched in 2015.

To retain and grow the club's activities (as per its Football Development Plan), a new modern clubhouse, compliant with current FA standards, was required to replace the existing poorly conditioned pavilion. In addition to changing facilities, showers, toilets, a club room, a café space with associated male and female accessible toilets, storage would also be provided which would include use by the local Friends Group. The club secured planning permission for the redevelopment (reference 14/04436/FULL1) in March 2015.

The total cost of the improvement works was estimated by the club to be in excess of £360k including contingency, professional fees, and VAT. In meeting the sum, the club had been successful in securing a number of external grants from a variety of partners, including a grant of £258,865 from the Football Foundation, as well as contributing some of its own funds.

A number of conditions were associated with accepting the grant from the Football Foundation and Report ES16035 considered two potential options available to the Council to meet these conditions. Given a number of risks associated with Option 1 (as highlighted in the report) Option 2 was recommended whereby the club would be solely responsible for the grant monies, including procurement and delivery of the project.

To take the project forward, consent was sought for (i) FC Elmstead being granted a 25 year lease on part of Chislehurst Recreation Ground and (ii) acceptance of a grant from the Football Foundation of £258,865 to be awarded to FC Elmstead to assist in constructing the new pavilion. Conditions associated with the grant award – in line with taking forward Option 2 - were also recommended for acceptance, including a legal charge upon the club's leasehold title of the pavilion and a restriction upon the Council's freehold title of the pitches during the 21 year Clawback period.

RESOLVED that:

(1) Option 2 outlined in Report ES16035 be pursued;

(2) a 25 year lease be granted to FC Elmstead for part of Chislehurst Recreation Ground, on terms to be agreed by Strategic Property;

(3) the acceptance of a grant from the Football Foundation be solely awarded to FC Elmstead to assist in funding the construction of the new pavilion at the location; and

(4) acceptance of the legal conditions associated with award of the grant to the club be approved, including a legal charge upon the club's leasehold title of the pavilion and a restriction upon the Council's freehold title of the pitches, during the 21 year Clawback period.

29 LAND AT HAVELOCK RECREATION GROUND - APPLICATION FOR REGISTRATION AS A TOWN OR VILLAGE GREEN

Report CSD16085

A third party application to register land at Havelock Recreation Ground as a new Town or Village Green failed to meet the legal criteria for a third party registration. However, supporting the case to register the land as such, the Development Control Committee resolved at its meeting on 9th February 2016 to recommend that the land be voluntarily designated a Town or Village Green, this to be achieved by way of an application for voluntary registration by the Council in its capacity as owner of the land. The report to Development Control Committee and published minute of the discussion were both appended to Report CSD16085.

In discussion Members were aware of legal advice that the recreation ground failed to meet the necessary criteria for a third party registration. Members were also aware that the recreation ground is already protected as dedicated open land (designated for community use). Any decision to voluntarily register the land as a Town or Village Green could set a precedent with any future decision then subjective without a policy. It was felt necessary to maintain consistency with previous decisions.

RESOLVED that no action be taken to voluntarily have the land at Havelock Recreation Ground registered as a new Town or Village Green.

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

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

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

**32 EXEMPT MINUTES OF THE MEETING HELD ON 18TH MAY
2016**

The minutes were agreed.

**33 GRANT OF LEASE OF THE WIDMORE CENTRE TO THE STEP
ACADEMY TRUST**

Report DRR16/056

Agreement was sought for a long leasehold interest to be granted in the Widmore Centre building for the purpose of providing a further school in Planning Area 4 (Central Bromley).

34 BIGGIN HILL MEMORIAL MUSEUM

Report DRR16/051

Members were updated on progress with the Biggin Hill Memorial Museum along with funding arrangements for the scheme.

**35 THE GLADES SHOPPING CENTRE APPOINTMENT OF
PROFESSIONAL ADVISERS**

Report DRR16/055

It was necessary to affirm the appointment of a professional property consultant concerning certain matters related to the Glades Shopping Centre.

The Decision Type of Report DRR16/055 was marked Urgent and with the prior agreement of the Chairman of the Executive and Resources PDS Committee, call-in would accordingly not apply for the item.

36 "GIFTING" OF MEARS SCHEME TO PENSION FUND

Report FSD16041

Report FSD16041 provided final resolutions necessary for full Council to reaffirm the "gifting" of the Mears scheme to the L B Bromley Pension Fund.

37 PARKING CONTRACT

Report ES16029

The Joint Parking Services contract was subject to a revised implementation date with a traditional local authority contract model to be used.

Executive
15 June 2016

**38 TEMPORARY ACCOMMODATION: TRINITY C OF E PRIMARY
 SCHOOL AND CASTLECOMBE PRIMARY SCHOOL**

Report ED16032

Having noted the procurement process and evaluation of tenders, Members considered a recommendation for award of contract related to temporary accommodation at Castlecombe Primary School and Trinity CE Primary School.

39 AQUISITION OF INVESTMENT PROPERTY

Report DRR16/060

To increase return from the Council's Investment Fund, Members considered the recommended purchase of the freehold interest in industrial units at a location in Hampshire.

Chairman

The Meeting ended at 8.40 pm

QUESTIONS FROM MEMBERS OF THE PUBLIC FOR WRITTEN REPLY

From Mr Tony Trinick FEng, Chair of Flightpath Watch, to the Portfolio Holder for Renewal and Recreation

Why hasn't the final agreement between Biggin Hill Airport and the Council insisted that the 10 pledges are built in, as given to residents by the Airport in 2014?

Reply

In consideration of BHAL's extended hours proposal, the Council was not asked/required to consider "10 pledges" but the detailed proposals contained in BHAL's Noise Action Plan. In considering these proposals, the Council must act in a reasonable manner in the interests of both the Airport and the Borough's residents. We are satisfied that we have complied with these requirements which will take the form of a legally binding agreement enforceable under the lease. No such legal status could be given to any "pledges" you refer to unless they were incorporated into the proposals included in the Noise Action Plan.

From Mr David Clapham to the Portfolio Holder for Renewal and Recreation

1. Extra condition (1) requires a level of fine to be five times the standard landing fee applicable. This is watered-down in the MIL and therefore the condition is not met. Are the Executive aware and happy that the new fine of £500 will be a satisfactory deterrent to all business users?

Reply

Without pre-empting the discussion that the Executive will have, a fine level of five times is included in the description and for some aircraft, this could be £500 as the fine level is based crudely on the size of the aircraft. I do think that any fine should be proportionate but stringent and we will discuss this in due course.

The level of fines proposed to be imposed is consistent with the Executive's condition subject to a test of reasonableness that no fine levied:

- Shall be disproportionate to what is levied at other London Airports,
- and go against advice provided in ICAO document 9082, Policies on Charges for Airports and Air Navigation Services.

2. The structure of the SANARB comprises BHAL staff or supporters. This is weak and lacks challenge. Are the Executive satisfied that this committee has the appropriate membership and specific duties to achieve the important task they have to carry out on behalf of residents?

Reply

The Council has already requested that a representative of the Council is present to satisfy ourselves that this process is vigorous and the Airport have agreed to this. Clearly SANARB members need to be suitably qualified and experienced to determine whether there has been wrong doing and I would have thought that experienced pilots and the like committed to doing this task would be suitable. But, again, this is something we need to discuss in due course. The airport has also agreed that a member of a relevant Residents' Association can also come to the meetings of the SANARB.

3. As the existing Lease term 'home based' has been effectively replaced by 'Account holders' are there any conditions or restrictions on which aircraft can use the airport in future or from what countries they may emanate?

Reply

The based aircraft concept will largely be irrelevant in the revised operating criteria, with the restriction being used as noise, with specific noise limits in the early morning period being in existence for the first time for instance, which will actually stop some based aircraft from potentially using the early morning period. In addition to the noise restrictions set out in the lease and the NAP, aircraft will need to meet the standards set out by regulatory bodies such as the CAA.

From Mrs Giuliana Voisey to the Portfolio Holder for Renewal and Recreation

1. The MIL includes a serious inaccuracy at item 3: "... LBHA resolved ... not to utilise the period 2200 to 2300 hrs authorised on Saturdays" This was never authorised (see recommendation 2, Executive 25.11.16). Will the Executive minute this attempt at prevarication by BHAL?

Reply

The Council has only ever approved operating hours of 08.00 to 22.00 hours at the weekends, which as the Airport correctly state, is 2.5 hours shorter than requested for Saturdays. We will raise this point with the Airport but the MIL, which is the Airport's document, makes it clear that BHAL would need to seek approval in the future to use the Saturday period from 2200 to 2300hrs. I am

grateful to Mrs Voisey for bringing this slightly incorrect wording to the Executive's attention.

2. It appears that the MIL includes a serious untruth at items 11 and 13. The CAA confirmed on 6.6.16 (i.e. after the date of the MIL) that the new route to R03 had not yet been submitted for approval (Cyrrus mentioned 'difficulties') . How can the MIL possibly be accepted as a valid document? What else does it contain that is less than accurate?

Reply

It is true to say that the Airport have begun the lengthy process of applying to change the runway approach 03 which will, if accepted, take away one third of traffic away from overflying Farnborough. It is true to say that the CAA are fully aware of these proposals and have discussed them with the Airport and others. The Airport have not formally submitted the runway approach change proposal to the CAA. The formal submission stage comes at the end of stage 4 of a stage 7 process and BHAL are at the cusp of formally submitting but have not. So, although this is a formal proposal in the sense that it is documented and the CAA know about it etc, it has not been formally submitted by CAA standards.

Stage 4 ends with a "formal submission" and whilst this formality is not complete, the Airport have been open about the progress being made and have included the various reports on their website for all to see, including you. It is evidence of the Airport's intent to implement this new approach that we have received a planning application in May for the installation and operation of runway approach lights for Runway 03.

3. If Councillors of the Executive approve a document that contains untruths or misrepresentations of the truth, having been alerted to the fact, would such Councillors not be ancillaries to deceiving the residents?

Reply

This is a hypothetical question but we do need to make sure that we all understand what is being proposed and the progress being made. The NAP and the detailed MIL, which sets out how the NAP will be implemented, make it clear to the reader what is being proposed, with the numerous council questions over the months adding even more detail for interested readers and residents.

From Mr Phil Webb, Treasurer to Flightpath Watch, to the Portfolio Holder for Renewal and Recreation

1. Why does the lease and variation only consider obsolete ICAO chapter 3 and not at least chapter 4 noise standards? Will the lease be updated to reflect the latest noise standards?

Reply

Many many aircraft fly across the country every day using Chapter 3 aircraft which our noise advisor has informed us is not obsolete, with the Government not banning these aircraft at all. The Chapter 4 noise levels are included in the new proposed arrangements in the early morning period, meaning that for the first time, there is actually a noise restriction for the early morning period specifically. Going forwards the NAP will be reviewed every 5 years and therefore there will be opportunities to reflect the latest noise standards.

2. Noise protection for residents, in terms of noise proofing of homes, appears to be available to very few householders. Can the exact number of properties who might qualify for help with double glazing be confirmed?

Reply

No, not today, but the Airport are committed to contacting the relevant property owners should this prove necessary and this process will be repeated annually, with noise data used to determine the extent of the need.

From Mrs Andrea Stevens, Flightpath Watch Secretary, to the Portfolio Holder for Renewal and Recreation

1. Does the Council agree that as there is a JR being considered in London courts, that any debate or decision-making in relation to BHAL application to vary the operating hours, would be disrespectful to the authority of these courts?

Reply

No, the Council will respond to any court request and will address any comments it may have about a JR as part of that process.

2. Regarding the promised 30% ATM reduction along R21 - this is dependent upon a new GPS approach to R03. Failure to obtain CAA permission means R21 will have the same or greater number of ATMs. Could the Council confirm that the CAA have received a formal application from BHAL? Has the

Council seen any documents relating to this application to the CAA?

Reply

Regardless of the outcome of the change of approach for runway 03, the Airport must keep within the reduced noise contours outlined in the Noise Action Plan and these are legally binding as they will be part of the lease. The Council has seen some of the documents relating to this proposal as have members of the public as the documents have been published on the Airport's website. I refer the questioner to the answer given to Mrs Voisey, above.

3. Would the Council agree that a review of BHA NAP dated August 2016, should be undertaken now, as clearly the 50,000 ATMs limit has been reached? (please see BHACC Meeting minutes dated 21 January 2016 for further details)

Reply

The Airport are operating quite legitimately under the existing lease where they are perfectly entitled to use up to 125,000 movements annually. When or if these proposals are in place, I anticipate that volume will actually reduce from today's levels. If we agree this, the 50,000 volume will be capped as described in the MIL and the Airport will not be able to use the 125,000 volume currently allowed in the lease.

From Ella Coates to the Portfolio Holder for Renewal and Recreation

1. How can Members of the Executive ratify conditions that 'play on words' (see the scandalous example of the proposed 'noise reduction') rather than ascertain that the pledges made are truly reflected in the 'recommendations'?

Reply

The Executive will need to rely on a legal agreement rather than any 'play on words'. It is a legal agreement in the form of the lease variation that will give the Council power to act, ultimately including forfeiture of the lease in extreme situations.

2. Residents are beyond objecting to an increase in hours. We are now objecting to a Council that (possibly itself misled) has deceived us. The MIL in front of you will crystallise this position. Will this Executive really accept that this is a document that can be ratified as it stands?

Reply

The MIL which outlines how the Noise Action Plan will be implemented is quite detailed and will deliver improvements. We have to remember that right now the Airport has permission for 125,000 jet movements every year, with all the noise that goes with this. The current proposals do improve the position of the Council and indeed residents.

3. The press reported that the PM had flights provided by companies at BH for some £100,000. It follows that LBB may also have received incentives or it could not have been so superficial in the documentation of the 'recommendations'. For the sake of transparency, could you please let us know what they are and how the residents will benefit?

Reply

The Council has not received any incentives from the airport although the Council is of course in receipt of rent, which includes a share of profit depending on the exact performance of the Airport's business.

From Sophie Knight to the Portfolio Holder for Renewal and Recreation

1. Is the Executive clear that any noise monitors will be correctly placed (not as in the case of Crofton where the monitoring system was at the back of Darrick Wood School half a mile away from the flight path)?

Reply

There will actually be 3 noise monitors, with the siting clearly important, with 2 of the monitors envisaged becoming permanently sited when the best location has been found by the noise experts installing the system. The third monitor is a mobile monitor, capable of being moved as needed.

Clearly, the Council will need to satisfy itself that the noise monitoring is accurate. We understand that probably the best firm in the world for this specialist work will be installing the noise monitors and conducting the noise monitoring. That said, the Council will continue to keep the services of our noise expert to give us the best advice possible so that the Airport do this properly and that both residents and the Council can be assured of this.

From Abigail Rutherford to the Portfolio Holder for Renewal and Recreation

1. With reference to BHAL's Mil point 8: Does the Council agree that BHAL's attempt to mislead the Council in relation to the capping of aircraft (as explained below*) leads to a failure by BHAL in fulfilling one or more of the 18 conditions set by the Council?

* This mechanism in BHAL's Management Information Letter (MIL) to establish a cap is ineffective. BHAL knew it when they suggested this type of cap in the letter from on Hogan Lovell dated 9th December 2014 ('the Application'): *"12.1 With reference to paragraphs 4.4 and 4.5 of our letter of 5 November, our client does not anticipate the number of aircraft movements exceeding 50,000 per annum within 10 years, since light aircraft movements are likely to continue to decline at the same time as business aviation flights are forecast to increase as more businesses are set up at the Airport offering aircraft servicing, parking and management. In the unlikely event that it becomes likely that that number will be exceeded, our client agrees that it will trigger an early review of the NAP (and thereafter at intervals to be agreed) so as to ensure that the balance of social, economic and environmental issues are kept in check."*

As we know, contrary to the statement by Hogan Lovell, the total of movements was already 50,562 in 2015 (Minutes to the BHACC meeting of 21.1.2016), i.e. the 'unlikely event' has already occurred. The forecast for 2020 of 49,500 is also too close for comfort and appears contrived considering current number of movements.

In the MIL, BHAL pushes the Council even further. Although the MIL repeats that the NAP will be reviewed if the limit of 50,000 movements is exceeded, BHAL now addresses us to 'para 20 of this letter'. Para 20 (Further Information, final paragraph), states: *"Prior to any NAP review, LBHA will prepare actual measured noise contours to be compared with predicted noise contours. Where the additional noise contour falls within the agreed forecast noise contour, no further action will be required."* The Executive must not fall for this trick.

As ST Acoustics (an Aviation as well as Noise expert and frequent adviser to DEFRA) explained: *"Whilst the noise impact of airports is commonly described in terms of the LAeq16h indicator, this methodology does have a shortcoming. Broadly, a difference in noise level of 3 dB for two different individual aircraft flyovers is only just discernible by the person experiencing it, all other features of the sound being the same. But the number of movements of the aircraft that was 3 dB quieter could be doubled compared to the louder aircraft and the same LAeq16h value obtained. Thus, if all the aircraft using LBHA were to become 3 dB less noisy, the movements could be doubled and the same contour area achieved. It would seem that there was no difference in impact, but it is highly likely that those living nearby would not perceive the noise reduction from each individual movement but would notice the doubling of movements and be adversely affected by it."* This mechanism provides BHAL with a useful elastic band, which does not conform to the pledge of a cap of 50,000 movements. By reducing the noise imperceptibly to people on the ground (by way of example, Chapter 14 is 17 dBs quieter than Chapter 3), the number of flights can be increased by a number of multiples. The Executive has to request a different mechanism in order for the pledged cap on movements to be observed. The mechanism as proposed is not fit for purpose. The existing cap in the Lease of 125,000 movements per annum needs to be protected until a more effective mechanism to control movements is devised.

Reply

Rather than mislead the Council, the Airport's response is actually quite detailed and therefore clear. What it does mean, it seems to me, is that if

50,000 movements are breached, the Council can suspend the new operating hours whilst a noise action plan review takes place. In any event, what is being proposed has to be an improvement on 125,000 movements already allowed.

From Sue King to the Portfolio Holder for Renewal and Recreation

1. With reference to BHAL's Management Information Letter, point 19, does Bromley Council agree that the only winner in this will be BHAL when the following is taken into account? (See notes* below)

*Notes: That LBB has not achieved very much by sacrificing its residents. There is only one winner in this equation, and that is BHAL. Please note that in 2015 dividends of £589,360 (2014: dividends of £389,360) were paid to BHAL's sole shareholder. By contrast, LBB received income of £198,867 in 2015 (2014: 207,124).

Grants and subsidies from the public purse are acknowledged (Note 1.11 to BHAL's 2015 accounts) but only partially specified.

Reply

Apart from the rent and profit share that the Council could receive which benefits Council taxpayers, noise contour restrictions are being introduced for the first time - with these benefits to residents affected by the noise being paid for by the Airport's commitment to increase expenditure to introduce noise monitoring software for instance.

From Mr Charles Mill to the Portfolio Holder for Renewal and Recreation

1. We should be at the end of the approval process, so why have none of the ten pledges been honoured and included in the Deed of Variation? Do you honestly think that attaching a document produced by BHAL (the MIL) is an acceptable substitute for a properly drafted legal document?

Reply

The properly drafted legal document is included in the committee papers and all of the detail in both the MIL and the, Noise Action Plan (NAP), will also be legally enforceable as they will be included as appendices in the lease. There is strength in these documents that will give more power to the Council and transparency to residents than currently exists and this is to be welcomed.

2. The Council made two clear pledges: reduction in noise and cap of 50,000 flights. The 'recommendations' were the tools to achieve this. So why is noise going to double and the cap of 125,000 in jeopardy of being exceeded? Can you, Members of the Executive, honestly ratify the MIL as it stands?

Reply

These proposals will control the noise and there is effectively a cap of 50,000 being proposed. We do need to remember the context here, with current arrangements allowing 125,000 flights, and with no limit on the number of take-offs between 0630 and 0700.

3. Residents have proved that BHAL is not enforcing its own Standard Departure Procedure from R03 (among other matters). As the MIL is a masterpiece of double meanings and caveats, are you, Members of the Executive, satisfied that you have the required mechanisms to manage this unruly tenant?

Reply

Tonight, we are here to assess whether the 24 conditions previously imposed have been met. I have already spoken about the legal agreement but if this proposal goes ahead, as well as residents monitoring, the Council is very clear that we will be monitoring this very carefully indeed, both from afar and up close. We have a range of options open to us, including, ultimately, the forfeiture of the lease.

From Mr Nick Bell to the Portfolio Holder for Renewal and Recreation

1. Item 1. of the Management Information Letter (MIL) refers only to 2014 noise levels and only mentions NAP1, with NAP2 not being considered at all. Surely the approval should be based on current noise levels and consideration should be given to NAP 2 which considers noise contours between 6.30 and 7am which is the period that the extended hours are all about. Is the Council intending to challenge BHAL's omissions in these respects.

Reply

For information, 2014 noise data was used as this was the data available in 2015 when the NAP was drafted. The noise envelopes referred to in this point are all contained in the NAP and are referred to elsewhere in the MIL It must be recognised that the MIL is a legal document working alongside the NAP. It does not replace it and does not need to replicate everything in it.

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Decision Maker: Executive

Date: 20th July 2016

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

Title: **MATTERS ARISING FROM PREVIOUS MEETINGS**

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

Chief Officer: Director of Corporate Services

Ward: N/A

1. Reason for report

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

2. **RECOMMENDATION**

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

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

Corporate Policy

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

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 Executive's matters arising takes at most a few hours per meeting.
-

Legal

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

Customer Impact

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

Ward Councillor Views

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

<u>Minute Number/Title</u>	<u>Executive Decision/Request</u>	<u>Update</u>	<u>Action by</u>	<u>Completion Date</u>
23rd March 2016				
389/1 Site G: Revised Development Boundary and Procurement	(3) quarterly updating reports be submitted to the Executive; and (4) officers report back outcome details of the tender exercise for Executive approval.	Update/ quarterly report intended for September 2016.	Chief Planner/Head of Renewal	Please see opposite
390/1 Extension to Agency Contract	(2) a further report be presented to Members in due course exploring possible service options for the future.	A Gateway report exploring options will be going to the Executive meeting on 7 th September 2016.	Director of Human Resources/ Head of HR Strategy & Education	Please see opposite

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Report No.
FSD16051

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker: Executive

Date: 20th July 2016

Decision Type: Non-Urgent Executive Non-Key

Title: BUDGET MONITORING 2016/17

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 provides the first budget monitoring position for 2016/17 based on expenditure and activity levels up to the end of May 2016. The report also highlights any significant variations which will impact on future years as well as any early warnings that could impact on the final year end position.
-

2. **RECOMMENDATION(S)**

2.1 **Executive are requested to:**

- (a) consider the latest financial position;
- (b) note that a projected net overspend on services of £4,105k is forecast based on information as at May 2016;
- (c) consider the comments from the Education, Care and Health Services Department, the Director of Education and the Executive Director of Environment and Community Services as detailed in sections 3.2 and 3.3;
- (d) note the carry forwards being requested for drawdown as detailed in section 3.5;
- (e) note a projected reduction to the General Fund balance of £5.8m as detailed in section 3.6;
- (f) note the full year costs pressures of £4.3m as detailed in section 3.7;
- (g) identify any issues that should be referred to individual Portfolio Holders for further action.

Corporate Policy

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

Financial

1. Cost of proposal: N/A
 2. Ongoing costs: Recurring cost.
 3. Budget head/performance centre: Council wide
 4. Total current budget for this head: £209.7m
 5. Source of funding: See Appendix 1 for overall funding of Council's budget
-

Staff

1. Number of staff (current and additional): 2,555 (per 2016/17 Budget), which includes 911 for delegated budgets to schools.
 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 Summary of Projected Variations

3.1.1 The Resources Portfolio Plan included the target that each service department will spend within its own budget. Current projections show an overall net overspend of £4,105k on portfolio budgets and no variation on central items.

3.1.2 A summary of the 2016/17 budget and the projected outturn is shown in the table below:

Portfolio	2016/17 Original Budget £'000	2016/17 Latest Budget £'000	2016/17 Projected Outturn £'000	2016/17 Variation £'000
Care Services	92,548	92,301	95,634	3,333
Education	5,245	5,265	5,949	684
Environment	31,203	31,702	31,702	0
Public Protection & Safety	1,948	1,948	1,948	0
Renewal & Recreation	8,953	9,325	9,525	200
Resources	39,399	40,281	40,169	Cr 112
Total Controllable Budgets	179,296	180,822	184,927	4,105
Capital Charges and Insurance	11,521	11,521	11,521	0
Non General Fund Recharges	Cr 772	Cr 772	Cr 772	0
Total Portfolio Budgets	190,045	191,571	195,676	4,105
Contingency Provision	15,629	16,028	16,028	0
Interest on General Fund Balances	Cr 3,491	Cr 3,491	Cr 3,491	0
Other Central Items	5,563	5,563	5,563	0
General Government Grants & Retained Business Rates	Cr 67,151	Cr 67,374	Cr 67,374	0
Collection Fund Surplus	Cr 4,912	Cr 4,912	Cr 4,912	0
Total Central Items	Cr 54,362	Cr 54,186	Cr 54,186	0
Total Variation	135,683	137,385	141,490	4,105

3.1.3 A detailed breakdown of the latest approved budgets and projected outturn for each Portfolio, together with an analysis of variations, is shown in Appendix 2.

3.2 Comments from the Education, Care and Health Services Department

Care Services Portfolio

3.2.1 The Care Services Portfolio is currently estimated to overspend by £3,333k in 2016/17 with a full year effect of £4,241k.

3.2.2 There continues to be pressures in Adult Social Care mainly due to placements, domiciliary care and direct payments. Management action is addressing savings targets although these continue to be a challenge in some areas where demand for services is increasing.

3.2.3 Domiciliary Care Packages are continuing to be reviewed. High levels of scrutiny are in place in all cases where there is a request for an increase.

3.2.4 Additional posts are being recruited to in the Reablement Service. Once these are in place the service will have the capacity to manage around 50/55 Service Users per month which should result in some efficiencies working their way through the system.

- 3.2.5 Commissioning activity continues to secure value for money through contract negotiations making a significant contribution to the savings targets.
- 3.2.6 Children's social care continues to see pressures in placements, fostering and care proceedings costs with an increase of children coming through the system.
- 3.2.7 The department will be closely monitoring expenditure and the figures will be updated as the year progresses.

Comments from the Director of Education

- 3.2.8 The Education Portfolio is currently estimated to overspend by £684k in 2016/17.
- 3.2.9 The consultation on the national funding formula sets out the new landscape where there will be 4 discreet funding blocks: the schools block, central block, high needs block and early years block. We haven't yet received any financial modelling but anticipate a reduction in high needs funding which we expect to add pressure to budgets as well as risks around potential statutory expenditure on high needs placements that might exceed the funding envelope. The SEND team is reviewing the budget in order to identify where savings can be made in the short, medium term and long term. The DfE is working with education colleagues to explore what the LA responsibilities will be post full academisation and are expecting to identify a per pupil amount that will make up the central funding block.
- 3.2.10 The Reduction in the YOS grant means that we anticipate an overspend of circa. £21k but we are looking at how this might be met through in year savings through reducing the number of posts and holding vacancies.
- 3.2.11 Action has been taken to more closely align decisions around transport costs and school placements with the ambition that SEN caseworkers are trained to oversee both decision making processes. In addition, there is a longer term strategic plan to grow in borough provision and so contain transport costs. The travel training also continues to have successful outcomes. It must also be borne in mind that new routes, commissioned after the start of the financial year, are projecting an overspend that may not actually be realised as all routes will be re-organised in July to take account of the movement in the cohort.

3.3 Comments from the Executive Director of Environment and Community Services (Renewal and Recreation Portfolio)

- 3.3.1 Overall, the controllable budget for the Renewal and Recreation Portfolio is projected to be overspent by £200k.
- 3.3.2 In January 2016, officers reported that the savings of £250k relating to Community Libraries built into the budget for 2016/17 are unlikely to be achieved in this financial year as a result of the business model submitted by the tenderer and because of the timetable and potential lead in time requested by the tenderer for contract mobilisation. The actual full year effect savings will be dependent on the final tenders submitted and this will be reported to members in due course.
- 3.3.3 The overspend within libraries is partly offset by a projected underspend of Cr £50k within Building Control due to vacancies.

3.4 Central Contingency Sum

3.4.1 Details of the allocations from and variations in the 2016/17 Central Contingency are included in Appendix 3.

3.4.2 A prudent approach was adopted in considering the 2016/17 Central Contingency sum to reflect any inherent risks, the potential impact of any new burdens, population increases or actions taken by other public bodies which could affect the Council. If the monies are not required then the general policy has been to use these for growth, investment and economic development to generate additional income and provide a more sustainable financial position.

3.5 Carry Forwards from 2015/16 to 2016/17

3.5.1 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.

3.5.2 The carry forwards being requested to be drawn down this cycle are summarised in the table below and details will be reported to the relevant PDS Committee prior to this meeting. The figures contained in this report assume that these requests will be agreed:

	£'000s	
Renewal & Recreation		373
Public Protection & Safety		61
Resources		801
Environment		388
Care Services		862
Total Expenditure		2,485
Government Grant Income	Cr	1,478
Total net carry forwards requested for drawdown this cycle		1,007

3.6 General Fund Balances

3.6.1 The level of general reserves is currently projected to reduce by £5.8m to £14.2m at 31st March 2017 as detailed below:

	2016/17 Projected Outturn £'000	
General Fund Balance as at 1st April 2016	Cr	20,000
Net Variations on Services & Central Items (para 3.1)		4,105
Adjustments to Balances:		
Carry Forwards (funded from underspends in 2015/16)		1,702
General Fund Balance as at 31st March 2016	Cr	14,193

3.7 Impact on Future Years

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

	2016/17 Budget £'000	2017/18 Impact £'000
Care Services Portfolio		
Assessment & Care Management - Care Placements	18,373	748
Learning Disabilities - Residential, Supported Living & Shared Lives	26,843	814
Children's Social Care	26,474	2,280
Further 2016/17 Efficiency Savings *	Cr 500	450
		4,292
TOTAL		4,292
<i>* relates to efficiency savings in 2016/17 that have not yet been fully identified or implemented</i>		

- 3.7.2 Given the significant financial savings that the Council will need to make over the next four years, it is important that all future cost pressures are contained and that savings are identified early to mitigate these pressures.
- 3.7.3 Further details, including action to be taken to contain future cost pressures, are included in Appendix 4.

3.8 Interest on Balances

- 3.8.1 A rate of 1% was assumed in the 2016/17 budget for interest on new investments. There have been no improvements to counterparty credit ratings, which means that the restrictions to investment opportunities that followed ratings downgrades in recent years have still been in place. However, increases in the limits for the two part-nationalised banks (Lloyds and RBS) approved by the Council in October 2014, 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 resulted in a considerable improvement in interest earnings in 2015/16. As a result, an additional £1,250k was included in the 2016/17 budget to reflect the increased interest earnings being achieved. This was partly offset by £500k reduced income to reflect a reduction in balances as a result of further property acquisitions providing a net increase of £750k in 2016/17 (£3,491k 2016/17 budget compared to £2,741k in 2015/16).
- 3.8.2 Details of the Treasury Management Strategy were reported to Council on 22nd February 2016 and the Treasury Management – Annual Report 2015/16 is being reported to the Executive and Resources PDS Committee on 7th July 2016.

3.9 The Schools Budget

- 3.9.1 Expenditure on Schools is funded through the Dedicated Schools Grant (DSG) provided for by the Department for Education (DfE). DSG is ring fenced and can only be applied to meet expenditure properly included in the schools budget. Any overspend or underspend must be carried forward to the following years Schools Budget.

3.9.2 There is a total projected underspend of £1.3m on DSG funded services, which will be added to the £3.7m carried forward from 2015/16. Along with £3m for the Beacon House refurbishment, £2.5m has been agreed for growth in 2016/17 to balance the budget so the brought forward balance has now been fully allocated. Details of the 2016/17 monitoring of the School's Budget will be reported to the Education Portfolio Holder.

3.10 Investment Fund and Growth Fund

3.10.1 Full details of the current position on the Investment Fund and the Growth Fund are included in the Capital Programme Monitoring report elsewhere on the agenda. The uncommitted balances currently stand at £17.8m on the Investment Fund and £19.3m on the Growth Fund.

4. POLICY IMPLICATIONS

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

4.2 The “2016/17 Council Tax” report highlighted the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2016/17 to minimise the risk of compounding financial pressures in future years.

4.3 Chief Officer's comments are included in sections 3.2 and 3.3.

5. FINANCIAL IMPLICATIONS

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

Non-Applicable Sections:	Legal, Personnel
Background Documents: (Access via Contact Officer)	Provisional final Accounts - Executive 15 th June 2016; 2016/17 Council Tax – Executive 10 th February 2016; Draft 2016/17 Budget and Update on Council's Financial strategy 2017/18 to 2019/20 - Executive 13 th January 2016; Capital Programme Monitoring Report – elsewhere on agenda; Treasury Management Annual Report 2015/16 – Executive & Resources PDS 7 th July 2016; Financial Management Budget Monitoring files across all Portfolios.

GENERAL FUND - PROJECTED OUTTURN FOR 2016/17

Portfolio	2016/17 Original Budget £'000	Budget Variations allocated in year # £'000	2016/17 Latest Approved Budget £'000	2016/17 Projected Outturn £'000	Variation £'000
Care Services	92,548	Cr 247	92,301	95,634	3,333
Education (incl. Schools' Budget)	5,245	20	5,265	5,949	684
Environment	31,203	499	31,702	31,702	0
Public Protection & Safety	1,948	0	1,948	1,948	0
Renewal and Recreation	8,953	372	9,325	9,525	200
Resources	39,399	882	40,281	40,169	Cr 112
Total Controllable Budgets	179,296	1,526	180,822	184,927	4,105
Capital and Insurances (see note 2)	11,521	0	11,521	11,521	0
Non General Fund Recharges	Cr 772	0	Cr 772	Cr 772	0
Total Portfolios (see note 1)	190,045	1,526	191,571	195,676	4,105
Central Items:					
Interest on General Fund Balances	Cr 3,491	0	Cr 3,491	Cr 3,491	0
Contingency Provision (see Appendix 3)	15,629	399	16,028	16,028	0
Other central items					
Reversal of Net Capital Charges	Cr 10,203	0	Cr 10,203	Cr 10,203	0
Contribution to Investment and Other Funds	9,470	0	9,470	9,470	0
Set Aside Prior Year Collection Fund Surplus	4,912	0	4,912	4,912	0
Levies	1,384	0	1,384	1,384	0
	5,563	0	5,563	5,563	0
Bromley's Requirement before balances	207,746	1,925	209,671	213,776	4,105
Carry Forwards from 2015/16 (see note 3)	0	Cr 1,401	Cr 1,401	0	1,401
Carry Forward from 2015/16 Delegated Authority - R&M	0	Cr 301	Cr 301	0	301
Adjustment to Balances	0	0	0	Cr 5,807	Cr 5,807
	207,746	223	207,969	207,969	0
Revenue Support Grant	Cr 21,293	0	Cr 21,293	Cr 21,293	0
Business Rates Retention Scheme (Retained Income, Top-up and S31 Grants)	Cr 35,387	0	Cr 35,387	Cr 35,387	0
New Homes Bonus	Cr 7,402	0	Cr 7,402	Cr 7,402	0
New Homes Bonus Top Slice	Cr 986	Cr 223	Cr 1,209	Cr 1,209	0
Transition Grant	Cr 2,068	0	Cr 2,068	Cr 2,068	0
Local Services Support Grant	Cr 15	0	Cr 15	Cr 15	0
Collection Fund Surplus	Cr 4,912	0	Cr 4,912	Cr 4,912	0
Bromley's Requirement	135,683	0	135,683	135,683	0
GLA Precept	34,957	0	34,957	34,957	0
Council Tax Requirement	170,640	0	170,640	170,640	0

# Budget Variations allocated to portfolios in year consists of:	£'000
1) Carry forwards from 2015/16 (see note 3)	1,702
2) Allocations from the central contingency provision (see Appendix 3)	Cr 176
	<u>1,526</u>

1) **NOTES**

Portfolio Latest Approved Budgets analysed over Departments as follows:

	2016/17 Original Budget £'000	Budget Variations allocated in year # £'000	2016/17 Latest Approved Budget £'000	2016/17 Projected Outturn £'000	Variation £'000
Education Care & Health Services	116,280	Cr 227	116,053	120,159	4,106
Environmental & Community Services	50,044	588	50,632	50,882	250
Chief Executive's Department	23,721	1,165	24,886	24,635	Cr 251
	<u>190,045</u>	<u>1,526</u>	<u>191,571</u>	<u>195,676</u>	<u>4,105</u>

2) **Reversal of Net Capital Charges**

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

3) **Carry Forwards from 2015/16**

Carry forwards from 2015/16 into 2016/17 totalling £1,702k were approved by the Executive and under the delegated authority of the Director of Finance. Full details were reported to the June meeting of the Executive in the "Provisional Final Accounts 2015/16" report.

