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DATE: 22 December 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**
11 JANUARY 2017 AT 7.00 PM

MARK BOWEN
Director of Corporate Services

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

A G E N D A

- 1 **APOLOGIES FOR ABSENCE**
- 2 **DECLARATIONS OF INTEREST**
- 3 **TO CONFIRM THE MINUTES OF THE MEETING HELD ON 30TH NOVEMBER 2016**
(Pages 5 - 26)
 - a) to confirm the minutes of the meeting held on 30th November 2016
 - b) Matters Arising report
- 4 **QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING**

In accordance with the Council's Constitution, questions must be received in writing four working days before the date of the meeting. Therefore please ensure that questions are received by the Democratic Services Team by 5pm on Thursday 5th January 2017.
- 5 **DRAFT 2017/18 BUDGET AND UPDATE ON COUNCIL'S FINANCIAL STRATEGY**
(Pages 27 - 120)

- 6 PROGRESS IN IMPLEMENTING CHILDREN'S SERVICE IMPROVEMENTS 'PHASE 3 SPENDING PLAN'**
Report to follow.
- 7 RECRUITMENT OF THE FOSTER CARER SERVICE** (Pages 121 - 130)
- 8 REGIONALISATION OF ADOPTION SERVICES** (Pages 131 - 138)
- 9 PROPOSAL FOR CHILDREN'S RESIDENTIAL BLOCK BED PLACEMENTS**
(Pages 139 - 150)
- 10 CARER SUPPORT SERVICES**
Report to follow.
- 11 CHANGES TO NON RESIDENTIAL CONTRIBUTION POLICY AND ADDITIONAL INCOME GENERATION** (Pages 151 - 158)
- 12 RENEWAL OF HOUSING ASSOCIATION LEASING SCHEMES - DABORA CONWAY AND THEORI** (Pages 159 - 164)
- 13 EXTENSION OF BROMLEY Y COMMUNITY WELLBEING SERVICE FOR CHILDREN AND YOUNG PEOPLE** (Pages 165 - 176)
- 14 UPDATE: BIGGIN HILL MEMORIAL MUSEUM** (Pages 177 - 184)
- 15 DISPOSAL OF BANBURY HOUSE, CHISLEHURST** (Pages 185 - 192)
- 16 DISPOSAL OF SMALL HALLS SITE, YORK RISE, ORPINGTON** (Pages 193 - 200)
- 17 CONSIDERATION OF ANY OTHER ISSUES REFERRED FROM THE EXECUTIVE AND RESOURCES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE**
- 18 LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006 AND THE FREEDOM OF INFORMATION ACT 2000**

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

Items of Business

Schedule 12A Description

19	EXEMPT MINUTES OF THE MEETING HELD ON 30TH NOVEMBER 2016 (Pages 201 - 210)	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 30 November 2016 starting at 7.00 pm

Present

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

Also Present

Councillor Simon Fawthrop and Councillor William
Huntington-Thresher

118 APOLOGIES FOR ABSENCE

Apologies were received from Cllr Peter Fortune.

119 DECLARATIONS OF INTEREST

Councillor Colin Smith declared an interest at item 26 of the agenda as a Trust Member of the Aquinas Trust Advisory Council for St. George's CE Primary School.

Councillor Kate Lymer also declared an interest as a Trust Member of the Aquinas Trust Advisory Council for St Mark's CE Primary School.

Councillor Robert Evans declared an interest as a member of the board of a rugby club contracted to a company referred to in the Part 2 report at item 28 of the agenda.

120 TO CONFIRM THE MINUTES OF THE MEETINGS HELD ON 18TH OCTOBER 2016 AND 1ST NOVEMBER 2016

The minutes of both meetings were agreed.

121 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING

Questions from Susan Sulis, Secretary, Community Care Protection Group and Mr Courtney Grant were received.

Details of the questions and written replies are at **Appendix A**.

122 BUDGET MONITORING 2016/17

Report FSD 16069

Members received a second budget monitoring report for 2016/17 based on expenditure and activity levels to the end of September 2016.

The monitoring report highlighted current projections of an overall net overspend of £7,377k on portfolio budgets.

Potential for a budget gap of over £20m in a further three to four years was highlighted unless significant financial savings could be made in the meantime; it was important to contain future cost pressures and identify savings early to mitigate the pressures.

Within Care Services officers monitored costs particularly closely. Work was continuing to reduce costs and projections were looking a little more positive e.g. Special Educational Needs (SEN). Although many budgets were volatile and demand driven, significant effort was being made to achieve savings with a number of work streams ongoing. It was particularly necessary to reduce costs in areas such as care services for adults and placement costs. It was also important to ensure sufficient resources in response to the OFSTED inspection of Children's Services during the summer.

The Leader thanked the Executive and Resources PDS Committee for its helpful scrutiny of the budget position on 23rd November 2016. It was necessary to have a follow-up of the budget position in January and the Leader asked that all Directors be present at the Executive's meeting on 11th January 2017. Following the Chancellor's Autumn Statement, the Leader also felt that it would be helpful for the Government to provide further detail (particularly in regard to social care costs faced by local authorities).

Cllr Fawthrop, Chairman of the Executive and Resources PDS Committee, sought re-assurance that the overspend currently projected would not materialise at year-end. It was necessary to respond positively to the OFSTED Inspection outcome of Children's Services but it was also necessary to focus on staying within budget. Cllr Fawthrop was expectant of an improvement in view of a new Executive Director of Education, Care and Health Services being appointed.

The Leader referred to efficiency improvements being made within Care Services including those related to procurement. At the Executive's January meeting it would be possible for the new Executive Director to outline his intentions to reduce costs. The Leader requested that Chief Officers attend Executive meetings to hear the views of Members directly.

RESOLVED that:

(1) the latest financial position be noted;

(2) a projected net overspend on services of £7,377k be noted based on information at September 2016;

(3) comments from the Education, Care and Health Services Department, the Director of Education and the Executive Director of Environment and Community Services be noted as detailed at sections 3.2 and 3.3 of Report FSD 16069;

(4) a projected variation of Cr £3.4m in the Central Contingency be noted as detailed at section 3.4 of Report FSD 16069;

(5) a projected reduction to the General Fund balance of £5.4m be noted as detailed at section 3.7 of Report FSD 16069;

(6) a sum of £33k be released from Central contingency to cover the recent increase in employment tribunal work as detailed at paragraph 3.4.3 of Report FSD 16069;

(7) a sum of £97k for the Youth Offending Service be released from Central Contingency as detailed at paragraph 3.4.4 of Report FSD 16069;

(8) reports elsewhere on the agenda request the drawdown of a total of £1,574k from Central Contingency as set out at paragraph 3.4.2 of Report FSD 16069;

(9) the carry forwards being requested for drawdown from Central Contingency totalling £97k (net) be noted as detailed at section 3.5 of Report FSD 16069;

(10) the Prior Year Adjustment of £69k as detailed at section 3.6 of Report FSD 16069 be noted;

(11) the full year cost pressures of £4.8m as detailed at section 3.8 of Report FSD 16069 be noted; and

(12) an additional £80k funding related to the New Homes Bonus had been transferred to the Investment Fund earmarked reserve as detailed at paragraph 3.12.1 of Report FSD 16069.

**123 CAPITAL PROGRAMME MONITORING – 2ND QUARTER
2016/17**

Report FSD16080

Following the second quarter 2016/17, Report FSD16080 outlined the current position on capital expenditure and receipts.

Concerning S106 receipts, a question was asked on the position with receipt of funds for the former Glaxo Smith Kline site. It was agreed to make further enquiries and provide a written update to Members.

RESOLVED that:

(1) Report FSD16080 be noted including the re-phasing of £26,655k from 2016/17 into later years (see paragraph 3.3.7 of Report FSD16080) and a revised Capital Programme be agreed;

(2) the following amendments to the Capital Programme be approved –

(i) inclusion of an additional £106k funding from S106 receipts for Orpington Town Centre - Walnut Centre and New Market Infrastructure (see paragraph 3.3.1 of Report FSD16080);

(ii) a supplementary capital estimate of £52k to the Children's Services Performance Management I.T. capital scheme for the Eclipse system, offset by a corresponding reduction in the Social Care Grant scheme (see paragraph 3.3.2 of Report FSD16080);

(iii) deletion of £45k residual balance on Pavilion Leisure centre redevelopment and refurbishment, and Central Library/Churchill Theatre - chillers and controls – both schemes having reached completion (see paragraphs 3.3.3 and 3.3.4 of Report FSD16080);

(iv) Transport for London - Revised Support for Traffic and Highway Schemes (£657k addition to match the funding available - see paragraph 3.3.5 of Report FSD16080);

(v) Section 106 receipts from developers - net increase of £492k to reflect the funding available and remaining unallocated balance (see paragraph 3.3.6 of Report FSD16080); and

(3) Council be recommended to include a scheme for Land Acquisition, namely Cornwall Drive, in the Capital Programme with a budget of £2,709k (see paragraph 3.4.1 of Report FSD16080).