Care Services Portfolio Budget Monitoring Summary

2015/16 Actuals £'000	Division Service Areas	2016/17 Original Budget £'000	2016/17 Latest Approved £'000	2016/17 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
EDUCATION CARE & HEALTH SERVICES DEPARTMENT								
Adult Social Care								
22,665	Assessment and Care Management	20,334	20,837	21,290	453	1	0	748
0	Savings to be Identified		Cr 250	0	250		0	250
2,516	Direct Services	1,241	1,491	1,491	0	2	0	0
3,657	Learning Disabilities Care Management	3,842	3,842	3,899	57		0	21
838	Learning Disabilities Day and Short Breaks Service	0	0	0	0		0	0
745	Learning Disabilities Housing & Support	0	0	0	0		0	0
30,421		25,417	25,920	26,680	760		0	1,019
Operational Housing								
Cr 1	Enabling Activities	Cr 1	Cr 1	Cr 1	0	3	0	0
Cr 2,350	Housing Benefits	Cr 1,907	Cr 1,907	Cr 1,907	0		0	0
6,364	Housing Needs	6,354	6,354	6,884	530		0	796
	Housing funds held in contingency	0	0	Cr 530	Cr 530		0	Cr 796
4,013		4,446	4,446	4,446	0		0	0
Children's Social Care								
16,747	Care and Resources	15,978	16,478	17,457	979	4	0	1,567
	Budget Saving not Achievable	0	Cr 500	0	500		0	500
1,853	Safeguarding and Quality Assurance	1,494	1,494	1,494	0		0	0
5,682	Safeguarding and Care Planning	5,662	5,662	5,909	247		0	213
1,113	Early Intervention and Family Support	998	998	998	0		0	0
2,343	Children's Disability Service	2,342	2,342	2,342	0		0	0
27,738		26,474	26,474	28,200	1,726		0	2,280
Commissioning								
Commissioning								
3,899	- Net Expenditure	4,134	4,334	4,334	0	5	0	0
Cr 1,301	- Recharge to Better Care Fund	Cr 1,434	Cr 1,434	Cr 1,434	0		0	0
0	- Savings to be Identified	0	Cr 200	0	200		0	200
Information & Early Intervention								
1,187	- Net Expenditure	1,163	1,163	1,163	0	6	0	0
Cr 1,187	- Recharge to Better Care Fund	Cr 1,163	Cr 1,163	Cr 1,163	0		0	0
23,740	Learning Disabilities	26,843	26,843	27,490	647	7	0	814
6,092	Mental Health Services	5,947	5,947	5,947	0	8	0	0
1,413	Supporting People	1,051	1,051	1,051	0		0	Cr 72
Better Care Fund								
18,692	- Expenditure	19,027	19,408	19,408	0		0	0
Cr 18,851	- Income	Cr 19,180	Cr 20,311	Cr 20,311	0		0	0
Cr 312	- Variation on Protection of Social Care	0	0	0	0		0	0
NHS Support for Social Care								
266	- Expenditure	0	348	348	0		0	0
Cr 266	- Income	0	Cr 348	Cr 348	0		0	0
33,372		36,388	35,638	36,485	847		0	942
Public Health								
13,578	Public Health	15,106	15,106	15,106	0		0	0
Cr 13,936	Public Health - Grant Income	Cr 15,478	Cr 15,478	Cr 15,478	0		0	0
Cr 358		Cr 372	Cr 372	Cr 372	0		0	0
Cr 1,079	Savings achieved early in 2015/16 for 2016/17	0	0	0	0		0	0
94,107	TOTAL CONTROLLABLE ECHS DEPT	92,353	92,106	95,439	3,333		0	4,241
2,594	TOTAL NON CONTROLLABLE	363	363	452	89		0	0
8,950	TOTAL EXCLUDED RECHARGES	10,881	10,881	10,881	0		0	0
105,651	TOTAL ECHS DEPARTMENT	103,597	103,350	106,772	3,422		0	4,241
Environmental Services Dept - Housing								
189	Housing Improvement	195	195	195	0		0	0
189	TOTAL CONTROLLABLE FOR ENV SVCES DEPT	195	195	195	0		0	0
407	TOTAL NON CONTROLLABLE	Cr 942	Cr 942	Cr 942	0		0	0
327	TOTAL EXCLUDED RECHARGES	320	320	320	0		0	0
923	TOTAL FOR ENVIRONMENTAL SVCES DEPT	Cr 427	Cr 427	Cr 427	0		0	0
106,574	TOTAL CARE SERVICES PORTFOLIO	103,170	102,923	106,345	3,422		0	4,241

Reconciliation of Latest Approved Budget		£'000
2016/17 Original Budget		103,170
Carry forwards requested this cycle:		
<i>Social Care Funding via the CCG under S256 agreements</i>		
Adult Social Care Invest to Save Schemes		
- expenditure		48
- income	Cr	48
Integration Funding - Better Care Fund		
- expenditure		300
- income	Cr	300
<i>Better Care Fund</i>		
- expenditure		381
- income	Cr	381
<i>Adoption Reform Grant</i>		
- expenditure		132
- income	Cr	132
Other:		
Better Care Fund allocation from contingency	Cr	750
Additional income linked to National Living Wage - return to contingency		503
	Cr	<u>247</u>
2016/17 Latest Approved Budget		<u>102,923</u>

REASONS FOR VARIATIONS

1. Assessment and Care Management - Dr £703k

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

	<u>Current</u> <u>Variation</u> £'000
<u>Physical Support / Sensory Support / Memory & Cognition</u>	
Services for 65 + - Placements	42
- Domiciliary Care / Direct Payments	255
Services for 18 - 64 - Placements	11
- Domiciliary Care / Direct Payments	91
Extra Care Housing	54
Efficiency Savings to be identified	250
	<hr/> <u>703</u>

The budget for 2016/17 included savings of £2.15m in relation to the Assessment & Care Management budgets. The current projected overspend of £703k assumes that management action of £1,369k continues for the remainder of the year as per the budget savings. If this does not materialise, the overspend will increase

Services for 65+ - Dr £297k

Services for the 65's and over age group are currently showing an overspend of £297k, taking account of savings still to be achieved.

Residential care placements are currently showing a projected overspend of £33k, whilst Nursing care is projected to overspend by £9k. The savings in this area relate to better management of both internal and external void apartments in extra care housing so as to reduce numbers placed in residential care, as well as ensuring no placements are made above the council's financial ceiling rate's. The combined client numbers are currently 432 which is 27 above the budget number.

Domiciliary care and direct payments are currently projected to overspend by £255k taking account of savings still to be achieved. This area of the budget has the highest savings target to achieve at £1.26m. The savings in this area relate to reviewing packages of care, increasing the capacity of the reablement service so that more clients can be reabled and reduce the reliance on care packages, and additional charging for day and transport services.

Extra Care Housing - Dr £54k

The 3 external extra care housing schemes are projected to overspend by £54k this year, as average care packages continue to be above the level budgeted for. As mentioned above, avoidance of void's in these schemes is a key element of the 2016/17 budget savings, and there is also a financial cost to the council where a property remains vacant for more than 28 days.

Services for 18 - 64 year olds - Dr £102k

Placements for the 18 - 64 age group are currently showing a minor projected overspend of £11k, with client numbers on budget at 43. Domiciliary care and direct payments are projected to overspend by £91k.

General efficiency savings of £250k were allocated to ECHS Adult Social Care Division as part of the 2016/17 budget process. At this stage no additional savings have been identified, so an overspend is currently reported.

2. Learning Disabilities Care Management - Dr £57k

An overspend of £88k relates to the provision of domiciliary care services and direct payments for adults aged 18 and over with a learning disability.

The budget for staffing in the team that manages the Shared Lives scheme is projected to underspend by £31k as a result of a vacant post.

3. Housing Needs - £0k

A variation of £405k is currently projected for Temporary Accommodation budgets. This pressure is expected to be covered via a request to draw down funds held in contingency later in the year. The increase is due to higher client numbers (average increase of 14 per month for 2015/16 to date, inclusive of welfare reform) and rising unit costs are evident, and the projections assume the trend continues for the rest of the financial year.

These increases have been noticeable across all London Boroughs and are the result of the pressures of rent and mortgage arrears coupled with a reduction in the numbers of properties available for temporary accommodation. There are high levels of competition and evidence of 'out bidding' between London boroughs to secure properties and this has contributed towards the high costs of nightly paid accommodation.

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

The full year effect of the projected overspend is currently anticipated to be a pressure of £796k in 2016/17. However, this only takes account of projected activity to the end of the financial year and does not include any projected further growth in numbers beyond that point.

Currently there is a £125k pressure relating to the storage of furniture for client's who have had to go into Temporary Accommodation.

4. Children's Social Care - Dr £1,726k

The current projected overspend in Children's Social Care is £1,726k, with the main areas of under / overspending shown below. The budget includes savings assumptions from management action for the remainder of the year as per the budgeted savings targets. If this does not materialise then the overspend will increase.

Care and Resources - Dr £979k

Placements - Dr £731k

The budget for 2016/17 for children's placements included savings of £619k. Projections for May indicate a projected overspend in the region of £731k. This figure includes assumptions around future placements, although the level of volatility around this budget makes predictions difficult.

Leaving Care - Dr £248k

The budget for the cost of clients leaving care continues to underspend for 16 and 17 year olds, with a figure of Cr £19k currently being projected. For the 18 plus client group there continues to be differences between the amount being paid in rent and the amount reclaimable as housing benefit, mainly due to lack of supply of suitable accommodation and the rental price. The current overspend is £266k based on current client in the service. This figure could increase if net client numbers increase.

Savings not achievable - Dr £500k

This area has a savings target of £500k relating to placements and additional income generation. The Director of Children's Services has indicated that there are difficulties in realising these savings. This will be closely monitored throughout the year.

Safeguarding & Care Planning - Dr 247k

No Recourse to Public Funds - Cr £37k

The projected cost to Bromley for people with no recourse to public funding continues to underspend, with a current projection of Cr £37k reported. Additional budget was moved into this area in 2015/16 to deal with a previous overspend on the budget. Currently there are 40 children with families receiving funding, compared to 48 at the end of 2015-16. This budget does however remain volatile.

Public Law Outline - Court Ordered Care Proceedings - Dr £284k

Cost's in relation to care proceedings are currently expected to be £284k above the budget provision of £542k due to high demand. The main areas of overspend are in independent social worker assessments and parenting residential assessments which are largely outside the control of the council.

5. Commissioning - Dr £200k

General efficiency savings of £250k were allocated to ECHS Commissioning Division as part of the 2016/17 budget process. It is anticipated that £50k savings can be realised from contract efficiencies but, at this early stage in the year, plans to achieve the remainder are still to be identified.

6. Learning Disabilities - Dr £647k

The 2016/17 LD budget included £1.6m savings for the year. At this stage it is assumed that profiled savings will continue for the rest of the year as per the budget. This amounts to £1.02m for the remainder of the year. If the management action does not materialise then the overspend may increase. Anticipated cost pressures from transition clients have been partly mitigated by the overachievement of savings on supported living contracts.

At this early stage in the financial year the projections include a considerable level of assumption relating to uncertainties e.g. transition clients, increased care needs, carer breakdowns, attrition, health funding, start dates etc. Based on the information currently available a net overspend of £647k is anticipated but this could vary significantly as the year progresses.

7. Mental Health - Dr £0k

The 2016/17 MH placements budgets included £254k savings and these have not yet been fully achieved. It has been assumed that these will be found through management action for the remainder of the year.

8. Supporting People - Dr £0k

Savings totalling £370k were built in to the 2016/17 Supporting People budget and it is currently estimated that only £294k will be delivered in 2016/17. However 2016/17 tendering activity should deliver the savings required in a full year and this is assumed in the modelling.

Waiver of Financial Regulations:

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

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

There were 6 waiver's agreed for care placement's in both adults and children's social care services over £50k but less than £100k and 5 waiver's agreed for over £100k.

Virements Approved to date under Director's Delegated Powers

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

2015/16 Actuals £'000	Service Areas	2016/17 Original Budget £'000	2016/17 Latest Approved £'000	2016/17 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
EDUCATION CARE & HEALTH SERVICES DEPARTMENT								
Education Division								
Cr 233	Adult Education Centres	Cr 288	Cr 288	Cr 288	0		0	0
231	Alternative Education and Welfare Service	250	250	250	0		0	0
264	Schools and Early Years Commissioning & QA	391	391	391	0		0	0
4,978	SEN and Inclusion	4,869	4,889	5,489	600	1	0	0
207	Strategic Place Planning	205	205	205	0		0	0
Cr 15	Workforce Development & Governor Services	18	18	19	1		0	0
Cr 1,650	Education Services Grant	Cr 1,728	Cr 1,728	Cr 1,248	480	2	0	0
	Education Funds Held in Contingency			Cr 480	Cr 480	2	0	0
Cr 1,395	Schools Budgets	Cr 1,219	Cr 1,219	Cr 1,219	0	3	0	0
94	Other Strategic Functions	179	179	179	0		0	0
2,481		2,677	2,697	3,298	601		0	0
Children's Social Care								
1,757	Bromley Youth Support Programme	1,438	1,438	1,521	83	4	0	0
1,872	Early Intervention Services	1,130	1,130	1,130	0		0	0
3,629		2,568	2,568	2,651	83		0	0
6,110	TOTAL CONTROLLABLE FOR EDUCATION - ECHS	5,245	5,265	5,949	684		0	0
11,061	Total Non-Controllable	4,198	4,198	4,198	0		0	0
3,628	Total Excluded Recharges	3,240	3,240	3,240	0		0	0
20,799	TOTAL EDUCATION PORTFOLIO - ECHS	12,683	12,703	13,387	684		0	0
Memorandum Item								
Sold Services								
Cr 62	Education Psychology Service (RSG Funded)	Cr 18	Cr 18	Cr 18	0	} 5	0	0
Cr 43	Education Welfare Service (RSG Funded)	Cr 33	Cr 33	Cr 33	0		0	0
Cr 33	Workforce Development (DSG/RSG Funded)	Cr 11	11	Cr 11	Cr 22		0	0
0	Governor Services (DSG/RSG Funded)	Cr 6	6	Cr 6	0		0	0
Cr 66	Community Vision Nursery (RSG Funded)	0	0	0	0		0	0
Cr 23	Blenheim Nursery (RSG Funded)	0	0	0	0		0	0
0	Business Partnerships (RSG Funded)	0	0	0	0	0	0	
	Total Sold Services	Cr 68	Cr 46	Cr 68	Cr 22		0	0

Reconciliation of Latest Approved Budget

£'000

Original Budget 2016/17

12,683

SEN Transport staffing post

20

Latest Approved Budget for 2016/17

12,703

REASONS FOR VARIATIONS

1. SEN and Inclusion - Dr £600k

To help authorities with the amount of work required to convert existing Statements of SEN to the new Education Health and Care (EHC) plans, and to implement the changes to working practices required, the Department for Education has created the SEN Implementation (New Burdens) Grant. LBB's allocation of this grant for 2016/17 is £201k, of which £180k was approved for drawdown by Executive in March 2016, in addition to the carry forward of £108k of the 2015/16 grant that was not used.

Additionally the Department for Education has provided us with a SEND Regional Lead Grant in 2016/17 that is used in partnership with Enfield to support the role of regional lead for the implementation of the Special Educational Needs reforms. LBB's allocation of this grant for 2016/17 is £28k, along with a carry forward of £15k of the 2015/16 grant that was not used.

Although the travel training programme continues with success and has contributed to improved outcomes and helps address annual volume increases, SEN transport is currently projected to overspend by £600k. A significant part of this relates to the cost of the new contracts which commenced on 01/09/2015 with a revised pricing framework, which, with no provision for inflation over the life of the contracts, are assumed to have front-loaded inflationary increases. The remainder of the overspend is due to the increased number of routes required during the year and the complexity of the clients using them (i.e. the need to have assistances on the transport due to the young age of the client).

2. Education Services Grant - Dr £480k

Current projections for the Education Services Grant (ESG) allocation is £480k less than budget. The ESG allocation is re-calculated on a quarterly basis, so the grant reduces in-year as schools convert to academies. The current projection is based on the 3 conversions on 1st April, and a further 6 schools that will be converting due the remained of the year. The full year effect of these conversions is £550k. It is currently assumed that the shortfall will be drawn-down from contingency to cover this, so no variation is being reported.

3. Schools Budgets (no impact on General Fund)

Expenditure on Schools is funded through the Dedicated Schools Grant (DSG) provided by the Department for Education (DfE). DSG is ring fenced and can only be applied to meet expenditure properly included in the Schools Budget. Any overspend or underspend must be carried forward to the following years Schools Budget.

The total projected net underspend of £1.3m will therefore add to the £3.7m carried forward from 2015/16. Along with £3m for the Beacon House refurbishment (of which £1.4m remains), £2.5m has been agreed for growth in 2016/17 to balance the budget, so the brought forward balance has now been fully spent / allocated.

SEN placements and support costs are projected to underspend by a total of £253k. This underspend is mainly due to a reduction in the number of pupils being placed in boarding schools (£980k) and Alternative support (£156k). This is then offset by the increase in the number of pupils that have been placed at day schools (£652k). Additionally the income collected is expected to be £81k higher than budgeted.

There is currently an expected overspend of £55k on Special Schools. This relates to a payments that needs to be made this year relating to 2015/16.

Phoenix Pre School Services are currently in negotiations with their landlord over a new rental agreement for the centre they currently occupy. The new agreement is expected to lead to an above inflation increase in their rent. Ways of covering this rental income with additionally income else where is currently being finalised. The additional income is expected to cover the whole of the rental increase and not lead to a pressure on this budget.

Free Early Years Education is forecast to underspend in first half of the Summer Term by a total of £171k. This is mainly down to the 2 years take up rate being lower than expect. Ways of improving the take up rates are currently being examined.

The DSG funded element of SEN Transport is projected to underspend by £147k. The funding regulations do not permit this budget to be increased from the previous year, so it is kept at the current level in anticipation of further increased take up of lower cost in-borough placements in future years. This figure is likely to change once the routes for the new academic year have been finalised.

The underspends above are offset by a continued increase in the requirement for bulge classes at both primary and secondary schools. The current budget for bulge classes is £2.5m (an increase of £1m from 2015/16) that was agreed by the School Forum, and funded from the DSG carry forward. Schools Forum reviewed the future funding of bulge classes and decided not to make any changes for 2016/17, however this will be reviewed again for 2017/18, especially in light of the projected pressures across DSG as a whole. Additionally we currently expecting to spend £113k on modular classroom rentals during the year. This figure is likely to increase once the requirements for the new academic year have been established.

	Variations
	£'000
Modular classroom rentals	113
Special Schools/units	55
Free Early Education - 2 year olds	Cr 147
Free Early Education - 3 & 4 year olds	Cr 24
Standards Fund Grant	Cr 745
SEN:	
- Placements	Cr 253
- Support in FE colleges	Cr 214
- Transport	Cr 147
	<u>Cr 1,362</u>

4. Bromley Youth Support Programme - Dr £83k

The Youth Service has a projected overspend in year on salaries and some running costs whilst the restructure required to reconfigure the service to achieve the 2015-16 saving is completed with the service continuing to provide both universal and targeted youth support.

The pressure in the Youth Offending Team is due to the funding they receive from the Youth Justice Board being further reduced in April by £22k. A review of their existing services will be carried out to address this sort fall in future years.

	Variations £'000
Youth Services	61
Youth Offending Team	<u>22</u>
	<u><u>83</u></u>

5. Sold Services (net budgets)

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

Waiver of Financial Regulations

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

Virements Approved to date under Director's Delegated Powers

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

2015/16 Actuals £'000	Service Areas	2016/17 Original Budget £'000	2016/17 Latest Approved £'000	2016/17 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	ENVIRONMENT PORTFOLIO							
	Street Scene & Green Spaces							
5,445	Parks and Green Spaces	5,109	5,109	5,109	0		0	0
417	Street Regulation and Enforcement incl markets	386	386	386	0		0	0
17,599	Waste Services	17,206	17,206	17,066	Cr 140	1	0	0
3,891	Street Environment	4,181	4,181	4,181	0		0	0
808	Management and Contract Support	781	781	781	0		0	0
629	Transport Operations and Depot Management	811	791	791	0		0	0
280	Trees	683	683	683	0		0	0
29,069		29,157	29,137	28,997	Cr 140			
	Parking Services							
Cr 7,455	Parking	Cr 7,041	Cr 6,735	Cr 6,595	140	2-5	0	0
Cr 7,455		Cr 7,041	Cr 6,735	Cr 6,595	140		0	0
	Transport & Highways				0			
112	Traffic & Road Safety	206	206	206	0			
10,035	Highways (including London Permit Scheme)	8,881	9,094	9,094	0			
10,147		9,087	9,300	9,300	0		0	0
31,761	TOTAL CONTROLLABLE	31,203	31,702	31,702	0		0	0
8,075	TOTAL NON-CONTROLLABLE	5,299	5,299	5,299	0		0	0
2,429	TOTAL EXCLUDED RECHARGES	2,041	2,041	2,041	0		0	0
42,265	PORTFOLIO TOTAL	38,543	39,042	39,042	0		0	0

Reconciliation of Latest Approved Budget

£'000

Original Budget 2016/17

38,543

Transfer of budget for staffing back to SEN - Education S/E 884.

Cr 20

Parking carry forward re automated bus lane and non- bus lane cameras

306

WEEE Grant Income

Cr 13

WEEE Grant Expenditure

13

Drainage Water Grant Income

Cr 69

Drainage Water Grant Expenditure

69

Lead Local Flood grant

213

Latest Approved Budget for 2016/17

39,042

REASONS FOR VARIATIONS

1. Waste Services Cr £140k

Disposal tonnages from increased trade waste delivered activity are projected to be 1,100 tonnes above budget resulting in an overspend of Dr £160k. For information, there has been an additional 260 tonnes at the weighbridges for the first two months of the year compared to the same period in 2015-16.

As a direct consequence of the extra tonnage described above, the projected additional income within trade waste delivered is Cr £160k to offset the disposal overspend from weighbridge tonnage.

Within trade waste collected, there is a net projected surplus of Cr £30k. This would suggest a lower degree of customer dropout than anticipated, although as of writing, a full analysis of customer activity has not yet been undertaken. This will be investigated and reported on more fully before the next budget monitoring report.

For other residual tonnage, there is a projected underspend of Cr £62k. This includes a projected reduction in recycling tonnage of 2,206 tonnes mainly from food waste and detritus, partly offset by an expected increase of 930 tonnes for trade waste delivered and non-recycling tonnage from households.

Within paper recycling income, there is a projected surplus of Cr £18k as tonnage is expected to be about 266 tonnes above budget.

The projected reduction in detritus tonnage has resulted in a potential underspend of £30k for disposal costs.

Summary of overall variations within Waste Services	£'000
Waste disposal tonnages - other residual tonnage	Cr 62
Waste disposal tonnages - Trade Waste Delivered	160
Surplus trade waste delivered income	Cr 160
Paper recycling income	Cr 18
Disposal of detritus tonnage	Cr 30
Trade waste collected income	Cr 30
Total variation for Waste Services	Cr 140

2. Income from Bus Lane Contraventions Cr £10k

The introduction of the automated cameras has been delayed from the 1st April 2016, however they should be fully operational from 1st July 2016. Based on the number of contraventions that occurred up until 31st May 2016, there is a projected surplus of Cr £10k.

3. Off Street Car Parking Cr £35k

Overall a surplus of £35k is projected for off street parking income. There is a projected deficit of £35k for the Hill MSCP, which is more than offset by additional income of Cr £70k from surface car parks.

Summary of variations within Off Street Car Parking	£'000
Off Street Car Parking income - multi-storey car parks	35
Off Street Car Parking income - other surface car parks	Cr 70
Total variations within Off Street Parking	Cr 35

4. On Street Car Parking Dr £126k

Based on actual income to 31st May 2016 there is a projected net deficit of around £100k for On Street Parking. A number of sites have been identified where additional Pay and Display parking bays can be installed borough wide. This includes shopping parades to assist the turnover of parking on street and roads in close proximity to railway stations, where unrestricted parking is currently creating parking issues and displacement. As agreed, if all sites were progressed as proposed, it is likely to generate an approximate £350k per annum. Each proposal has been and will be subject to consultation with Ward Members and the directly affected residents/traders, so full implementation has not been possible by 1st April 2016. Therefore taking into account the income to May 2016, the new spaces operational to date and those planned for implementation by 30th September 2016, it is projected that there will be a shortfall in On Street Parking income of £100k 2016/17 with no full year variation from 2017/18 onwards.

Due to the introduction of new £1 coins and £5 polymer notes this year, all the parking income machines will need to be upgraded at an estimated cost of Dr £78k. This is to be funded from the Equipment budget On Street of £52k and a saving on the Enforcement Equipment budget Cr £26k. These machines are for both On Street and Off Street parking.

5. Car Parking Enforcement Dr £59k

From the activity levels up to May 2016, there is a projected net deficit of around Dr £20k from PCNs issued by Indigo Park in the current year due to a reduction in contraventions because of staff sickness, leave and training in April 2016. There has been a delay in employing the 4 additional CEOs on street until the start of July 2016 and the Parking manager is not expecting any further budget variances. The numbers will be closely monitored over the next few months.

Due to delays in introducing the automated cameras which should be fully operational from 1st July 2016, a net deficit of Dr £30k is projected based on data to 31st May 2016 and a surplus of Cr £17k for static cameras. CCTV staff are to be given notice mid-June 2016 and the projected additional cost of their salaries is £45k. It should be noted that the CCTV staff are also responsible for monitoring the bus lanes prior to the introduction of the redeployable bus lane cameras. The additional staffing cost of the Mobile driver is estimated at £7k for 2016/17.

In order to meet the costs of upgrading the parking income machines, a saving of Cr £26k from the enforcement equipment budget will be used.

Summary of variations within Car Parking Enforcement	£'000
PCNs issued by wardens	20
CCTV Salaries	45
Mobile driver salary	7
Enforcement - Equipment budget	Cr 26
PCNs issued by Static cameras	Cr 17
PCNs issued by Mobile cameras	30
Total variations within Car Parking Enforcement	<u>59</u>
Summary of overall variations within Parking:	£'000
Bus Routes Enforcement	Cr 10
Off Street Car Parking	Cr 35
On Street Car Parking	100
On/Off Street Car Parking - upgrade machines for changes in currency	26
Car Parking Enforcement	59
Total variation for Parking	<u>140</u>

Waiver of Financial Regulations:

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

Virements Approved to date under Director's Delegated Powers

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

Public Protection & Safety Budget Monitoring Summary

2015/16 Actuals £'000	Service Areas	2016/17 Original Budget £'000	2016/17 Latest Approved £'000	2016/17 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	Public Protection							
172	Community Safety	126	126	126	0		0	0
70	Emergency Planning	78	81	81	0		0	0
333	Mortuary & Coroners Service	355	355	355	0		0	0
1,464	Public Protection	1,389	1,386	1,386	0		0	0
2,039	TOTAL CONTROLLABLE	1,948	1,948	1,948	0		0	0
426	TOTAL NON CONTROLLABLE	6	6	6	0		0	0
29	TOTAL EXCLUDED RECHARGES	159	159	159	0		0	0
2,494	PORTFOLIO TOTAL	2,113	2,113	2,113	0		0	0

Reconciliation of Latest Approved Budget £'000

Original Budget 2016/17	2,113
Community Safety DCLG Grant year 2	Cr 61
Community Safety DCLG Grant year 2 expenditure	61

Latest Approved Budget for 2016/17 2,113

REASONS FOR VARIATIONS

Waiver of Financial Regulations:

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

Virements Approved to date under Director's Delegated Powers

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

Renewal and Recreation Budget Monitoring Summary

2015/16 Actuals £'000	Division Service Areas	2016/17 Original Budget £'000	2016/17 Latest Approved £'000	2016/17 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	R&R PORTFOLIO							
0	Commissioning Fund Commissioning Fund	0	0	0	0	1	0	0
0		0	0	0	0		0	0
	Planning							
Cr 19	Building Control	69	69	19	Cr 50	2	0	0
Cr 168	Land Charges	Cr 131	Cr 131	Cr 131	0	3	0	0
589	Planning	671	671	671	0	4	0	0
1,568	Renewal	1,888	2,171	2,171	0		0	0
1,970		2,497	2,780	2,730	Cr 50		0	0
	Recreation							
2,192	Culture	1,710	1,757	1,757	0		0	0
4,610	Libraries	4,495	4,495	4,745	250	5	0	0
263	Town Centre Management & Business Support	251	293	293	0		0	0
7,065		6,456	6,545	6,795	250			
9,035	Total Controllable R&R Portfolio	8,953	9,325	9,525	200		0	0
Cr 13,572	TOTAL NON CONTROLLABLE	2,353	2,353	2,353	0			0
2,281	TOTAL EXCLUDED RECHARGES	1,958	1,958	1,958	0		0	0
Cr 2,256	PORTFOLIO TOTAL	13,264	13,636	13,836	200		0	0

Reconciliation of Latest Approved Budget

£'000

Original budget 2016/17

13,264

Local Implementation Plan

47

Biggin Hill Airport Noise Action Plan

55

Biggin Hill Memorial Museum

47

New Home Bonus expenditure for Regeneration

181

New Home Bonus expenditure for TCM

42

Latest Approved Budget for 2016/17

13,636

REASONS FOR VARIATIONS

1. Commissioning Fund £0k

Although no variation is projected (expenditure is funded by drawdown from a centrally-held reserve), it should be noted that there is a projected spend in 2016/17 of £43k.

2. Building Control Cr £50k.

For the chargeable service, an income deficit of £140k is anticipated based on information to date. This is being offset by a projected underspend within salaries of £140k arising from reduced hours being worked and vacancies.

Within the non-chargeable service, as a result of delays in not appointing to vacant posts, there is a projected underspend of Cr £50k.

3. Land Charges £0k

There is a projected deficit within income of Dr £35k, however this is being offset by underspends across employee budgets due to vacancies, thus ensuring a balanced budget.

4. Planning £0k

Income from non-major planning applications is above budget for the first two months of the year, and a surplus of Cr £70k is projected for 2016/17. For information, actual income received for April and May is £30k higher than that received for the same period last year.

For major applications, £132k has been received as at 31st May, which is £47k higher than for the same period in 2015/16. Planning officers within the majors team have provided a schedule of additional potential income that may be received in the coming months of approximately £480k. A surplus of around Cr £30k is projected from major applications at this stage of the year, allowing for delays in some of the income being received, as well as other items not being received at all.

Currently there is projected surplus income of Cr £20k from pre-application meetings due to higher than budgeted activity levels. For information, £45k has been received for the first two months of the year, compared with £39k for the same period in 2015/16.

There is a projected overspend within employee-related costs of Dr £120k. This is due to the recruitment of additional temporary planner staff in order to assist with the current increase in volumes of planning applications.

Summary of variations within Planning:

	£'000
Surplus income from non-major applications	Cr 70
Surplus income from major applications	Cr 30
Surplus pre-application income	Cr 20
Additional temporary staffing costs	120
Total variation for planning	<u>0</u>

5. Libraries Dr £250k

In January 2016, officers reported that the savings previously projected for 2016/17 are unlikely to be achieved in this financial year as a result of the business model submitted by the tenderer and because the timetable and potential lead in time requested by the tenderer for contract mobilisation. The actual full year effect savings will be dependent on the final tenders submitted and this will be reported to members in due course.

Waiver of Financial Regulations:

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

Virements Approved to date under Director's Delegated Powers

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

Resources Portfolio Budget Monitoring Summary

2015/16 Actual £'000		2016/17 Original Budget £'000	2016/17 Latest Approved £'000	2016/17 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	CHIEF EXECUTIVE'S DEPARTMENT							
	FINANCIAL SERVICES DIVISION							
	Financial Services & Procurement							
200	Director of Finance & Other	207	207	207	0			0
6,339	Exchequer - Revenue & Benefits	6,729	6,729	6,689	Cr 40	1		0
1,500	Exchequer - Payments & Income	1,560	1,560	1,549	Cr 11	2		0
602	Financial Accounting	588	629	629	0			0
1,387	Management Accounting	1,520	1,520	1,490	Cr 30	3		0
10,028	Total Financial Services Division	10,604	10,645	10,564	Cr 81		0	0
	CORPORATE SERVICES DIVISION							
4,453	Information Systems & Telephony	4,369	4,446	4,426	Cr 20	4		0
	Operational Property Services							
464	Operational Property	391	391	391	0		0	0
2,018	Repairs & Maintenance (All LBB)	1,929	2,230	2,230	0			0
1,027	Customer Services (inc. Bromley Knowledge)	1,007	1,007	1,043	36	5		36
	Legal Services & Democracy							
323	Electoral	319	319	319	0			0
1,371	Democratic Services	1,397	1,397	1,397	0			0
Cr 104	Registration of Births, Deaths & Marriages	Cr 95	Cr 95	Cr 95	0			0
1,564	Legal Services	1,602	1,852	1,825	Cr 27	6		0
1,554	Admin. Buildings	1,584	1,614	1,614	0			0
448	Facilities & Support	365	365	365	0			0
242	Learning and Development	308	308	308	0			0
2,234	Strategic and Business Support Service	2,279	2,279	2,279	0			0
168	Management and Other (Corporate Services)	152	152	172	20	7		0
15,762	Total Corporate Services Division	15,607	16,265	16,274	9		0	36
	HR DIVISION							
1,501	Human Resources	1,550	1,639	1,639	0			0
1,501	Total HR Division	1,550	1,639	1,639	0		0	0
	CHIEF EXECUTIVE'S DIVISION							
733	Audit	664	664	664	0			0
354	Procurement	462	512	512	0			0
0	Debt Management System	0	0	0	0			0
205	Comms	177	177	177	0			0
710	Management and Other (C. Exec)	538	538	538	0	8		60
122	Mayoral	131	131	131	0			0
2,124	Total Chief Executive's Division	1,972	2,022	2,022	0		0	60
	TRANSFORMATION & REGENERATION DIVISION							
	Strategic Property Services							
203	Investment & Non-Operational Property	181	211	200	Cr 11	9		0
537	Strategic Property Services	641	655	655	0			0
Cr 7,456	Investment Income	Cr 9,542	Cr 9,542	Cr 9,660	Cr 118	10		0
Cr 824	Other Rental Income - Other Portfolios	Cr 811	Cr 811	Cr 722	89	11		0
Cr 7,540	Total Transformation & Regeneration Division	Cr 9,531	Cr 9,487	Cr 9,527	Cr 40		0	0
21,875	Total Controllable Departmental Budgets	20,202	21,084	20,972	Cr 112		0	96
	CENTRAL ITEMS							
7,526	CDC & Non Distributed Costs (Past Deficit etc.)	7,579	7,579	7,579	0		0	0
10,994	Concessionary Fares	11,618	11,618	11,618	0		0	0
40,395	Total Controllable	39,399	40,281	40,169	Cr 112		0	96

2015/16 Actual £'000	Financial Summary	2016/17 Original Budget £'000	2016/17 Latest Approved £'000	2016/17 Projected Outturn £'000	Variation £'000	Notes	Variation £'000	Full Year Effect £'000
Cr 781	Total Non Controllable	962	962	962	0		0	0
Cr 18,472	Total Excluded Recharges	Cr 19,371	Cr 19,371	Cr 19,371	0		0	0
Cr 1,439	Less: R&M allocated across other Portfolios	Cr 1,529	Cr 1,529	Cr 1,529	0		0	0
824	Less: Rent allocated across other Portfolios	811	811	722	Cr 89		0	0
20,527	TOTAL CHIEF EXECUTIVE'S DEPARTMENT	20,272	21,154	20,953	Cr 201		0	96
20,527	TOTAL RESOURCES PORTFOLIO	20,272	21,154	20,953	Cr 201		0	96
	<u>Memorandum Item</u>							
	Sold Services							
42	Facilities (Caretaking) Schools Trading Account	6	6	6	0			0
Cr 9	Reactive Maintenance Schools Trading Account	Cr 12	Cr 12	Cr 12	0			0
33	Total Sold Services	Cr 6	Cr 6	Cr 6	0		0	0

Reconciliation of Final Budget	£'000
Original budget 2016/17	20,272
Carry forward requests:	
IT BT Transition Costs	77
IT upgrade at Anerley Business Centre	30
Transparency Agenda	14
Residential Property Acquisitions (SPV) - Advice	291
Repairs and Maintenance	301
Debt Management System - grant related expenditure	177
Debt Management System - grant related income	Cr 177
Electoral IER - grant related expenditure	73
Electoral IER - grant related income	Cr 73
Contract Register/Summaries Database	50
Staff Merit Awards	89
Inflation adjustment	30
Latest Approved Budget for 2016/17	21,154

REASONS FOR VARIATIONS

FINANCIAL SERVICES DIVISION

1. Exchequer - Revenue and Benefits Cr £40k

There is a projected underspend of Cr £40k within salaries due to a number of vacant posts.

2. Exchequer - Payments and Income Cr £11k

An underspend of Cr £11k is forecast within staffing due to a full time post being filled by a member of staff working part time.

3. Management Accounting Cr £30k

Part year vacancies has resulted in a projected underspend of Cr £30k.

CORPORATE SERVICES DIVISION

4. Information Systems & Telephony Cr £20k

An underspend of Cr £20k is forecast within the staffing budget because of delays to recruitment to vacant posts.

5. Customer Services Dr £36k

There is a projected overspend of Dr £36k as a result of the annual portal maintenance costs

6. Legal Services Cr £27k

An underspend of Cr £27k is anticipated within staffing due to the recruitment of an interim to fill a permanent post.

7. Management and Other (Corporate Services) Dr £20k

This variation relates to a saving built into the 2015-16 budget that has still to be identified. It is offset by underspends elsewhere in the Division.

CHIEF EXECUTIVE'S DIVISION

8. Management and Other (Chief Executive) Dr £0k

Management savings of £304k were built into the budget. To date savings of £197k have been achieved leaving a balance of £107k. The full year effect savings total £249k. Alternative savings will be identified in order to balance the budget in the current and future years.

TRANSFORMATION AND REGENERATION DIVISION

9. Investment & Non-Operational Property Cr £11k

A four month delay to the transfer of Anerley Business Centre to the Crystal Palace Community Development Trust (CPCDT) has resulted in additional costs of Dr £37k being incurred. This is more than offset by additional rental income - see below.

The Surplus Property budget is projected to overspend by Dr £29k as costs are being incurred for a number of properties waiting to be sold. This is more than offset by a saving on premises costs for Exchequer House of Cr £77k, mainly from business rates. The sale of this building is expected to complete this financial year.

10. Investment Income Cr £118k

Additional income of Cr £68k is expected for Yeoman House from the NHS CCG with regards to the Section 75 agreement and Cr £50k for Anerley Business Centre for the remaining tenancies due to the four month delay in transferring the lease to CPCDT. It should be noted that the income for Yeoman House is not expected to continue beyond 2016/17.

For the past few years, contributions have been made to reserves to create an Investment Fund. A substantial part of this Fund has been used to buy Investment Properties. The capital spend to date on the purchase of these properties is £72.8m of which £28.5m relates to properties in Bromley High Street. The 2016/17 budget for the expected income is £5.2m and the income achieved from the properties purchased to date is £4.02m. Although the expected deficit is £905k at this moment in time, there are a number of possible acquisitions that are currently being considered and it is therefore projected that the full income target will be met.

11. Other Rental Income - Other Portfolios Dr £89k

There is a net shortfall of rental income of Dr £89k relating to Banbury House as it is empty, pending a sale going through.

Waiver of Financial Regulations:

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

1. A one-off tendering exercise for purchase of corporate vouchers for merit awards with an estimated value of £52k.
2. The continuation of 'as and when' loss adjusting services for the negotiation and settlement of insurance claims to the maximum value of £80k.
3. The continuation of existing ad hoc arrangements for the support of Insurance claims by current suppliers to the value of £100k per supplier over 2 years, maximum £50k per annum.

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, none have been actioned.

Allocation of Contingency Provision for 2016/17

Item	Original Contingency Provision	Allocations				Variation to Original Contingency Provision
		Previously Approved Items	New Items Requested this Cycle	Items Projected for Remainder of Year	Total Allocations/Projected for Year	
	£	£	£	£	£	£
Renewal and Recreation						
Planning Appeals - change in legislation	60,000			60,000	60,000	0
General						
Provision for unallocated inflation	1,668,000	30,000		1,638,000	1,668,000	0
Impact of Chancellor's Summer Budget 2015 on future costs	4,250,000	503,000		3,747,000	4,250,000	0
Increase in Cost of Homelessness/Impact of Welfare Reforms	2,983,000			2,983,000	2,983,000	0
General provision for risk/uncertainty	2,193,000			2,193,000	2,193,000	0
Provision for risk/uncertainty relating to volume and cost pressures	2,182,000			2,182,000	2,182,000	0
Impact of conversion of schools to academies	1,137,000			1,137,000	1,137,000	0
Retained Welfare Fund	450,000			450,000	450,000	0
Deprivation of Liberty	184,000			184,000	184,000	0
Growth for Waste Services	267,000			267,000	267,000	0
Grants to Voluntary Organisations - pump priming funding	275,000			275,000	275,000	0
Other Provisions	293,000			293,000	293,000	0
Acquisition of residential properties	Cr 457,000			Cr 457,000	Cr 457,000	0
HR/Finance impact of academy conversions	Cr 69,000			Cr 69,000	Cr 69,000	0
Care Act provision for additional costs	750,000			750,000	750,000	0
Care Act Funding	Cr 750,000	Cr 750,000		0	Cr 750,000	0
	15,416,000	Cr 217,000	0	15,633,000	15,416,000	0
Grants included within Central Contingency Sum						
SEND Implementation Grant (New Burdens)						
Grant related expenditure	201,000			201,000	201,000	0
Grant related income	Cr 201,000			Cr 201,000	Cr 201,000	0
Tackling Troubled Families Grant						
Grant related expenditure	426,000			426,000	426,000	0
Grant related income	Cr 426,000			Cr 426,000	Cr 426,000	0
Lead Local Flood Authorities						
Grant related expenditure	213,000	213,000		0	213,000	0
	213,000	213,000	0	0	213,000	0
Total Grants	213,000	213,000	0	0	213,000	0
TOTAL CARRIED FORWARD	15,629,000	Cr 4,000	0	15,633,000	15,629,000	0

Notes:

- (1) Executive 13th January 2016
(2) Executive 15th June 2016

Allocation of Contingency Provision for 2016/17 (continued)

Item	Carried Forward from 2015/16	Allocations				Variation to Original Contingency Provision
		Previously Approved Items	New Items Requested this Cycle	Items Projected for Remainder of Year	Total Allocations/Projected for Year	
	£	£	£	£	£	£
TOTAL BROUGHT FORWARD	15,629,000	Cr 4,000	0	15,633,000	15,629,000	0
Items Carried Forward from 2015/16						
Care Services						
Social Care Funding via the CCG under S256 agreements						
Adult Social Care Invest to Save Schemes						
- expenditure	48,170		48,170	0	48,170	(1) 0
- income	Cr 48,170		Cr 48,170	0	Cr 48,170	0
Integration Funding - Better Care Fund						
- expenditure	300,000		300,000	0	300,000	(1) 0
- income	Cr 300,000		Cr 300,000	0	Cr 300,000	0
Better Care Fund						
- expenditure	381,360		381,360	0	381,360	(1) 0
- income	Cr 381,360		Cr 381,360	0	Cr 381,360	0
Winter Resilience Funding 2014/15 (Bromley CCG)						
- expenditure	351,480			351,480	351,480	0
- income	Cr 351,480			Cr 351,480	Cr 351,480	0
Winter Resilience Funding 2015/16 (Bromley CCG)						
- expenditure	116,750			116,750	116,750	0
- income	Cr 116,750			Cr 116,750	Cr 116,750	0
Helping People Home						
- expenditure	40,000			40,000	40,000	0
- income	Cr 40,000			Cr 40,000	Cr 40,000	0
DCLG Preventing Homelessness Grant						
- expenditure	200,000			200,000	200,000	0
- income	Cr 200,000			Cr 200,000	Cr 200,000	0
Adoption Reform						
- expenditure	132,323		132,323		132,323	(1) 0
- income	Cr 132,323		Cr 132,323		Cr 132,323	0
Tackling Troubled Families						
- expenditure	1,172,184			1,172,184	1,172,184	0
- income	Cr 1,172,184			Cr 1,172,184	Cr 1,172,184	0
Step Up to Social Work						
- expenditure	72,159			72,159	72,159	0
- income	Cr 72,159			Cr 72,159	Cr 72,159	0
Public Health						
- expenditure	292,700			292,700	292,700	0
- income	Cr 292,700			Cr 292,700	Cr 292,700	0
Implementing Welfare Reform Changes						
- expenditure	56,640			56,640	56,640	0
- income	Cr 56,640			Cr 56,640	Cr 56,640	0
Renewal & Recreation Portfolio						
New Homes Bonus - Town Centre Management						
- expenditure	41,687		41,687	0	41,687	(2) 0
- income	Cr 41,687		Cr 41,687	0	Cr 41,687	0
New Homes Bonus - Regeneration						
- expenditure	181,571		181,571		181,571	(2) 0
- income	Cr 181,571		Cr 181,571		Cr 181,571	0
Resources Portfolio						
Individual Electoral Registration						
- expenditure	72,609		72,609	0	72,609	(5) 0
- income	Cr 72,609		Cr 72,609	0	Cr 72,609	0
New Debt Management System						
- expenditure	177,000		177,000	0	177,000	(5) 0
- income	Cr 177,000		Cr 177,000	0	Cr 177,000	0
Education						
SEN Reform/Implementation Grant						
- expenditure	28,476			28,476	28,476	0
- income	Cr 28,476			Cr 28,476	Cr 28,476	0
SEN Reform/Implementation Grant						
- expenditure	80,000			80,000	80,000	0
- income	Cr 80,000			Cr 80,000	Cr 80,000	0
London SEND Regional Lead Grant						
- expenditure	15,000			15,000	15,000	0
- income	Cr 15,000			Cr 15,000	Cr 15,000	0

Item	Carried Forward from 2015/16	Allocations				Variation to Original Contingency Provision
		Previously Approved Items	New Items Requested this Cycle	Items Projected for Remainder of Year	Total Allocations/ Projected for Year	
	£	£	£	£	£	£
Early Years Grant						
- expenditure	14,800			14,800	14,800	0
- income	Cr 14,800			Cr 14,800	Cr 14,800	0
Public Protection & Safety						
Domestic Abuse						
- expenditure	60,610		60,610	0	60,610	(3)
- income	Cr 60,610		Cr 60,610	0	Cr 60,610	0
Environment Portfolio						
Drainage/Lead Flood Grant						
- expenditure	69,482		69,482	0	69,482	(4)
- income	Cr 69,482		Cr 69,482	0	Cr 69,482	0
WEEE Grant						
- expenditure	13,090		13,090	0	13,090	(4)
- income	Cr 13,090		Cr 13,090	0	Cr 13,090	0
General						
YOS Service Strategy Review	97,000			97,000	97,000	0
Consultancy Support (Place Planning & Schools)	40,000			40,000	40,000	0
Parking - Automated Cameras - Bus Lanes	180,000		180,000	0	180,000	(4)
Parking - Automated Cameras - Non Bus Lanes	126,000		126,000	0	126,000	(4)
Local Plan Implementation	47,322		47,322	0	47,322	(2)
Biggin Hill Airport - Noise Action Plan	54,870		54,870	0	54,870	(2)
Biggin Hill Memorial Museum	47,400		47,400	0	47,400	(2)
IT - BT Transition Costs	77,000		77,000	0	77,000	(5)
IT upgrade at Anerley Business Centre	30,000		30,000	0	30,000	(5)
Transparency Agenda	14,000		14,000	0	14,000	(5)
Staff Merit Awards	89,170		89,170	0	89,170	(5)
Residential Property Acquisitions (SPV) - Advice	291,000		291,000	0	291,000	(5)
Civic Centre Development Strategy	257,500			257,500	257,500	0
Contracts Register/Summaries Database	50,000		50,000	0	50,000	(5)
	1,401,262	0	1,006,762	394,500	1,401,262	0
Total Carried Forward from 2015/16	1,401,262	0	1,006,762	394,500	1,401,262	0
GRAND TOTAL	17,030,262	Cr 4,000	1,006,762	16,027,500	17,030,262	0

Notes:

- (1) Care Services PDS Committee 28th June 2016
- (2) Renewal & Recreation PDS 5th July 2016
- (3) Public Protection & Safety PDS 29th June 2016
- (4) Environment PDS 7th June 2016
- (5) Executive & Resources PDS 7th July 2016

Description	2016/17 Latest Approved Budget £'000	Variation To 2016/17 Budget £'000	Potential Impact in 2017/18
Education Services Grant	Cr 1,728	480	The Education Services Grant (ESG) is allocated on the basis of pupil numbers, and the grant reduces in-year as schools convert to academies. The full year effect of the 10 conversions estimated to occur during 2016/17 is £550k, and will be included in the financial forecast for the 2017/18 budget.
Housing Needs - Temporary Accommodation	6,354	0	The full year effect of the projected overspend is currently anticipated to be a pressure of £796k in 2017/18. However, this only takes account of projected activity to the end of the financial year and does not include any projected further growth in numbers beyond that point.
Assessment and Care Management - Care Placements	18,373	453	The full year impact of the current overspend is estimated at Dr £748k, mainly on domiciliary care packages.
Learning Disabilities Care Management	2,753	88	The full year effect on client projections is estimated at £21k in relation to Domiciliary Care and Direct Payments budgets.
Residential, Supported Living, Shared Lives - Learning Disabilities	26,843	647	The full year effect is estimated at an overspend of £814k which is slightly higher than the current year's overspend. This is because the forward assumptions are based on an increasing number of LD clients (clients expected to be placed in-year in 2016/17 will only have a part year cost in 2016/17 but a full year cost in 2017/18). Given the early stage in the financial year this figure is likely to vary as the year progresses.
Supporting People	1,051	0	There is anticipated to be an underspend of £72k in a full year. This is a result of estimated savings arising from tendering activity in 2016/17.
Further 2016/17 efficiency savings	Cr 500	450	General efficiency savings of £500k were allocated to ECHS Department as part of the 2016/17 budget process. It is anticipated that £50k savings can be realised from contract efficiencies within the Commissioning Division but, at this early stage in the year, plans to achieve the balance are still to be identified resulting in a FYE overspend of £450k.
Children's Social Care	26,474	1,726	The current full year effect impact for CSC is estimated at £2,280k. This can be analysed as Dr £1,731k on placements, Cr £70k for no recourse to public funds clients, Dr £335k on leaving care clients and Dr £284k on Care Proceedings (Public Law Outline)
Customer Services	1,007	36	There are annual maintenance costs of Dr £36k associated with the maintenance of the Customer Services portal. The first years maintenance cost was funded from the Invest to Save scheme, however the ongoing funding for this has not yet been identified.
Investment & Non-Operational Property	104	Cr 77	An ongoing underspend of Cr £100k is projected for Exchequer House (Bromley Old Town Hall). This building is vacant and listed. The sale of this building is expected to be completed this financial year.

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Report No.
FSD16047

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Executive

Date: 20th July 2016

Decision Type: Non-Urgent Executive Non-Key

Title: CAPITAL PROGRAMME MONITORING – 1ST QUARTER 2016/17

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

This report summarises the current position on capital expenditure and receipts following the 1st quarter of 2016/17 and seeks the Executive's approval to a revised Capital Programme.

2. **RECOMMENDATIONS**

The Executive is requested to:

- (a) Note the report, including the rephrasing of £4,816k from 2015/16 into 2016/17 and £24,909k from 2016/17 into 2017/18 (see paragraph 3.3.13) and agree a revised Capital Programme;
- (b) Approve the following amendments to the Capital Programme:
 - (i) Reduction of £600k over four years 2016/17 to 2019/20 on School Access Initiative (see para 3.3.1);
 - (ii) Reduction of £76k on the Property Investment Fund scheme to reflect reduced associated costs on completed acquisitions. (see para 3.3.2);
 - (iii) Reduction of £19k on Manorfields – Temporary Accommodation scheme and reduction of £11k on Woodland Improvements Programme to reflect funding received (see para 3.3.3);
 - (iv) Transport for London (TfL) – Revised Support for Traffic and Highways Schemes (£19k additions in 2016/17) (see para 3.3.4);

- (v) Inclusion of £116k funding from Historic England on Crystal Palace Park Improvements scheme (see para 3.3.5);**
- (vi) Inclusion of £309k funding from Education Funding Agency for Basic Need (see para 3.3.6);**
- (vii) Addition of £644k in 2016/17 relating to the annual revenue contributions to Bromley Mytime Investment Fund (see para 3.3.7);**
- (viii) Increase of £739k in 2016/17 on Disabled Facilities Grant funded scheme to reflect the latest grant approvals (see para 3.3.8);**
- (ix) Transfer (virement) of £50k from the budget for Social Care Grant to Performance Management/Children's Services - information technology to support the Eclipse system (see para 3.3.9);**
- (x) Deletion of £13k residual balance on the Joint Web Platform scheme and Former Chartwell Business Centre scheme, which have both reached completion (see para 3.3.10);**
- (xi) Increase of £434k in 2016/17 on Carbon Management Programme (Invest to Save funding) to reflect the latest total repayment and funding available (see para 3.3.11);**
- (xii) Section 106 receipts from developers - net increase of £329k in 2016/17 to reflect the funding available and remaining unallocated balance (see para 3.3.12);**
- (c) To set aside capital receipts from the sale of Banbury House for the Council's Investment Fund to generate alternative revenue income (see para 3.7);**
- (d) Note that a report elsewhere on the agenda requests approval of £110k from the Growth Fund to fund the costs associated with establishing Business Improvement Districts.**

Corporate Policy

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

Financial

1. Cost of proposal: Estimated Cost: Total increase of £1.9m over the 4 years 2016/17 to 2019/20, mainly due to £739k additional Disabled Facilities grant and inclusion of £644k revenue contribution to Bromley Mytime Investment Fund
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: Total £120.9m over 4 years 2016/17 to 2019/20
 5. Source of funding: Capital grants, capital receipts and earmarked revenue contributions
-

Staff

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

Legal

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

Customer Impact

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

Ward Councillor Views

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

3. COMMENTARY

Capital Expenditure

- 3.1 Appendix A sets out proposed changes to the Capital Programme following a detailed monitoring exercise carried out after the 1st quarter of 2016/17. The base position is the revised programme approved by the Executive on 10th February 2016, as amended by variations approved at subsequent Executive meetings. If the changes proposed in this report are approved, the total Capital Programme 2016/17 to 2019/20 would increase by £6,687k, mainly due to £739k additional Disabled Facilities grant and the inclusion of £644k revenue contribution to Bromley Mytime Investment Fund.

The variations are summarised in the table below with further detail set out in Appendix A.

	2016/17	2017/18	2018/19	2019/20	TOTAL 2016/17 to 2019/20
	£000	£000	£000	£000	£000
Programme approved by Executive 10/02/16	82,722	14,549	4,486	4,456	106,213
Variations approved at subsequent Executive meetings	7,625	0	0		7,625
Approved Programme prior to 1st Quarter's Monitoring	90,347	14,549	4,486	4,456	113,838
Variations requiring the approval of the Executive	2,321	-150	-150	-150	1,871
Variations not requiring approval:					
Net underspendings in 2015/16 rephased into 2016/17	4,816	0	0	0	4,816
Net rephasing from 2016/17 into 2017/18	-24,909	24,909	0	0	0
Total Amendment to the Capital Programme	-17,772	24,759	-150	-150	6,687
Total Revised Capital Programme	72,575	39,308	4,336	4,306	120,525
Assumed Further Slippage (for financing purposes)	-10,000	2,000	2,000	2,000	-4,000
Assumed New Schemes (to be agreed)	0	0	2,500	2,500	5,000
	-10,000	2,000	4,500	4,500	1,000
Projected Programme for Capital Financing Forecast (see appendix C)	62,575	41,308	8,836	8,806	121,525

3.2 Variations approved at subsequent Executive meetings

- 3.2.1 As detailed in Appendix A, variations of £7.6m have been approved since the February meeting of Executive. This mainly comprises £6.5m for further property acquisitions funded by the Investment Fund and £958k additional 2016/17 Capital Maintenance Grant from Department for Education.

3.3 Variations requiring the approval of the Executive (£1,871k net increase)

3.3.1 School Access Initiative (net reduction of £600k in 2016/17 to 2019/20)

As part of the savings required to balance the 2016/17 Schools Budget (DSG), agreed by the Portfolio Holder for Education, the Direct Revenue Financing for Schools Access Initiative has been ceased. Any future funding for this scheme will need to be vired from other schemes e.g. Basic Need.

3.3.2 Property Investment Fund (£76k reduction in 2016/17)

Members are asked to approve a reduction of £76k in 2016/17 on the Property Investment Fund scheme due to lower than expected costs (mainly legal) associated with the completed acquisitions of Newbury House, Unit G Hubert Road, and British Gas Training Centre.

3.3.3 Manorfields - Temporary Accommodation (£19k reduction in 2016/17) and Woodland Improvement Programme (£11k reduction in 2016/17)

In December 2015, Members approved the inclusion of £450k grant funding from GLA on the Manorfields refurbishment scheme to meet the additional cost of works required on replacement of the boiler and associated building works in order to meet with current regulations. Members are asked to agree a £19k reduction on the scheme to reflect the revised expenditure and funding received from GLA.

The Woodland Improvements Programme is funded from the Forestry Commission to enhance and sustain 30 of Bromley's woodland sites. Members are asked to approve a £11k reduction on the scheme to reflect the revised expenditure and funding received from the Forestry Commission.

3.3.4 Transport for London (TfL) – Revised Support for Traffic and Highways Schemes (£19k increase in 2016/17)

Provision for transport schemes to be 100% funded by TfL was originally included in the Capital Programme 2016/17 to 2019/20 on the basis of the bid in the Borough Spending Plan (BSP). Notification of an overall increase of £19k in the 2016/17 grant has been received from TfL. Grant allocations from TfL change frequently and any further variations will be reported in subsequent capital monitoring reports.

3.3.5 Crystal Palace Park Improvements (£116k increase in 2016/17)

In February 2016, the Council was awarded £116k grant from Historic England towards conservation works at Crystal Palace Park. The grant will fund the conservation of the South Terrace Steps and the works will be completed at the same time as the Sphinxes conservation. Members are asked to agree the inclusion of £116k in 2016/17 on the Crystal Palace Park Improvements scheme.

3.3.6 Basic Need (£309k increase in 2016/17)

The updated Basic Need Programme was approved by Executive on 23rd March 2016. The works at Trinity (Princes Plain) School includes £309k grant funding for Education Funding Agency (EFA) for a multi-use games area (MUGA). Members are asked to agree the inclusion of £309k into the Capital Programme to reflect the total funding available.

3.3.7 Bromley Mytime Investment Fund (£644k increase in 2016/17)

There is an annual provision in the revenue budget for a contribution towards capital investment in Council leisure centres managed by Bromley MyTime, and Members are asked to approve the inclusion of £644k in 2016/17, which will bring the total contribution to £2,514k.

3.3.8 Disabled Facilities Grant (£739k increase in 2016/17)

The Disabled Facilities Grant (DFG) and Adult Social Care Grant became part of the Better Care Fund in 2015/16 rather than being funded under separate funding streams. This totalled £1,605k in 2015/16, split £942k DFG and £663k Adult Social Care Grant.

In 2016/17 the overall allocation from BCF for capital increased. The BCF allocation for Adult Social Care grant ceased and the funding was transferred to the Disabled Facilities Grant. The overall capital allocation for 2016/17 totals £1,681k. BCF grant is ringfenced and subject to consultation with our health partners. Members are requested to approve this increase of £739k in 2016/17.

3.3.9 Social Care Grant and Performance Management/Children's Services – I.T

On 12th January 2016, the Care Service Portfolio Holder reviewed the renewal of the Carefirst System and external hosting options available. Following the outcome of the works on the potential implementation of the new Eclipse platform for the Children's Social Care system, Executive are requested to agree to vire £50k from the Social Care Grant to Performance Management/Children's Service – I.T scheme to support works on the new Eclipse System..

3.3.10 Former Chartwell Business Centre Improvement Works and Joint Web Platform (£13k reduction in 2016/17)

Following the completion of the Former Chartwell Business Centre improvement works and Joint Web Platform schemes, it is recommended that the residual balances on these schemes (£11k and £2k respectively) be deleted from the Capital Programme. The Former Chartwell Business Centre improvement works post completion report was submitted to the Executive & Resource PDS Committee on 7th July 2016, and as required by the Capital Programme Procedures a post completion report for Joint Web Platform scheme will be submitted to the same committee within one year of completion.

3.3.11 Carbon Management Programme - Invest to Save funding (£434k increase in 2016/17)

The Carbon Management programme is an Invest to Save scheme approved by Members in February 2008. The scheme is funded from a revolving loan (£250k by Salix and £250k by the Council), and aims to reduce both the Council's energy use and its impact on the climate. As at 31st March 2016, the total expenditure is £907k, with total repayment of £841k. Executive is asked to approve an increase of £434k on the Carbon Management scheme to reflect the remaining funding available.

3.3.12 Section 106 receipts – net increase of £329k in 2016/17 (£328k increase on uncommitted balance and £1k increase on Orpington Station)

In July 2015, the Executive agreed that the Capital Programme budget should reflect the total of S106 receipts available to fund expenditure. Members are asked to agree a net increase of £329k in the Capital Programme budget for Section 106 in respect of additional receipts since the last report to match the total funding available. This includes an additional £328k to the uncommitted balance and £1k interest on the Orpington Station scheme.

3.3.13 Scheme Rephasing

The 2015/16 Capital Outturn was reported to the Executive on 15th June 2016. The final capital outturn for the year was £76.2m compared to a revised budget of £81.3m. After allowing for other net variations of £0.3m, a total of £4.8m has been re-phased from 2015/16 into 2016/17.

In the quarter 1 monitoring exercise, slippage of £24.9m has been identified and this has been re-phased from 2016/17 into 2017/18 to reflect the latest estimates of when expenditure is

likely to be incurred. This has no overall impact on the total approved estimate for the capital programme. Further details are provided in Appendix B.

Capital Receipts

3.4 Details of the receipts forecast in the years 2016/17 to 2019/20 are included in Appendix E to this report to be considered under part 2 proceedings of the meeting. Actual receipts from asset disposals totalled some £3.8m in 2015/16 (excluding “other” capital receipts), matching the estimated figure reported to the Executive in February 2016. The latest estimate for 2016/17 has decreased to £10.6m from £13.4m reported in February (again excluding “other” capital receipts). Estimates for 2017/18, 2018/19 and 2019/20 remain at £5.0m, £1.0m and £1.0m respectively, as was reported in February. A total of £1m per annum is assumed for receipts yet to be identified in later years. The financing and balances projections shown in Appendix E reflect prudent assumptions for capital receipts. Subject to the approval of Council on 4th July 2016, there will be a significant further receipt relating to the Civic Centre development strategy. This and the associated capital expenditure will be included in the second quarter Capital Monitoring report.

Financing of the Capital Programme

3.5 A capital financing statement is attached at Appendix C and the following table summarises the estimated impact on balances of the revised programme and revised capital receipt projections, which reflect prudent assumptions on the level and timing of disposals. Total balances would reduce from £49.6m (General Fund £20.0m and capital receipts £29.6m) at the end of 2015/16 to £34.0m by the end of 2019/20 and would then reduce further to £29.4m by the end of 2023/24.

	Balance 01/04/16	Estimated Balance 31/03/20	Estimated Balance 31/03/24
	£m	£m	£m
General Fund	20.0	14.1	14.1
Capital Receipts	29.6	19.9	15.3
	<u>49.6</u>	<u>34.0</u>	<u>29.4</u>

Investment Fund and Growth Fund

- 3.6 To date, total funding of £124.1m has been placed in the Investment Fund and Growth Fund earmarked reserves to contribute towards the Council’s economic development and investment opportunities. In November 2014, £10m was set aside in the Growth Fund to support growth initiatives in Biggin Hill, the Cray Valley and Bromley Town Centre. Council approved additional allocations of £6.5m in December 2015, £6m in March 2016 and £7m in June 2016 to the Growth Fund. Appendix D provides a detailed analysis of the Funds dating back to their inception in September 2011. A total of £67.2m has been spent to date, and schemes totalling £87m have been approved (£76.8m on Investment Fund, and £10.2m on Growth Fund). The uncommitted balance as at June 2016 stands at £17.8m for the Investment Fund and £19.3m for the Growth Fund.
- 3.7 Following scrutiny by Executive and Resources PDS Committee on 6th January 2016, the Resources Portfolio holder approved the sale of Banbury House. The existing property generated an income of £88k per annum which would no longer be received. As requested in that report, Executive is asked to agree that the capital receipt is set aside to increase the Council’s Investment Fund to help generate alternative revenue income. If approved, the uncommitted balance on the Investment Fund will increase by the capital receipt from the sale.

- 3.8 A report elsewhere on the agenda requests the approval of £110k to fund the cost associated with establishing Business Improvement Districts in Penge and Beckenham Town Centres, which, if approved, will reduce the uncommitted balance on the Growth Fund to £19.2m.

Section 106 Receipts

- 3.9 In addition to capital receipts from asset disposals, the Council is holding a number of Section 106 contributions received from developers. These are made to the Council as a result of the granting of planning permission and are restricted to being spent on capital works in accordance with the terms of agreements reached between the Council and the developers. These receipts are held as a receipt in advance on the Council's Balance Sheet, the balance of which stood at £8,064k as at 31st March 2016, and will be used to finance capital expenditure from 2016/17 onwards. The current position on capital Section 106 receipts (excluding commitments) is shown below:

Specified capital works	Balance 31/03/16 £000	Receipts 2016/17 £000	Expenditure 2016/17 £000	Balance 01/06/16 £000
Housing	5,181	-	-	5,181
Education	2,801	-	-	2,801
Highways	82	-	-	82
TOTAL	8,064	-	-	8,064

A separate report requesting the allocation of £106k Section 106 receipts to the Orpington Town Centre – Walnut Centre was submitted on 5th July 2016 to the Recreation and Renewal PDS. Subject to the approval of the Portfolio Holder, a request will be made to Executive in the Quarter 2 Capital Monitoring report for the inclusion of £106k into the Capital Programme.

The Council's budgets are limited and, where a developer contribution (S106) can be secured consistent with the national Community Infrastructure Levy Regulations, this will be required as a contribution towards projects, notwithstanding any other allocation of resources contained in the Council's spending plans.

Post-Completion Reports

- 3.10 Under approved Capital Programme procedures, capital schemes should be subject to a post-completion review within one year of completion. These reviews should compare actual expenditure against budget and evaluate the achievement of the scheme's non-financial objectives. Post-completion reports on the following schemes are due to be submitted to the relevant PDS Committees:

Increasing Network Security

Civic Centre Cabling Renewal

Joint Web Platform

Server Virtualisation

Financial systems upgrade/replacement of unsupported software

Office Accommodation Strategy

4. POLICY IMPLICATIONS

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

5. FINANCIAL IMPLICATIONS

5.1 These are contained in the main body of the report and in the appendices. Attached as Appendix C is a capital financing statement, which gives a long-term indication of how the revised Programme would be financed if all the proposed changes were approved and if all the planned receipts were achieved. The financing projections continue to assume no General Fund support to the revenue budget in future years for the current approved programme. They also assume approval of the revised capital programme recommended in this report, together with an estimated £2.5m per annum for new capital schemes and service developments from 2018/19 onwards.