124 COUNCIL TAX SUPPORT/REDUCTION SCHEME 2017/18

Report FSD16070

Outcomes were presented from the public consultation on Council Tax Support/Reduction (CTS/R) 2017/18 with authorisation sought to forward the scheme to Full Council for approval.

For the consultation, Members had previously agreed a minimum Council Tax liability of 25% for working age claimants (as for 2016/17) i.e. that CTS/R continues to be based on 75% of a household's Council Tax Liability.

The consultation closed on 2nd October 2016 with 960 responses having been received. A summary of responses to each question was appended to Report FSD16070 with a full report of the findings published on the Council's

website <http://www.bromley.gov.uk/CouncilTaxSupport>. Main findings were also summarised in Report FSD16070.

The Greater London Authority was also consulted with their views provided. Additionally, an impact assessment for Council Tax Support was provided.

Based on 2016/17 Council Tax levels and the current number of households receiving CTS/R, projected expenditure of the scheme for working-age claimants with entitlement to 75% of household Council Tax liability amounted to the following:

Minimum working-age CTS liability	25%
Total estimated annual CTS expenditure	£12.765m
Less GLA estimated proportion – 20.49%	£2.616m
LBB estimated annual CTS expenditure Costs – 79.51%	£10.149m

A sum of £100k per annum was additionally available for discretionary awards.

For those faced with exceptional circumstances, a hardship fund was available with details on the Council website. To help prevent homelessness, the Council's housing division was aware of the hardship fund.

A principle was now established that claimants should pay an element towards their Council Tax liability, providing a sense of belonging to the community. There was a fine balance on the level of minimum Council Tax liability and some authorities were levying a 30% liability. It was agreed to keep the level under review for the future but for 2017/18 it was agreed to support the recommendations in Report FSD16070.

RESOLVED that:

- (1) responses to the public consultation exercise be noted;**
- (2) the response from the Greater London Authority to the consultation documents be noted;**
- (3) the content of the Impact Assessment be noted; and**
- (4) Full Council on 12th December 2016 be recommended to adopt, for financial year 2017/18, a scheme retaining the calculation of entitlement for working-age claimants at 75% of household Council Tax liability -**

the maximum assistance provided to a claimant of working-age thereby being 75% of his/her Council Tax liability.

125 REPORT ON PROGRESS IN IMPLEMENTING CHILDREN'S SERVICE IMPROVEMENT ACTION PLAN

Members were provided a brief oral update on progress with implementing the Children's Service Improvement Action Plan following the Ofsted inspection last May.

A full written report would be provided for the Executive's January meeting and in the meantime the new Executive Director of Education, Care and Health Services, Mr Ade Adetosoye OBE, would be starting with the Council on 1st December 2016.

The Children's Service Improvement Governance Board was now chaired by an independent professional (. Ofsted had visited on 8th and 9th November for its first formal monitoring of L B Bromley Children's Service since the inspection. Progress had been made in leadership and management but further improvement continued to be necessary on elements of practice.

The Leader of the Council, the Chief Executive, the new Executive Director of Education, Care and Health Services, and the Children's Commissioner for Bromley had also attended a meeting with the Children's Minister on 8th November 2016. Additionally, it was reported that the Children's Commissioner for Bromley would be continuing in her role for a further six months and would be reporting to the Minister at the end of May 2017.

126 UPDATE ON TACKLING TROUBLED FAMILIES (OUTCOMES/DRAWDOWN)

Report CS17056

The "Tackling Troubled Families" (TTF) Programme in Bromley was currently in Phase 2 of the national programme (2016/17 being Year 2 of the five- year Phase 2 programme) and agreement was sought to draw-down additional grant funding for TTF.

Although outcomes from the programme were difficult to quantify, officers felt professionally that TTF offered good value for money for Bromley families. Care Services PDS Committee supported the recommendations and officers would undertake further work on measuring outcomes. The Phase 2 programme also provided better co-ordination between agencies.

It was suggested that TTF might be a subject that could be considered further by a PDS Working Group and it was highlighted that some case studies had already been produced by officers.

The Leader asked that a further report on measuring outcomes be provided by the first quarter of next year. In the meantime Members **RESOLVED to**

agree that a further sum of £610k be released from contingency for Tackling Troubled Families in 2016/17.

127 HEALTH SUPPORT TO SCHOOL AGE CHILDREN

Report CS17065

Following the decision in February 2016 not to re-procure the current School Nursing service from April 2017, a detailed assessment of needs for school age children in the borough was undertaken with some risk areas identified. An executive summary of the needs assessment was appended to Report CS17065.

In response to the assessment, two new services were proposed for commissioning - a health safeguarding function for school age children (including targeted safeguarding of vulnerable groups) and a new nurse led team to provide strategic health support and training to schools. It was proposed start the new services, with an estimated contract value of £606k FYE (£303 k in 2017/18 and £303k in 2018/19), from 1st April 2017. Under the current contract to March 2017, school nursing expenditure comprised an annual sum of £957k.

With the new services designed to address health needs of school age children for whom the Council and Bromley Clinical Commissioning Group (BCCG) had joint responsibility, it was proposed to fund development of the Strategic Health Team and Safeguarding Nursing Support from the Better Care Fund for a period of up to two years. The new model would be evaluated in year one to assess its effectiveness and value to schools and discussions would be held with schools during 2017/18 to establish a sustainable funding model.

Pending evaluation and proposals for future service and funding, agreement was sought to draw-down the first year of funding (£303k) from the Better Care Fund at this point and any funding required for 2018/19 would be subject to a further report to Executive based on the first year evaluation. The BCCG supported the proposal.

Members supported the recommendations and **RESOLVED that:**

(1) the services be funded for a period of up to two years from the Better Care Fund up to a maximum of £606k; and

(2) draw-down of the funding for 2017/18 from the Better Care Fund be agreed with any funding required for 2018/19 being subject to a further report to the Executive.

128 CARELINK (INCLUDING TELECARE) SERVICE - UPDATE

Report CS17066a

Members were advised on tendering for the CareLink (including Telecare) service, a community alarm and response service for older and vulnerable residents via an alert activation 24/7 hours per day. The service supported an average of 1,700 service users at any time, assisting the Council deliver its statutory duty under The Care Act 2014 to support and promote wellbeing. It also helped to support people remaining independent in their home.

The tender did not result in a recommendation for award and it was proposed that the contracted elements of the existing service be competitively tendered with the the response service being retained in-house.

Exempt details related to the tender process and financial implications were covered in a further Part 2 report to Members as were details of the current commissioned elements of the service, including suppliers and costs.

Members supported the recommendations and **RESOLVED that:**

(1) Option 3 be approved - that the supply, installation and maintenance of equipment are competitively tendered for a three year contract with an option to extend at the Portfolio Holder's and Chief officer's discretion for a further two years, and that the response service is retained in-house on a formal trading account;

(2) the spot purchasing arrangements with Red Alert Telecare Ltd for equipment installation services be continued, pending the result of competitive tendering; and

(3) the current contract with Tunstall Healthcare (UK) Ltd for the supply of equipment be extended for up to one year, pending the result of competitive tendering.

129 DRAWDOWN OF HOMELESS CONTINGENCY NEEDS GRANT

Report CS17055

In updating Members on homelessness pressures and initiatives to reduce rising budget pressures, Report CS17055 sought approval for the release of £760k from central contingency for homelessness and welfare reform pressures.

The significant gap between affordable housing need and supply of social housing and affordable rented accommodation continued to increase.

Amongst measures to help reduce pressures, the Government had recently announced additional funding of £40m to support trailblazing innovative approaches to tackle and prevent homelessness and reduce rough sleeping.

In this context an early intervention prevention team had been developed and Members were asked to support the development of a bid in partnership with other South East London boroughs for the early intervention pilot to increase access to private sector accommodation and build resilience amongst those threatened with homelessness and repeat homelessness.

Concerning progress on *More Homeless Bromley*, Members were advised that five properties had now been let with the scheme expected to bring forward ten new units per month by the New Year; the target for this year was expected to be met and a maximum supply of 400 units was expected to be provided over the next three years. The Portfolio Holder for Resources added that of the five units now let, two were in Bromley and three in Maidstone. There were also a further 29 properties under offer. The Leader felt that it was necessary for the Special Purpose Vehicle (SPV) to draw down funds as soon as possible to acquire properties.

RESOLVED that:

- (1) a sum of £760k set aside in central contingency be released for homelessness and welfare reform pressures;**
 - (2) the current pressures being faced, mitigating actions underway, and likely budget impact going forward be noted;**
 - (3) the submission of a bid to assist in preventing homelessness under the recently announced funding initiative, *Homelessness Prevention Trailblazers*, be supported; and,**
- iv) the procurement considerations set out at section 8 to Report CS17055 be noted and agreed.**

130 DRAW DOWN OF SECTION 75 FUNDING FOR THE DEVELOPMENT AND IMPLEMENTATION OF THE BROMLEY OUT OF HOSPITAL STRATEGY

Report CS17072

To provide non-recurrent investment into developing the Bromley out of hospital programme, Bromley Clinical Commissioning Group (BCCG) sought £7m for 2016/17 and 2017/18 from the Council's earmarked reserve for the Section 75 agreement. Developing the programme would significantly contribute to recurrent savings in excess of £24.713m over the two years, enabling BCCG to continue to meet its financial targets.

Bromley CCG had met its financial and savings targets over the previous three years (since inception) and, with release of the monies, was forecast to do so again in 2016/17. However, with significant income reductions over the next two years, the CCG and NHS faced a significant financial challenge and a requirement for major savings to meet financial targets going forward.

Developing the out of hospital strategy through Integrated Care Networks (ICNs) in Bromley was a key part in delivering savings. Work was progressing at pace on phase one of the strategy - introducing two new pathways in proactive care and frailty. Governance structures were also in place including Bromley CCG and L B Bromley (as commissioners) as well as major providers in Bromley, the latter signing up to the Memorandum of Understanding on key principles and objectives as well as metrics aligned to the CCG QIPP savings programme and Better Care Fund (BCF) targets.

Metrics and performance information would measure the impact of the networks on all parts of the health and social care economy in Bromley. Monitoring would allow commissioners to re-design the system where necessary, with mechanisms in place to shift funding to the most appropriate area or to effect changes mitigating any potential cost increases.

During the implementation period, the one-off investment would cover non-recurrent implementation costs, pump-priming investment and double running costs in the community and acute sector. Funding set aside by Bromley CCG in the section 75 agreement would cover such costs.

In discussion, the Council's actions in maintaining the earmarked reserve were highlighted without which the programme would encounter significant problems.

In considering the recommendations, Members proposed that Council approve release of the first tranche of monies for 2016/17 with any release of funds for 2017/18 referred back to the Executive for final approval.

RESOLVED that in considering the release of £7m from earmarked reserves (Section 75 agreement monies), as requested by Bromley Clinical Commissioning Group (see paragraph 3.2 of Report CS17072), Council be recommended to:

- (1) approve the release of funds for 2016/17 (at £3.5m); and**
- (2) request that a further report be provided to the Executive at a later stage to seek approval for the release of funds (at £3.5m) for 2017/18.**

**131 SPECIAL EDUCATIONAL NEEDS TRANSPORT -
AUTHORISATION TO PROCEED TO PROCUREMENT FOR
FRAMEWORK TRANSPORT CONTRACT**

Report ED17022

Statutory Special Educational Needs (SEN) Transport for children and young people was currently provided through providers operating under a framework contract with L B Bromley, the current framework having commenced in September 2015 for a four year period with an option to extend for a further two years.

The SEN Transport service had identified capacity and cost issues with providers on the current framework and it was proposed to procure additional providers via a new framework contract, operating concurrently with the existing framework. As there were no additional cost implications for operating a parallel framework it would operate within the existing service budget.

Following evaluation of new tenders, a further report would recommend providers to the parallel framework and seek authority to award contracts on the framework. By increasing the number of suppliers and competition for routes the new framework could possibly drive down the cost of routes but this was not guaranteed. It was also intended that the framework would cover both SEN and non-SEN transport services.

RESOLVED that the commencement of procurement for a parallel framework of providers for SEN and non-SEN transport be approved.

132 LOCAL DEVELOPMENT SCHEME 2016-18

Report DRR16/087

Further to previous Council agreement of the Local Development Scheme (LDS) 2016/18 in January 2016, a new LDS outlined a revised timescale for preparing the Local Plan. In accordance with requirements, the LDS also included an updated timescale for review of the Bromley Town Centre Area Action Plan, an indicative timescale for preparing a local Community Infrastructure Levy, and a new Planning Obligations Supplementary Planning Document (SPD).

The LDS was appended to Report DRR16/087 and an updated Appendix 2 to the LDS was tabled at the meeting.

RESOLVED that the Local Development Scheme for 2016-2018, as set out at Appendix 1 to Report DRR16/087, be agreed as the formal management document for the production of the Bromley Local Plan.

133 PROPOSED QUIETWAY ROUTES IN BROMLEY - QUIETWAY DEFINITION PLAN STAGE

Report ES16059

In a decision on 24th November 2016, the Deputy Leader and Portfolio Holder for the Environment approved two Quietway cycle routes in the borough enabling officers and Transport for London's delivery partner, Sustrans, to progress the routes to detailed design and implementation. The two routes comprised:

(i) Lower Sydenham to Bromley town centre (as part of Phase 2.2, joining the proposed Greenwich to Kent House Station route just outside the borough on Waterlink Way in L B Lewisham); and

(ii) the section of the Greenwich to Kent House Station route from Lower Sydenham Station to Kent House Station.

The decision enabled officers to sign-off the Quietway Definition Plan (QDP) for each route. TfL would then assess the routes for quality and best value and make a final judgment on whether to release funding for the schemes. If approved, a detailed design for both schemes would be prepared.

The Executive was asked to approve inclusion of the provisional scheme for the two routes within the capital programme.

RESOLVED that the provisional scheme for the proposed Quietway Cycle Routes in the borough be added to the Capital Programme, at an estimated cost of £862.5k, to be fully funded by TfL.

134 FORMAL CONSULTATION ON OUTLINE SERVICE PROPOSALS AND PROCUREMENT STRATEGY - CONEY HILL, OXTED, SURREY CLOSED LANDFILL MONITORING AND LEACHATE REMOVAL CONTRACT

Report ES16054

A procurement strategy was proposed to tender for the maintenance, monitoring and aftercare of the closed landfill site at Coney Hill, Oxted, Surrey, assigned to L B Bromley in 1986 following abolition of the Greater London Council. The current seven year contract would expire on 27th July 2017 and it was proposed to let a contract for a further seven year period, with the option of a three year extension, and a further option to extend for an additional two years (following a best value review).

The site accepted no waste and was capped but generated landfill gas and leachate gas as the waste gradually degraded. Landfill gas was drawn from the site through a network of pipes and flared. Pipes also drew liquid leachate to a central lagoon from where it was tankered to an appropriate disposal facility. A network of gas and water monitoring boreholes outside the site boundary was used to check there is no leakage of the site's contents. It was also necessary to monitor the pipeline networks and equipment to ensure they operated appropriately, with the equipment maintained and repaired as necessary. Tankering and disposal of the liquid leachate at appropriate disposal facilities was the contractor's responsibility.

The Environment Agency monitored the site for compliance with environmental legislation and ensured the material remained contained without adversely affecting the surrounding environment. Based on analysis by the current contractor, estimates suggested that gas and leachate management/extraction would be required for a further 25 years, although volumes would reduce during the period, eventually falling to a minimal level. On confirmation of the site being effectively inert, the responsibility of L B Bromley would be fully discharged.

The two proposed extension options would allow the contract to be co-terminus with the wider bundle of Environment contracts being let in 2019. The total potential contract value amounted to £1,642,560, including both extensions.

An enquiry was made on whether the Council could achieve income from the site. Although it was particularly contaminated, investigations had previously considered whether methane could be taken but such an option was concluded to be unviable. Nevertheless, Cllr William Huntington-Thresher (Chairman of the Environment PDS Committee) highlighted an earlier suggestion of positioning solar panels on the site which would be considered.

RESOLVED that:

(1) the procurement strategy set out in Report ES16054 be agreed; and

(2) the authority to extend the contract, as necessary, be delegated to the Executive Director of Environment and Community Services in consultation with the Portfolio Holder.