Non-Applicable Sections:	Legal and Personnel Implications
Background Documents: (Access via Contact Officer)	Approved Capital Programme (Executive 10/02/16) Q3 Monitoring report (Executive 10/02/16). Capital Programme Outturn 2015/16 report (Executive 15/06/16). List of potential capital receipts from Valuation & Estates as at 11/01/16. Basic Need Programme (Executive 23/03/16) Social Care Electronic Information Update (Care Service PDS 12/01/16)

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CAPITAL PROGRAMME MONITORING - JUL 2016 - SUMMARY OF VARIATIONS FROM APPROVED PROGRAMME

Variations on individual schemes	Date of Portfolio meeting	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	TOTAL 2016/17 to 2019/20 £000	Comments/reason for variation
Current Approved Capital Programme								
Programme approved by Executive 10/02/16	Exec 10/02/16	77,639	82,722	14,549	4,486	4,456	106,213	
Property Acquisitions	Exec 23/03/16	3,666					0	
Capital Maintenance Grant - 16/17 allocation from DfE	Exec 18/05/16							
- Seed Challenge			100				100	
- Security Works			50				50	
- Suitability			350				350	
- Capital Maintenance in schools			458				458	
Virement re. Edgebury School	Exec 18/05/16						0	
From: Basic Needs			94				94	
To: Capital Maintenance in Schools			-94				-94	
Property Acquisitions	Exec 15/06/16		6,451				6,451	
Biggin Hill Memorial Museum	Exec 15/06/16		208				208	
Block provision c/fwd into 2016/17 - emergency works to surplus sites	Exec 15/06/16	-8	8				8	
Approved Programme prior to 1st Quarter's Monitoring		81,297	90,347	14,549	4,486	4,456	113,838	
Variations in the estimated cost of approved schemes								
(i) Variations requiring the approval of the Executive								
Reduction in Schools Access Initiative			-150	-150	-150	-150	-600	See paragraph 3.3.1
Reduction in Property Investment fund			-76				-76	See paragraph 3.3.2
Reduced grant funding for Manorfields - Temporary Accommodation			-19				-19	See paragraph 3.3.3
Reduced grant funding for Woodland Improvements Programme			-11				-11	See paragraph 3.3.3
Increase in TfL funding for Traffic and Highways schemes			19				19	See paragraph 3.3.4
Crystal Palace Park Improvements - Historic England Grant			116				116	See paragraph 3.3.5
Additional funding from EFA for Basic Need (MUGA)			309				309	See paragraph 3.3.6
Increase in Bromley MyTime Investment Fund			644				644	See paragraph 3.3.7
Increase grant funding for Renovation Grants - Disabled Facilities			739				739	See paragraph 3.3.8
Virement re. Eclipse System								See paragraph 3.3.9
From: Social Care Grant			-50				-50	
To: Performance Management/Children's Services - I.T			50				50	
Deletion of residual balance			-2				-2	See paragraph 3.3.10
- Joint Web platform			-11				-11	
- Former Chartwell Business Centre - improvement works			434				434	See paragraph 3.3.11
Increase in Carbon Management Programme								See paragraph 3.3.12
Section 106 receipts from developers			328				328	
- uncommitted balance			1				1	
- Orpington Station			2,321	-150	-150	-150	1,871	
(ii) Variations not requiring approval								
Rephasing of schemes								
Rephasing from 2015/16 into 2016/17		-4,816	4,816				4,816	
Other miscellaneous items in 2015/16		-273					0	
Net rephasing from 2016/17 into 2017/18		-5,089	-24,909	24,909	0	0	0	See paragraph 3.3.13 and Appendix B
			-20,093	24,909	0	0	4,816	
TOTAL AMENDMENT TO CAPITAL PROGRAMME		-5,089	-17,772	24,759	-150	-150	6,687	
TOTAL REVISED CAPITAL PROGRAMME		76,208	72,575	39,308	4,336	4,306	120,525	
Less: Further slippage projection			-10,000	2,000	2,000	2,000	-4,000	
Add: Estimate for further new schemes				2,500	2,500	2,500	5,000	
TOTAL TO BE FINANCED		76,208	62,575	41,308	8,836	8,806	121,525	

CAPITAL PROGRAMME MONITORING - JUL 2016 - SUMMARY OF VARIATIONS FROM APPROVED PROGRAMME - SCHEME REPHASING

Variations on individual schemes	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	TOTAL £000	Comments/reason for variation
Rephasing of schemes						
Glebe School expansion	-99	99	0	0	0	Due to delays by the contractor the estimated completion date has been deferred to the end of Aug 16. The Defects Liability Period will not expire until Aug 17. The responsible officer is monitoring the progress closely and ensuring that the Council is applying any actions available to it under the terms of the contract to minimise any further delays. Request to rephase £99k into 17/18 to monitor any potential defects .
PCT Learning Disability reprovision programme - Walpole Road	-674	674	0	0	0	The Department for Health capital is for uses associated with the reprovision of NHS Campus clients to the community, and projects relating to the closure of the Bassetts site. LD Day activities have been market tested and have now been transferred to an external provider tasked with the running and modernisation of services. Proposals are now being drawn up with any resulting capital expenditure potentially starting late 16/17 or early 17/18. Request to rephase £674k into 17/18.
Basic Need	-17,688	17,688	0	0	0	It is estimated that £10m of works will be completed by 16/17. This includes works at Trinity, Castlecreech, Bishop Justus, St Josephs , Edgebury, Poverest, Stewart Fleming, and Leasons. Request to rephase £17,688k into 17/18. A full detailed report on the various projects within the Basic Need Programme was reported to Executive on 23/03/16.
London private sector renewal schemes	-86	86	0	0	0	£143k of works has been committed and it is anticipated that £200k will be spent in 16/17. Request to rephase £86k into 17/18 to reflect when the expenditure is likely to occur.
Beckenham Town Centre improvements	-2,131	2,131	0	0	0	The Project follows on from the Beckenham TC improvements delivered by the Council. The rephasing of capital is required because TfL has not been able to confirm the release of funding to date which has delayed the purchase of materials and the programming of works. Request to rephase £2,131k into 17/18.
Central Library/Churchill Theatre - chillers and controls	-32	32	0	0	0	There are a few outstanding minor works (extra netting protection to pipework). The project is currently in Defects Liability Period until Sep 2016. It is anticipated that £20k of works will be completed in 16/17 and request to rephase remaining balance £32k into 17/18 to monitor any potential defects .
Upgrade of Core Network Hardware	-314	314	0	0	0	The additional hardware has been purchased and is being configured to meet the needs of London Public Service Network, Direct access, Citrix and reverse proxy application servers. Due to changes on the service provider, it is not anticipated that the project will be completed in this financial year. Request to rephase £314k to 17/18.
Beacon House	-33	33	0	0	0	It is anticipated that works will be completed on site in Sep 2016. The Defects Liability Period will run for 12 months to Sep 2017 and request to rephase £33k into 17/18 to monitor any potential defects.
Crystal Palace Park Improvements	-1,000	1,000	0	0	0	The feasibility stage has been completed and the scheme is now in RIBA Stage 4 for café and skatepark. Turnstiles work and Iguanodon conservation works completed, and sphinxes conservation works currently on site. Café works to be undertaken in 17/18 due to legal constraints on start time. Request to rephase £1m into 17/18.
Seed Challenge Fund	-100	100	0	0	0	£100k additional allocation from DfE as reported in Executive 18/05/16 for 16/17 Seed programme which will be subjected to approval of Education PDS. Works have not been allocated yet and it is unlikely to be spent in this FY, request to rephase £100k into 17/18.
Renovation Grants - Disabled Facilities	-829	829	0	0	0	£318k of works has been approved to date. Total estimated spend on Uniform (as at June 2016) is £1.1m, but it is unlikely that all these jobs will progress and complete within this FY. In line with previous years, it is estimated that the total value of £1m to be spent in this FY. Request to rephase £829k into 17/18. It should be noted that DOH and NHS England have increased funding with the express expectation that Authorities will improve integration between health and social services using DfG to support such work.
Education for Two Year Olds	-249	249	0	0	0	Works in development at Poverest, Leasons School and Southborough pre-school, works completed at Blenheim Nursery and Community Vision nursery. For the remaining monies a small grants call will be developed for schools based provision, which will be spent by end of 16/17 academic year and it is expected that all the works will be completed by Sep 17. Request to rephase £249k into 17/18
Bromley MyTime Investment Fund	-1,674	1,674	0	0	0	Additional £644k in 16/17 for the annual provision in the revenue budget for contribution towards capital investment. R&R committee (April 16) approved the proposal to release £1.51m, however it is unlikely that all of the monies will be spent in this FY. It is estimated that £450k will be spent in this FY and request to rephase £1,674k into 17/18.
TOTAL REPHASING ADJUSTMENTS	-24,909	24,909	0	0	0	

CAPITAL FINANCING STATEMENT Executive JUL 16 - ALL RECEIPTS										APPENDIX C - FINANCING				
(NB. Assumes all capital receipts - see below)														
	2015-16													
	Estimate	Actual	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24				
	£000	£000's	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate				
			£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's			Estimate	
													£000's	
Summary Financing Statement														
Capital Grants	29,416	28,510	17,659	28,092	266	266	266	266	266	266			266	266
Other external contributions	7,740	5,692	16,981	7,677	4,000	4,000	4,000	4,000	4,000	4,000			4,000	4,000
Usable Capital Receipts	4,417	3,127	20,561	3,732	4,470	4,440	2,634	2,634	2,634	2,634			2,634	2,634
Revenue Contributions	33,567	38,879	7,374	1,807	100	100	100	100	100	100			100	100
General Fund	0	0	0	0	0	0	0	0	0	0			0	0
Borrowing	0	0	0	0	0	0	0	0	0	0			0	0
Total expenditure	75,140	76,208	62,575	41,308	8,836	8,806	7,000	7,000	7,000	7,000			7,000	7,000
Usable Capital Receipts														
Balance brought forward	28,850	28,850	29,583	22,751	24,104	20,714	19,854	18,220	16,586	16,586			16,586	16,952
New usable receipts	3,905	3,860	14,123	5,085	1,080	3,580	1,000	1,000	3,000	3,000			1,000	1,000
Capital Financing	32,755	32,710	43,706	27,836	25,184	24,294	20,854	19,220	19,586	19,586			19,586	17,952
	-4,417	-3,127	-20,955	-3,732	-4,470	-4,440	-2,634	-2,634	-2,634	-2,634			-2,634	-2,634
Balance carried forward	28,338	29,583	22,751	24,104	20,714	19,854	18,220	16,586	16,952	16,952			16,952	15,318
General Fund														
Balance brought forward	20,000	20,000	20,000	14,193	14,193	14,193	14,193	14,193	14,193	14,193			14,193	14,193
Less: Capital Financing	0	0	0	0	0	0	0	0	0	0			0	0
Less: Use for Revenue Budget	382	0	-5,807	0	0	0	0	0	0	0			0	0
Balance carried forward	20,382	20,000	14,193	14,193	14,193	14,193	14,193	14,193	14,193	14,193			14,193	14,193
TOTAL AVAILABLE RESERVES	48,720	49,583	36,944	38,297	34,907	34,047	32,413	30,779	31,145	29,511			31,145	29,511
Assumptions:														
GF contribution to support capital programme not required in any year.														
New capital schemes - £2.5m p.a. from 2018/19 for future new schemes.														
Capital receipts - includes figures reported by Property Division as at 26/05/16 (including Tweedy Road & Town Hall) and £1m pa from 2017/18.														
Current approved programme - as recommended to Executive 20/07/16														

APPENDIX D - INVESTMENT FUND & GROWTH FUND

INVESTMENT FUND & GROWTH FUND - EXECUTIVE JUL 2016

	£'000
<u>Revenue Funding:</u>	
Approved by Executive 7th September 2011	10,000
Approved by Council 27th February 2013	16,320
Approved by Council 1st July 2013	20,978
Approved by Executive 10th June 2014	13,792
Approved by Executive 15th October 2014	90
Approved by Executive 26th November 2014 (Transfer to Growth Fund)	Cr 10,000
New Home Bonus (2014/15)	5,040
Approved by Executive 11th February 2015 (New Homes Bonus)	4,400
Approved by Executive 10th June 2015	10,165
Approved by Executive 2nd December 2015 (New Homes Bonus)	141
Approved by Executive 10th Feb 2016 (New Homes Bonus)	7,402
	<hr/>
	78,328
<u>Capital Funding*:</u>	
Approved by Executive 11th February 2015 (general capital receipts)	15,000
Approved by Executive 10th February 2016 (sale of Egerton Lodge)	1,216
	<hr/>
	16,216
Total Funding Approved:	
	<hr/>
	94,544
Total spend to 17th June 2016	
	Cr 67,158
<u>Schemes Approved, but not spent</u>	
Approved by Executive 12th June 2013 (Growth & Delivery Plans)	Cr 85
Approved by Executive 16th October 2013 (Crystal Palace Park exclusivity agreement)	Cr 163
Approved by Executive 20th November 2013 (Queens's Garden)	Cr 435
Approved by Executive 15th January 2014 (Bromley BID Project)	Cr 7
Approved by Executive 12th February 2014 (147 - 153 High St)	Cr 38
Approved by Executive 26th November 2014 (BCT Development Strategy)	Cr 93
Approved by Executive 2nd December 2015 (Bromley Centre Town)	Cr 270
Approved by Executive 15th June 2016 (Unit C2&C3 Southwood Summit Centre)	Cr 6,451
Approved by Executive 15th June 2016 (Glades Shopping Centre)	Cr 1,800
Valuation for Biggin Hill and Westmoreland Rd	Cr 5
Strategic Property cost	Cr 258
Total further spending approvals	Cr 9,605
<hr/>	
Uncommitted Balance on Investment Fund	17,781
*Executive have approved the use of specific and general capital receipts to supplement the Investment Fund	
<u>Growth Fund:</u>	
	£'000
<u>Funding:</u>	
Approved by Executive 26th November 2014 (Transfer from Investment Fund)	10,000
Approved by Executive 2nd December 2015	6,500
Approved by Executive 23rd March 2016	6,000
Approved by Executive 15th June 2016	7,024
Total funding approved	<hr/>
	29,524
Total spend to 17th June 2016	
	Cr 41
<u>Schemes Approved, but not spent</u>	
Approved by Executive 24th March 2015 (Housing Zone Bid (Site G))	Cr 2,700
Approved by Executive 24th March 2015 ((Site G) - Specialist)	Cr 200
Approved by Executive 18th May 2016 (Feasibility Studies and Strategic Employment Review)	Cr 180
Approved by Executive 18th May 2016 (Broadband Infrastructure Investment)	Cr 50
Renewal Team Cost	Cr 269
Total further spending approvals	Cr 3,399
<u>Schemes Approved, but not committed</u>	
Approved by Executive 26th November 2014 (for Biggin Hill and Cray Valley)	Cr 6,790
<hr/>	
Uncommitted Balance on Growth Fund	19,294

Report No.
CS17016

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **Executive**

For Pre-Decision Scrutiny by Care Services PDS Committee on

Date: **28th June 2016**

Decision Type: Non-Urgent Executive Key

Title: **GATEWAY REPORT FOR LEARNING DISABILITY SUPPORTED LIVING SCHEMES**

Contact Officer: Colin Lusted, Business & Planning Manager, Education, Care & Health Services Tel: 020 8461 7650 E-mail: colin.lusted@bromley.gov.uk

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

Ward: Borough-wide

1. Reason for report

1.1 There are 4 Learning Disability (LD) supported living schemes with contracts that are terminating in the spring / summer of 2017. The schemes collectively accommodate 20 people with various learning and physical disabilities including some mental health issues. These schemes have a combined expenditure of £1.126m

1.2 The co-termination of schemes provides an opportunity for them to be grouped together for tendering which is an approach from which the Council has achieved the following benefits:

- Lower bids resulting from economies of scale
- More efficient use of resources
- Tenders that are more attractive for providers
- Specialist expertise shared across schemes

1.3 With a proposed 5 year term, the value of the contract is expected to be approximately £5M - £6M and therefore requires Executive approval to enable the procurement process to commence in accordance with the Council's financial and contractual requirements.

2. RECOMMENDATIONS

2.1 Care Services PDS Committee is asked to note and comment on the contents of this report prior to the Council's Executive being requested to:

- i) Agree to grouping the schemes for tendering in order to drive the best possible quality / pricing;**
- ii) Agree an exemption to enable the extension of the 109 Masons Hill scheme for 10 weeks (23/4/2017 - 30/6/2017, with a value of approximately £60,684) and co-termination with the 111 Masons Hill scheme situated next door; and,**
- iii) Approve the commencement of the procurement procedure to enable award in accordance with the Council's financial and contractual requirements**

Corporate Policy

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

Financial

1. Cost of proposal: No Cost
 2. Ongoing costs: Recurring Cost The existing cost of the 4 schemes is £1.126m per annum. The future recurring cost will be subject to tender that will be undertaken to enable award on 1 July 2017.
 3. Budget head/performance centre: 819 *** 3618 (LD Supported Living)
 4. Total current budget for this head: £10,383,000
 5. Source of funding: Contained within existing budget (subject to tender outcome)
-

Staff

1. Number of staff (current and additional): LBB staff are engaged in contract monitoring and quality assurance
 2. If from existing staff resources, number of staff hours: 0.1 full time equivalent
-

Legal

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

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 20
-

Ward Councillor Views

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

3. COMMENTARY

Estimated Contract Value – Other Costs

Existing information:

Scheme Name	Provider	Expiry	£'000pa	Tenants No.
109 Masons Hill	mcch	22/04/2017	406	6
111 Masons Hill	CMG	30/06/2017	369	6
18/19 Century Way	Avenues	09/06/2017* ¹	211	4
Dunstonian	Sunnyside	30/06/2017	140	4
Total			1,126	20

*¹ The current contract has the option to extend for a further period of up to one year (via agreement with the Chief Officer) and it is proposed to extend this to co-terminate with the other schemes on 30/6/2017.

Estimated contract value post tender £5,000,000 - £6,000,000 over the lifetime of the contract.

Proposed Contract Period (including extension options)

5 Years (3 years with option to extend up to a maximum of further 2 years)

- 3.1 These schemes have been commissioned during the past 6 years and are located in modern buildings developed to meet the specific needs of adults with learning and physical disabilities. These properties are a key resource in meeting the existing and future needs of Bromley's adult LD population and, in particular, avoiding the need for people to move into registered care homes. Projection of future supply and demand indicates that these schemes will be required for the foreseeable future. Should there be an imbalance between supply and demand at any point in the future these schemes would be a priority for retention due to the purpose built nature and age of the properties.
- 3.2 The schemes have a history of high occupancy with 111 Masons Hill, 18/19 Century Way and Dunstonian experiencing no voids since they were first commissioned. 109 Masons Hill has experienced some tenants passing away and a tenant has moved on due to a change in their needs. The resulting voids have been filled reasonably quickly as the property has adapted bathrooms in each of the 6 flats as well as lift access to all floors. There is currently a void following a service user passing away but the care provider is currently assessing referrals and the void is expected to be filled shortly.
- 3.3 Education, Care & Health Services Commissioners are seeking opportunities to co-terminate existing contracts in order to group similar services together for the purposes of tendering; this approach has the following advantages for the Council:
- The volume of services in a single tender make them more attractive for providers
 - Increased volumes lead to keener bids as the provider is able to reflect increased economies of scale in their pricing
 - More efficient use of Council resources for tendering
 - Specialist expertise shared across schemes
- 3.4 It is proposed that the four schemes would be progressed as a single tender for a 5 year period. The contract would be awarded for a three year term with an option to extend up to a maximum of two years.

- 3.5 The schemes were all subject to formal tendering when they were originally commissioned and they have been subject to subsequent negotiated cost reduction. This will be the third tender of services at 111 Masons Hill and assessment of the market, including detailed analysis of cost composition obtained through recent tender exercises, show that the prices obtained by the Council are competitive and that the Council is unlikely to obtain the magnitude of cost reduction seen in previous tender exercises without significantly compromising the quality and sustainability of services.
- 3.6 Tenders will be evaluated for quality using questions that have been developed from previous tenders and from contract monitoring. Supporting evidence and references are requested and tenderers are required to attend a panel consisting of experienced Officers and service user representation. It is likely that incumbent providers will choose to tender for the schemes, their performance will have been robustly monitored throughout the duration of the contract.
- 3.7 Contracts will be monitored following award by Officers using Key Performance Indicators, periodic meetings and from scheduled and unannounced visits to the services.
- 3.8 The following procurement timetable will ensure contract award in accordance with the Council's financial and contractual requirements:

Task	Date
Gateway Report (Commissioning Board)	09/05/2016
Gateway Report (Care Services PDS)	28/06/2016
Gateway Report (Executive)	13/07/2016
Commencement of tender	01/08/2016
Completion of tender	14/12/2016
Recommendation to award (Commissioning Board)	16/01/2017
Recommendation to award (Care Services PDS)	28/02/2017
Recommendation to award (Executive)	22/03/2017
Notification of award to provider	18/04/2017
Commencement of Contract	01/07/2017

- 3.9 The Care Act 2014 is a reforming and consolidating piece of legislation. It has replaced many previous laws relating to care and support.
- National Assistance Act 1948
 - Chronically Sick and Disabled Persons Act 1970 (as far as it relates to adults)
 - NHS and Community Care Act 1990
 - Carers (Recognition and Services) Act 1995
- 3.10 The Council has a statutory duty to meet the needs of the service users supported in the schemes proposed for re-tendering as set out in Part 1 of the Care Act 'General Responsibilities of Local Authorities'.
- 3.11 Care Services PDS Committee is asked to note and comment on the contents of this report prior to the Executive being asked to:
- i) agree to grouping the schemes for tendering in order to drive the best possible quality / pricing;

- ii) agree an exemption to enable the extension of the 109 Masons Hill scheme for 10 weeks (23/4/2017 - 30/6/2017, with a value of approximately £60,684) and co-termination with the 111 Masons Hill scheme situated next door; and,
- iii) approve the commencement of the procurement procedure to enable award in accordance with the Council's financial and contractual requirements.

4. POLICY IMPLICATIONS

- 4.1 In accordance with the Council's commitment to Building a Better Bromley in supporting people to live as independently in the community as possible, the proposals reflect the Council's strategic objectives for people with disabilities.

5. FINANCIAL IMPLICATIONS

- 5.1 Current expenditure on Supported Living is budgeted to be £10.383m in 2016/17. The annual expenditure of these three schemes is £1.126m per annum. The contracts detailed in the report are currently funded from existing budgets.
- 5.2 Education, Care & Health Services are committed to reducing expenditure through effective and efficient commissioning. The grouping of schemes for tendering is viewed as a key enabler in making tenders attractive to bidders and generating efficiencies via improved economies of scale that will be reflected in pricing, this is particularly relevant for two of these schemes as they are co-located.

6. LEGAL IMPLICATIONS

- 6.1 This report seeks the approval of the Executive to:

- i) extend the term of a contract for the provision of learning disability supported living schemes for a period from 22 April 2017 to 30 June 2017 and an approximate value of £60,684; and
- ii) approve the commencement of a procurement process with an approximate value in excess of £5 million.

- i) Extension of the term:

Rule 13 of the Contract Procedure Rules provides that where the value of the variation exceeds £50,000 Chief Officers may approve variations to contracts subject to obtaining the agreement of, inter alia, the Director of Resources, the Finance Director and the Portfolio Holder.

Pursuant to the Contract Procedure Rules no variation to a contract may be entered into if it is not compliant with the Public Contracts Regulations 2015.

The original contract was a Part B contract under the Public Contract Regulations 2006 and the original estimated contract value was £684,458. The value of the variation is therefore under 10% of the original estimated contract value.

Regulation 18 of the Public Contract Regulations 2015 applies and this requires the Council to treat economic operators equally and without discrimination and to act in a transparent and proportionate manner. In this case the intention is that a procurement process for the service will commence shortly and continuity of service is required until a new contract is awarded.

ii) New procurement:

As the potential contract total value is over £5 million the decision maker for this report is the Executive.

6.2 The procurement process will need to comply with the requirements set out in the Public Contract Regulations 2015.

6.3 The report author will need to consult with the Legal Department regarding the execution of the variation to the contract.

8. PROCUREMENT IMPLICATIONS

8.1 Previously the contacts would have been classed as “Part B” services under the Public Contract Regulations 2006 which meant they were not fully subject to the provisions of the regulations and the EU procurement regime. The concept of Part B services was removed by the Public Contracts Regulations 2015 and the threshold for application of the regulations is set at £589,148.

8.2 However, [Regulation 7](#) of the 2015 regulations introduces a light touch regime for services that are considered “social and other specific services” and above the set threshold of £589,148. We are required to publicise in advance our intention to award contracts of this value and announce the contract award decision after the procedure

The procedural rules are detailed in [paragraph 76](#) of the 2015 Regulations and details the following:

- Free choice of procedure which must “be at least sufficient to ensure compliance with the principles of transparency and equal treatment of economic operators”.
- Including during the publication of intention to award a contract the following information:
 - Conditions for participation.
 - Time limits for contacting the contracting authority (these must be “reasonable and proportionate”).
 - The award procedure to be applied.

Despite the above requirements, [paragraph 76\(4\)](#) of the Regulation states that “The contracting authority may, however, conduct the procurement, and award any resulting contract, in a way which is not in conformity with that information” in the following circumstances:

- “The failure to conform does not, in the particular circumstances, amount to a breach of the principles of transparency and equal treatment of economic operators”.
- If, prior to commencement of the procurement procedure, the contracting authority has:
 - “given due consideration to the matter”.
 - Concluded that there is no breach of the principles of transparency and equal treatment of economic operators.
 - Documented this conclusion and the reasons for it.
 - Notified all suppliers who have indicated an interest (and who have not yet been excluded) their intentions to proceed in a way which differs from the initial specified intention.

8.3 The financial evaluation of tenders will include identifying any bids that are deemed to be unrealistic in consideration of TUPE requirements and the current market. The Council may

exclude bids assessed to be (a) too low to be credible (subject to necessary assessments, as stated in the Public Contract Regulations (Regulation 69) or, (b) any bid received that has been priced above 25% of the mean price of all bids received.

8.4 The proposed tender will be undertaken in accordance with the Council's Financial Regulations & Contract Procedure Rules and procurement policies.

9. CUSTOMER PROFILE

9.1 Adults with learning disabilities who may also have physical disabilities, mental health problems and complex health needs.

10. STAKEHOLDER CONSULTATION

10.1 A full communications plan will be developed to ensure that tenants and families affected by this tender will be advised and supported appropriately. The plan will be implemented following Executive approval.

10.2 Tenderers are required to attend a panel consisting of experienced Officers and service user representation.

11. SERVICE PROFILE / DATA ANALYSIS

11.1 A detailed service specification will specify the requirements to the provider and the outcomes for the people they support. The specification will be based upon best practice, experience gained through years of contract monitoring and the guidance in the Care Act 2014. A copy of the contract, that has been developed over a number of years and which incorporates the Council's legal and financial requirements, is included as part of the tender information so that prospective bidders are fully aware of their responsibilities.

11.2 Tenders will be awarded on the basis of price (60%) and how bidders have answered and evidenced their responses against award criteria (40%). The following award criteria will be covered within specific questions that are themselves weighted:

- The tenderer's financial resources and fiscal structure to implement and deliver the contract over the full term (Finance question 5%)
- Their strategy to implement the contract (Implementation Question 20%)
- Their training processes and how they monitor and ensure staff compliance (Recruitment Training & Workforce Development Question 20%)
- Quality assurance of outcomes including measurement and monitoring processes (Quality Assurance Question 20%)
- How the provider meets complex needs whilst supporting independence (Outcomes related Question 20%)
- How the provider promotes community and family engagement in support (Community & Family Engagement Question 15%)

11.3 Following award of the tender, the provider will be monitored against Key Performance Indicators that will include:

- Staff turnover
- Agency / bank staff usage
- Training compliance
- Accidents & Incidents
- Compliments and complaints
- Details of safeguarding incidents

There are periodic meetings with the provider and a mixture of announced and unannounced visits by the Council's contract monitoring staff; the resulting reports are discussed at the periodic meetings.

12. MARKET CONSIDERATIONS

- 12.1 The tender is advertised to ensure it attracts bids from experienced specialist providers. Notification is undertaken in consideration of all procurement legislation.
- 12.2 Commissioners have built up a thorough understanding of the market relating to the provision of specialist LD care. This knowledge is incorporated into questions that form part of the tender process and these are used to ensure that only providers capable of delivering the contract are shortlisted for detailed analysis using award criteria relevant to the tenants living in the schemes. There is further analysis at interview.

13. OUTLINE CONTRACTING PROPOSALS & PROCUREMENT STRATEGY

- 13.1 The proposed tender will be undertaken in accordance with the Council's Financial Regulations & Contract Procedure Rules and procurement policies.
- 13.2 The tender process will be run on-line using the Pro-Contract tendering portal. There is a 2 stage process where initial tenders are evaluated to determine the 'Top 8' and these undergo further evaluation using a quality / price matrix that has been developed over several years.
- 13.3 Quality is scored using award criteria based on how tenderers have answered questions and evidenced their answers, the questions are specific to the needs of the people in the schemes. There is further challenge, to ensure the provider is robust, through the use of interview panels which comprise experienced commissioners and service user representation; this may be a service user living in the scheme or a service user from elsewhere representing the tenant's views should this be more appropriate.
- 13.4 The outcome from the quality award criteria scoring is weighted and amalgamated with the financial scoring to determine the tenderer providing the best price / quality compromise for the Council. This culminates in a recommendation to award that is presented to Members.

14. SUSTAINABILITY / IMPACT ASSESSMENTS

- 14.1 This decision has been judged to have no or a very small impact on local people and communities.

Non-Applicable Sections:	Personnel Implications
Background Documents: (Access via Contact Officer)	None.

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Report No.
CS17006

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Executive

For Pre-Decision Scrutiny by Care Services PDS Committee on

Date: 28th June 2016

Decision Type: Non-Urgent Executive Key

Title: DEPRIVATION OF LIBERTY SAFEGUARDS - PROPOSAL FOR FUTURE SERVICE DELIVERY

Contact Officer: Adeyinka Adetunji, Commissioning Manager, Education Care & Health Services
Tel: 020 8461 7463 E-mail: Adeyinka.adetunji@bromley.gov.uk

Chief Officer: Lorna Blackwood, Assistant Director Commissioning, Education, Care and Health Services

Ward: Borough-wide

1. Reason for report

- 1.1 This report updates Members on service activity following the 2014 Supreme Court judgement relating to Deprivation of Liberty Safeguards and to the deprivation of liberty of individuals.
- 1.2 The report also outlines the current procurement arrangements under a service agreement to spot purchase these assessments and considers other options for this procurement. The report recommends the setting up of a framework for procurement of specialist assessments.
-

2. **RECOMMENDATIONS**

- 2.1 **Care Services PDS Committee is asked to note and comment on the contents of this report prior to the Council's Executive being requested to:**
- i) **Agree that the future model for the service should be Option 2 i.e. to employ external Best Interest Assessors and Section 12 doctors via 'Lots' on a Framework established for 4 years; and to**
 - ii) **Delegate authority to the Assistant Director (Adult Social Care) in consultation with the Portfolio Holder for Care Services to make any subsequent appointments of suitably qualified providers to the framework if there are insufficient providers on the framework following the annual review.**

Corporate Policy

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

Financial

1. Cost of proposal: Estimated Cost £604k
 2. Ongoing costs: Recurring Cost: £.
 3. Budget head/performance centre: Mental Capacity Act 2005
 4. Total current budget for this head: £651k
 5. Source of funding: Core Funding
-

Staff

1. Number of staff (current and additional): N/A Staff currently engaged on temporary basis.
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: Statutory Requirement; Mental Capacity Act 2005
 2. Call-in: Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 1000-1500 People
-

Ward Councillor Views

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

3. COMMENTARY

Background

- 3.1 As Members will recall the Deprivation of Liberty Safeguards (DoLS), introduced as an amendment to the Mental Capacity Act in April 2009, aimed to prevent decision making which deprived people of their liberty unless properly authorised. The safeguards cover people, regardless of the funding source, in registered care/nursing homes and in hospitals, who have a mental disorder, and who lack the capacity to consent to the care provided, where that care may include the need to deprive people of their liberty. It does not apply to people detained under the Mental Health Act 1983.
- 3.2 Hospitals and care homes are the 'managing authorities', and under the Act are responsible for identifying when a deprivation of liberty is occurring within their own service provision and for making referrals to the designated 'supervisory body'. The supervisory body is the Local Authority for both health and social care provision.
- 3.3 On 19 March 2014, the Supreme Court handed down its judgments in the case of "P v Cheshire West and Chester Council and another" and "P and Q v Surrey County Council". The full judgments can be found on the Supreme Court's website at the following link: http://supremecourt.uk/decided-cases/docs/UKSC_2012_0068_Judgment.pdf
- 3.4 The judgment is significant in determining whether arrangements made for the care and/or treatment of an individual lacking capacity to consent to those arrangements amount to a deprivation of liberty. The Court emphasised that even though an individual may never have tried to leave, the fact that there are measures in place to prevent them from leaving amount to a deprivation. A deprivation of liberty for such a person must be authorised in accordance with one of the following legal regimes: a deprivation of liberty authorisation or Court of Protection order under the Deprivation of Liberty Safeguards in the Mental Capacity Act 2005, or (if applicable) under the Mental Health Act 1983.
- 3.5 The other consequence of the Supreme Court judgements is that a deprivation of liberty can take place because of a care regime in supported living accommodation, day care or the individual's own home and although currently the Mental Capacity Act does not cover a Deprivation of Liberty Safeguard process being followed in these cases, they should be referred to the Court of Protection. The judgement also lowered the age of consideration for a deprivation of liberty to 16 years. This is in terms of an individual's capacity and takes no account of whether there is parental consent for any care regime.
- 3.6 On receiving the request for a DoLS from the managing authority; a doctor, who is qualified under Section 12 of the Mental Health Act 2007, (S12 approved doctor is a term used by the Mental Health Act to describe a medical professional who has been trained and 'approved' by a social services or health authority to carry out particular duties under the Mental Health Act) and a Best Interest Assessor (BIA) are identified (usually a qualified social worker who has received accredited training) to complete the following assessments:
- Establishing the individual is over 18 years
 - Individual lacks capacity to consent to being in the care home or hospital in order to receive the care or treatment that is necessary to prevent harm to them,
 - Individual has a mental disorder
 - Whether this is the least restrictive placement and whether it is in the individual's best interest to be deprived of their liberty

- That the individual is not liable for detention or treatment under the Mental Health Act.
- Whether there is an advance decision or any other legal notice in place

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

3.8 In Bromley since the beginning of April 2015 to March 2016, 1,280 Deprivation of Liberty safeguard applications have been received by the Council with outcomes as detailed below.

	April 2014 -April 2015	April 2015 – April 2016
Number of referrals	388	1,280
Number Granted	351	991
Number not granted	31	73
Number withdrawn	6	8

(NB Not all referrals result in an assessment)

Current Service

3.9 The current volume of work has been delivered by a small central team of a senior practitioner, five best interest assessors (with the occasional use of additional in house assessors based in Care Services), a co-ordinator and other staff time in processing the authorisations and in managing the service. The central team currently consists of locum staff engaged on a temporary basis. S12 doctors are engaged externally. The main burden of the safeguards is with the administration of the system required by the Department of Health which ensures that the legal requirements are met. The current budget for the service for 2016/17 is set out below.

	£'000
Officers' Pay	308
Temporary/Agency Staff	16
Training Expenses	14
Books, Newspapers & Periodicals, Printing, Stationery	1
Other Hired & Contracted Services	208
Additional drawdown from contingency	66
Conference Expenses	1
Room Bookings	2
Advocacy	5
Independent Mental Capacity Advocacy (IMCA)	30
Total	651

- 3.10 The budget contains an assumption that £66k can be drawn down from contingency to meet the additional costs of the BIA's and S12 in 2016/17. There is a total of £184k currently in contingency for DOLs.

Best Interest Assessors (BIAs)

- 3.11 Of the 1280 applications for Deprivation of Liberty Safeguards (DoLS) between April 2015 to March 2016 890 assessments were carried out. Where the demand for BIAs is not able to be met in house, independent assessors have been used for people placed outside of London and the Home Counties as well as to supplement resources locally. Assessors outside of Bromley have been identified based on the recommendation of host local authorities who have used them to carry out assessments in their local area. Independent Best Interest Assessors have the flexibility to undertake assessments to timescale dependent on the type of authorisation request that is being assessed. External Best Interest Assessors (BIA) have a service agreement in place which details the expectation of the Council and includes checks on their individual registration, insurance, social work and Best Interest Assessor training and certification of fitness to practice in the UK. The individual is engaged on a spot basis depending on geographical location and availability.
- 3.12 The current cost of assessments carried out by external BIAs varies between £250 and £532 depending on the area and the travel distance. All BIA's in the area concerned are asked to quote for which assessments they can carry out prior to commencing the work and the cheapest quote is taken. BIAs are asked to quote for each assessment prior to commencing the work. Nationally BIA payments are in the range of £250 - £500 with local assessments from £250 - £300. Currently there is no nationally agreed rate; the Association of Directors of Adult Social Services (ADASS) is currently considering this as an option.

Section 12 assessments

- 3.13 S12 doctors are engaged under a service agreement which details the expectation of the Council and includes checks on their individual registration, insurance, DoLS training and certification of fitness to practice in the UK. The individual is engaged depending on geographical location of the person to be assessed and availability. S12 Doctors for people out of borough are engaged based on the recommendation of host local authorities that have used them to carry out assessments in their own local area. Of the 1280 applications for Deprivation of Liberty Safeguards (DoLS) between April 2015 to March 2016; 1244 were assessed by S12 doctors. All Doctors are asked to quote for which assessments they can carry out prior to commencing the work and the cheapest quote is taken. Nationally S12 Doctors payments range £150 - £250 with local assessments in the Greater London area of £150 - £200 although again establishing a locally agreed rate is being considered by ADASS.
- 3.14 In 2014/15 the costs of assessments the by S12 doctors and Independent BIA's was £87k. In 2015/16 the total budget of £201k allocated for meeting these costs this was fully spent.

4 Options for the service in the future

- 4.1 Whilst the current service is operating well and is compliant with financial and HMRC regulations the market provision for DOLS is changing and the number of assessments required is clearer so this is an optimum time to consider other models of provision. The costs of the options are detailed below. All options assume 890 BIA assessments and 1,244 S12 assessments per annum:-

4.2 **OPTION ONE: Maintain the current service arrangements**

4.2.1 The current service manages the service demand with the core team processing referrals, carrying out approximately 75% of BIA assessments but providing flexibility to meet any fluctuation in service demand by the use of independent BIAs. The current configuration of the team may require adjustment in the future as the administrative burden is considerable but the systems are being further developed and refined.

4.2.2 In practice additional and out of borough capacity is procured through spot purchasing arrangements although the process does ensure that prices are compared between individual BIAs and S 12 doctors. As the market has developed there is an opportunity to set up a framework arrangement to ensure robust procurement of this service.