135 AWARD OF THE PARKING SERVICE CONTRACT

Report ES16062

Linked to a Part 2 report on the same matter (ES16066), Report ES16062 outlined the procurement process for re-tendering Parking Services. It also set out in principle the range of parking services and existing parking related contracts to form the basis of a new contract, along with information on the proposed contract term and performance management.

L B Bromley's current contract with Indigo (formally Vinci Park Services) was due to end in April 2017 and a new parking contract would include the following services:

- patrolling and enforcing on-street parking restrictions through the issue of Penalty Control Notices (PCNs);
- patrolling and enforcing council-owned car parks through the issue of PCNs;
- car park management and maintenance;
- equipment maintenance and management;
- cash collection from pay and display machines and pay stations in multi-storey car parks;
- school crossing patrols, part-funded by TfL and individual schools (schools would directly enter into contract with the successful service provider for school crossing patrols); and
- Business Processing Services i.e. post, scanning and printing.

A full list of services was appended to Report ES16062.

L B Bexley's current contract with NSL was also due to end in April 2017 (the contract including services similar to those for L B Bromley) and the Executive had previously agreed to parking services being procured in partnership with L B Bexley. Should L B Bexley award to the same contractor, further efficiencies would result although a separate contract would be drawn-up between each authority and the preferred company. A shared service would continue to manage parking services for both boroughs.

RESOLVED that information outlined in Report ES16062 be noted in awarding a contract for the Parking Service for a term of ten years, effective from 3rd April 2017, as set out in the related Part 2 report (ES16066) on the matter.

**136 COUNCIL INFORMATION DISPLAY UNITS CONTRACT
AWARD**

Report ES16065

Report ES16065 summarised provision for Council information display units, generating income for the Council and an opportunity to promote Council messages.

Traditionally double-sided units housing paper posters, digital technology would be used for the future and the Council would be allocated a share of the total time messages are displayed. There was also a provider preference for siting units in areas of high pedestrian footfall e.g. town centre locations rather than roadside sites with high traffic volumes.

Planning consent would be required for each site providing an opportunity for residents and others to comment on the units.

Members considered details of the tendering arrangements, evaluation process, and financial detail in Part 2 proceedings – the details being outlined in a corresponding Part 2 report (ES16067).

RESOLVED that:

(1) appointment of a new provider for Council information display units be for an initial period of ten years with an option to extend for a further five years; and

(2) future income projections be totally dependent on the new provider successfully installing their display units and gaining the necessary permissions, including planning consent.

137 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.

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

139 EXEMPT MINUTES OF THE MEETINGS HELD ON 18TH OCTOBER 2016 AND 1ST NOVEMBER 2016

The exempt minutes were agreed.

140 REPORT ON THE OUTCOME OF TENDERS FOR THE PROVISION OF SERVICES TO SUPPORT THE DEPRIVATION OF LIBERTY SAFEGUARDS

Report CS17063

Members considered the response to a tender exercise in relation to the Deprivation of Liberty Safeguards (DoLS) service along with recommendations related to future delivery of the service.

141 CARELINK (INCLUDING TELECARE) SERVICE - UPDATE

Report CS17066b

Further to Report CS17066a considered under Part 1 proceedings of the meeting, Members considered the related Part 2 report.

142 AWARD OF THE PARKING SERVICE CONTRACT

Report ES16066

Members considered Part 2 information concerning the tender evaluation for a new Parking Services Contract including recommendations for award of contract.

143 CHISLEHURST LIBRARY RE-DEVELOPMENT

Report DRR16/089

For the re-development of Chislehurst Library, Members considered a report setting out the Heads of Term for a Development Agreement with the Council's development partner.

**144 AWARD OF CONTRACT FOR CONSTRUCTION WORKS AT ST
 GEORGE'S C.E. PRIMARY SCHOOL BICKLEY**

Report ED17014

Members considered the evaluation of tenders related to a capital scheme for expanding St George's CE Primary School and made a decision on award of contract.

**145 CAPITAL PROGRAMME MONITORING - 2ND QUARTER
 2016/17 - APPENDIX E**

Related to the 2016/17 second quarter Capital Monitoring report (Minute 123), Members noted exempt details of the receipts forecast in the years 2016/17 to 2019/20 (inclusive).

**146 COUNCIL INFORMATION DISPLAY UNITS CONTRACT
 AWARD**

Report ES16067

Report ES16067 set out details of tendering arrangements for the provision of Council information display units including details of the evaluation process, and financial detail for the proposed contract. An award of contract was made.

Chairman

The Meeting ended at 8.58 pm

QUESTIONS RECEIVING A WRITTEN REPLY

From Mr Courtney Grant to the Portfolio Holder for Care Services

If you have a brain injury and significant communication disorders, but are an outpatient and do not suffer from a mental illness, you're not entitled to advocacy support from either Rethink or Advocacy First. How does this comply with the Care Act 2014?

Reply

Under the Care Act, as part of the assessment process, we have a duty to offer an independent advocate to a person where we have serious concerns that they have substantial difficulties in their ability to be fully engaged in the process, and/ or where there is no appropriate individual available to support and represent them or their wishes who is not paid or professionally engaged in providing care or treatment to the person.

From Susan Sulis, Secretary, Community Care Protection Group

THE MAY 2011 MUNRO REVIEW OF CHILD PROTECTION
(14 JULY 2011 Report DYCP 11085, para 6.5)

Professor Munro's Independent Review, commissioned by the Secretary of State for Education, recommended that there should be "protection of the roles of the Director of Children's Services and Lead Members from additional functions, unless there were exceptional circumstances"....

1. What were the 'exceptional circumstances' that led Bromley to disregard this recommendation?

Reply

As has been explained elsewhere the Council had regard to the Statutory Guidance in setting out its arrangements. The recommendations from the Munro Review is not the statutory guidance. The "exceptional circumstances" was not taken forward by the Secretary of State and not included in the statutory guidance.

PROFESSIONAL ADVICE TO MEMBERS ON THE PROTECTION OF THE ROLES OF THE DIRECTOR OF CHILDREN'S SERVICES AND LEAD MEMBER FOR CHILDREN'S SERVICES.

2. What professional advice was given to Members on the implications of disregarding the Munro Review and the 2009 and 2012 Statutory Guidance on protecting the roles of the DCS and LMCS by:

- (a) The Chief Executive?
- (b) The Monitoring Officer?
- (c) The Director of Children's Services?

Reply

The Munro review in itself does carry specific legal weight and the Council had due regard to the statutory guidance.

3. (a) Why wasn't 'pre-decision scrutiny' of the decision to merge the roles of the DCS and Director of Adult Services required?

(b) Did the Council make a submission to the September 2011 Government Consultation on the Revised Draft Statutory Guidance on Roles and Responsibilities of the Director and Lead Member of Children's Services?

Reply

(a) A similar question has been asked previously and it may be helpful to refer to the written reply provided to your Q1 at the Care Services PDS Committee meeting on 15th November 2016.

(b) I do not recall any formal response being made.

.

Decision Maker: Executive

Date: 11th January 2017

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.	Report expected for the Executive's meeting on 8 th February 2017.	Chief Planner/Head of Renewal	Please see opposite
14th September 2016				
88/1 Extra Care Housing Tendering Update	(3) a further report on the outcome of the tendering process and recommendations for the way forward be submitted to Executive in October 2016.	It is intended to provide the further report to the Executive's meeting on 22 nd March 2017.	Director of Health Integration Programme	Please see opposite
30th November 2016				
126 Update on Tackling Troubled Families (Outcomes/Draw-down)	The Leader asked that a further report on measuring outcomes be provided by the first quarter of next year.	Arrangements are in hand to provide a further report in the timescale requested.	Interim Social Care Director Head of Early Interventions and Family Support	Please see opposite

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Report No.
FSD17005

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker: **Executive**

Date: **11th January 2017**

Decision Type: Non-Urgent Executive Non-Key

TITLE: DRAFT 2017/18 BUDGET AND UPDATE ON COUNCIL'S FINANCIAL STRATEGY 2018/19 to 2020/21

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

Chief Officer: Director of Finance

Ward: Borough wide

1. REASON FOR REPORT

- 1.1 This report seeks approval of the initial draft 2017/18 Budget including the full year effect of savings agreed as part of the 2016/17 Council Tax report and any further savings approved during the year which have resulted in considerable reductions in the Council's medium term "budget gap".
 - 1.2 PDS Committees views will also be sought and reported back to the next meeting of the Executive, prior to the Executive making recommendations to Council on 2017/18 Council Tax levels.
 - 1.3 The report provides details of the second year of the four year local government financial settlement (2016/17 to 2019/20), an update on the new social care precept as well as other changes reflected in the Autumn Statement 2016 and the Provisional Local Government Financial Settlement 2017/18.
 - 1.4 There are still outstanding issues and areas of uncertainty remaining. Any further updates will be included in the 2017/18 Council Tax report to the next meeting of the Executive.
-