4.2.3 The total cost of Option One would be £651k p.a. assuming the current activity level, broken down as follows:

COSTS OF OPTION ONE	£'000	£'000
BIA ASSESSOR STAFF	216	
AGENCY STAFF	16	
OTHER STAFF (NON ASSESSORS) IN DOLS	81	
OTHER RUNNING COSTS, TRAINING, ETC	18	
ADVOCACY CONTRACT AND IMCA CONTRACT	35	
BUDGET FOR EXTERNAL S12/BIA'S	208	
CURRENT DOLS BUDGET		575
ADDITIONAL BUDGET NEEDED TO BE DRAWN DOWN FROM CONTINGENCY TO COVER ADDITIONAL ASSESSMENT COSTS	66	
STAFFING FOR INVOICE INPUT/ADMIN	10	
		76
TOTAL BUDGET REQUIRED		651

4.3 **OPTION TWO: Maintain a core administrative function of three staff and set up a framework to call off BIA and S12 Doctor services**

4.3.1 By retaining the current administrative function but using a framework to deliver the functions of the BIA and S12 Doctor, Bromley would contract out all assessments to BIA's and S12 Doctor using a fixed rate (an average cost of £271 per BIA assessment and £190 per S12); the cost of service delivery would be £604k p.a. assuming the current level of activity. The current system of checks/vetting on eligibility to work, DBS, professional qualifications, insurance, evidence of DOLS training, S12 registration etc would form part of the evaluation of service providers to be included in the framework, which would be split into 2 'Lots', one for each service.

4.3.2 The cost of Option Two assuming current level of activity is detailed below:

OPTION TWO		£000s
FIXED RATE FOR ALL BIA (890)		241
FIXED RATE FOR ALL S12 ASSESSMENTS (1,244)		236
COSTS THAT WOULD NEED TO BE RETAINED		
OTHER STAFF (NON ASSESSORS) IN DOLS		81
OTHER RUNNING COSTS, TRAINING, ETC		0
ADVOCACY CONTRACT AND IMCA CONTRACT		35
INVOICE INPUT/ADMIN STAFF		10
		604

4.4 **OPTION THREE: Tender the whole service**

- 4.4.1 With the expansion of Deprivation of Liberty new providers have emerged in the market which arrange both BIAs and S12 doctors and quality control the assessments. A number of Councils nationally have tendered for these services and information from them indicates that the average cost of this is between £500- £600 per referral.
- 4.4.2 The Council would still be required to receive the referrals and to process them once signed. The total cost would be £769k p.a. assuming the current level of activity is detailed below. This in essence would be a “managed service”

OPTION THREE		£000s
FIXED FEE FOR WHOLE SERVICE OF £550 PER ASSESSMENT (1,244)		684
COSTS THAT WOULD NEED TO BE RETAINED		
COORDINATOR ROLE		39
ADVOCACY CONTRACT AND IMCA CONTRACT		35
INVOICE INPUT/ADMIN STAFF		10
		769

Please note the costs given in Option 3 do not include the cost of monitoring this contract.

5 **FINANCIAL IMPLICATIONS**

- 5.1 Option one (cost £651k) assumes an almost ‘as is’ position. There is unlikely to be any efficiencies gained from this option as the amount of external assessments will remain static so no economies of scale can be achieved.
- 5.2 Option two (cost £604k) assumes all of the assessments are carried out externally. A more economic price can be achieved per assessment due to the quantum of size. Some current costs will need to be retained in order to maintain the service, but efficiencies are still made with this option.
- 5.3 Option three (cost £769k) is not economic. Although there is a market for dealing with all of the DOLS assessments, etc as a package, it is more expensive and some costs will still need to be retained to coordinate the service in house.

- 5.4 Option two is the preferred option and would enable efficiencies to be made on the current arrangements by setting up a framework to call off BIA and S12 Doctors with options for annual review and adjustments depending on the requirements of the DOLS service

6 LEGAL IMPLICATIONS

- 6.1 This report seeks the approval of the Executive to commence a procurement process to establish a framework agreement for the provision of assessors to prevent a person's unlawful deprivation of liberty in hospitals and care homes. The framework agreement will be for a contract period no longer than 4 years and the estimated total value of the contract is £604,000.
- 6.2 The obligation to carry out assessments and to employ suitable assessors to prevent unlawful deprivation of liberty is a statutory requirement pursuant to section 4 and paragraphs 129, 180 and 182 of schedule 1A of the Mental Capacity Act 2005 (as amended to incorporate the Deprivation of Liberty Safeguards 2009).
- 6.3 The Public Contracts Regulations 2015 apply to this contract and the Council will need to comply with these Regulations. As the service is within the 'light touch' regime the Council must advertise the contract in the Official Journal of the European Union and may determine the procedures to be applied in awarding contracts provided that the principles of transparency and equal treatment are complied with.
- 6.4 The Council will also need to comply with the Best Value Duty set out in the Local Government Act 1999 section 3.
- 6.5 Pursuant to the Contract Procedure Rules the decision maker for this report is the Executive.
- 6.6 The Legal Department will need to be consulted regarding the contract terms and conditions and the appointment of assessors who are not a party to the original framework agreement. Consideration should be given to using a Dynamic Purchasing System.

7. PROCUREMENT IMPLICATIONS

- 7.1 Health, social and related services are covered by Schedule 3 of the Public Contracts Regulations 2015, and thus any tender would be subject to the application of the "Light Touch" regime (LTR) under those regulations. Authorities have the flexibility to use any process or procedure they choose to run the procurement, as long as it respects the following obligations:
- i) The tender must be advertised in OJEU.
 - ii) A Contract Award Notice must be published in OJEU at the end of the procurement.
 - iii) The procurement must comply with Treaty principles of transparency and equal treatment.
 - iv) The procurement must conform with the information provided in the OJEU advert regarding: any conditions for participation; time limits for contacting/responding to the authority; and the award procedure to be applied.
 - v) Time limits imposed, such as for responding to adverts and tenders, must be reasonable and proportionate. There are no stipulated minimum time periods in the LTR rules, so contracting authorities should use their discretion and judgement on a case by case basis.
- 7.2 In conducting an 'Open' procurement process in accordance with the Council's Contract Procedure Rules and the indicative timetable in the table below, these obligations will be met.

Indicative Timetable

Procurement Strategy agreed	28 th June 2016
Tender document preparation	To 15 th July 2016
Tender period	18 th July to 16 th August 2016
Tender evaluation	16 th August to 2 nd September 2016
Framework agreed and awarded	12 th October 2016
Implementation	1 st November 2016

- 7.3 It is proposed that the framework would be for a period of 4 years, with a built-in annual review to ensure that sufficient numbers of BIA and Section 12 Doctors are maintained.
- 7.4 It is further proposed that authority is delegated to the Assistant Director (Adult Social Care) in consultation with the Portfolio Holder for Care Services to make any subsequent appointments of suitably qualified providers to the framework if there are insufficient providers on the framework following the annual review. Consideration will be given to whether a Dynamic Purchasing System (similar to a framework but more flexible) would be appropriate.

8. PERSONNEL IMPLICATIONS

- 8.1 There is a current workforce of 8.5 staff (8 FTEs) who currently undertake the work in-house, who have been consulted with on the proposals outlined in this report. The team members are either seconded from other teams or agency workers. In the event that the Committee decides to proceed with either Option 2 or 3 then the seconded staff would return to their substantive roles.

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

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Report No.
CS17007

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker: Executive

For Pre-Decision Scrutiny by Care Services PDS Committee on

Date: 28th June 2016

Decision Type: Non-Urgent Executive Non-Key

Title: UPDATE ON REPLACEMENT OF HOUSING INFORMATION SYSTEMS

Contact Officer: Joseph Huggett, Project Officer
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Chief Officer: Sara Bowrey, Assistant Director Housing Needs
Tel 020 8313 4013 E-mail: sara.bowrey@bromley.gov.uk

Ward: Borough-wide

1. Reason for report

1.1 This report updates Members on progress made towards replacing the Housing IT system.

2. **RECOMMENDATIONS**

2.1 The Care Services PDS Committee is asked to note and comment on this report.

2.2 The Council's Executive is asked to agree the Project Team re-tenders on the Crown Commercial Services (CCS) RM1059 Framework as detailed in the report.

Corporate Policy

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

Financial

1. Cost of proposal: Estimated cost N/A
 2. Ongoing costs: Recurring cost.
 3. Budget head/performance centre: 744010 1903 / 805004 1933 / 950819
 4. Total current budget for this head: £55k + £200k Capital Funding
 5. Source of funding: Core Funding
-

Staff

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

Legal

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

Customer Impact

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

Ward Councillor Views

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

3. COMMENTARY

3.1 This report covers the background, the review of the first tender, outlines research undertaken, sets out the recommended procurement option and gives a revised project timeline.

Background

3.2 On 14 January 2015, Executive agreed the following recommendations:

- Approval of a capital funding bid to procure a new fully integrated Housing IT system
- Officers to procure the new system through the Crown Commercial Services RM1059 Framework

3.3 The Project Team reviewed the Framework and produced a detailed requirements document and a pricing schedule. This work was signed off by the Project Board. On 16 October 2015, the invitation to tender was sent to suppliers (six) on the CCS Framework. The tender opportunity was advertised and managed via Due North. An open day was held which two suppliers attended.

3.4 All suppliers on the Framework declined to submit a bid, and, therefore, the tender was unsuccessful. (See reasons in section 3.5).

Review of First Tender

3.5 The Project Team contacted suppliers to ask them why they declined to bid. Suppliers gave a variety of reasons. These include:

- Suppliers were made aware the tender was going out. However, suppliers commented it would have been helpful to have more contact prior to the advert.
- Some suppliers did not offer all of the modules required and others felt they were unable to meet essential requirements (as outlined in the requirements document)
- The requirements document would have taken too much time to complete
- The Team tendered at a particularly busy time of year when suppliers had lots of other tender opportunities
- The Team split price and quality 50/50. Although this weighting was already evenly balanced between price and quality, suppliers considered the Council would be driven to the cheapest solution and that a 70/30 or 60/40 split in favour of quality would lead to a better quality system.

3.6 The Project Team also contacted CCS. They had no previous experiences of failed tenders from this Framework. They offered no suggestions for improvement.

Further Research

3.7 The Project Team arranged follow up meetings with suppliers who were on the Framework and declined to bid. The Team observed and evaluated systems during demonstrations and talked to current clients of suppliers. This enabled the Team to: (1) identify suppliers who are likely to be able to deliver what the Council needs and establish how (eg, through partnerships); (2) determine suppliers would be interested in bidding if the Team retendered; and (3) build relationships with suppliers.

Review of Procurement Options

3.8 Five procurement options identified and reconsidered:

a) Re-contract with current suppliers

Current systems provided by current suppliers are not fit for purpose: systems are not integrated, offer limited functionality, maintenance and support and upgrades are difficult and costly. More details can be found in report CS14106.

b) Open tender

Through the review and consultations the Project Team confirmed that the only suppliers who can meet all requirements are on the CCS RM1059 Framework. The Framework offers advantages that an open tender does not (these are outlined in section d).

c) CCS G Cloud / Digital Services Framework

The G Cloud / Digital Services Framework offers off-the-shelf individual modules. This would make it difficult to get an integrated system that offers all the functionality required.

The maximum length of a G-Cloud call-off contract is 24 months. This is not long enough. The Team is looking for a 5 year contract.

There is only one supplier on the G-Cloud who may be able to deliver what the Council needs and this would mean the Team would be unable to conduct rigorous market testing as Council procurement rules require.

d) Mini-Competition Using CCS RM1059 Framework

The Framework promotes fair and open competition and is aimed at achieving best value.

Suppliers have already completed pre-qualification questionnaires in order to be accepted onto the Framework and this ensures they are high quality.

Suppliers have all signed up to a detailed and comprehensive call off agreement. This reduces the amount of time and resources needed because legal contracts are already agreed.

In direct contrast to the G Cloud / Digital Services Framework, the Council gets the opportunity to submit a detailed requirements document and there is a good chance of getting a bespoke, fully integrated system.

Market testing and research has revealed there are very few suppliers who can deliver all the functionality the Council needs. Therefore, it seems competition would be limited.

Officers from across the Council (Housing, Finance, IT) would be needed to assist with evaluating tenders. This would be a time consuming and lengthy process.

e) Drawdown from CCS RM1059 Framework

This option was considered because the project has already been delayed and further delays could be extremely costly.

This option is not viewed as best practice by the Council because it is less likely than tendering to promote fair and open competition.

Recommendations

- 3.9 The Project Team recommends mini-competition using the CCS RM1059 Framework.
- 3.10 Council Procurement regulations require submissions to be evaluated weighting cost and quality 60/40 in favour of cost. However, CCS procedures require quality/cost to be weighted 50/50. The Public Contracts Regulation 2015 in Section 4.4 under Framework Agreements states 'Contracts based on a framework agreement shall be awarded in accordance with the procedures laid down in this regulation' and 4.6 states 'Contracts based on a framework agreement may under no circumstances entail substantial modifications to the terms laid down in that framework agreement'. Therefore, in accordance with the Public Contracts Regulation 2015 and CCS procedures, the Team weighted quality/cost 50/50.
- 3.11 At the Open Day held for suppliers before the first tender submission date, officers were told by suppliers that the 50/50 weighting was not proportionate to the effort required to submit a bid meeting all the quality criteria and their experience was that Council would be forced to go with the cheapest option irrespective of quality.
- 3.12 In the review of the first tender, most suppliers who declined to bid said one of the factors in their decision not to bid was they do not consider tenders in which cost is weighted at 50% or more. Please see Table 1 below for more information. There are a few suppliers who said they do consider tenders in which cost is weighted at 50% or more; however Officers scrutinised these systems very carefully and were not satisfied that these systems would deliver all the Council's essential requirements. Please see Table 2 below for more information.

Table 1: Suppliers who *would not* or would be *unlikely* to bid for a tender with cost $\geq 50\%$

Supplier	Response
Supplier A	50/50% split sends out the wrong message – suggests Bromley want a cheap system rather than a high quality one
Supplier B	50/50% split leads to poor quality systems. Tenders from other Councils are set at 70/30% split in favour of quality
Supplier C	Wary of quality $\leq 50\%$ because it suggests the customer wants a cheap system. However, would bid for the 'right' tender with quality $\leq 50\%$

Table 2: Suppliers who *would* bid for a tender with cost $\geq 50\%$

Supplier	Inadequacies
Supplier D	<ul style="list-style-type: none"> • No existing functionality for Options or Homelessness • Do not offer Choice Based Lettings • Limited funding functionality
Supplier E	<ul style="list-style-type: none"> • No functionality for Options or Homelessness • Offer hosted services but not managed services

- 3.13 There were other suppliers on the Framework. However, the Team either did not contact them or contacted them but ended the meeting very early because it was clear these suppliers offered systems that do not come close to meeting the Council's essential requirements.

- 3.14 Having considered supplier feedback and the fact this is a one off capital project and reviewed the evaluation options available through the CCS RM1059 Framework, the Team recommends using additional scoring criteria and weightings which could be aligned to the cost weighting. The overall impact is cost plus cost effectiveness equals 50% and quality plus delivery equals 50%. Please see Table 3 below for more detail.

Table 3: Suggested criteria and weightings

Criteria	Percentage Weightings
Cost	40
Cost Effectiveness*	10
Delivery Date and Delivery Period**	10
Quality	40

*Covers long-term efficiencies that could be delivered by systems, including, but not limited to, channel shift and customer relationship management

**Further delays would very likely mean extremely high costs to stay on current systems because of maintenance and upgrades

- 3.15 The Team has liaised with Havering Council who successfully procured a Housing IT System from the CCS RM1059 Framework in spring 2015. Havering used a similar spread of weightings where cost was weighted 40% and other criteria (quality, technical, implementation services) were weighted separately totalling 60%.
- 3.16 The Corporate Head of Procurement, the ECHS Head of Finance and the Director of Commissioning were consulted on the introduction of these new scoring criteria and weightings.

Maximising Chances of Success

- 3.17 Based on the review and further market research, the Project Team has made and will make the following changes to its approach in order to maximise the chances of success:

The Team has:

- Shortened and simplified the requirements document and removed unrealistic requirements
- Built relationships with suppliers and 'warmed up' the market

The Team will:

- Send out tender during a period (July-September) in which suppliers are less likely to be busy
- Give suppliers an ideal amount of time (eight weeks) in which to produce and submit a bid
- Make it clear to suppliers they can make joint bids
- Undertake implementation in two phases: (1) phase one (statutory functions); and (2) phase two (enhanced functionality)

Current Systems

- 3.18 Contracts with current IT suppliers (Northgate and Home Connections) ran out in April 2016. As a result of the failed tender, on 9 February 2016, report CS16009 was submitted. The report recommended:
- Award of a new contract to Home Connections at a cost of £23 312 to cover annual systems maintenance from 1.4.16 to 31.3.2018.
 - Award of a new contract to Northgate at a cost of £87 084 from 1.4.2016 until 31.3. 2018

- Delegate authority to agree to purchase essential upgrades for the Northgate system to the Assistant Director of Housing Needs in consultation with the Head of IT and Portfolio Holder for Care Services

Timeline

3.19 The project has been delayed. Table 4 below outlines key milestones and original timescales and revised timescales.

Table 4: Timescales

Milestones	Original Timescales*	Revised Timescales
Tender and evaluation	December 2014 to May 2015	July 2016 to November 2016
Award contracts	June 2015	30 November 2016
Implementation	July 2015 to December 2016	December 2016 to December 2017**

*Original Timescales from Gateway Review in October 2014

**Extended implementation timescale to reflect phased approach (see more information in 3.17)

3.20 The Project Team is well prepared for implementation. Progress will be reported through housing performance and priority reports.

3.21 The delay getting a new system means:

- Housing performance will continue to be hampered by current system inadequacies (more details can be found in report CS14106).
- Data and documents will continue to be stored in current systems which will add to data migration task

4. POLICY IMPLICATIONS

4.1 Investment in a new IT system will support the Council in delivering the objectives of Supporting Independence and Excellent Council which are key priorities in Building a Better Bromley.

5. FINANCIAL IMPLICATIONS

5.1 There was a risk that because of a delay (such as the one encountered) the Council would incur additional costs. However, officers have negotiated with current suppliers to maintain current costs and these can be kept within original budgets. Any further delays, however, would likely mean high additional costs because of system maintenance and upgrades. This was reported to PDS in February 2016.

5.2 Executive agreed to £200k capital funding on January 2015 to deliver a new integrated system, which is likely to achieve savings through the streamlining of processes and reduced maintenance costs. These are detailed further in Appendix 1.

5.3 Costs of procuring the system are estimated at present. Actual costs will be reported back in due course once procurement has progressed.

5.4 The revised criteria for award of contract 50:50 price and quality as set out in paragraph 3.14 which has been agreed with the Head of Finance as it is a one off capital expenditure and given feedback from suppliers will avoid further delay.

- 5.5 BT has quoted 16k to provide advice during ITT evaluation because this service is not covered by the current IT contract with BT.
- 5.6 Implementation costs outside the supplier costs defined within the Invitation to Tender Document e.g. further software licences, hardware and software installations, Bromley network tasks required from BT, etc. These costs can only be defined once the supplier has been selected and have been flagged as an issue in previous reports.
- 5.7 System decommissioning and data removal as costs not covered by current IT contract with BT e.g. ANITE OHMS, Information@Work and other systems or interfaces currently related to Housing systems that would no longer be required.

6. LEGAL IMPLICATIONS

- 6.1 This report recommends that procurement of the replacement system is undertaken via a framework set up by the Crown Commercial Services. Clause 3.4 of the corporate procurement rules state;

“In seeking to demonstrate *Value for Money*, the Head of Procurement must be consulted and the agreement of the Finance Director obtained *prior* to commencing any *Procurement* process using the Office of Government Commerce (OGC) Buying Solutions or similar *Central Purchasing Organisation Contracts*.”

- 6.2 The benefits to the Council of using the Crown Commercial Services framework are:

- The procurement process has already been undertaken in accordance with EU Regulations
- Contractors have already agreed to a standard set of terms and conditions
- Obtain the best value solutions on commonly purchased goods and services
- Deliver savings thereby making a substantial contribution to local government efficiency targets
- Save time and effort by accessing established, compliant framework agreements under the Public Contract Regulations 2006.

- 6.3 The procurement landscape is changing fast and for local government this means:

- Using existing frameworks to leverage even better procurement solutions and value for money
- Avoiding duplication of effort
- Reducing procurement costs
- Making it easier and more cost effective for suppliers to deal with local government
- Concentrating on outcomes not processes

7. PERSONNEL IMPLICATIONS

- 7.1 Retendering of the contract will not have any implications for housing staff.
- 7.2 Housing staff and additional project resources will be required during the implementation stages of the project.

Non-Applicable Sections:	None
Background Documents: (Access via Contact Officer)	CS14106 – Gateway Review of Housing IT system

NEW HOUSING IT SYSTEM

Implementation costs:

	2016/17	2017/18	2018/19	TOTAL
	£000	£000	£000	£000
Consultants' Fees	5	5		10
BT Implementation Costs	16			
Purchase and implementation of new system	75	75		150
Project Management	35	31		66
Interfaces/infrastructure		5		5
Mobile working hardware		3.7		3.7
Scanning software		5		5
Cost of maintaining read only historic records		5	10	15
Training		5		5
Sub-total	131	135	10	276
Testing and frontline implementation – Housing Needs – (housing advice, homelessness, temporary accommodation housing register & allocation modules)		30		30
Testing and implementation – Liberata & Exchequer services (rent accounts)		43		43
Total	131	208	10	349

The estimate is cautious and based on a soft market testing exercise including a contingency. In order to procure a new system a detailed technical specification will be written.

Partner contributions:

e.g. Government grants, other local authorities, private sector, other (please specify)	2016/17	2017/18	TOTAL
	£000	£000	£000
RSL contribution*	20	20	40

*In addition to existing income. RSLs will also meet any individual project management or implementation costs.

Savings arising from implementation in revenue running costs:

	2016/17	2017/18	2018/19	TOTAL
	£000	£000	£000	£000
Savings from streamlined processes and reduced administrative tasks.		70		70
Reduction in annual maintenance		10	5	15
Reduction in additional costs of upgrades and maintenance		50		50
TOTAL	0	130	5	135

There are also likely to be additional efficiencies achieved in terms of the resources required from Performance and Information and Liberata rent account management as a result of increased automation of processes and tasks within a new IT system. These will be able to be reviewed against the new system abilities once implementation is underway.

The estimated savings against annual maintenance is a conservative estimate based on initial soft market testing.

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Report No.
CS17019

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Executive

For Pre-Decision Scrutiny by Care Services PDS Committee on

Date: 28th June 2016

Decision Type: Non-Urgent Executive Key

Title: **COMMISSIONING STRATEGY - HEALTH VISITING AND FAMILY NURSE PARTNERSHIP**

Contact Officer: Dr Jenny Selway, Consultant in Public Health Medicine
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Chief Officer: Dr Nada Lemic, Director of Public Health
E-mail: Nada.Lemic@bromley.gov.uk
Kay Weiss, Interim Director of Children's Services

Ward: Borough-wide

1. Reason for report

- 1.1 The Council currently contracts with Bromley Healthcare (BHC) to deliver Health Visiting services through a joint Block Contract with Bromley Clinical Commissioning Group (CCG). The contract with the BHC is due to expire on 30 September 2017. The Council also contracts with Bromley Healthcare (BHC) to deliver the Family Nurse Partnership service through a joint contract with LB Bexley. This contract is due to expire on 31 March 2017.
 - 1.2 This reports sets out the proposed arrangements for these services going forward once these contracts end in 2017 and provides an update on the work undertaken by officers in the last 3 months exploring options around integration with the Early Intervention and Family Support Service as outlined in the report to Executive in March 2016.
-

2. RECOMMENDATIONS

2.1. The Council's Executive is asked to:-

- i) **Agree the extension of the contract with Bromley Healthcare for the provision of the Family Nurse Partnership service for a period of 6 months expiring on 30 September 2017 at an estimated cost of £90,000 in order to align with the Health Visiting Service.**

- ii) Agree the Council tenders the Health Visiting and Family Nurse Partnership services as a single contract for 3 years to start from the 1st October 2017 at an estimated total value of £10,902k.**
- iii) Note the work undertaken by officers to identify future opportunities around integrating these services with the Early Intervention and Family Support service as set out in para 3.11 – 3.12 of this report and agree that this work continues as a priority to ensure that going forward the services are run as efficiently and effectively as possible.**

Corporate Policy

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

Financial

1. Cost of proposal: Estimated Cost: £3,634k p.a. (£10,902k over 3 years)
 2. Ongoing costs: Recurring Cost: £3,634k
 3. Budget head/performance centre: Public Health
 4. Total current budget for this head: £15,479,000
 5. Source of funding: Public Health Grant
-

Staff

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

Legal

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

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 100,000 (population of 0-4 year olds and their families)
-

Ward Councillor Views

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

3. COMMENTARY

Current Contract Value

- 3.1 The 2016/17 budget for the service is £180k for Family Nurse Partnership and £3,454k for Health Visiting, as set out in the table below:-

Contract	2016/17 Budget £000	Contract period
Health Visiting	3,454	October 2015 to September 2017
Family Nurse Partnership	180	April 2014 to March 2017
Total	3,634	

This pays for 2.5 ftes Family Nurses, 51 ftes Health Visitors (including the Head of Service), and 14 ftes Health Visitor Support staff.

- 3.2 It is recommended that these contracts are combined with a single arrangement of £3,634k p.a. which should generate efficiencies going forward.

HEALTH VISITING

- 3.3 This service is currently delivered by Bromley Health Care and has an annual budget of £3,454,000.
- 3.4 This report follows a Gateway Review in March 2016 (CS16025) as a result of which the Executive agreed to extend the Health Visiting (HV) service to 30th September 2017 in order to explore integration with the Early Intervention and Family Support service (EI&FS) in the local authority. Executive agreed that taking forward integration between the Health Visiting service and the Early Intervention and Family Support service (EI&FS) is a priority.
- 3.5 Future procurement of the Health Visitor service should align with two principles:
- to focus on the mandated parts of service, and identify savings from delivering the service in a more efficient way
 - to work towards closer integration with the Early Intervention and Family Support service
- 3.6 The Health Visitor budget of £3,454k p.a. is made up of mandatory and discretionary services split broadly 88% (£3,040k) mandatory and 12% (£414k) discretionary.
- 3.7 The parts of the Health Visiting service which are mandated are:
- The 5 reviews (antenatal contact, new birth visit, 6 week review, 12 month review and the 2½ year review);
 - The safeguarding element of the service. This is targeted and is a key role of the Health Visiting service. As the commissioner of Health Visiting services, the Council also has “to make arrangements for ensuring that their functions, and any services that they contract out to others, are discharged with regard to the need to safeguard and promote the welfare of children.” (Children Act 2004, Section 11) This part of the service will include attending case conferences and the targeted support they give to vulnerable families, including families where the child has complex needs or disabilities.

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

- information for parents about local early years services;
- some of the drop-in clinics and group sessions Health Visitors run, generally in Children and Family Centres.

- 3.8 Discussions are taking place with the current provider in order to gain detailed analysis of how much time is currently spent on these mandated elements, and what future requirements may be required in order to deliver the mandated checks in a safe service.
- 3.9 Some of the non-mandated services that were previously provided, such as baby clinics, have been reduced already in order to achieve improved coverage of the new mandated checks. Mandated checks are evidence based interventions that are an effective way of identifying problems at an early stage. They also build relationships with families at an important stage in their lives which is a key part of the safeguarding function.
- 3.10 The number of young children each Health Visitor is responsible for is another useful comparator. Lord Laming recommended in 2009 that the caseload of young children for each Health Visitor should be no more than 400 children. The current caseload in Bromley is 430 children aged 0-4 years per Health Visitor. This indicates that the current number of Health Visitors in Bromley is not excessive.
- 3.11 Work on integration between Health Visiting and the EI&FS has started with identification of the key functions performed by the Health Visiting service and the EI&FS. The initial work shows that there are opportunities to restructure services to achieve both improved services for families by eliminating duplication and the number of people involved with families which in turn will also generate efficiency savings in the longer term. It is important that this work is taken forward as a priority to allow the Council to gain the maximum efficiencies in these service areas. Any changes can be managed through the restructure of the Early Years and Family Support service or changes to the contract specification (either prior to contract award or via change control notice at a later stage).
- 3.12 It is clear from this initial work that several areas for integration can be progressed but In order to do this safely the Council needs to develop care pathways for common areas of risk or concern (e.g. parental mental health or substance misuse problems, domestic violence, health condition in the child). Each area of risk will need involvement of all stakeholders (not just Health Visiting and the EI&FS) in developing an integrated care pathway which will then be implemented and monitored to ensure key functions such as safeguarding are not adversely affected. This process can start very soon but will take at least two years to complete because each area of risk in turn will need a multi-agency group of stakeholders to develop and agree an appropriate pathway of care. This could potentially involve significant changes to be made for some services. As many of the same agencies will be involved in each pathway, implementing all the new care pathways at once may not be feasible or safe and their introduction will need to be staggered.
- 3.13 Health Visitors are a core part of the safeguarding function for young families. A local Serious Case Review in 2011 concerning chronic neglect noted that the Health Visitor was “the only professional to maintain a continuing relationship with the family”. Some of the functions of Health Visitors cannot be removed safely until there is a better understanding of their role in safeguarding issues.

Outcomes

- 3.14 The impact of the Health Visitor service has historically been measured by volume of activity and current performance is shown in the table below together with targets for year 1. It should be noted that most of these statistics have only been collected in this way since the first quarter of 2015/16 and several of the mandated reviews are new. These statistics are therefore published as “Experimental statistics” by Public Health England.

Coverage of mandated HV reviews (Experimental statistics from PHE)

Mandated contacts	2015/16				Target	Comments
	Q1	Q2	Q3	Q4	2017/18	
Antenatal contact	204	145	122	233	250 per quarter Or 1000 pa	Denominator not yet available for this indicator. This is the actual number of contacts. This should be around 1000 contacts per quarter. This is a new review
New birth visit	77%	86%	94%	93%	93%	This is the % of the cohort of births in that quarter who received a New Birth Visit by a HV. This is not a new review
6 week review			47%	100%	60%	This is the % of mothers reviewed by a HV 6 weeks after the birth. This is a new review*.
12 month review	84%	74%	86%	88%	90%	This is the % of children receiving their 1 year review before the age of 15 months. This is not a new review.
2.5 yr review	69%	71%	52%	73	75%	This is the % of children receiving an integrated 2.5 year review with education. This review is new.

*The variability of this data is because data collection for this review is currently retrospective

- 3.15 The only targets set for Health Visiting mandated reviews at transfer to the local authority in October 2015 were that the coverage of the mandated reviews should remain at least at the levels they were at the transfer date (October 2015) Quarter 3 above. If the evidence base supports the mandated checks it seems sensible to increase these to optimise the effectiveness of the Health Visiting service. Ultimately the target coverage should be at least 85% for each check. The checks which have been in place for some time (new birth and 12 month checks) are both achieving this target.
- 3.16 Some of the savings which have been achieved in local Health Visiting services by reducing the number of baby clinics have been taken up implementing the new mandated checks. This is likely to reduce any potential savings from integration in the short term.
- 3.17 Given that the inherited indicators focus on activity it is proposed that new outcome indicators be introduced for the Health Visitor service which would reflect important functions of the Health Visiting service in an integrated service. The table below sets out these new proposed indicators along with the rationale for each indicator.

Suggested performance indicators for Health Visiting services

Indicator	Current data	Target
Time between HV first contact and registration of family with a GP	Not yet available	2 weeks
Referrals by HV service into EI&FS	4-6 per month	35 (10% of cohort)
Data completeness on risk factors (Domestic Violence, parental mental health, substance misuse) and ASQ ? scores	Not yet available	95%

- 3.18 Health Visitors perform a very important function of ensuring they make contact with all families with a new baby and all families who move into the borough with a child under 5. This function is important as it ensures no family miss out on the health reviews, screening and support offered by the Health Visiting service. However this function has an even more important function of identifying new children in the borough and ensuring they are registered with other key services, such as Primary Care. This does not happen automatically (even when a mother registered with a GP has a baby), and the parent has to attend a local GP surgery and register the child separately there. As some of the health reviews and immunisations are delivered by Primary Care, it is important that HVs encourage families to complete registration with a local GP as soon as possible after seeing the Health Visitor. The GP is the core long term health service in the community. This service picks up problems which can then be treated early, and continues throughout childhood and beyond.
- 3.19 As part of the development of integrated care pathways between HV and EI&FS services, many more referrals from HV to EI&FS will be expected. For example, a mother with mild to moderate mental health problems who may have been managed just within health services in the past may also be referred to the local Children's Centre for support with underlying problems such as struggling with parenting and social isolation. This mother could benefit from parenting programmes and other offers within Children and Family Centres which would help with the underlying problems and aid recovery in a sustainable way. This is a key indicator of the success of the integration work
- 3.20 Another key role of the HV service in an integrated service will be their role in assessing health and social care risk, and recording those risk factors. This information will be invaluable not only for managing those risks in an integrated system for the individual, but also in maintaining oversight of the needs of the population and commissioning appropriate services. These risk factors include parental mental health or substance misuse problems and domestic violence as well as health concerns and the results of validated assessment tools such as the Ages and Stages Questionnaire (ASQ).

FAMILY NURSE PARTNERSHIP

- 3.21 This service is currently delivered by BHC and has a budget of £180,000 p.a. It is not a mandated service. This service is not part of the block contract with BHC. NHSE commissioned an FNP team to work jointly across Bromley and Bexley in April 2014 on a 3 year contract which then novated to the local authority, 50% to each borough, in October 2015.
- 3.22 Family Nurses provide intensive support to the most vulnerable mothers using evidence-based interventions. This is a licensed programme and supports the mothers from pregnancy until their child is 2 years old, when the care of the family passes to Health Visiting services. This service is based on good evidence that intensive support to vulnerable families can have a significant impact on outcomes. By improving the attachment between the baby and the mother and supporting young mothers in their parenting role, many of the long term outcomes

related to poor attachment can be reduced or avoided. These adverse outcomes include behaviour and mental health problems in the child, poor education outcomes and involvement of Children’s Social Care.

3.23 Bromley currently has two Family Nurses (FNs) who provide support to 50 vulnerable mothers. The Bromley FNP programme is moving its focus from mother’s age to broader vulnerability factors such as being a care leaver or known to Children’s Social Care. This pressure on the service means that two Family Nurses is not enough.

3.24 Consideration has been given to the potential to integrate the FNP service with Health Visiting and the EI&FS. The licenced programme aspect of the FNP service needs to continue in order to benefit from the support of the national FNP programme. The HV service would benefit both from having such specialist expertise within their team and from having the most vulnerable clients managed by the FNs, leaving them free to focus their skills on other clients.

Outcomes

3.25 Family Nurse Partnership is a licensed programme with a strong evidence base. The significance of the licenced programme is that the better the fidelity of the delivery of the programme (the more the programme is delivered in the way that the evidence shows is effective), the higher the chance that the expected benefits will be seen. The FNP programme in Bromley has regular input on quality from a named lead in the national team who attends most of the local performance management meetings, and the FNP programme overall is overseen by the Department of Health. The targets are based on national FNP data.

Family Nurse Partnership Outcome Measures 2015/16

3.26

Metrics	Description	Target	Actual
Performance / KPIs	Take up of the offer of the programme by eligible young women	75%	76%
	Percent of babies of low birth weight (under 2500g) at term	4.6% (programme average)	7%
	Completion rate of all recommended immunisations at 6 months	90%-95%	94%
	Increase in registrations and attendance at Children’s Centres	100% of participants in FNP to register for Children’s Centre services	tbc

A recently published randomised controlled trial in the UK of FNP found evidence of better cognitive and language development in the baby, improved attachment between mother and baby, and fewer symptoms of depression in the mother.