2. RECOMMENDATIONS

2.1 The Executive is requested to:

- 2.1.1 Agree the initial draft 2017/18 Budget detailed in Appendix 4;**
- 2.1.2 Refer the initial draft 2017/18 Budget for each portfolio to the relevant PDS Committees for consideration;**
- 2.1.3 Note the financial projections for 2018/19 to 2020/21;**
- 2.1.4 Note that there are still areas of financial uncertainty which will impact on the final 2017/18 Budget and future year forecasts;**
- 2.1.5 Delegate the setting of the schools budget, mainly met through Dedicated Schools Grant, to the Education Portfolio Holder, allowing for consultation with head teachers, governors and the Schools Forum (see section 12.4);**
- 2.1.6 Note that the outcome of consultation with PDS Committees will be reported to the next meeting of the Executive;**
- 2.1.7 Consider the outcome of the public consultation meetings detailed in Appendix 8**
- 2.1.8 Agree the proposed contribution of £281,355 in 2017/18 to the London Boroughs Grant Committee (see section 11);**
- 2.1.9 Note the outcome of the Provisional Local Government Financial Settlement 2017/18 (see section 4.19);**
- 2.1.10 Note the significant budget gap remaining of an estimated £23.6m per annum by 2020/21 and that any decisions made for the 2017/18 Budget will have an impact on the future year projections;**
- 2.1.11 Note that any final decision by Executive on recommended council tax and social care precept levels to Council will normally be undertaken at the next meeting of Executive;**
- 2.1.12 Agree the release of one off grant funding in 2016/17 of £139,624 to fund the strategic review of SEN provision (see 4.14).**

Corporate Policy

Policy Status: Existing Policy

BBB Priority: Excellent Council

Financial

1. Cost of proposal: N/A
 2. Ongoing Costs: Recurring costs – impact in future years detailed in Appendix 4
 3. Budget head/performance centre: Council wide
 4. Total budget for this head £143m Draft 2017/18 Budget (excluding GLA precept)
 5. Source of funding: See Appendix 7A for overall funding of Council's budget
-

Staff

1. Number of staff (current and additional): total employees – full details will be available with the Council's 2017/18 Financial Control Budget to be published in March 2017
 2. If from existing staff resources, number of staff hours – N/A
-

Legal

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

Customer Impact

Estimated number of users/beneficiaries (current and projected) - the 2017/18 budget reflects the financial impact of the Council's strategies, service plans etc. which impact on all of the Council's customers (including council tax payers) and users of the services.

Ward Councillors Views

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

3. APPROACH TO BUDGETING, FINANCIAL CONTEXT AND ECONOMIC SITUATION WHICH CAN IMPACT ON PUBLIC FINANCES

- 3.1 Forward financial planning and financial management is a key strength at Bromley and this has been recognised previously by our external auditors. This report continues to forecast the financial prospects for the next 4 years and includes the Government's provisional core funding allocations for 2017/18 to 2019/20. At the time of writing this report, further details on various grant funding is awaited and it is important to note that some caution is required in considering any projections for 2018/19 to 2020/21.
- 3.2 The overall national debt stands at £1.7 trillion and is expected to increase to £1.9 trillion by 2019/20. The Autumn Statement 2016 identified that public sector net borrowing is expected to be £68.2bn this year which is planned to move to a deficit of £21.9bn from 2019/20 (previously planned to achieve a surplus of £10.1bn in 2019/20). The Chancellor has said that he is committed to returning public finances to balance 'as soon as practicable'. This highlights that austerity for local government is likely to continue beyond 2019/20. Departmental spending plans set out in the Spending Review 2015 remain in place. Therefore, the fiscal squeeze will continue and with ongoing protection of health, education and recently police and other security services. The disproportionate cuts in direct funding to local government will continue over the remainder of the four year spending review period. The impact of funding reductions translates to a reduction in the Council's Settlement Funding Assessment of 36% by 2019/20 compared with the England average of 21.6% for the period 2016/17 to 2019/20. An update on the economic situation which can impact on public finances is provided in Appendix 1.
- 3.3 Although there are significant funding cuts facing local government, the Chancellor repeated the aims of devolution, as part of the Autumn Statement 2016, which includes transforming local government, enabling it to be more self-sufficient. The Government views the new flexibilities such as the future growth forecasts from business rates, to be fully devolved to local government by 2020 combined with scope for an increase in council tax for the adult social care precept and the ongoing ability to increase council tax as methods which can significantly mitigate against the impact of grant reductions.
- 3.4 The Budget Strategy has to be set within the context of a reducing resource base, with Government funding reductions continuing beyond 2020 – the on-going need to reduce the size and shape of the organisation to secure priority outcomes within the resources available. There is also a need to build in flexibility in identifying options to bridge the budget gap as the gap could increase further. The overall updated strategy has to be set in the context of the national state of public finances, with austerity continuing given the level of public sector debt, and the high expectation from Government that services should be reformed and redesigned with devolution contributing to the transformation of local government. There is also an on-going need to consider "front loading" savings to ensure difficult decisions are taken early in the budgetary cycle, to provide some investment in specific priorities, to fund transformation and to support invest to save opportunities which provide a more sustainable financial position in the longer term. Any decisions will need to consider the finalisation of the 2017/18 Budget as well as the longer time frame where it is now clear that the continuation of the period of austerity remains for local government.

- 3.5 Bromley has the lowest settlement funding per head of population in the whole of London. Despite this, Bromley has retained the second lowest council tax in outer London (other low grant funded authorities tend to have higher council tax levels). This has been achieved by having one of the lowest costs per head of population in outer London. Despite being a low cost authority, Bromley has achieved general savings of over £80m since 2011/12 but it becomes more challenging to achieve further savings with a low cost base. Further details are provided in Appendix 2.
- 3.6 One of the key issues in future year budgets will be the balance between spending, council tax levels, charges and service reductions in an organisation starting from a low spending base. It is important to recognise that a lower cost base reduces the scope to identify efficiency savings compared with a higher cost organisation.

4. CHANGES SINCE THE 2016/17 BUDGET THAT IMPACT ON THE FINANCIAL FORECAST

- 4.1 The 2016/17 Council Tax report reported to Executive in February 2016 identified a significant “budget gap” over the four year financial planning period. The forecast was updated to inform the public meetings held in November 2016. Some key changes are summarised below.
- 4.2 There continues to be upward pressure on inflation and the 2017/18 Draft Budget and financial forecast assumes increased costs of 2.7% per annum for 2017/18 and 2018/19 reducing to 2.5% per annum from 2019/20. The inflation mainly relates to contract price increases. The main measure used for contract price increases is RPIX which is currently 2.5%. The Autumn Statement 2016 reported that inflation (RPI) is expected to be 3.2% in 2017, 3.5% in 2018, 3.2% in 2019 and 3.1% in 2020. A separate provision has also been reflected in the Draft 2017/18 Budget to meet the future increase in costs of the National Living Wage. Action will need to be taken by Chief Officers to fund increasing costs through alternative savings in the event that inflation exceeds the budget assumptions.
- 4.3 Following a newly elected national government, the Chancellor’s Summer Budget 2015 introduced a new national Living Wage with significant cost implications to the Council over the next few years. As previously expected in the financial forecast, the Chancellor announced, as part of his Autumn Statement 2016, further increases in the National Living Wage from 2017.
- 4.4 At its meeting on 30th November 2016, Executive considered the ‘Drawdown of Homeless Contingency Needs Grant’ report which highlighted the ongoing increase of households in temporary accommodation despite the range of initiatives being taken to help reduce these pressures. The financial forecast assumes additional costs in 2017/18, compared with the 2016/17 Budget of £2,250k rising to £6,000k per annum by 2020/21. The roll out of universal credit, reduction in housing benefit cap and changes to local housing allowances arising from welfare reform changes have contributed towards these increasing costs. Further details were included in the report to Executive.