The Future for Health Visiting and Family Nurse Partnership in Bromley

3.27 The focus on efficiency savings and integration is being taken forward by joint work between Public Health and the Head of the EI&FS identifying the optimum way to utilise the combined resources of the Health Visitor, FNP and EI&FS teams. Some areas of duplication have already been identified so it is important that the integration of these services is treated as a priority. A Commissioning Lead will need to be identified to take this forward and an update report will come back to Executive later on this year to identify potential options

4. PROCUREMENT IMPLICATIONS

4.1 Work has started on identifying the best way to integrate services between the Health Visiting service and the EI&FS. The two services are already co-located where possible and the potential for further synergies are being explored. At present FNP and Health Visiting are commissioned services and EIFS is an internally provided service.

4.2 Option 1

There is the option to tender for the Health Visitors and Family Nurse Partnership services, reconfigured in alignment with the two principles:

- to focus on the mandated parts of service, and identify savings from delivering the service in a more efficient way
- to work towards closer integration with the EI&FS by integrating FNP into the Health Visiting service and expanding the role of the Family Nurses to a wider group of vulnerable women.

This option would enable some integration of certain elements of the EI&FS and Health Visiting services. It would also include widening the remit of the Family Nurses to all vulnerable young mothers and work on care pathways to set out how integration can work better in future.

Tender for HV and FNP

Pro	Con
Some opportunities to deliver savings and a new model of delivery	Limits opportunities for future integration as services are tied up in contractual arrangements
Some opportunities to develop greater clarity of role and clear care pathways in place for key conditions	Limited opportunities for Council to realise efficiencies from a combined service
Some efficiencies from aligning key services for this age group using care pathways	
Some reduction in duplication between HV services and EI&FS	

4.3 Option 2

For the Council to tender Health Visiting and Family Nurse Partnership together with the EI&FS services. This option would enable much quicker integration of the EI&FS and Health Visiting services into a single “Early Help” service.

Tender Health Visitor, FNP and EI&FS together

Pro	Con
The integration of the HV service into a new integrated Early Years’ service offers the opportunity to completely restructure current services around identified needs and agreed care pathways.	Potential temporary safeguarding risks during system changes
This will lead to improved services for families, with greater clarity of role and clear care pathways in place for key conditions (e.g. Toxic trio ?, health conditions)	Insufficient time to complete this work as FNP and Health Visiting Contract cannot be extended after 2017.

Efficiency of aligning key services for this age group in terms of staffing, estates, governance arrangements	
Opportunity to maximise the use of the evidence base in providing Early Years services	
Opportunity to use Health Visitor and Family Nurse skills and experience to maximum efficiency within a multi-professional team including EI&FS staff, and with links to Educational Psychologists, and pre-school SEN staff.	
Alignment of services can extend beyond Health Visiting and EI&FS to include Early Years Education services, including SEN.	
Opportunity to develop systems of governance and accountability around integrated multi-professional services.	

- 4.4 Option 2 would not allow sufficient time for officers to scope and specify an integrated service, as this is likely to take at least a further year. There is also no scope to extend the existing contract for FNP and Health Visiting for a further period.
- 4.5 It is therefore proposed that the FPN and Health Visiting Service is tendered as a single contract as set out in **Option 1** above, but that officers continue to work in identifying what an integrated service would look like to deliver the maximum efficiencies in the longer term.
- 4.6 The timetable for procurement of Option 1 is shown below

Proposed Timetable for Tendering Process

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

5. CUSTOMER PROFILE

- 5.1 As Health Visiting is a universal service, the relevant population is all pregnant women and children under 5 years in Bromley.
- 5.2 The live birth rate in Bromley has been rising since 2002, with the highest rates in Mottingham & Chislehurst North and Clock House wards. The number of births in Bromley has risen from 3500 in 2002, to over 4000 in 2012.
- 5.3 the number of 0 to 4 year olds has gradually been increasing since 2006 and will peak in 2017 (21,196) but is projected to decrease to 21,016 by 2019 and then to 20,825 by 2024 (JSNA 2015).

5.4 In February 2016 HVs in Bromley were working with 166 safeguarding cases including 70 children subject to a Child Protection plan, 62 Child in Need, 53 children subject to a Common Assessment Framework, and 24 Looked After Children.

6. STAKEHOLDER CONSULTATION

6.1 In relation to the above proposals it is proposed to consult with relevant stakeholders in line with Council policy. This will need to be managed very carefully. The model of integration developed in Bromley and the opportunities it presents will need to take account of all stakeholder views throughout the process. This will require a range of consultation and involvement opportunities over the period of integration.

7. MARKET CONSIDERATIONS

- 7.1 Should Option 1 be approved, Commissioners and Procurement representatives will invite prospective tenderers to an information event to explain service requirements and the procurement process/timetable.
- 7.2 It is unlikely that tendering for a period of less than three years will attract interest from the market.
- 7.3 It is likely that tendering a wider range of services to include EI&FS will attract more interest from the market as the budget is likely to be larger and a wider group of providers, including providers with no background in providing health services, will already have expertise in at least some parts of the service., but due to timescales is not an option at this stage. However, officers will continue to work on integrating services wherever possible which can then be managed either through internal restructures or changes to the contract provision.

8. POLICY IMPLICATIONS

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

9. FINANCIAL IMPLICATIONS

9.1 The current budgets for the health visiting, family nurse partnership and early intervention services are £5,722k which is broken down in the table below:-

	<u>DESCRIPTION</u>	<u>BUDGET</u>
		<u>£'000</u>
	Health Visiting	3,454
	Family Nurse Partnership	180
		3,634
	Early Intervention Services	2,088
		5,722

9.2 As you can see from the table above a significant sum of money is spent in this area and integrating these services is likely to generate greatest efficiencies which is expected to be in the region of £180k - £200k.

- 9.3 Work has been completed on identifying details of the services provided by BHC and budgets attached to each element. In addition, benchmarking with other boroughs and nationally has been completed. This will enable development of an efficient service specification.
- 9.4 These Health Visiting and Family Nurse Partnership services are funded by Public Health Grant a central government grant which is ring-fenced until 2017/18. In the next few years Bromley will see a reduction in grant as outlined in the table below.

	16/17 BUDGET	17/18 BUDGET	VARIATION
	£000	£000	£000
Grant income	-12,954	-12,954	0
Additional Health Visiting Grant	-3,802	-3,802	0
2015/16 in year grant reduction	919	919	0
Grant reductions announced	358	740	382
Total Grant	-15,479	-15,097	382

- 9.5 Any savings resulting from this will be used to mitigate any further grant reductions in public health funding

10. PERSONNEL IMPLICATIONS

- 10.1 There are no personnel implications arising from this report for LBB staff.

11. LEGAL IMPLICATIONS

11.1 Statutory powers

The report states at **paragraph 3.7** that the safeguarding part of the Health Visiting Service is a mandatory service pursuant to the Children Act 2004 section 11.

Under section 3 (1) (d) of the National Health Service Act 2006 as amended by section 13 of the Health and Social Care Act 2012 a clinical commissioning group must arrange for the reasonable provision of for the care of pregnant women, women who are breastfeeding and young children as the group considers are appropriate as part of the health service.

Under section 2B of the National Health Service Act 2006 as amended by section 12 of the Health and Social Care Act 2012 a local authority has the following obligations to improve public health:

- a) providing information and advice;
- b) providing services or facilities designed to promote healthy living (whether by helping individuals to address behaviour that is detrimental to health or in any other way);
- c) providing services or facilities for the prevention, diagnosis or treatment of illness;
- d) providing financial incentives to encourage individuals to adopt healthier lifestyles;
- e) providing assistance (including financial assistance) to help individuals to minimise any risks to health arising from their accommodation or environment;
- f) providing or participating in the provision of training for persons working or seeking to work in the field of health improvement;
- g) making available the services of any person or any facilities.

The Local Authority has a statutory responsibility to commission Health Visiting under the Health and Social Care Act 2012.

Non-Applicable Sections:	
Background Documents: (Access via Contact Officer)	CS15916 23 June 2015 Care Services PDS. "Transfer of Health Visitors to the Local Authority" CS 16002 10 February 2016. Executive. Council's Proposal for the Public Health Budget 2016/17 and 2017-18. CS16025 23 March 2016. Executive. Gateway Review of Health Visiting and National Child Measurement Programme

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Report No.
CS17018

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker: Executive

For Pre-Decision Scrutiny by Care Services PDS Committee on

Date: 28th June 2016

Decision Type: Non-Urgent Executive Key

Title: GATEWAY REVIEW - PROCUREMENT FOR A SEXUAL HEALTH EARLY INTERVENTION SERVICE

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

Chief Officer: Dr Nada Lemic, Director of Public Health

Ward: Borough-wide

1. Reason for report

- 1.1 The Council currently contracts for a range of community sexual health services from Bromley Healthcare (BHC) through a joint block contract with the Bromley Clinical Commissioning Group (CCG).
 - 1.2 The Contract for Community Contraceptive and Sexual Health Services was extended for 6 months by the Executive on the 23 March 2016, and is due to expire on 30 September 2017. This report is seeking approval to re-procure a Sexual Health Early Intervention Service to commence on 1 October 2017.
-

2. RECOMMENDATIONS

- 2.1 The Care Services Policy Development and Scrutiny Committee is asked to note and comment on the proposal for commissioning sexual health services from October 2017.
- 2.2. The Council's Executive is asked to:
 - i) Approve the commissioning approach for a Sexual Health Early Intervention Service as set out in this report and detailed in 3.22
 - ii) Consider the investment from the existing budget of £30k per annum for the online STI testing service
 - iii) Note the recurring saving of £60k from decommissioning the Sex and Relationships Education (SRE) programme and the saving will contribute towards the reduction of grant.

Corporate Policy

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

Financial

1. Cost of proposal: Estimated cost £1,187k p.a.
 2. Ongoing costs: Recurring cost. £1,187k p.a.
 3. Budget head/performance centre: Public Health
 4. Total current budget for this head: £15,479k
 5. Source of funding: Public Health Grant
-

Staff

1. Number of staff (current and additional): 1
 2. If from existing staff resources, number of staff hours: 7.2 hours
-

Legal

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

Customer Impact

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

Ward Councillor Views

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

3. COMMENTARY

Current Contract Value

Community Block Contract - £1,116k p.a. consisting of:-
(Cumulative value of £5,022k - 4½ years to September 2017)

• Open Access contraception services	£721k	
• Health Improvement Services	£229k	
• Community HIV Nurse service	<u>£166k</u>	£1,116k
• National Chlamydia Screening Programme		£ 127k
• Specialised Prevention Programme		£ 10k

Total contract sum p.a. **£1,253k**

Estimated New Contract Value

New Block Contract - £897k p.a. consisting of:-
(Cumulative value of £3,588k – 2 years with option to extend for a further 2 years to September 2021)

• Open Access Contraception Services	£425k	
• Health Improvement Services	£169k	
• Community HIV Nurse Service	£166k	
• National Chlamydia Screening Programme	£127k	
• Specialised Prevention Programme	<u>£ 10k</u>	£897k

Non-contractual out-of-borough contraceptive open access activities
as statutorily required £260k

Service Development

Purchase of online STI home sampling service £30k

Total sum p.a. **£1,187k**

Proposed Contract Period (including extension options)

2 years with the option to extend on an annual basis for a period of 2 further years (2 years +1 +1)

Context

- 3.1 The Health and Social Care Act 2012 brought about the split in commissioning responsibility and funding arrangement for sexual health services between local authorities, NHS England (NHSE) and the local Clinical Commissioning Groups (CCG).
- 3.2 Local authorities are mandated to commission comprehensive, open access and free sexual health services including Sexually Transmitted Infection (STI) testing and treatment, partner notification and contraception provision under the Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013.
- 3.3 To meet its statutory obligations, the Council commissions a range of sexual health services delivered by different providers in different settings. In the community, the Council spends a total of £1,253k per annum in this area which is broken down as follows:-

Table 1: Total Annual Spend By Service in the Community

Community Services	Annual Spend £'000
Block Contract:	
• Open Access Contraception and Reproductive Health Services	721
• Health Improvement Services	229
○ Sex and Relationship Education (SRE)	
○ Outreach Programmes	
○ Condom Distribution Schemes	
• Community HIV Nurse Specialist Service	166
Other Community Prevention Programme:	
• Specialised prevention programme for vulnerable young people	10
• National Chlamydia Screening Programme	127
Total	1,253

3.4 These public health commissioned services are in line with the Public Health Outcomes Framework Indicators published by Public Health England:

- Early Detection and Control of STIs including HIV
- Reduce Unplanned Pregnancies including Teenage Conception Rates

Contraception and Community Sexual Health Services

3.5 This paper focuses on the community block contract and other prevention programmes. It covers primarily the block contract the Council has with Bromley Health Care (BCH) for Contraception and Community Sexual Health Service which has an overall budget of £1,116K p.a. This contract was extended by the Executive on 23 March 2016 (report CS16008) until 30 September 2017 when the option of further extension will be exhausted. Any services required will then have to be re-tendered in accordance with the Council's contract procedure rules.

3.6 Other prevention programmes covered in this paper are:

- National Chlamydia Screening Programme
- Specialised Prevention Programme for Vulnerable Young People

3.7 The National Chlamydia Screening Programme which offers dual testing for Chlamydia and Gonorrhoea infection for the under 25s, is delivered through our contracted providers. Clinical management of positive test result and partner notification are provided in-house by a 0.2 full time equivalent registered nurse.

3.8 The Specialised Prevention Programme for Vulnerable Young People provides a confidential advice and early intervention service to the most vulnerable young people in the Borough. The contract is currently provided by The Metro Centre and has been extended to 30 September 2017.

3.9 In assessing the provider performance and their contributions towards achievement of the local strategic outcomes of lower teenage conception and STI rates, there is now evidence to demonstrate that having a local prevention strategy has had a positive impact on the local teenage pregnancy rate which is at its lowest since 1998 with local STI rates maintained and continuing to be below average England rates.

Table 2: A comparison of Bromley, London and England Under 18 conceptions rate (rate per 1000 women) showing year on year decrease

	1998	2011	2012	2013	2014
Bromley	32.1	26.3	24.2	19.5	16.7
London	51.1	28.7	25.9	21.8	21.5
England	46.6	30.7	27.7	24.3	22.8

Data Extracted from Office of National Statistics

3.10 Despite the above performance, further prevention efforts are required because of:

- the rate of under 18 conceptions leading to abortion which remains above both London and England rate. (see table below and also Table A in Appendix 1). This suggests that more needs to be done to prevent unwanted pregnancy through increased provision of the more effective non-user dependent Long Acting Reversible Contraception (LARC) methods.

Table 3: Percentage of under 18 conceptions leading to abortion

	Bromley	London	England
2014	68.8	64	51.1

Data Extracted from Office of National Statistics

- The rise in gonorrhoea diagnoses is of increasing concern especially within the context of antimicrobial resistance with regard to this STI. Bromley is ranked 53 out of 326 local authorities for the rate of Gonorrhoea (a marker of high levels of risky behaviour) and 28% new STIs is among men who have sex with men (MSM).

Table 4: Number of new STIs in MSM and In Heterosexual Men in Bromley: 2010-2014

	2010	2011	2012	2013	2014
MSM	115	165	160	225	295
Heterosexual Men	660	690	885	855	750

Source: Bromley Local Authority HIV, Sexual and Reproductive Health Epidemiology Report (LASER): 2014

- This means more targeted and focused prevention programmes such as promotion of condom use and early detection through frequent testing to minimize onward transmission of STIs with a particular focus on MSM need to continue.
- HIV infection in Bromley continues to rise and disproportionately affects MSM and Black African groups (see Tables B and C in Appendix 1) with Bromley figures for late and very late diagnosis shown to be above the London average. Increasing both the frequency and uptake of testing amongst these groups will play a key role in tackling HIV.

3.11 It is therefore necessary to continue the proportionately small investment in prevention programmes to further improve outcomes and minimise future costs. Equally, a more cost effective and sustainable strategy in the long term needs to be found to address not only the issues highlighted above but also the increasing challenging financial position of the Council.

Outcomes

3.12 The expected outcomes are:

- the rise in the rate of new STIs, especially the rate in Gonorrhoea (current rate is 65.4 per 1,000 population), is minimized through early intervention, screening and routine

testing targeting those high risk vulnerable individuals in particular MSM and Black African and Caribbean;

- the number of unplanned pregnancies is further reduced, especially among young women.

The returns on investment of these prevention programmes are expected to reduce spend on treatment of infections, especially hospital GUM treatments, and to minimize social and welfare costs associated with teenage conceptions.

London Sexual Health Transformation Programme

- 3.13 Commissioners of sexual health services in London boroughs including Bromley, are working together to transform sexual health services through service redesign and changing specifications, demand management and pricing strategy.
- 3.14 Currently, Community Contraceptive and Reproductive Health Services are contracted on a block basis. There is no tariff available for providers to charge services for residents from other boroughs. Therefore, the block contract covers all activities irrespective of areas of residence. However, the London tariff will provide the charging mechanism for out of borough resident activities. Providers will be required to charge the relevant borough for services provided.
- 3.15 The current expenditure for the Contraceptive and Reproductive Health Service is £721k p.a. but it is anticipated to reduce to £685k p.a. using data from providers based on 2015 activities.
- 3.16 In addition, public health commissioners of sexual health services in south east London are collaborating on upscaling online home sampling (testing) service for STIs with the following aims:
- offer a more accessible and responsive service as part of the preventative strategy, targeting MSM and Black African and Black Caribbean groups;
 - divert testing of STIs for those patients showing no symptoms of disease away from the more expensive GUM clinics to lower cost access points in the community;
 - Achieve cost efficiencies and better value for money.
- 3.17 According to the 2014 Bromley Local Authority HIV, sexual and reproductive health epidemiology report (LASER) 2014, there were 580 people (295 MSMs and 285 Black Ethnic Groups) diagnosed with a new STI during 2014 in GUM clinics. Based on the findings of a recent audit conducted in Bromley, it indicates that approximately 30% of attendances were complex conditions which required GUM treatment.
- 3.18 It is therefore proposed the online STI home sampling service should aim at diverting 70% of the above cohort (210 MSMs and 200 Black Ethnic Groups) for testing in the community as part of the preventative strategy. Using the current price of a full screen of £58 for Black Ethnic Groups and £86 for MSM, the service will cost £29,660.
- 3.19 The cost of the same amount of tests at the only alternative provider i.e. GUM clinic would be £65,600 based on an average price of a first attendance of £160 at a London Hospital GUM clinic. This is more than twice the cost of the online service which has the potential of avoiding increased costs of GUM spend that would occur due to rising incidence of STIs.

- 3.20 The expiry of the community block contract presents the opportunity for a larger scale transformation across the entire sexual health pathway focusing on early intervention which helps in achieving better outcomes and cost efficiencies.

Proposed Commissioning Arrangements

- 3.21 ***Option 1 – Decommission the services when their contract expires in October 2017. This is not really an option because of the following risks:***

- Provision of free contraception is a statutory responsibility and legal requirement of the Council which has to ensure reasonable access to all methods of contraception. Without such provisions, the Council will be subjected to significant challenges and potentially judicial reviews.
- To decommission the sexual health improvement service in its entirety will have significant repercussions. There is evidence to show that the local prevention strategy of sexual health advice and education messages coupled with the condom scheme begins to have a positive impact on the local teenage pregnancy rate. Local teenage conception rate is now at its lowest since 1998 and is amongst those boroughs with the lowest rate in London.
- Women, as a consequence, will not benefit from a full range of contraceptive service provision. This means they may not be offered the best method for their personal circumstances, and the risk of method failure and unintended pregnancy, especially teenage pregnancy, is increased.
- STI rate will also go up especially amongst young people and their partners and among those at risk groups of MSM and Black Africans. Onward transmission will create a major public health problem with additional costly treatments at specialist GUM service.

- 3.22 ***Option 2 – Commissioning a Sexual Health Early Intervention Service***

It is proposed that services be reconfigured into a Sexual Health Early Intervention Service by:

- incorporating other early intervention and STI programmes (i.e. Chlamydia Screening and Specialised prevention programme for vulnerable young people) with the current Sexual Health Improvement Service;
- using London tariff as a basis to procure a block contract for contraceptive service for Bromley residents only;
- using residual contraceptive funding from the current block contract for charges from out of borough providers and the online STI testing service.

- 3.23 This option essentially restructures existing services and builds in extra capacity within existing budget. By commissioning the service in this way there is a level of integration that supports a wider and more sustainable prevention programme which empowers individuals to take responsibility of their own health and wellbeing. It is expected to achieve greater efficiencies. It also provides an opportunity to reconfigure current service model and take into account some of the developments which are being considered by the London Sexual Health Transformation Programme. This option has the further potential of mitigating some of the risks associated with the high spend on GUM treatments.

- 3.24 Under this option, the local school based Sex and Relationships Education programme (SRE) which is not a statutory function, will be decommissioned. While school based sexual

health services have positive effects on reduction in births to teenage mothers, there is a need to widen the current local SRE programme to cover the broader subject of risky behaviours. The programme would benefit from further integration with the Personal, Health and Social Education (PHSE) curriculum with the potential of facilitating a better outcome for schools in this area and should be funded by schools.

3.25 The proposed Sexual Health Early Intervention Service will comprise of two elements:

Table 5: Proposed Sexual Health Early Intervention Service

The Offer	Components of the service
Early Intervention	<ul style="list-style-type: none"> • STI screening programme to include chlamydia screening and online testing • Free condom schemes for young people • Outreach to include condom distribution, targeting those at risk groups of young people, MSM and Black Africans/Caribbean ethnic groups • Specialised prevention programme for vulnerable young people • HIV Community Nurse Specialist Service
Contraceptive Service	<ul style="list-style-type: none"> • Community Contraceptive and Reproductive Health Service for Bromley residents

3.26 By re-specifying the sexual health preventative services in this way, Public Health can:

- Decommission the SRE programme which will realise a potential saving of £60K per annum.
- Amalgamate all other elements of the current Community Sexual Health Improvement Service with the Contraceptive Service and tender as one with the potential to achieve efficiency savings. This is based on similar tendering exercise conducted by other London boroughs but the level of saving cannot be quantified at this stage.
- Fund out-of-borough open access contraceptive activities (£260K p.a.) and online STI testing (£30k p.a.) within existing budget.

4. PROCUREMENT

4.1 Health, social and related services are covered by Schedule 3 of the Public Contracts Regulations 2015, and thus any tender would be subject to the application of the “Light Touch” regime (LTR) under those regulations. Authorities have the flexibility to use any process or procedure they choose to run the procurement, as long as it respects the following obligations:

- i) The tender must be advertised in OJEU.
- ii) A Contract Award Notice must be published in OJEU at the end of the procurement.
- iii) The procurement must comply with Treaty principles of transparency and equal treatment.
- iv) The procurement must conform with the information provided in the OJEU advert regarding any conditions for participation; time limits for contacting/responding to the authority; and the award procedure to be applied.
- v) Time limits imposed, such as for responding to adverts and tenders, must be reasonable and proportionate. There are no stipulated minimum time periods in the LTR rules, so contracting authorities should use their discretion and judgement on a case by case basis.

- 4.2 In conducting an ‘Open’ procurement process in accordance with the Council’s Contract Procedure Rules and the indicative timetable below, these obligations will be met.

Table 6: Indicative Timetable

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

- 4.3 It is not expected there will be a wide commercial market but where boroughs have conducted similar tendering exercise, there is a small number of providers that are eligible for delivering these services.
- 4.4 There is strong support for the implementation of Integrated Sexual Health Tariff (ISHT) in South East London as a sub-region which is taking a similar approach of commissioning a community block contract for contraceptive services and will accept cross charges for out of borough activities.
- 4.5 Proposed New Contract Period (including extension options)

Any new contracts will be for 2 years with the option to extend on an annual basis for a period of 2 further years (2 years +1 +1). This provides the flexibility to review the funding and performance of the contract, it can allow for variations and also for the possibility of regional and pan-london options for commissioning these services in the future.

5. LOCAL POPULATION PROFILE

- 5.1 See Appendix 2

6. STAKEHOLDER CONSULTATION

- 6.1 It is planned to consult the school community and young people on decommissioning the SRE should Members approve the recommendation.
- 6.2 A provider event will be organised as part of the Procurement Process to inform potential providers of the commissioning intentions and procurement timetable.

7. SUSTAINABILITY / IMPACT ASSESSMENTS

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

8. POLICY IMPLICATIONS

- 8.1 The proposals set out in this report are consistent with current policy and is in line with the proposal for the Council’s Public Health Budget 2016/17 and 2017/18.
- 8.2 The Council’s Contract Procedure Rules (CPR 5.3) require that “Where the value of the intended arrangement is £1,000,000 or more the Executive will be *Formally Consulted* on the intended action and contracting arrangements.”

9. FINANCIAL IMPLICATIONS

9.1 The overall budget available for Sexual Health Services in 2016/17 is £3.538m which is broken down in the table below:-.

<u>DESCRIPTION</u>	<u>BUDGET</u> <u>£'000</u>	<u>PROPOSED</u> <u>£'000</u>	<u>VARIATION</u> <u>£'000</u>
Staffing, running expenses, etc	285	285	0
<u>Contracts (dealt with in this paper)</u>			
Contraceptive and reproductive health services	721	685	-36
Health improvement services	229	169	-60
HIV community nurse specialist services	166	166	0
National Chlamydia screening programme	127	127	0
Specialised prevention programme for vulnerable young people	10	10	0
Online STI testing	0	30	30
	<u>1,253</u>	<u>1,187</u>	<u>-66</u>
<u>Other contracts</u>			
GUM Contract	1,609	1,543	-66
Future GUM increases in demand	0	66	66
Other Health contracts	118	118	0
Payments to other third party contractors	28	28	0
Payments to GP's/Pharmacists	245	245	0
	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Budget for Sexual Health	<u>3,538</u>	<u>3,472</u>	<u>-66</u>

9.2 The services being considered in this report relate to the block contract with Bromley Health Care totaling £1,116k p.a. for the Community Contraceptive and Sexual Health Services, £127k for the Chlamydia Screening Programme and £10k for the specialized prevention programme for young people. A total of £1,253k.

9.3 It is proposed that within the health improvement service the SRE budget will be decommissioned reducing the budget from £229k p.a. to £169k p.a. delivering a saving of £60k per annum.

9.4 The £60k saving would be put against savings targets for 2017/18 and used to mitigate against any further grant reductions. It is proposed that the SRE budget is decommissioned which will generate a saving of £60,000 p.a.

9.5 It is anticipated that there will be savings in the contraceptive and reproductive health services area because of the tariff changes, which based on the activity data from 2015, would result in a reduction in expenditure from £721k p.a. to £685k p.a., a saving of £36k p.a.

9.6 As set out in paragraph 3.16 to 3.20 changes around online accessibility could reduce long term need for more costly treatments. This would cost £30k p.a. but has the potential saving of £66k p.a. by avoiding more expensive GUM treatments. It is proposed that this is funded from the savings generated in the new contract and that the savings of £66k p.a. generated be used to offset increased costs of future GUM spend which are predicted to occur due to rising incidence of STIs in Bromley.

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

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

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

10. PERSONNEL IMPLICATIONS

- 10.1 In the event that a recommendation is made to proceed with the proposals outlined in this report there is one sexual health nurse (0.2. FTE) currently employed by Bromley Council who would be directly affected by these proposals. Informal consultation has been undertaken with the employee affected, along with staff representatives, on the proposals outlined in this report.
- 10.2 As more detailed proposals are developed these would be the subject of formal consultation in accordance with Council policies and procedures and with due regard for the existing framework of employment laws. The tendering process would consider whether or not the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) as amended by the Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014 would apply.

11. LEGAL IMPLICATIONS

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

Non-Applicable Sections:	None.
Background Documents: (Access via Contact Officer)	<u>Health & Social Care Act 2012</u> <u>Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013.</u> <u>Public Health Outcomes Framework (2nd Feb 2016)</u> <u>CS15924 Public Health Contracts Update</u> <u>CS15925 Public Health Commissioning Intentions 2016/17</u> <u>CS16008 Gateway Review of Sexual Health Services</u> <u>Office for National Statistics, Conceptions in England and Wales:2014</u> <u>Bromley Local Authority HIV, sexual and reproductive health epidemiology report (LASER):2014, Public Health England, November 2015</u>

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CONCEPTIONS TO WOMEN AGED UNDER 18, 2011-2014 RATES

Table A

Conceptions to women aged under 18, 2011-2014 rates (Conceptions per thousand women aged 15 to 17)

Year	Area of Usual Residence	Number of Conceptions	Conception rate per 1,000 women in age group	Maternity rate per 1,000 women in age group	Abortion rate per 1,000 women in age group	Percentage of conceptions leading to abortion
2014	England	21,282	22.8	11.1	11.7	51.1
	London	2,942	21.5	7.7	13.8	64
	Inner London	1,098	23.1	7.7	15.4	66.6
	Outer London	1,844	20.7	7.7	12.9	62.5
2014	BROMLEY	93	16.7	5.2	11.5	68.8
2013		108	19.5	7.1	12.5	63.9
2012		137	24.2	7.2	17	70.1
2011		149	26.3	7.9	18.3	55.5
1998		156	54.6	31.8	22.7	41.7
% change 1998 to 2014 in Bromley		-38	-48	-60.3	-39.5	16

Source: Office for National Statistics

TABLES TO SHOW HIV INFECTION DISPROPORTIONATELY AFFECTS MSM AND BLACK AFRICAN AND CARIBBEAN GROUPS IN BROMLEY

Table B

Number of IV diagnosed persons seen for care by probable route of HIV infection
Persons resident in Bromley Local Authority
Date to end December 2014

Exposure Category	2010	2011	2012	2013	2014
Sex between men	175	200	207	221	257
Heterosexual contact	220	240	243	254	261
Receipt of blood/Issue products	4	4	4	4	4
Mother to Infant	7	9	10	10	12
Others/Not Known	1	5	6	8	9
TOTAL	411	461	475	502	548

*Source: Data extracted from Bromley Local Authority HIV surveillance data tables
Public Health England No.1 2015*

Table C

Number of HIV diagnosed persons seen for care by Black African and Caribbean groups

Ethnic Group	2010	2011	2012	2013	2014
Black - Caribbean	20	20	16	18	20
Black – African	144	160	165	167	181
Black – Other	10	11	14	15	17
Total	174	191	195	200	218

Number of all HIV diagnosed persons seen for care

	2010	2011	2012	2013	2014
Total	411	461	475	502	548

LOCAL POPULATION PROFILE

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

STIs

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

HIV Infection

- Among genitourinary medicine (GUM) clinic patients from Bromley who were eligible to be tested for HIV, 72.9% were tested (compared to 68.9% in England).
- There were 37 new HIV diagnoses in Bromley and the diagnosed HIV prevalence was 2.6 per 1,000 population aged 15-59 years (compared to 2.1 per 1,000 in England).
- In Bromley, between 2012 and 2014, 36.8% (95% CI 26.7-47.8) of HIV diagnoses were made at a late stage of infection (CD4 count <350 cells/mm³ within 3 months of diagnosis) compared to 42% (95% CI 41-43) in England.

Contraception

- The rate per 1,000 women of long acting reversible contraception (LARC) prescribed in primary care was 31.7 for Bromley, 16.1 for London and 32.3 per 1,000 women in England. The rate of LARCs prescribed in sexual and reproductive health (SRH) services per 1,000 women aged 15 to 44 years was 16.8 for Bromley, 33.0 for London and 31.5 for England.
- In Bromley upper tier local authority, the total abortion rate per 1,000 females population aged 15-44 years was 18.1, while in England the rate was 16.5. Of those women under 25 years who had an abortion in that year, the proportion of those who had had a previous abortion was 34.8%, while in England the proportion was 27.0%.
- In 2013, the under 18 conception rate per 1,000 females aged 15 to 17 years in Bromley was 19.5, while in England the rate was 24.3.

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Report No.
DRR16/041

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **Development Control Committee
Executive**

Date: **11th July 2016 & 20th July 2016**

Decision Type: Non-Urgent Executive Non-Key

Title: **THE STATEMENT OF COMMUNITY INVOLVEMENT (SCI) -
RESPONSES TO CONSULTATION AND PROPOSED
REVISIONS**

Contact Officer: Steven Ing, Head of Business Support
Tel: 020 8313 4974 E-mail: steven.ing@bromley.gov.uk

Chief Officer: Chief Planner

Ward: (All Wards);

1. Reason for report

This report asks Members to consider the responses to the six week public consultation period, undertaken earlier this year, regarding the draft Statement of Community Involvement (SCI) (2016) and approve Appendix 2 as the Council's Statement of Community Involvement 2016. The current SCI was adopted in 2006. Since its adoption, there have been a number of changes to the planning system including the removal of need for an SCI to be subject to examination, the publication of the National Planning Policy Framework (NPPF) and the Town and Country Planning (Local Planning) (England) Regulations 2012. The SCI has been amended to reflect these changes along with technological advances in the way we consult and the pressure on resources. In response to consultation there are two proposed changes to the "Involving the Community in Planning Application Decisions" section of the Revised SCI. Other alterations have been made for ease of understanding.

2. **RECOMMENDATION(S)**

That Development Control Committee:

- 2.1 **Considers the responses to the consultation on the draft revised Statement of Community Involvement 2016 set out in Appendix 1 and revised SCI attached as Appendix 2 and recommend to the Executive for approval.**

That the Executive:

- 2.2 Considers the comments from Development Control Committee and agrees Appendix 2 as the Council's Statement of Community Involvement.**

Corporate Policy

1. Policy Status: Not Applicable
 2. BBB Priority: Quality Environment Vibrant, Thriving Town Centres:
-

Financial

1. Cost of proposal: no additional cost
 2. Ongoing costs: No on-going cost
 3. Budget head/performance centre: Planning Services
 4. Total current budget for this head: £3,448,810
 5. Source of funding: Existing revenue budgets
-

Staff

1. Number of staff (current and additional): 91
 2. If from existing staff resources, number of staff hours:
-

Legal

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

Customer Impact

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

Ward Councillor Views

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

3. COMMENTARY

- 3.1 The Council adopted the current Statement of Community Involvement (SCI) in 2006, when it was one of the statutory documents required to be produced as part of the plan-making process. The SCI remains a legal requirement and sets out the Council's approach to the consultation undertaken as part of the planning application process as well as the Local Plan process.
- 3.2 Since 2006, a number of legislative and regulatory changes have taken place and consultation techniques have become more technologically advanced, with more residents using the internet and social media.
- 3.3 An update to the 2006 Statement of Community Involvement (SCI) was agreed for consultation at DCC on 10th December 2015 and the Executive on 13th January 2016. Consultation on the revised draft took place between 9th February and 23rd March 2016.
- 3.4 Consultation was published on the Council's website and available in libraries, the Cotmandene and Mottingham Community Outreach Centres, Community House and the Civic Centre. In addition, over 1500 people and organisations on the consultation database were sent a letter or email informing them of the consultation. The Local Green Space consultation ran concurrently and received over 70 responses. In 2005/6, 149 responses were received when the SCI was first introduced and consulted on.
- 3.4 The response to the SCI consultation was less than expected, however, the document was a revision of an existing document. Eight people or organisations responded via the consultation portal, one via email and one by post.
- 3.6 The summary analysis of responses and officer comments are set out in Appendix 1, (Summary of Consultation Responses). In general, the view was that the SCI provides a clear understanding of how the Council intends to engage with the community, Most respondents considered that the Council is seeking to involve all of the right groups of people in preparing future planning policies and the list of techniques described in the document are sufficiently comprehensive to provide good community engagement. Table 2 has been amended to reflect the greater use of the Council's website and electronic communication; to achieve effective engagement, whilst minimising costs to the Council.
- 3.7 In response to consultation with the public the SCI has been amended to include a reference to the planning application documents only being available to the public once the application is deemed valid and clarifies that documents can be viewed on Planning Public Access.

4. POLICY IMPLICATIONS

- 4.1 The SCI is a legally required document which sets out how a local planning authority proposes to engage with stakeholders and residents in the development plan-making process and planning application process. An up to date revised Statement of Community Involvement will provide clarity on how engagement will be undertaken with residents and stakeholders and that minimum requirements are met.

5. FINANCIAL IMPLICATIONS

- 5.1 There are no expected additional costs to the Council arising from the adoption of the SCI.

6. LEGAL IMPLICATIONS

- 6.1 The Planning and Compulsory Purchase Act 2004 (as amended) requires local planning authorities to produce a Statement of Community Involvement.
- 6.2 There is no legal requirement to consult on a draft SCI but it is good practice to do so, particularly as the subject matter of the document is community involvement.

APPENDICES

Appendix 1 – Summary of Consultation Responses

Appendix 2 – Revised Statement of Community Involvement

Non-Applicable Sections:	PERSONNEL IMPLICATIONS
Background Documents: (Access via Contact Officer)	Report to DCC (10/12/2015) and Executive (13/01/2016) - DRR15/109

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Statement of Community Involvement – Summary of Consultation Responses

No.	Consultee/Respondent	Comment	Officer Comments
Introduction			
Q1 Has this document given you a clear understanding of how the Council intends to engage with the community?			
	Very Clear	2 29%	
	Good	3 43%	
	Moderate	2 29%	
	Limited	0 0%	
Q2 Do you believe that we are seeking to involve all of the right groups of people in preparing future planning policies?			
	Yes	5 71%	
	No	2 29%	
Q3 If No, which additional groups should be included?			
3	Bromley resident	I think you exclude many people because of the complexity of this format. You must have some super-grad designing the portal because technically it is excellent but usability and design is poor. I can't imagine e.g. pensioners or perhaps those with limited intelligence getting to far down the line with the consultation. I work in system design and I am not convinced that usability was the major consideration. So I imagine a lot of residents will feel excluded.	The consultation software provided by Objective is used by many councils and is the UK's largest dedicated public sector cloud of consultation and engagement activities. Paper copies are available at Libraries, the Resource Centres, Community House and main reception at the Civic Centre.
20	Resident of South Eden Park Road	I have only lived in the borough a couple of years and the only real experience I have of Bromley council's "involvement" of local communities in planning is the case of the proposed KFC outlet in West Wickham. The complete and utter disregard for the opinions and concerns of local people in this process has astounded me, Such a shame. West Wickham high street is in dire need of a little modernisation but another fast food outlet creating even more traffic at an already snarled up roundabout is about as far from 'the right thing' as I can possibly imagine. It is also completely against the wishes of most local residents - at least I have yet to find a single person who thinks its in any way a good idea. Apologies	The application referred to was only considered when a further traffic assessment was undertaken, because of local concern, with the original decision deferred. This response demonstrates the need to better outline how the planning process works, not just in the local context but also in the national context too.

		for the rant but for this reason I therefore have very little confidence that local people have any say in the planning of our area, or that opinions will be truly listened to.	
34	Lanniston Developments Limited	Consultations on planning should involve proactively engaging the local development community, local builders, local planning consultants and others that derive their living from housebuilding and associated trades.	The Council has a consultation database that includes 1300 organisations and individuals. Any local builder or company making a living from housebuilding and associated trades could join the database. Local businesses can be alerted to consultations via the Business e-Bulletin emails sent to a range of businesses in, or working in, Bromley.
49	Petts Wood & District Residents' Association	Bromley Residents' Federation - Planning representative	Bromley Residents' Federation are already on the consultation database
Q4 Is the list of techniques described in this document sufficiently comprehensive to provide good community engagement?			
	Yes	5 83%	
	No	1 17%	
Q5 If No, which other consultation techniques would you add?			
	No replies		
Q6 Do you agree with the text and diagram in that section?			
5	Bromley resident	Yes	
23	CRA20TEN	We agree with the text and diagram in the Introduction section, the process appears reasonable	Noted
45	Lanniston Developments Limited	This process is too autocratic, DC is made up of a bunch of NIMBYs that stand in the way of progress and development and will ignore the views of the majority of locals. We will never see a polarised debate at DC with both sides of the argument being heard. DC should have appointed representatives from local companies even if they do not receive a vote at least a proper debate can be held. Same for the full council, appointed business leaders should be co-opted to participate in discussions. This might also help attract more potential councillors with the right credentials to create a more balanced approach to planning and housing and consider the wider community benefits.	The Council's decision making structure is not in the remit of this consultation or part of the Statement of Community Involvement.
51	Petts Wood & District Residents' Association	Yes	Noted
17	Resident of Lee, SE12	Yes	Noted

Q7 Do you have any general comments on this section?			
6	Bromley resident	Overall process is too complex for many	The plan making process is set by legislation.
24	CRA20TEN	No other comments on the introduction section	
35	Lanniston Developments Limited	I still have concerns that your public consultation in this fashion will fail to engage 98% of the population. More effort is needed to proactively get out in the community and canvass the average man in the street. My suspicion is that such a low key approach suits officers and members as it helps maintain the status quo.	The Council has received constructive feedback and whilst most residents don't respond to strategic consultations, the feedback will help make sure that the right level of consultation takes place for development proposals
Engaging the community			
Q8 Do you have any general comments on this section?			
36	Lanniston Developments Limited	There is clear opportunity to move with the times, social media is probably the most widely used forum today. This could be employed for instant public reaction to consultation issues. Bromley's planning access website is atrocious and suffers frequent down time, is not intuitive or user friendly and should be radically overhauled. Public comments should be made public and not kept secret. This would prevent spiteful objections which have become common place under the safety of anonymity. Other local authorities already operate in such a fashion.	The Council already uses social media to engage with the public. This is one of many consultation methods the Council uses. The Planning Access website is the customer facing version of the Council's Planning database. It relies on a good internet connection. This occasionally fails but the site is generally robust. An upgrade is expected in the summer along with a plan measuring tool. The publication of comments is an option but this may reduce the amount of comment received and will be considered more fully in due course.
59	Orpington and District Archaeological Society	The Orpington and District Archaeological Society is still active and wishes to be kept involved in the planning policy process.	Noted
25	CRA20TEN CRA20TEN	We would welcome an obligation by developers of 'Significant Applications' and the LB Bromley Planning Department under Paragraph 155 of the NPPF to consult local and neighbourhood organisations by public consultation including the use of public meetings. The term 'Significant Application' should be clearly defined, as applications that will have an impact on the local amenity. The definition should be clearly laid out and applied rigorously by the Planning Department. Certain area's would involve special consideration as an 'Area of Special Residential Character'. It is our opinion	The term "Significant Application" is clearly defined but perhaps needs to be better publicised locally to aid understanding The request for an assessment of the area as an Area of Special Residential Character is noted and will be taken forward at a later date. The Cray Valley has been proposed as a "Renewal Area" which would include support for health and wellbeing and improvements in accessibility. The Council is using the plan making process to identify sites for new schools to ensure there are

		<p>as a local residents' association representing over thirty roads in the Cray Valley West Ward, that our ward, and the area generally defined as St Paul's Cray and St Mary Cray should be considered as such, as an Area of Special Residential Character, recognising the historical commitment to low density housing with high spatial standards with public/private amenity space.</p> <p>The 'ASRA' should be considered as part of the Neighbourhood Plan when any Significant Applications are submitted.</p> <p>As LB Bromley's largest commercial and industrial area, designated the Cray Business Corridor, whilst the job opportunities are very welcome, with over 10% of the residential population of LB Bromley, we would like it recognised that the density of both commercial, industrial and residential populations has resulted in a significant impact on infrastructure of highways, schools and health amenities. We would therefore like such area's to be given additional consideration within any policy planning and future significant development applications for strict appliance of the definition.</p> <p>In summary, the term 'Significant Application' should be clearly defined and in certain important strategic areas, such as the Cray Corridor', should be strictly applied to enable the area to work in an efficient manner in the future.</p> <p>There is a potential, if policies are not strictly applied, for an area to become grid locked in terms of highways, Schools or Health, this would have a significant impact financially on the borough.</p>	<p>enough places to meet the requirements of local children and their parents.</p>
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Involving the Community in Policy Planning

Q9 Do you agree with the text, diagram and tables in this section?			
	Yes	3	100%
Q10 Do you have general comments on this section?			
21	Resident of South Eden Park Road	All sounds good on paper but I have lost faith in the council following the decision to allow KFC to go ahead in West Wickham.	Noted but see previous response

27	CRA20TEN	We think that the adoption of Neighbourhood Plans, working in conjunction with the Planning department is a welcomed contribution. We feel that any such recognised Neighbourhood Forum should be given real powers to influence and not be just simply 'talking shops'.	Noted
37	Lanniston Developments Limited	I do think there is need for impartial, independent outside scrutiny to encourage heathy debate and to prevent the council acting as an autocracy.	The Council makes its best efforts to encourage comments from the wider community. Over 1300 people and organisations are on our Planning consultation database. The Council's wider decision making process is outside the scope of this consultation.
54	Knoll House Residents' Association	Whilst communicating on-line with interested groups may be the Council's preferred method of communication, the lack of availability of large documents e.g. LDP and even those at present offered for consultation make it very difficult for individual members of, for instance , residents groups to have a prior discussion to formulate a collective view before its submission. Placing a single copy of a consultation document in a local library is simply not sufficient if the Council really wants to engage the community. Both The Beckenham Society and other groups have found that this hampers their ability to formulate collective comments. Efforts to make more hard copies available would be appreciated.	Two copies of each consultation document are sent to libraries. The Council will review the number of copies sent to libraries in time for the final Local Plan consultation. It may be that a flexible approach is needed and the more important the document, the more copies will be available.
57	Orpington and District Archaeological Society	The Orpington and District Archaeological Society are happy to view documents online.	Noted

Involving the community in Planning Application Decisions

Q11 Do you have general comments on this section?

28	CRA20TEN	In general, the text is welcomed, we would stress that significant applications are discussed publically with local communities.	Noted
41	Lanniston Developments Limited	All sounds very good but this is not what happens in reality. Elected members interfere with the planning process far too often. Bromley has four planning committees when one with qualified and appropriate members would make far better and less costly decisions. Use of external town planners or cross employment with	The Council's decision making structure is not in the remit of this consultation or part of the SCI. The vast majority of planning applications are not actually considered by planning committees but more significant applications are considered by planning committees which aids transparency and

		neighbouring boroughs would reduce the risk of intimidation from members.	local democracy.
53	Petts Wood & District Residents' Association	It is good practice to alert groups/individuals to significant applications which have the potential to create considerable change in an area. It is important to involve relevant community groups as well as those who represent the interests of the entire borough i.e. The Bromley RA Federation	Noted. The SCI states that for "Significant Applications", a developer should contact both local residents and interest groups and arrange a public meeting or exhibition prior to the application being submitted.
55	Knoll House Residents' Association	The validation process itself has not been included. This is reviewed periodically by Development Control and reference to a list of requirements should be mentioned in the body of this document and appended in full. The list of requirements should also include the site area and the proposed density of new and additional development	The validation process, i.e. checking whether an application is valid, takes place before neighbour and other notifications are sent out and is not part of the consultation process.
58	Orpington and District Archaeological Society	The Orpington and District Archaeological Society welcomes the proposal that before a "significant" application is submitted to the Council, applicants will be expected to contact local interest groups of the development proposed. We also appreciate the weekly planning lists on the council's website.	Noted
Monitoring and Review			
Q12 Do you have any general comments on this section?			
38	Lanniston Developments Limited	We have already seen that respondents to the Local Plan consultation were tenfold over the previous period. Gone are the days when just paying lip service to public consultation obligations allowed councils to do as they please. Public servants need to recognise that they are such and are funded by the taxpayer.	Noted – the Council welcomes comments on its proposed Local Plan.
7	Bromley resident	Over complexity will reduce use of website	Noted
29	CRA20TEN	The text is ok	Noted
39	Lanniston Developments Limited	We have to be ever mindful of the NIMBY lobby who will lend mutual support to stand in the way of progress. A small organised group will often make the most noise and lobby their local councillors even when the wider majority would fully support what is being proposed. This is	The Council receives both pro and anti-development comments.

		difficult as most of the elected members are entrenched in Nimbyism in there local wards and associations. This is not unsurprising but the issue needs to be addressed in a proper democratic fashion. There is also a climate of jealousy within the council over those that make money or profits. The commercial aspect of what a development contributes to society is often overlooked or ignored.	
56	Knoll House Residents' Association	I appreciate that only a limited number of local people will wish to respond to consultations. However, far better publicity could be given to the availability of documents offered for consultation e.g. local press (not just a statutory notice) by inviting the Editor to include a short article in local press	Editors will naturally decide to include a story but more publicity could be considered for larger applications, with applicants needing to be part of this

Financial and Legal considerations

Q13 Do you have any general comments on this section?

30	CRA20TEN	Financial constraints should not be allowed to impede public consultation on significant applications	Noted
40	Lanniston Developments Limited	If the costs awarded against the council on numerous planning appeals were instead channelled in to a better decision making process in the first place then this would almost undoubtedly save the taxpayer money. Lack of time or recourses should not be used as an excuse to create a local plan that will be pulled to pieces by a planning inspector or risk government intervention because it has not been adopted. The current housing crisis and proposed changes to NPPF should also be considered at this stage.	The Council rejects a planning application based on its policies and principles and then sometimes needs to outline the reasons at an appeal. If costs are awarded by a Planning Inspector, then the Council do not have an option but to pay these costs.

Page 149

Representations received by post

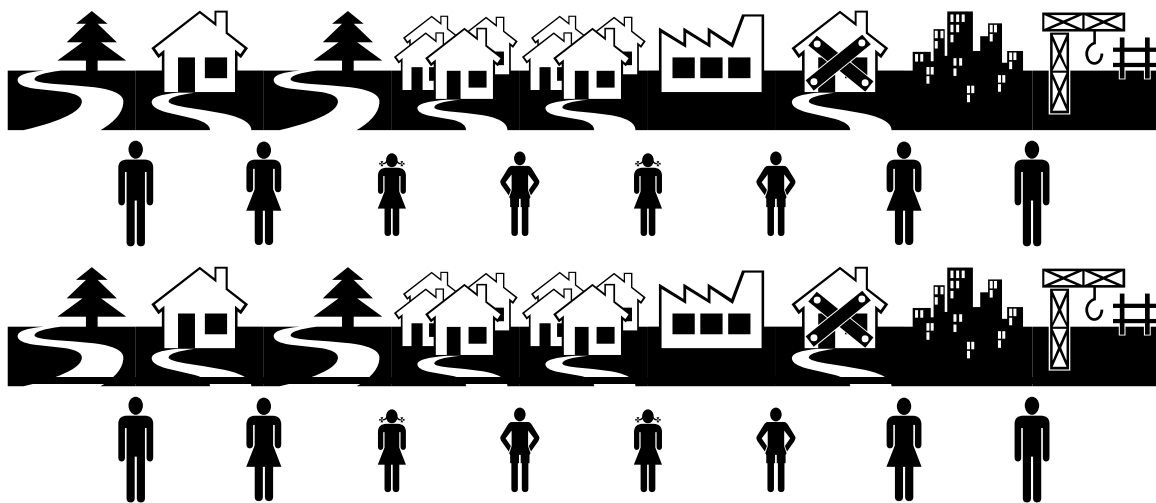
x	Wickham Common Residents' Association	Various comments on the validation process and suggested amendments to the "Involving the Community in Planning Applications" section of the Statement of Community Involvement.	The suggestion to mention that documents are available to view on Public Access only after the application is deemed valid will be included in the Statement of Community Involvement along with a clarification that documents are available on the Planning Public Access website.
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Representations received by email			
x	NLP Planning on behalf of London Biggin Hill Airport	Reminding the Council about physical and technical safeguarding and bird strikes around the airport	Noted and passed to Development Control



Statement of Community Involvement


In draft



July 2016

This document is available in large copy prints and electronic format. If you require the document in another format please contact the team below to see how we can help.

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CONTENTS

- 1 Introduction**
 - The original 2006 document
 - The amended document
- 2 Engaging the Community**
 - Changes to the planning system
 - Preparing the Statement of Community Involvement
- 3 Involving the Community in Policy Planning**
 - Existing methods
 - Introduction
 - Types of groups to be approached
 - How information will be made known
 - How the community will be involved in producing a Development Plan Document
 - How the community will be involved in producing Supplementary Planning Documents
 - Sustainability Appraisal
 - Resources and management of the process
 - How the Council will acknowledge and report back on representations
- 4 Involving the Community in Planning Application Decisions**
 - Introduction
 - What are “significant” applications?
 - Pre-application discussions and early community consultation
 - What we do when a planning application is received
 - What happens if amendments are made?
 - What involvement is there when an application is being determined?
 - How else do we involve the community?
- 5 Planning Aid for London**
- 6 Monitoring and Review**
- 7 Financial and Legal Considerations**
- 8 Appendices**

INTRODUCTION

This document outlines the Council's standards for community participation in the planning process and identifies the ways we will achieve these standards. It is part of the Council's wider engagement strategy that aims to involve the community more comprehensively in the entire planning process.

The Statement of Community Involvement (SCI) is a statutory document required under the Planning and Compulsory Purchase Act 2004 (as amended) and this revised version takes into consideration later legislation and regulations such as the [Localism Act 2011](#), [the Town and Country Planning \(Development Management Procedure\) \(England\) Order 2010](#), [the Town and Country Planning \(England\) Regulations 2012](#) and the [National Planning Policy Framework \(NPPF\) 2012](#).

This document explains how the London Borough of Bromley may involve the community in planning issues relating to planning applications and the preparation of Local Development Documents. It indicates when and how you can get involved in planning matters, and what to expect from us when you do so.

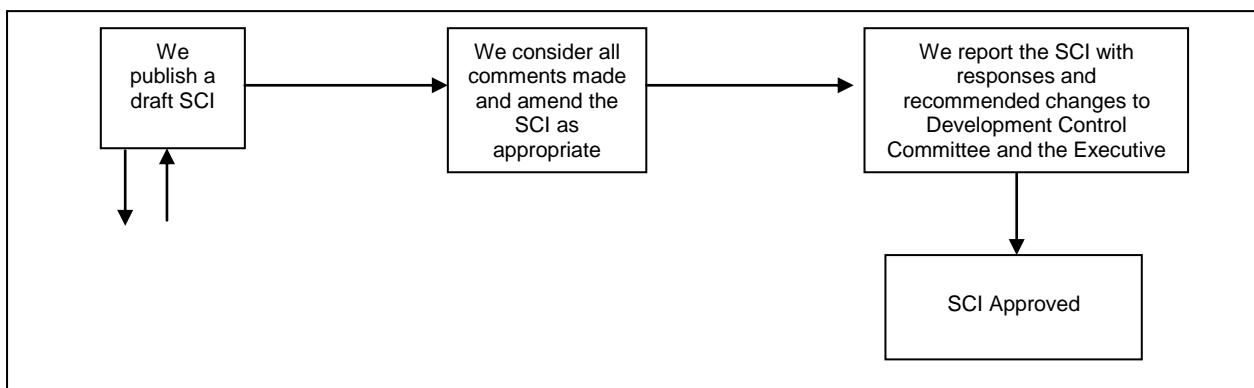
The original 2006 Statement of Community Involvement

The Council's first SCI was prepared in 2005 and it sought the views of around 1100 local organisations, interested parties and statutory consultees on the consultation methods used by the Planning Division in the past and on the proposed methods outlined in the draft Statement of Community Involvement and preferred methods of consultation. The public consultation ran between 25 November 2005 and 6 January 2006. At that time, approval from the Secretary of State was required and the document was sent to the Secretary of State for independent inspection. Following the Planning Inspector's recommendations the document was adopted by the Council.

The amended document

The Council prepared a revised SCI in 2015. This document was subjected to a six week consultation period. Comments received and officer responses will be reported to the Development Control Committee and the information made available on the Council's website. The requirement for submission to an Inspector on behalf of the Secretary of State was removed in the 2008 Planning Act. The table below shows how people and organisations will get involved.

Table 1: Statement of Community Involvement (SCI): Main preparation stages and opportunity to get involved



2 ENGAGING THE COMMUNITY

The planning system affects everyone in Bromley. It plays a vital role by shaping the places where we live, work, visit and learn, as well as helping to protect the environment around us in order to secure its future. The local community is an integral part of this system and has the opportunity to be actively involved in developing a vision that reflects how they would like the Borough to be in the coming years and how this can be achieved.

The National Planning Policy Framework (NPPF, Paragraph 155) refers to early and meaningful engagement and collaboration with neighbourhoods, local organisations and businesses is essential and states a wide section of the community should be proactively engaged, so that Local Plans, as far as possible, reflect a collective vision and a set of agreed priorities for development within the Bromley area.

In preparing the SCI, the Council actively consulted and involved the community. This provided an opportunity for the community to assess the Council's existing consultation procedures on planning issues and suggest possible improvements or alterations and to update consultation techniques in the light of technological advances – for example, we no longer provide copies of documents on audio cassette. This review provided an opportunity for the Council to contact the various community groups to see if the groups identified on our consultation database are still active, whether they still wish to be involved, if they adequately represent a cross section of the Borough and to identify and target 'hard to reach' and any new groups.

This document sets out what the Council currently does in terms of community engagement and provides a list of organisations and groups on our consultation database. It also makes clear the financial and legal constraints within which the Council must operate.

Changes to the planning system

In 2012, the Government produced revised Local Planning Regulations. These introduced changes including a simplified plan-making process with fewer formal stages. This has prompted the revision of the SCI along with the increased use and availability of electronic communications such as email and the web which allow for easier consultation and engagement.

Other recent legislative changes include:

The **Duty to Co-operate** which was established in the Planning and Compulsory Purchase Act 2004 and the [Localism Act \(2011\)](#) and establishes a legal duty of co-operation with neighbouring boroughs, the Mayor of London and other authorities and agencies when reviewing policy. This is due to the impact of Local Plans being felt beyond Bromley's boundaries.

Neighbourhood Planning ([General Regulations 2012](#)), which provide the opportunity for community groups (as designated neighbourhood forums) to prepare their own neighbourhood plans.

Community Infrastructure Levy Regulations (CIL), April 2010 (as amended) which set out the provisions for CIL, the procedures and the bodies to be consulted during the preparation of a CIL.

The Town and Country Planning (**Development Management** Procedure) (England) Order 1995 (as amended), which sets out the statutory provisions for consultation on planning applications, and specifies the bodies to be consulted, depending on the type of planning application, and

Prior approvals - [The Town and Country Planning \(General Permitted Development\) \(Amendment\) \(England\) Order 2013](#) which sets out the requirements for statutory notices to be served on adjacent premises regarding prior approvals for householder extensions.

The SCI review takes on board these changes and new requirements. An updated SCI also provides the opportunity for the Council to improve its approach to community involvement in the light of 'best practice' and experience gained from recent consultations.

3 INVOLVING THE COMMUNITY IN POLICY PLANNING

To be effective, consultation needs to be clear to enable potential respondents to reply and appropriate to a variety of organisations, groups and individuals. This chapter explains which groups will be approached, the manner in which consultation can be carried out, and sets out the overall timing of the process.

Existing methods

The Council already uses a wide range of techniques in order to engage the community. An assessment of the advantages and costs of techniques used in policy preparation and development control has informed the review of the SCI.

Introduction

The Council will and does involve the community at an early stage in the preparation of Local Development Documents such as the Local Plan, Area Action Plans, the Policies Map (formerly Proposals Map), Site Allocations and Supplementary Planning Documents (SPDs). This is essential to achieve understanding, support and legitimacy for the policies which will shape the future distribution of uses and development within the Borough. Techniques need to be tailored to enable the appropriate parts of the community at the different stages. A full description of Local Development Documents can be found in Part 3 of [The Town and Country Planning \(Local Planning\) \(England\) Regulations 2012](#).

Types of groups to be approached

The Council is committed to comprehensive consultation and involving as many people and organisations as possible in drawing up its planning policies.

The principal groups to be approached are:

- residents (including hard to reach groups)
- businesses
- developers/agents/landowners
- central, regional and local government
- statutory bodies and groups
- voluntary groups
- interest groups, e.g. youth, health care, safety, architectural, environmental
- local community groups / residents associations / faith organisations

To be effective, consultation needs to be accessible and appropriate to the needs of particular groups. Innovative approaches may need to be explored, especially in relation to hard to reach groups. These groups have tended to be underrepresented and therefore proactive consultation techniques may be required to reach them.

How information will be made known

We recognise that the vast majority of residents have access to the internet and this has become the preferred method of engagement with the Council for many. We also recognise that not everyone is online so information relating to the Local Plan process also will be made widely available, where possible, through a variety of methods. This includes:

- information being made available electronically via the Council's website and the

Planning Consultation Portal, also known as Objective;

- copies of all documents will be made available to view at the Main Reception of the Civic Centre, local libraries within the borough (and, if relevant, libraries in nearby authorities);
- all information being made available on request in large print and electronic format, if needed and, as appropriate;
- working with existing networks and contacts (both inside and outside the Council) to disseminate information;
- Enabling individuals to comment. Any person who registers, or has registered on the [Local Plan Consultation Portal](#) can make comments on line through the portal and will be automatically kept informed at subsequent stages of the Local Plan process. Anyone can register themselves using the 'Login / Register' on the Portal, or request to be registered by emailing ldf@bromley.gov.uk; giving their full postal address and if possible an email address. This will ensure that when documents are published for consultation, people are informed either by post or email (whichever is their preference) and will be provided with details of how to view and comment on the documents.

The Council is committed to maximising participation. Particular focus will be considered to engage 'hard to reach' groups that often do not take part in planning consultations. The scale of consultation and the methods used at any particular stage will depend on the:

- appropriateness of the method for that particular consultation;
- nature of topic being considered;
- geographic coverage of the document;
- stage of the planning process reached;
- need for specialist knowledge; and
- availability of staffing and financial resources.

Table 2 shows the range of consultation methods used for planning documents

Table 2 – Local Plan Consultation Methods								
Document	Resource Implications	Development Plan Documents e.g. Borough wide Local Plan, Bromley Town Centre Area Action Plan			Community Infrastructure Levy		Supplementary Planning Documents	
Stage of Document		Regulation 18		Regulation 19	Charging Schedule		Consultation Draft	
		Initial Engagement	Draft Plan	Proposed Submission	Preliminary Draft (PDCS)	Draft (DCS)		
The use of a consultation technique, particularly one with high resource implications, will be used where the need arises depending on the agreed preferences of identified (especially hard to reach) groups, the stage in the plan making process, the staffing and financial resources available and other reasonable issues								
Consultation Methods/Techniques	Council’s Website	Medium	✓	✓	✓	✓	✓	✓
	Consultation Portal (Objective software)	Medium	✓	✓	✓	✓	✓	✓
	Available for Inspection	Low	✓	✓	✓	✓	✓	✓
	Surveys/ Questionnaires	Medium	✓	✓	✓	✓	✓	✓
	Notification by letter/email using the consultation database	Medium	✓	✓	✓	✓	✓	✓
	Local / Specialist Press	Medium	✓	✓	✓	✓	✓	✓
	Social Media	Low	✓	✓	✓			
	Flyers / Posters	Medium	✓	✓	✓			
	Displays	High	✓	✓	✓			
	Contact with hard to reach Groups	Medium	✓	✓	✓			

How the community will be involved in producing a Development Plan Document

Development Plan Documents need to follow a statutory process set out in the [Town and Country Planning \(Local Planning\) \(England\) Regulations 2012](#), through to adoption as set out in Table 3 below. Possible consultation methods at each stage are set out in Table 2.

Table 3. Process for Producing a Development Plan Document (DPD)

Stage	Process and Requirements
1. Pre-production evidence gathering	This stage involves the collection of up-to-date information based on a range of social, economic and environmental matters.
2. Preparation of a local Plan (Reg. 18)	The results of Stage 1 will be used to identify the main issues that the plan needs to deal with and the options that are available. An assessment of the plan's social, economic and environmental impacts is also produced at this point, in the form of a Sustainability Appraisal (SA). At this stage, the Council is required to notify each of the specific consultation bodies that are considered to have an interest in the proposed Local Plan, and any general consultation bodies considered appropriate, in relation to the subject of the proposed Local Plan, and invite them to make representations. Local residents and businesses may also be informed and invited to comment. The local authority must take into account any representations received as a result of preparing the Local Plan. Comments will be considered and used to develop the plan.
3. Publication of a Local Plan (Reg. 19)	The Council publishes the plan in its final version. A more detailed assessment of the plan's social, economic and environmental impact (SA) is also published. A public consultation will be held for a minimum of six weeks. After completing the above requirements, the Council will send a request to the Mayor of London seeking his opinion regarding the conformity of the plan with the London Plan.
4. Submission to the Secretary of State (Reg. 22)	The Council will send the plan and any supporting documents to the Secretary of State to be examined and also notify both specific and general consultation bodies that the documents are available for inspection on the web and in paper form at the Civic Centre and local libraries.
5 Independent Examination (Reg. 24)	An Inspector appointed by the Government will carry out an independent examination of the 'soundness' of the plan. Those who made representations on the plan under Regulation 20 may be allowed to appear in front of the Inspector in person.
6. Publication of the Inspector's Report and Adoption (Regs. 25 & 26).	Following the examination, the Inspector writes a report and decides what changes (if any) need to be made. The recommendations of the Inspector will be published online and the plan will be changed in line with the recommendations. It is this version of the Plan that will be adopted by Full Council.

How the Community will be involved in producing Supplementary Planning Documents

The process for preparing and adopting Supplementary Planning Documents (SPDs) is shorter than for DPDs. SPDs are not subject to Independent Examination.

Table 4 sets out the process for preparation through to adoption in accordance with the statutory process, as set out in in the [Town and Country Planning \(Local Planning\) \(England\) Regulations 2012](#). Possible consultation methods at each stage are set out in Table 2.

Table 4. Preparing a Supplementary Planning Document (SPD)

Stage	Process and Requirements
1. Development of evidence base	This stage involves the collection of up-to-date information based on a range of social, economic and environmental matters.
2. Preparation of draft SPD	A draft version of the SPD is produced which is based on the evidence collected at stage 1.
3. Public Participation on the draft SPD (Reg. 12)	Once the draft has been produced, the Council will consult on this document for a period of six weeks. Topic specific documents of a specialist nature and few consultees can have a shorter consultation period if deemed necessary. Any representations made will be considered and amendments will be made to the document, where required.
4. Adoption (Reg. 14)	The SPD is adopted in line with Regulation 14

Localism and the Duty to Co-operate

The Localism Act (2011) introduced the Duty to Co-operate which requires planning authorities and other public bodies to actively engage and co-operate on strategic matters. The London Plan (2015) sets the strategic policy for London. The Local Plan policies of the London boroughs are required under Section 21 of the Town and Country Planning (Local Planning) (England) Regulations 2012 to be in general conformity with the London Plan. There are a number of issues such as transport, flood risk and waste management that have impacts that cross borough boundaries, for example, waste is taken to landfill sites out of the borough and Bromley's rivers flow through many borough boundaries before reaching the Thames. The London Plan also establishes the London-wide growth strategy culminating in a hierarchy of designated town centres, identification of key growth points in the form of Opportunity Areas and a London-wide approach to industrial land. The Council will explore appropriate approaches to such issues with neighbouring boroughs and public bodies to ensure that strategic priorities are reflected in the Local Plan.

Neighbourhood Plans

The Localism Act 2011 made provision for the preparation of Neighbourhood Plans by communities. Communities can prepare neighbourhood plans to influence the future of their areas. These let people set out their vision for their local area and general planning policies to guide development in their neighbourhood.

Neighbourhood Plans can only be prepared by a designated Neighbourhood Forum within a given Neighbourhood Area agreed by the Council following a public consultation.

Neighbourhood Plans must be in conformity with national policy as well as the

Development Plans (for example, the Local Plan and the London Plan) that have been adopted by the Local Planning Authority (LPA). Consultation requirements pertaining to Neighbourhood Plans are outlined in The Neighbourhood Planning (General) Regulations 2012.

If you are thinking of preparing a Neighbourhood Plan in your area, please download the [Neighbourhood Planning Guidance](#) on the Government's website or get in touch to discuss your plans and timetable with the Planning Policy Team.

Email ldf@bromley.gov.uk or call 020 8313 4730.

Community Infrastructure Levy

The Community Infrastructure Levy (CIL) is a statutory development charge that came into force on 6 April 2010. The Legislation and accompanying Regulations allow Local Authorities to collect and pool financial contributions from developers to help pay for strategic infrastructure that is necessary to support new development such as; transport, community and leisure facilities, schools, and public open spaces. Once a local CIL is adopted by the Council, it will work alongside Section 106 agreements as a means for developer financial contributions to be collected to pay for infrastructure needed to support new development. S106 agreements will continue to be used for affordable housing and for site specific mitigation to manage the impacts of a development scheme. Further information in relation to development of the Council's Community Infrastructure Levy can be found on the Council's website.

Sustainability Appraisal

We will produce Sustainability Appraisals for each document where appropriate. The community and stakeholders will be encouraged to examine our policies and proposals to ensure they are sustainable.

Resources and management of the process

The majority of work involved in undertaking community involvement will be the responsibility of the Planning Policy Section, also known as Planning Strategy and Projects, within the Council's Planning Division. Assistance from other staff within the department and the Corporate Communications Team will be called upon as required. Full use will be made of existing community communication arrangements and press releases.

If external consultants are required, the necessary funds will be made available. In addition, existing forums and interest groups will be used to avoid consultation overload.

How the Council will acknowledge and report back on representations

All responses received by letter or e-mail will be acknowledged within 5 working days of receipt.

Anyone making comments on any Local Development Document during the process will be invited to register on the Council's database and will then automatically be kept informed at all subsequent stages. A list of consultees (groups, organisations and companies, but not individuals) will be published on the web. The most up to

date list will be available for viewing on request.

If you would like to join the LDF Consultee database please email ldf@bromley.gov.uk or telephone **020 8313 4730**.

At the end of each consultation period, the Council will analyse the responses and prepare a summary report to be considered by the Development Control Committee and Executive, where appropriate. The report will include any proposed actions to be undertaken as a result of your comments. A summary of all comments and subsequent changes will be included in the report. The comments, where appropriate, and the reports will be made publicly available, both on the website, and in hard copy at the Main Reception at the Civic Centre.

4 INVOLVING THE COMMUNITY IN PLANNING APPLICATION DECISIONS

It is also important that the community has an opportunity to be involved in planning applications. This section explains how the Council intends to involve you in dealing with planning applications, including the role of developers in that process.

Introduction

This Statement of Community Involvement is also important in providing a framework to involve the wider community at an early stage on planning applications. The Council has a duty to consider all valid planning applications it receives, regardless of whether or not they reflect adopted policies. Most people become involved in planning as a result of commenting on or submitting a planning application. In this respect, it is important to recognise that “significant” (major) applications are subject to wider consultation than those of a minor nature.

What are “significant” applications?

The Government has a definition of “major” applications which includes:

- a residential development for 10 or more dwellings
- residential development on a site of 0.5 hectares or more
- development involving a building(s) with a floor space of 1000 square metres or more
- any other development on a site of 1 hectare or more

It is recognised that not all major planning applications are controversial; indeed many that generate the most public interest are often not major applications. In order to try and overcome this dilemma, “significant” planning applications will be identified by the following additional criteria:

- a major application likely to produce significant public interest or controversy;
- an application likely to have a significant physical impact on the surrounding area or could be a potential departure from the adopted Development Plan.

The Chief Planner will decide whether an application is significant or not.

Pre-application discussions and early community consultation

The Council and government advice encourages developers to enter into early discussions before submitting an application, although there is no statutory requirement for an applicant to do so. It is important that this should include appropriate key consultees such as the Environment Agency or the Highways Authority. At this stage, planning officers can advise developers, in their opinion, whether an application is likely to be “sensitive” and therefore if there is any need for the applicant to undertake additional community consultation.

Before a “significant” application is submitted to the Council, applicants will be expected to:

- contact local residents and interest groups informing them of the development proposed;
- arrange a public meeting or exhibition at a suitable location in close proximity to the application site in order to allow the proposal to be more fully understood by the local community prior to submission.