- 4.5 The reduction in the Bank of England base rate from 0.5% to 0.25% compounded by banks having access to lending from central government at very low rates have resulted in a reduction of investment income from treasury management. In addition, the utilisation of the investment and growth fund as well as the planned Highways Investment Fund, have reduced the resources available for treasury management investment. A reduction of £600k per annum has been included in the 2017/18 Draft Budget and financial forecast. A contribution of higher risk and longer term investments within Treasury Management have contributed towards the Council having one of the highest performing returns against the local authority benchmark group.
- 4.6 Although the Council receives a business rate share of 30%, the business rate revaluation with effect from 1st April 2017 does not affect the overall level of Core Funding received by the Council as the authority's retained income is the same after revaluation as immediately before. Businesses have been able to view their new rateable value from October 2016. The average increase in rateable values in Bromley is 16.9% which compares with the London and England average of 23.7% and 9.1% respectively. The final increase in costs for Bromley businesses will increase by a lower amount to reflect the subsequent adjustment for the multiplier (rate in the pound) to ensure that nationally there is no additional revenue after changes in transitional relief. The financial forecast includes additional costs of £350k per annum relating to the estimated financial impact of business rate revaluation on Council run properties. The financial forecast assumes that the Council's business rate share growth (income) will increase by £300k per annum to reflect ongoing developments with additional income of £300k in 2017/18 rising to £1.2m per annum from 2020/21.
- 4.7 Funding for New Homes Bonus is estimated to reduce significantly and there remains uncertainty on the future level of funding that can be realised by the Council as the Government is reviewing how the funding is determined (further details in 8.3). The 2017/18 Draft Budget and financial forecast assumes that any future income is utilised to support the revenue budget and reduce the Council's budget gap in order to protect key services.
- 4.8 Partly to reflect the impact of concerns expressed by the Council on the Local Government Finance Settlement 2016/17, the Government provided a new Transitional Grant of £2.068m in 2016/17 and £2.052m in 2017/18. Only 11 London boroughs (out of 32 London Boroughs plus City of London) received transitional protection with Bromley being the second highest. The highest was Richmond with £5.8m over 2 years, the average was £2.4m over 2 years and Bromley will receive £4.1m over 2 years. Although this represents one off income, it is still a significant contribution and, in view of the longer term 'budget gap', the forecast assumes that these monies are set aside as a earmarked reserve to fund future transformation changes.
- 4.9 The Council's Actuary has produced a provisional triennial valuation for the Council's Pension Fund. The deficit repayment in 2016/17 is £6m. A combination of good performance in the pension fund (-£2.2m) and the impact of Mears (-£1.7m) reduces the council's contribution based on a 12 year repayment period to £2.1m. At the last valuation Members agreed a 15 year repayment period and the 12 years remaining has been reflected in the Draft 2017/18 Budget. The cost of future services will increase by £0.7m resulting in net savings of £1.5m per annum. Pensions Investment Sub-Committee will meet in February, prior to finalisation of the 2017/18 Budget, to determine the pension fund deficit repayment period and whether it should change.

Any changes will impact on the final 2017/18 Budget and will need to be considered by Council prior to finalising the 2017/18 Budget.

The revenue budget impact of various repayment periods for the pension fund deficit are shown below:

Recovery Period (years)	Council - Total	Estimated Impact of Mears SPV	Council - Net
12	£3.8m p.a. (fixed)	(£1.7m p.a.)	£2.1m p.a. (fixed)
15	£3.2m p.a. (fixed)	(£1.5m p.a.)	£1.7m p.a. (fixed)
20	£2.7m p.a. (fixed)	(£1.3m p.a.)	£1.4m p.a. (fixed)
25	£2.3m p.a. (fixed)	(£1.1m p.a.)	£1.2m p.a. (fixed)

- 4.10 At its meeting on 18th October 2016, Executive considered the ‘Highways Investment’ report and approved capital funding for investment in planned highway maintenance to be funded by capital receipts. This will result in a reduction in the Council’s revenue budget for highways works of £2.5m per annum for the period 2017/18 to 2021/22 which will be partly offset by a reduction in treasury management income (£167k over a five year period). The funding also helps partly mitigate against future cost pressures on the highways budget. This funding was subsequently approved by full Council.
- 4.11 At its meeting on 14th September 2016, Executive considered the “Ofsted Inspection of Children’s Services” report and approved additional revenue funding of £949k in 2016/17 with a full year effect of £1,471k for Phase One and Phase Two. Funding for Phase Three of £141k in 2016/17 and £795k in the full year was also considered and any release of Phase 3 funding will be subject to a report to the Executive. The costs for Phase 3 has been included in the 2017/18 Draft Central Contingency Sum. Overall funding of £2,314k in 2017/18 and £2,266k in the full year have been included in the Draft 2017/18 Budget and the financial forecast.
- 4.12 There are further cost pressures relating to children’s social care which were reported in the ‘Budget Monitoring 2016/17’ report to Executive on 30th November 2016 and the full year effect of £2,093k has been included in the Draft 2017/18 Budget. Action is being taken by the Deputy Chief Executive & Executive Director for Education, Care and Health Services to provide a fundamental review of the placements budget which could potentially provide a corresponding reduction of £2,093k by 2018/19. However, a prudent approach has been adopted and an equivalent sum of £2,093k will be set aside as a financial risk reserve from 2018/19, at this stage.
- 4.13 In addition, there have been overspends identified in the last 2016/17 Budget Monitoring report to Executive on 30th November 2016 relating to adult social care and SEN transport. Details were provided in the report to the Executive. The full year effect of these items is currently estimated at £2,200k. In view of the need to address the cost pressures and the uncertainty on the final financial impact, a sum of £2,200k has been included in the Draft 2017/18 Central Contingency Sum at this stage. The Deputy Chief Executive & Executive Director for Education, Care and Health Services will be seeking to establish the extent of the ongoing cost pressures and any measures to mitigate against such cost.

- 4.14 In addition to the cost pressure relating to SEN transport, there are potential funding reductions of up to £1.5m per annum towards SEN placement costs arising from the introduction of a 'High Needs' funding block from 2018/19. This highlights the need for a fundamental review of SEN services. The Government has announced one off funding of just under £139,624 in 2016/17. This relates to a High Needs Strategic Planning Fund and "Local authorities can use this fund to carry out a strategic review of their high needs provision. We ask that local authorities prioritise this review and planning activity, working with schools, colleges and other providers, and with parents and young people". Members are requested to agree the release of this one off monies to undertake the review.
- 4.15 The 2017/18 Draft Budget and financial forecast reflects variations which result in changes in the provisions within the Council's Central Contingency. This includes, for example, welfare reform changes which were not fully implemented nationally and a review of provisions in the context of needing to deliver a balanced budget.
- 4.16 The Government announced in-year funding reductions (2015/16) for Public Health services and the ongoing reductions have been reflected in the 2017/18 Draft Budget and financial forecast. The full details of the final grant settlement for 2017/18 relating to all the grants received by the Council are awaited. A general provision has been reflected in the Council's four year financial forecast for future loss of Government Grant from 2018/19 of £1m per annum in 2018/19 rising to £1.5m per annum from 2019/20. When the Council signed up to the four year funding offer this related to grant funding of £56.5m in 2016/17 out of total grants of £326m (see also section 13) received by the Council. Ongoing austerity will provide an inherent risk to reductions in grant funding.
- 4.17 The Council's tax base has been updated to reflect an increase in properties compared with the previous year. The latest position indicates a tax base of 128,523 "Band D" equivalent properties for 2017/18, which assumes an allowance of 2.35% for non-collection.
- 4.18 The Council has a non-recurring collection fund surplus of £8.0m reflected in the '2015/16 Provisional Final Accounts' report to Executive on 15th June 2016. The surplus income is mainly due to good debt recovery levels despite the previous recessionary period, an increase in new properties in the borough and the successful impact of actions following the data matching exercise on single person discounts. The financial impact of the council tax support scheme was also lower than budgeted. A sum of £1.6m will be allocated to the GLA and £6.4m to the Council. As part of medium term financial planning, the financial forecast assumes that the surplus will be used towards reducing the Council's "budget gap" in 2018/19 and 2019/20.
- 4.19 The Autumn Statement 2016 and subsequently the Local Government Provisional Financial Settlement 2017/18 were published on 23rd November 2016 and 15th December 2016 respectively. Details of the key changes are shown in Appendix 3.
- 4.20 Executive approved the acquisition of residential properties to provide accommodation for homeless families as well as the long term "gifting" to the pension fund of the significant assets, subject to robust legal safeguards being in place. Details were reported to the meeting on 2nd December 2015 and the savings have been reflected in the Draft 2017/18 Budget and the future years financial forecast. The Draft 2017/18 Budget reflects a reduction in planned savings of £500k for one year to reflect a more realistic assessment of the timescale for the acquisition of the properties.