It will be necessary to:

- submit a brief statement as part of the planning application submission outlining what consultation has taken place, who with, the comments received and how these have been taken into account within the application; and
- attend meetings with local groups that are likely to have an interest in the application proposal.

The Council's aim is to encourage discussions to take place **before** any "significant" application is submitted in order to try and achieve a degree of consensus and/or at least a clear understanding of what the proposal is trying to achieve. It is, however, important that the impartiality of the Council is maintained in the pre-application process. As far as possible, the Council's role will be to maintain a watching brief during the pre-application process. Council officers will, therefore, not normally be involved in pre-application public consultation documents or meetings.

What we do when a planning application is received

The Council has a range of methods to ensure that submitted applications are brought to the attention of its residents, statutory consultees and other stakeholders. The details of each application, after validation, are published on Planning Public Access on the Council's website (www.bromley.gov.uk/planningaccess). The application form, location plan and full plans are available to view on Planning Public Access and each application is updated with the decision notice.

The website also provides the opportunity (and primary way) for anyone to comment on a submitted application.

A weekly list of all valid planning applications received is circulated to councillors and published on the Council's website via Planning Public Access. The website provides the opportunity to search for an application via the planning application number (supplied in all correspondence) or via the property address.

Advertisements - legislation requires statutory publicity for different types of applications.

The Council produces at least one site notice and an advertisement in a local newspaper for the following types of application for development:

- subject to an Environmental Assessment
- development affecting a public right of way
- affecting a statutorily listed building or conservation area
- a departure from the Development Plan
- discretionary advertisements
- development by adjoining planning authorities

Site Notice: site notices are only used in the case of significant applications to provide information for people in the vicinity of a site. It includes information on:

- the nature of the application,
- how to contact the Council,
- how to view plans, and
- the deadline for making comments (usually 21 days from the date of the notice).

Neighbour notification: the occupiers of properties immediately adjoining an application site are notified individually by letter that an application has been received. In some cases, letters are sent on a discretionary basis to other nearby properties which may be affected. They are invited to inspect the application and make any written observation. If the occupier is disabled or elderly and unable to get to the Civic Centre, copies of the plans can be provided free of charge if they have no reasonable access to the Council's website.

Legislation does not specify which properties are to be notified and consequently the Council operates a flexible system of consultations, but it is based on a number of important principles:

- significant applications which have a wide public interest will have a wide area of notification;
- all owners or occupiers of properties immediately abutting the site (disregarding any roads) are notified of applications;
- a minimum of 21 days is given for comment.

Comments supporting or objecting to a proposal may be made by anyone regardless, of whether they have received a letter or been specifically consulted. The Council, however, can only take into account planning considerations. Comments received must relate to planning matters which include such issues as impact on lighting or highway safety. The following types of concerns are not generally planning considerations and cannot be taken into account:

- Loss of value to property
- Commercial competition
- Loss of a view
- Disturbances during building work
- Land ownership disputes
- Private deeds or covenants
- Where development has already started
- Matters covered by other legislation including licensing or gambling

Comments should be submitted as soon as possible, although the Council will take into account any representations received up to the date on which the decision is made. No application will be determined within a period of 21 days from the date when the consultation letters are sent out (or 14 days for a re-consultation). It may be necessary, in exceptional circumstances, to write and publish reports for a Planning Committee before the expiration of the 21 days. In such cases, comments not already noted will be reported verbally at the Committee meeting. All comments received are made available for public inspection by prior arrangement on request to the Council and will not be treated as confidential (unless an exemption under the Freedom of Information Act or Environmental Regulations applies).

Statutory consultees: There is a statutory requirement to inform certain consultees of planning applications set out in the [Town and Country Planning \(General Development Procedure\) Order 2015](#). A list is included in Schedule 4 of the order. The organisations to be consulted will vary with the nature of the proposal and location. Consultees are notified in writing and normally have 21 days in which to respond.

The Council is committed to negotiating improvements to proposals, wherever possible, by consulting a wide range of non-statutory consultees on a range of applications. As a result, there is consultation with groups such as the local Wildlife Trust or the Council's Heritage and Urban Design Team on applications affecting specific landscape and wildlife interests. Other groups that are regularly consulted are English Nature, the Metropolitan Police and the Advisory Panel for Conservation Areas (APCA) who meets once a month.

What happens if amendments are made?

Although pre-application discussions can help reduce the number of issues which may require addressing once an application has been submitted, sometimes negotiation takes place on applications; particularly major ones. Although there is no legal requirement to do so, the Council endeavours to re-notify if the amendments would materially affect the considered views of interested parties.

What involvement is there when an application is being determined?

Around 90% of the applications submitted to the Council are dealt with through powers delegated to the Chief Planner. This helps to ensure that the majority of applications are dealt with within the statutory period set by the Government. For delegated decisions, a summary officer report is displayed on the Planning Public Access website alongside the decision which explains why the decision was made. The Council has four plans sub-committees allowing a meeting to be held every two weeks and operates a system that allows public speaking at Planning Committee. This gives members of the public the opportunity to comment on applications determined by committee either in support or as an objector. Councillors then consider these comments in determining the application.

The Development Control Committee meets approximately every two months and considers the more major or contentious planning applications. As with the sub-committees, the public have an opportunity to comment.

How else do we involve the community?

Councillors are also involved in the consultation process and receive the weekly list of planning applications. Members can request copies of documentation or plans relating to individual applications. Residents can speak to their Ward Councillors about planning applications.

An annual Residents' Association Seminar is normally hosted by the Planning Division to provide information and updates on planning matters.

5 PLANNING AID FOR LONDON

[Planning Aid for London](#) is a voluntary organisation providing immediate, free and independent professional advice over the telephone on town planning related matters to individuals (and some community groups) who cannot afford consultancy fees. Planning Aid for London can help groups use and influence planning policies, and to draw up their own plans for their area.

The organisation can be contacted at:

Planning Aid for London, c/o TCPA17 Carlton House Terrace, London SW1Y 5AS

Telephone: 03007 729 808

Email: info@planningaidforlondon.org.uk or at planningaidforlondon.org.uk

6 MONITORING AND REVIEW

The Council will monitor the success of the community involvement techniques to determine whether a representative level of public involvement has been achieved. We aim to continually learn about what works and what could work better, and therefore monitoring will be built into each involvement activity.

The monitoring process will seek to determine:

- Is the SCI effective in engaging a range of people?
Indicators: Number of people participating in consultations
 Number of groups participating in consultations
 Number of “hard to reach” people or groups participating in consultations
- The extent to which representations effect change?
Indicator: Proposed changes to Local Development Document
- Do participants value their involvement in the process?
Indicators: Number of complaints / negative comments received
- How effective is the use of the website?
Indicators: Number of people logging on for information
 Number of people responding via the website

These indicators will be used to review the SCI and changes will be considered where there has been a particularly low level of community participation. This will be a continuous process to be undertaken by the staff in the Planning Policy Section. The Head of Planning Strategy and Projects will be responsible for this monitoring process.

The success and effectiveness of the Statement of Community Involvement will be reviewed through the Authority Monitoring Report (AMR).

7 FINANCIAL AND LEGAL CONSIDERATIONS

It is intended that the Statement of Community Involvement is realistic in its approach towards community involvement and does not raise expectations beyond what is possible for the Council to meet. The legal requirements for consultation and public participation for the Local Plan are set out in the Town and Country Planning (Local Planning) (England) Regulations 2012. The Council will meet minimum requirements and exceed these where possible.

National and regional guidance must also be considered (such as the National Planning Policy Framework (NPPF) 2012 and the London Plan) and will inform the Policy content of the Local Plan.

The Council sets out the timetable for the preparation of policy documents in the Local Development Scheme.

In order to achieve all this, time and cost issues will need to be managed carefully, including staff resources, costs of publicity, venues and external consultants.

8 APPENDICES

Appendix A: List of groups and organisations on the consultee database
[This remains unchanged from the initial report to committee]

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Report No.
DRR16/050

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **Executive**

**For Pre-Decision Scrutiny by the Renewal and Recreation PDS
Committee on**

Date: **5th July 2016**

Decision Type: Non-Urgent Executive Key

Title: **BUSINESS IMPROVEMENT DISTRICT STRATEGY FOR TOWN
CENTRES**

Contact Officer: Lorraine McQuillan, Town Centres and BID Development Manager
Tel: 020 8461 7498 E-mail: lorraine.mcquillan@bromley.gov.uk

Chief Officer: Nigel Davies, Director of Environmental & Community Services

Ward: Copers Cope; Kelsey & Eden Park; Clockhouse; Penge & Cator

1. Reason for report

In light of the successful establishment of Business Improvement Districts (BID) in Orpington and Bromley Town Centres, this report outlines the feasibility of extending the BID approach to other town centres in the borough – specifically the potential for implementing BIDs in Beckenham and Penge town centres. The report explores the business case for the Council to invest in the introduction of further BID areas, and a summary of issues arising in each town, how a BID could assist with tackling these, potential barriers to a successful introduction of BIDs in these towns and a suggested road map to implementation.

2. **RECOMMENDATION(S)**

**That members of the Renewal & Recreation and Executive & Resources PDS
Committees:**

**2.1 Note and provide comments upon the suggested strategy for the introduction of
BIDs in Beckenham and Penge town centres.**

That the Executive:

**2.2 Notes the outcome of the initial feasibility study on the potential for a BID in
Beckenham and Penge town centres and supports in principal the formation of a BID at**

the earliest opportunity, bearing in mind the constraints and risks outlined in paragraph 3.9.

2.3 Approves the allocation of up to £110k from the Growth Fund to cover the costs of the proposed Beckenham and Penge BID projects (as set out in more detail in paragraph 5.2).

2.4 Notes the projected timescales for the establishment of a BID in Beckenham and Penge Town Centres as outlined in paragraph 3.12, and the potential personnel and financial implications of establishing BIDs in these towns.

Corporate Policy

1. Policy Status: Existing Policy:
 2. BBB Priority: Vibrant, Thriving Town Centres
-

Financial

1. Cost of proposal: Estimated Cost £110k
 2. Ongoing costs: Non-Recurring Cost
 3. Budget head/performance centre: Town Centre Management & Growth Fund
 4. Total current budget for this head: £154k and £19.294m
 5. Source of funding: 2016/17 existing revenue budget and the Growth Fund
-

Staff

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

Legal

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

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Beckenham: occupiers of up to 506 rateable properties; Penge occupiers of up to 361 rateable properties
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments:

Only one comment was received by the time the report text was finalised: Councillor Tickner wrote that he is fully supportive of the Beckenham and Penge BID proposal but asked for an update at the forthcoming Beckenham Working Group.

Any further comments received from Ward Councillors will be presented verbally at the meeting.

3. COMMENTARY

3.1 The following paragraphs outline the feasibility for the Council to work with the business communities in Beckenham and Penge town centres to explore the establishment of Business Improvement Districts (BIDs). Background is provided on BIDs generally and how one was established in Orpington and Bromley. Recent initial research into the comparative financial and local economy benefits of BIDs in Beckenham and Penge is explored, with the conclusion expressed that a BID should be implemented in Beckenham and Penge town centres, subject to the results of in-depth consultation with businesses. The remainder of the report explores a draft plan for implementation, including possible risks, a draft project plan and also provides information on the costs and potential budgetary implications of the initiative.

Background

3.2 A Business Improvement District (BID) is now a tried and tested model to deliver sustainable investment in a defined area, through a levy of rateable business properties - based on typically 1-2% of rateable values. There are now over 200 formal BIDs in operation in the UK and Republic of Ireland – the majority of which are retail-led and focussed on town centres and over 60 of which are into a second, or even third term. Legislation which became law in 2004 provides the regulatory underpinning for BIDs which means that they can only be established or renewed after a majority of ratepayers vote in favour in an official postal ballot (operated under conditions similar to a political election). Once a BID is established or renewed the occupiers of any eligible property must by law pay the levy annually for the term of the BID (usually 5 years) – providing a level of financial sustainability and certainty not usually present with less formal partnership arrangements. BIDs can deliver any projects or services that are agreed by the relevant businesses and are in addition to services the Public Sector already provides. BIDs deliver the following business benefits:

- BID levy money is ring-fenced for use only in the BID area.
- Businesses decide and direct what they want for the area.
- Business cost reduction, for example reduced crime and joint procurement.
- Help in dealings with Local Councils, the Police and other public bodies.
- Increased footfall and staff retention.
- Place promotion and place shaping
- Facilitated networking opportunities with neighbouring businesses.

3.3 Locally within the London Borough of Bromley the Orpington 1st BID was established in 2013 and more recently the Your Bromley BID was established in 2016. Over the initial terms of the BIDs Orpington is expected to benefit from the investment of over £1m and in Bromley over £3m, this includes sources other than the BID levy. The themes for both BIDs are based solidly on the expressed needs of the local businesses. Further information can be found on the BID websites www.orpington1st.co.uk and www.bromleybid.com.

Feasibility Study Methodology and Outcomes

3.4 Given the successful establishment of Orpington 1st and Your Bromley BIDs, Members have asked Officers to explore the business case for establishment of BIDs in other town centres. This is not simply due to the intrinsic benefits of the BID model, but also driven by the increasing financial constraints faced by the Council – which threatens the continuance of Council funding for the Town Centre Management function in the medium term. Encouraging the formation of BIDs fits well with the Council's aspirations for thriving, vibrant town centres, whilst encouraging town centre businesses and their communities away from dependence on Council funding. Although there are potential budget savings from the implementation of further BIDs, these are

relatively modest, the main benefit being the potential to deliver additional investment to town centres far exceeding anything available from the public purse alone.

- 3.5 The scale of a BID is based on the number and rateable value of commercial premises within a defined area. This means that it is difficult to justify the establishment of BIDs in most small town centres, as these are invariably too small to deliver a level of income justifying the expense and effort involved in establishing and operating a BID, bearing in mind that there are also ongoing costs involved in collecting the levy and in managing a BID. The focus of our feasibility study has therefore been on Beckenham, as the third largest town centre in the borough, and on Penge (fourth largest) as potential BID areas for possible implementation within 12 to 18 months. Between these two towns there are 867 rateable properties. This is not to say that some of the other district town centres (eg. Chislehurst, West Wickham etc) or industrial estates will not also be looked at from a BID feasibility point of view in the future, resources allowing.
- 3.6 Specialist BID Consultants, The Mosaic Partnership, were commissioned in April 2016 to undertake feasibility studies in Beckenham and Penge town centres. Specifically they were asked to provide a report containing evidence of engagement with the target client group, recommendations on key themes that could be delivered by a Business Improvement District, and the financial potential and geographic limits of potential Business Improvement Districts in each of the two town centres. The following elements were required as part of the feasibility studies:
- Engagement with at least 10% of the business occupiers (including both local managers and, where appropriate, head office representatives) in each town centre using a variety of communication methods.
 - Evidence of engagement across all sectors of the business community existing in those locations (i.e. retail, leisure, office)
 - Results of the business engagement showing the key themes identified by the various sectors of the business community
 - Potential Business Improvement District income based on a levy of 1%, 1.25% and 1.5%
 - Recommendations for the optimum geographic extent of each potential BID indicating zones and their potential BID yield.
 - Recommendations for BID development potential and follow up actions for each town, based on the results of business engagement as to whether there is a business interest, demonstrable need and projects that a Business Improvement District could deliver.

Outcomes

- 3.7 The main recommendation from the Mosaic Partnership report, based on the financial analysis, research and consultation, is that separate BIDs in Beckenham and Penge are feasible and that 'back end' operation for both BIDs should be combined to reduce costs.
- 3.8 The key elements that informed these recommendations are:
- The market research and consultation was carried out in 2 parts – a desktop review of existing plans and reports relating to the town centres and a consultation exercise consisting of a survey, business workshops, engagement with the local authority, key stakeholders and national businesses. There was a 21% response in total to these approaches which is encouraging. At feasibility stage the objective of the market research and consultation is to establish a general understanding of the business needs and identify whether these could be funded through a BID proposal.

- Specifically relating to the business survey approximately 11% of businesses responded (average response rates for this type of survey is 5-7%). 60% of the respondents were from Beckenham and 40% from Penge. The key points arising were:

Beckenham

- 60% retail, 20% commercial, 10% food & drink
- 90% independent
- Over 60% have traded for over 10 years
- Car parking, marketing & promotion & events are key areas of interest
- Most spend at least £500-£1000 on marketing annually
- Over 60% want more events
- Over 80% want more car parking.
- Interest in central procurement – trade waste, recycling, advertising
- Over 80% have previously supported projects
- Only 30% knew about BIDs
- 42% are members of business organisation(s) but 60% are indifferent.

Penge

- 50% retail, 30% commercial, 17% food & drink
 - 100% independent
 - Over 65% have traded for over 10 years
 - Safety & security, car parking, & marketing & promotion are key areas
 - Most spend at least £1000 on marketing annually
 - Over 60% like events but only 30% want more
 - Over 65% want more and cheaper car parking.
 - Over 65% wanted better safety & security
 - Interest in central procurement – recycling, advertising
 - 30% are members of business organisation(s) and 60% are happy with this.
- The research and consultation process shows clear areas of consensus and concern that could be addressed by the BID process in both areas. The main themes are:

Marketing & Promotion; Events; Access; Safety and Security (Penge only)

Within the theme of access the availability and cost of parking was raised as an issue in both town centres. Generally BIDs have limited influence over increasing parking availability and reducing parking charges. However some BIDs have been successful in providing improved marketing around car parking options, providing discount schemes or providing temporary free parking promotions as part of special events or in the run up to Christmas.

- Generally there is support for the BID concept in each town centre with a core of key people in each town centre interested in developing the BID concept.
- A combined BID would be unlikely to be accepted. However there is scope for the 'back end' (eg. office, staff etc) to be combined to reduce administrative costs
- A BID levy of 1.5% be introduced in each area. The BID levy can range between 1% and 2% and due to the size of Beckenham and Penge town centres 1.5% BID levy has been recommended. This may change during the next stage of BID development, but for the purposes of modelling the potential BID income the recommended 1.5% BID levy has been applied.

- Many BIDs apply a threshold to exclude lower rateable value properties, as the cost to collect the levy from these properties can exceed the levy amount itself. For example, the Bromley BID has excluded any properties with a rateable value below £10k. As Beckenham and Penge are smaller towns the threshold modelling has been calculated on excluding properties below £5k. As the threshold level decision is not normally made until the next stage of BID development the potential BID income below has been calculated based on no exemptions and exemptions on properties with a rateable value of below £5k. The potential range of income for both BIDs combined would be between around £225k and £237k per annum (based on a 1.5% levy). This would allow sufficient resources to develop and implement projects and improvements to make tangible differences to each town centre. The following gives an indicative income and expenditure profile based on the amount raised:

	Levy <£5k Exempt £	No Exemptions £
Potential BID Income		
BID Levy (1.5%) Beckenham	140,000	146,000
BID Levy (1.5%) Penge	85,000	91,000
Total BID Levy	225,000	237,000
Additional Income (20% of BID Levy)	45,000	47,400
Total Indicative Income	270,000	284,400
Potential BID Expenditure		
Projects	220,000	234,400
Overhads	50,000	50,000
Total estimated expenditure	270,000	284,400

Most BIDs succeed in generating 20-25% voluntary contributions/fee annually in addition to the BID levy. For example Orpington BID achieved more than 25% additional income in 2015/16.

- The proposed BID areas for each town centre (see Appendix 1A and 1B) should remain, but can be further tested during the development phase
- An independent company should be set up as a single legal entity to manage both BIDs. The company would be not for profit and 'limited by guarantee'. The Board of this company would be elected from the BID levy payers and equally represent the levy payers from each BID.
- The development of a BID is likely to take at least 12 months following a formal decision to proceed.
- The estimated costs for the development of BIDs in Beckenham and Penge at the same time is £110k. Further details on costs are outlined in paragraph 5.2.

Risks and issues for implementation of a BID in Beckenham and Penge

3.9 In terms of proceeding with the introduction of BID in Beckenham and Penge, the key issues to consider are the ease of engagement with local businesses and the timing of a BID consultation and pre-ballot campaign.

The level of engagement with businesses from the start is vital – as although Councils do play a key role in encouraging and implementing BIDs, these are essentially business-led initiatives, and without both the involvement of business champions and broad support in the wider business community, any BID proposal is bound to fail. The Beckenham Business Association and Penge Traders Association are already established, representing businesses interests in the towns. Work has also been ongoing to develop these groups to be more fully representative of rate paying businesses and other key stakeholders in the town centre in order that they may become the core group of business people who will work with Officers to drive any proposed BID forward.

- 3.10 Another factor to take into account is the disruption that businesses in Beckenham Town Centre may encounter as part of the proposed improvement works. Whilst there is no doubt that these works will have a beneficial effect on the town and its businesses, during the period of the works (expected start date September 2016 for a duration of 12- 18 months) businesses may suffer from reduced footfall and income, and therefore may not be open to a suggestion to pay an additional charge – regardless of the potential future benefits. Therefore the timings of any campaign in advance of the ballot and the ballot date itself would have to be carefully considered in relation to the timescales for these works.
- 3.11 As a BID can only be established by a secret postal ballot, there is a risk that this will not result in approval of the BID proposal and in this worst case scenario the potential savings outlined in Financial Implications (below) would not be realised and most of the Council's investment in the project would already have been spent or committed. There are points earlier in the process where the Council and the businesses involved in steering the BID proposal could mutually agree to abandon the project if it was felt that there was insufficient support amongst business rate payers. Again if this occurred, the potential savings would not be realised although there would be a lower financial impact than if the project was to fail at the ballot stage.

Outline Project Plan

- 3.12 It is recommended that a BID consultant be appointed by September 2016 following a procurement process. The BID consultant will assist the town centre working groups to progress through the developments phases of achieving a BID. The BID working group will produce a formal BID proposal and will have the formal function of BID proposer, as defined in the BID regulations. The BID proposer must submit to the Council (who will act as the Billing Authority) a notice in writing, asking them to hold a ballot on the BID proposal. The notice must be accompanied by a:
- Summary of the consultation undertaken.
 - Draft of the proposed BID business plan.
 - Summary of the financial management arrangements for the BID body.

Unless the proposal conflicts with a formal policy document published by the Council the ballot will be authorised and the ballot holder specified. It is expected that the BID proposal for Beckenham and Penge Town Centres and the required supporting documentation will be brought to the Council's Executive Committee for formal authorisation on behalf of the Council during the Summer of 2017.

- 3.13 It is recommended that the proposed BID for Beckenham and Penge aims for ballot dates to take place by November 2017 at the latest. It may be necessary to stagger the ballot dates in order to ensure sufficient resource is available for each ballot. The expected operational dates for each BID will be Spring 2018. These timings are based on experience of the Orpington and

Bromley BID but will need to be flexible subject to satisfactory levels of support and leadership from the business community.

- 3.14 Assuming Members support the recommendations of this report, Officers will refine the project plan and form an internal project board which will include Officers from relevant Divisions across the Council and provide oversight of the initiative. It is expected that further reports updating Members of progress on the project will be presented at future R&R PDS meetings.

4. POLICY IMPLICATIONS

- 4.1 The proposed project to introduce Business Improvement Districts in Beckenham and Penge town centres is aimed specifically at enhancing the vitality of the town centre, and as such contributes to the Building a Better Bromley key priority of Vibrant, Thriving Town Centres, which includes the explicit aim to encourage the development of further BIDs in the borough.

5. FINANCIAL IMPLICATIONS

- 5.1 This report is seeking Members approval to begin implementing a project to establish a BID in Beckenham and Penge. Should the BID be established following a successful secret ballot, it would provide a mechanism for Beckenham and Penge town centres to receive additional funds of between **£1.35m and £1.42m** over a 5 year period
- 5.2 The project implementation costs to complete the process to establish the BID are estimated to be £110k and are detailed in Table 1 below. For comparison the budget for the Orpington BID (with 350 levy-paying properties) was in the region of £80k and Bromley (with 640 hereditaments) was £110k. There are approximately 860 potentially levy paying business properties in Beckenham and Penge. Although this project will be aiming at the establishment of 2 town centre BIDs (at a cost of approximately £55k each), because these will be undertaken in tandem there are likely to be economies of scale which can be realised.

Table 1: Draft budget for implementation of Beckenham & Peneg BIDS	£'000
BID Development Project Costs – BID Project Manager, marketing, communication, legal, establishment costs	85
Ballot costs	4
Billing system software set up	10
Courier costs	1
Contingency	10
Total	110

- 5.3 If a BID was to be successfully implemented there would be a saving of £72k per annum (£48k staffing and £24k TCM revenue fund), as there would no longer be a requirement for the Council to fund a Town Centre Management Service for Beckenham and Penge after the BID had been established. However, the Council would be liable to pay BID levy of between £5,100 and £5,300 on certain properties (depending on any thresholds applied), as detailed in Appendix 2. Overall, a net saving of up to £67k per annum would be achieved from 2018/19, assuming that the Council did not wish to continue to fund a post for development of further BIDs beyond March 2018.
- 5.6 The Executive is asked to agree an allocation of up to £110k from the Growth Fund to meet the estimated costs of the process involved in establishing the Beckenham and Penge BIDs. This sum may be reduced should officers be successful in securing external funding for the project at a future date. The current unallocated balance on the Growth Fund is £19.294m.

5.7 Members should note that paragraphs 3.9 – 3.11 highlight the risk that the BID will not be established. It is wholly dependent on a favourable outcome of the secret ballot. If the outcome is not favourable, almost all of the £110k would have been spent or committed and the potential savings will not be realised.

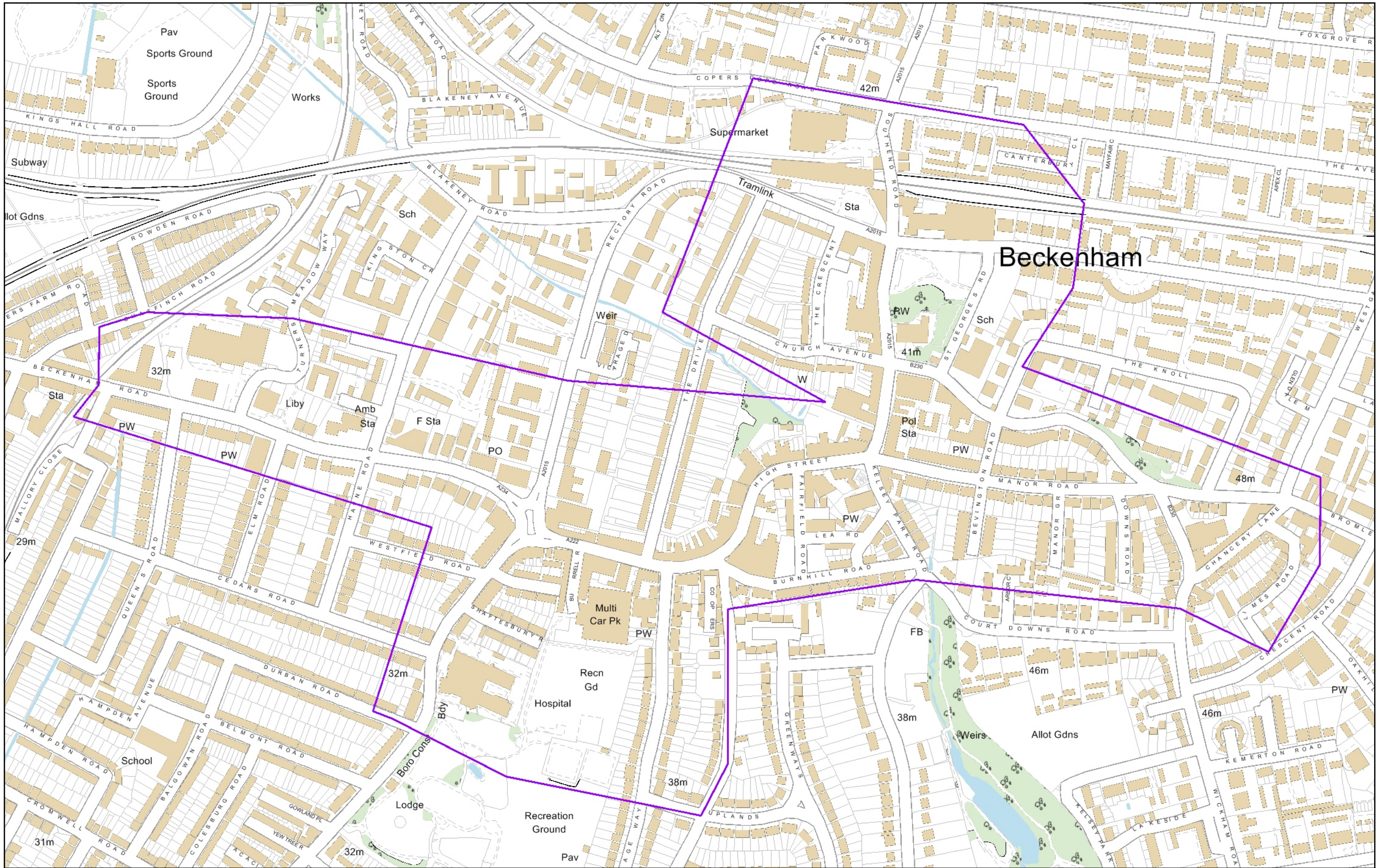
6. LEGAL IMPLICATIONS

- 6.1 This report seeks the approval of the Executive to establish two BIDs: one in Beckenham and one in Penge. It also seeks the allocation of £55,000 for each Project to cover the council's implementation costs
- 6.2 Business Improvement Districts (BIDs) were introduced by Part 4 of the Local Government Act 2003 (LGA 2003). Their establishment, enforcement and operation is regulated by the LGA 2003 and the Business Improvement Districts (England) Regulations 2004 (SI 2004/2443) (BID regulations) as amended by the Business Improvement Districts (England) (Amendment) Regulations 2013 (SI 2013/2265)

7. PERSONNEL IMPLICATIONS

- 7.1 It is expected that a working group comprising and led by local businesses will be formed. This working group will formally take the lead on the development of the BID proposal. An external consultant will be appointed to assist this working group and project-manage the various phases of BID development. The Head of Town Centre Management will take the lead from the Council point of view, supported by the Town Centres & BID Development Manager.
- 7.2 Should the BID be successfully established, there will clearly be personnel implications for the Town Centre Management & Business Support Team (2 posts). The full impact will become clearer as work towards establishing the BID is carried forward. Updates on any personnel implications will be provided to Members as part of future reports on the progress of the project.

Non-Applicable Sections:	None
Background Documents: (Access via Contact Officer)	R&R PDS Report 'Proposed Business Improvement District for Orpington', 11 Oct 2011 (DRR11/096) R&R PDS/Exec Committee Report 'Business Improvement District Strategy for Town Centres 2014-2015' 26 Nov 2013/15 Jan 2014 (DRR13/111)



Town Centre Management

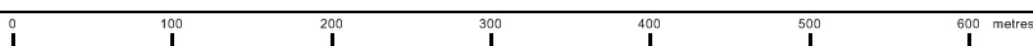


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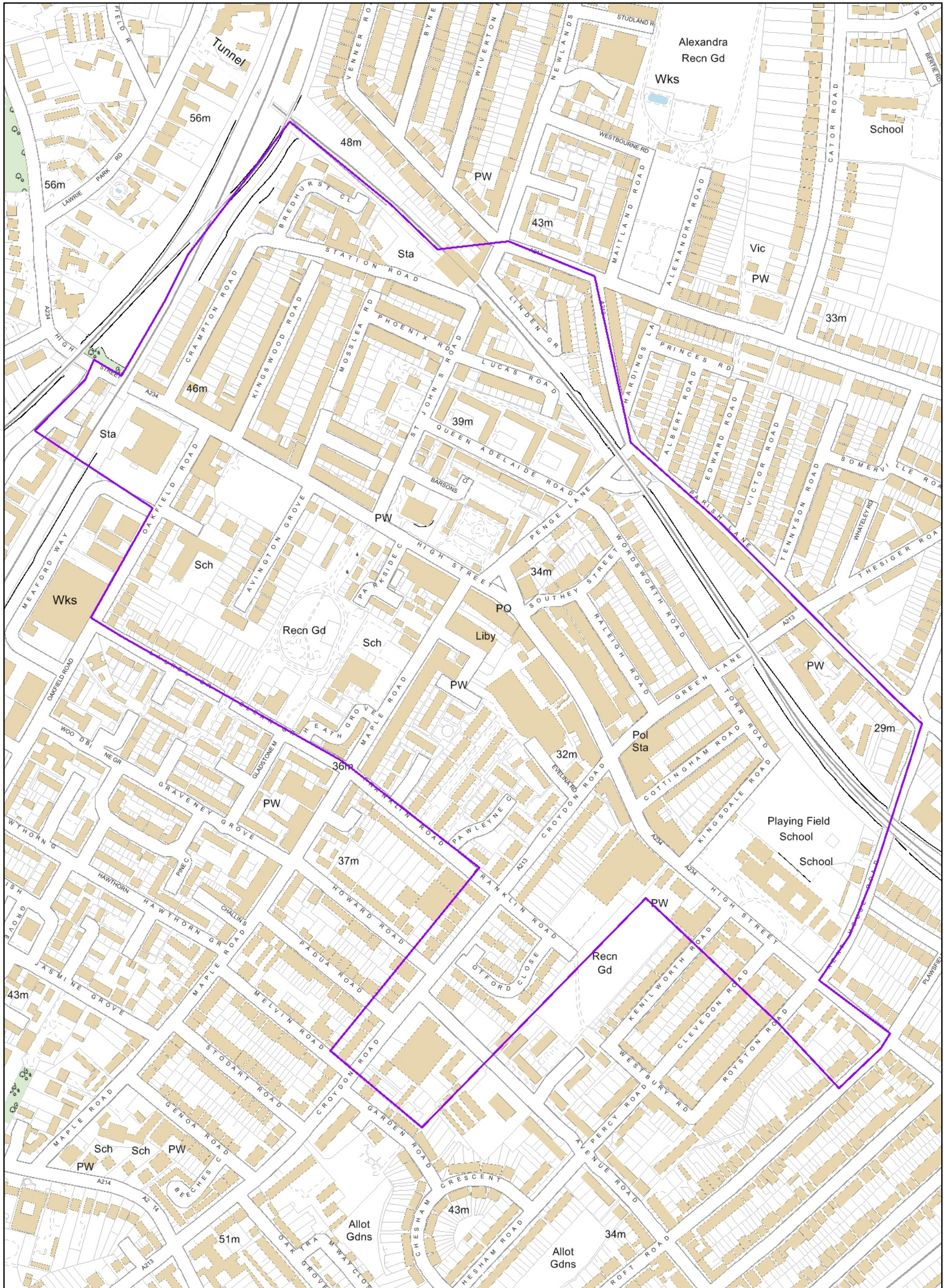
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Beckenham Town Centre Boundary



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Penge Town Centre Boundary

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APPENDIX 2 – COUNCIL PROPERTIES IN BID AREAS

Table 1 below has details of the levy payable on Council properties within the potential Beckenham BID area, on the basis that no thresholds are applied: -

Council Hereditament	Portfolio	R.V (£)	Estimated charge per annum (£) @ 1.5%
Public toilets - High Street	Environment	3,600	54
Car Park - Village Way	Environment	67,500	1,013
Car Park - Fairfield Road	Environment	26,000	390
Car Park - St Georges Road	Environment	34,750	521
Library - Beckenham Road	Environment	41,000	615
Library - Beckenham Road	Environment	31,750	476
Maintenance Depot	Environment	1,900	29
Car Park - Dunbar Avenue	Environment	7,000	105
Car Park - Lewis House, Beckenham Road	Environment	6,300	95
Total		219,800	3,298

Table 2 below has details of the levy payable on Council properties within the potential Penge BID area, on the basis that no thresholds are applied: -

Council Hereditament	Portfolio	R.V (£)	Estimated charge per annum (£) @ 1.5%
Public toilets - High Street	Environment	7,600	114
Car Park - Penge East Station	Environment	12,500	188
Library - Green Lane	Environment	35,250	529
Offices - Croydon Road	Property	75,500	1,133
Total		130,850	1,964

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