- 4.21 The Government previously announced additional funding for the Better Care Fund (currently combined funding with Bromley CCG of £21.6m) and the financial forecast assumes that these monies may be required to meet future new burdens on social care at this stage. The additional funding is back-loaded with lower funding available to Bromley from 2018/19 increasing to an estimated £4.6m per annum by 2019/20. This position will be reviewed prior to finalising the 2018/19 Budget. The Government announced one off funding of £1,196k for Adult Social Care as part of Local Government Finance Settlement 2017/18. The Draft 2017/18 Budget assumes that this funding is not ringfenced. Details of the grant conditions are still awaited and this position may change once the final details are known.
- 4.22 The Spending Review and Autumn Statement 2015 included reference to Councils being allowed to have a council tax precept of up to 2% per annum to specifically fund adult social care (a 2% increase in council tax equates to £2.7m additional income per annum). Councils were able to levy the precept on top of the existing freedom to raise council tax by up to 2% without holding a referendum. Therefore, the Council could potentially have a council tax increase of just below 4% without the need for a council tax referendum. The Government introduced this change in recognition of the cost pressures facing social care authorities. As part of the Local Government Finance settlement the Government announced that the annual Social Care Precept of 2% can be applied at 3% in 2017/18 and 2018/19 subject to a maximum of 6% across the period 2017/18 to 2019/20. The financial forecast assumes an ongoing increase of the precept of 2% per annum. The Government recognise that the precept can also include, for example, funding the additional cost of the new Living Wage. Members will be requested to consider applying the precept as part of the 2017/18 Council Tax report to the Executive on 8th February 2016.
- 4.23 The additional funding for the Better Care Fund and the higher proportion of funding cuts in core grant to the Council now take into account the amount that can be raised locally through council tax and the adult social care precept. Therefore, there is an inherent assumption that local authorities will be increasing council tax and utilising the adult social care precept to mitigate against the loss of grant funding and towards meeting the cost of social care. For Bromley, this change does not take into account any need to address low funding levels for the Council raised previously with the Government. Therefore the starting point relating to funding levels remains unchanged, despite the Council's concerns. Councils can still choose locally the level of council tax increase required, subject to referendum options. In calculating the Council's spending power, the Government has assumed that social care authorities will have an average council tax increase applying both the social care precept and general council tax increases every year. For financial planning purposes, the financial forecast assumes a council tax increase of 3.99% per annum over the next four years to compensate for the higher proportion of funding reductions, to reduce the level of social care savings and provide funding to meet social care costs, demographic cost pressures and to meet the ongoing "budget gap".
- 4.24 Details of various grant allocations for 2017/18 are still awaited at the time of writing this report. These include, for example, Better Care Fund. Details of the grant conditions for the Adult Social Care Support Grant is also awaited which may impact on the 2017/18 Draft Budget.

- 4.25 Given the scale of savings identified and any inherent risks, the need for longer term financial planning, the significant changes that may follow with a new Government relating to new burdens (there were many changes introduced by the previous coalition Government that resulted in net additional costs for the Council), effect of ongoing population increases and the potential impact of other public agencies identifying savings which impact on the Council's costs, a prudent approach has been adopted in considering the Central Contingency Sum required to mitigate against these risks. If the monies are not required during the year the policy of using these resources, in general, for investment to generate income/savings and provide a more sustainable financial position should continue. To illustrate the benefit of the investment approach the Council has potential income in 2017/18 totaling £12.7m from a combination of treasury management income and rents from investment properties. Without this income, equivalent service reductions may be required. Investment in economic growth (Growth Fund) will also be key to generate additional business rate income.
- 4.26 The latest forecast indicates that despite having a balanced budget in the next two years there remains a significant budget gap in future years that will need to be addressed.

5. FINANCIAL CONTEXT

5.1 Key issues include;

- 5.1.1 Two of the Council's main activities which are grant funded are schools and housing benefits. Both of these areas of spend continue to be ring-fenced. However, there continues to be significant financial implications arising from the impact of the Academies programme, (particularly "top-slicing" of funding for non-delegated education spending) and the changes in Housing and Council Tax Benefit (phased replacement of housing benefit to universal credit).
- 5.1.2 A high proportion of the Council's spend relates to third party payments, mainly contracts, which can limit flexibility to change spend levels as well as providing greater inflationary pressures (e.g. the impact of the National Living Wage).
- 5.1.3 As reported in previous years, the majority of the Council's spend relates to just a few service areas.

6. LATEST FINANCIAL FORECAST

6.1 A summary of the latest budget projections is shown in Appendices 4 and 5 and are summarised in the table below:

	2017/18	2018/19	2019/20	2020/21
	£m	£m	£m	£m
Variations Compared with 2016/17 Budget				
Cost Pressures				
Inflation	4.6	9.9	15.2	20.7
Grant Loss (net of Adult Social Care Support Grant)	8.8	18.4	24.7	29.4
Potential Impact of Chancellor's 2015 Summer Budget on Future Costs (eg. welfare reforms and new living wage)	0.7	4.5	7.7	8.5
Review of Children's Services following Ofsted Report	2.3	2.3	2.3	2.3
Children's Placements - full year effect of 2016/17 overspend	2.1	2.1	2.1	2.1
Review of Children's Placements	0.0	-2.1	-2.1	-2.1
Provision for Cost Pressures - Children's Social Care	0.0	2.1	2.1	2.1
Full Year Effect of Additional Costs re. Adult Social Care and Education SEN	2.2	2.2	2.2	2.2
Impact of Reduction in Bank Base Rate	0.6	0.6	0.6	0.6
Commissioning Programme (one-off funding)	0.5	0.0	0.0	0.0
Real Changes (see Appendix 5)	-0.1	1.3	1.3	2.1
Total Additional Costs	21.7	41.3	56.1	67.9
Income / Savings				
Full Year Effect of Savings Agreed as part of 2016/17 Budget	-3.3	-4.2	-4.3	-4.3
Impact of Highways Investment Report	-2.5	-2.5	-2.5	-2.5
Acquisition of Residential Properties to Accommodate Homeless and "Gifting" of Scheme to Pension Fund	-2.2	-3.7	-4.1	-4.1
Reduction in Council's Central Contingency Sum	-0.7	-2.4	-2.5	-2.5
Additional Income from Business Rate Share	-0.3	-0.6	-0.9	-1.2
Additional Income Opportunity (TFM Contract)	0.0	-0.5	-0.7	-0.9
Total Income / Savings	-9.0	-13.9	-15.0	-15.5
Other Proposed Changes				
New Homes Bonus - Support for Revenue Budget	-6.0	-3.2	-2.5	-1.0
New Homes Bonus - Reallocation	2.2	-2.2	0.0	0.0
Impact of Pension Fund Triennial Valuation (Provisional)	-1.5	-1.5	-1.5	-1.5
Collection Fund Surplus 2014/15 and 2015/16 (set aside to meet funding shortfall in future years)	0.0	-6.9	-4.4	0.0
Total Other Proposed Changes	-5.3	-13.8	-8.4	-2.5
Council Tax				
Increase in Council Tax Base to reflect additional properties and increased collection rates	-2.0	-2.7	-3.3	-4.0
Impact of 3.99% Increase in Council Tax (including Adult Social Care Precept)	-5.4	-10.9	-16.6	-22.3
Total Council Tax	-7.4	-13.6	-19.9	-26.3
Remaining "Budget Gap"	0.0	0.0	12.8	23.6

The above table shows, for illustrative purposes the impact of a council tax increase of 3.99% in 2017/18 (including adult social care precept). Each 1% council tax increase generates on-going annual income of £1.4m.

- 6.2 Appendix 4 highlights that the Council, on a roll forward basis, has a “structural deficit” as the on-going budget has increasing costs relating to inflation and service pressures as well as the on-going loss of Government grants. These changes are not being funded by a corresponding growth in income. The above projection includes savings previously agreed to reduce the “budget gap”.
- 6.3 The above table highlights that, although it has been possible to achieve a potential balanced budget for the next two years through a combination of front loading savings in previous years, proactively generating investment income and prudent financial management, there remains a “budget gap” of £12.8m in 2019/20 rising to £23.6m in 2020/21. The projections in later years have to be treated with some caution.
- 6.4 The Council has to continue to plan for a very different future, i.e. several years of strong financial restraint. The future year’s financial projections shown in Appendix 4 include a planning assumption of ongoing reductions in Government funding between 2018/19 and 2020/21. It is important to recognise that, given the current ongoing period of austerity for local government, the downside risks remain significant and that the budget gap in future years could widen substantially.
- 6.5 In considering action required to address the medium term “budget gap”, the Council has taken significant action to reduce the cost base while protecting priority front line services and providing sustainable longer term solutions. Significant savings were identified as part of the 2016/17 budget (£15.7m in 2016/17 rising to £20.0m by 2019/20) and the full year effect of these savings is reflected in the table at para. 6.1.

7. DETAILED DRAFT 2017/18 BUDGET

- 7.1 Detailed draft 2017/18 Budgets are attached in Appendix 7 and will form the basis for the overall final Portfolio/Departmental budgets after any further adjustments to deal with service pressures and any other additional spending. Under the budget process previously agreed, these initial detailed budgets will now be forwarded to PSD committees for scrutiny and comment prior to the next Executive meeting in February. Further updated information will also be available for individual PDS Committees.
- 7.2 Appendix 7 sets out the draft 2017/18 budget for each Portfolio as follows:
- A summary of the Draft 2017/18 Revenue Budget per Portfolio
 - A high level subjective summary for each Portfolio showing expenditure on employees, premises etc.
 - 2017/18 Draft Contingency Sum
 - A summary sheet per Portfolio showing actual 2015/16 expenditure, 2016/17 budget, 2017/18 budget and overall variations in planned spending between 2016/17 and 2017/18
 - A summary of the main reasons for variations, per Portfolio, in planned spending between 2016/17 and 2017/18 together with supporting notes.

8. OPTIONS BEING UNDERTAKEN WITH A “ONE COUNCIL” APPROACH

8.1 As indicated elsewhere in the report, the Council continues to face significant funding reductions and the previous Chancellor repeated the aims of devolution, as part of the Spending Review, which includes transforming ‘local government, enabling it to be self-sufficient by the end of the Parliament’. The current Chancellor has indicated that the devolution agenda will continue. The Government assumption remains that cuts in funding will be offset by an increase in taxation receipts generated by council tax (including social care precept) and business rates. Details of options relating to increasing council tax and the social care precept are identified elsewhere in this report. With the full devolution of business rates by the end of the spending review period it remains essential to explore opportunities to increase the council’s business rate base through economic development as well as increase investment income as shown below.

8.2 Community Infrastructure Levy (CIL)

8.2.1 This represents a new local levy on developments that local planning authorities can introduce to help fund infrastructure in the area. Most of any monies raised would be spent on large infrastructure projects, usually linked to the Local Plan, although there is some flexibility on spend for community projects. The CIL procedures require that local authorities consult on the charging schedule, which is also subject to independent inspection before adoption. The levy also partly mitigates against future reduced income from Section 106 monies. Potential income of £3m per annum could be raised with expected implementation in Spring 2018.

8.3 New Homes Bonus

8.3.1 Changes to New Homes Bonus were announced as part of the Provisional Local Government Finance Settlement 2017/18. New Homes Bonus scheme will continue with rolling funding reduced from six years to five years in 2017/18. It will reduce to four years from 2018/19. A new baseline has been introduced so that Council’s will need to achieve tax base growth of greater than 0.4% before they receive any NHB funding. A tax base of 0.4% equates to 625 properties in the current year. Payment will only be received for property numbers exceeding the baseline threshold. The initial reduction in funding will be used to fund the Adult Social Care Support Grant (see 4.21). The Government will retain the option of reviewing the baseline in future years. From 2018/19, the Government will consider withholding payments from local authorities that are not ‘planning effectively, by making positive decisions on planning applications and delivering housing growth’. Subject to consultation, they may introduce changes that withhold payments for homes that are built following a planning appeal.

8.3.2 New Homes Bonus is currently a key source of income, previously set aside to generate investment income. The future level of income will be dependent on the Council’s approach in supporting housing development although the financial benefits have reduced significantly. In order to protect key services, the Draft 2017/18 Budget and financial forecast assumes that the monies will now be used towards reducing the Council’s “budget gap” over the next four years.

8.4 Localisation of Business rates

- 8.4.1 Details of the initial localisation of business rates scheme were reported to the Executive in June 2012. The Council retains a 30% share of local business rates with 50% retained by the Government and the balance of 20% retained by the GLA. The Council's funding from central government was adjusted to reflect this new source of direct income. The original Government proposals indicated that the funding "baseline" will be reset in 2020 and every 10 years thereafter. This position may change once the final proposals are known.
- 8.4.2 The Chancellor announced the full devolution of business rates to local authorities by the end of this Parliament (2020).
- 8.4.3 The draft 2017/18 Budget assumes additional income, from the Council's business rate income share, of £0.3m increasing to £1.2m per annum over the financial forecast period. Recent developments will help contribute towards the Council's business rate share income. This includes, for example, the impact of work at Beckenham High Street, future development of Site G, works completed at Bromley North, new cinema and shops at the Walnuts, Orpington and the future completion of the Bromley South site.
- 8.4.4 The share of business rates is a key incentive (and potential risk) to assist the Council in generating additional income as well as helping promote economic development. The Council does bear the risk of reducing business rates in their area, subject to a safety net of 7.5%. Any loss of business rates beyond the 7.5% level will be funded by the Government.
- 8.4.5 The reset period of 2020 does create uncertainty in forecasting a longer term business rate income stream. Councils will have to take the risk around the impact of a future recession and the business rate share currently does not provide increased income through annual price increases or revaluation. The only scope for increasing income relates to a physical increase in the tax base. The Government are currently considering allowing local authorities to retain part of the business rate growth at the reset period to avoid a potential "cliff edge" of losing the ongoing impact of all the business rate share growth achieved up to the reset year. The devolution of business rates will also be combined with the Government's review of needs assessment of the funding formula which is known as the "Fair Funding" review.
- 8.4.6 The impact of the incentives through Community Infrastructure Levy, New Homes Bonus and the share in Business Rates could be used, if successful, to generate additional income whilst enabling the promotion of economic growth and creating employment in the borough.

8.5 Asset Review

- 8.5.1 The Executive had previously commissioned an asset review which sought to:
- Optimise value and maximise capital receipts;
 - Identify opportunities for disposal;
 - Confirm properties which provide value to the community and remain in essential use.

8.5.2 Where assets no longer provide value to the community or support priorities or services in future it will be essential to look at options for disposal.

8.5.3 The key consideration will be whether the current assets add value to service delivery or income generation. Within any consideration it remains important to recognise that assets can make a significant non-financial contribution which is beneficial to the Council and the wider community. The outcomes of the external review were reported to the Executive in September 2014.

8.5.4 At its meeting on 20th July 2016, Executive considered the 'Gateway Report Commissioning – Proposed Total Facilities Management Contract' report and awarded the contract to Amey Community Limited working with Cushman and Wakefield. Cushman and Wakefield on an incentivised basis will seek to grow the Council's net investment income (excluding property generated by new capital) by a minimum of £1m within three years. This will be achieved by:

- Rephrasing the investment portfolio to improve returns and income growth prospects;
- Adopting a more commercial approach to managing rents;
- Adopting a more commercial approach to service charge recoveries.

The additional income arising from this incentivised scheme has been included in the financial forecast.

8.6 Growth Fund

8.6.1 A key priority for the Council is economic development. Economic development creates employment opportunities, potentially reduces the cost of council tax support and generates income through business rates and new homes bonus. There will be other opportunities to support economic development through the Community Infrastructure Levy and Section 106 monies set aside for employment opportunities.

8.6.2 Funding of £29.5m was set aside with total committed expenditure of £2.9m for Site G, £14.5m for acquisitions approved by Executive, £0.7m for various other costs, £6.7m remaining for Biggin Hill and Cray Valley, Bromley Town Centre (£100k remaining) leaving uncommitted monies for other potential schemes of £4.7m.

8.6.3 Members have previously agreed to proceed with the acquisition of properties of a total cumulative value of £2.9m in Site G (part of £3m for Bromley town centre) as well as two recent acquisitions approved by Executive on 1st November 2016. The two recent acquisitions will generate income of £897k per annum as well as make a potential contribution towards the future economic development of the area in which they are located (Orpington and Bromley).

8.7 Investment Fund

- 8.7.1 The Council has also set aside an Investment Fund which is being used primarily for property investments to enable the Council to achieve sustainable investment income which exceeds treasury management rates. Funding of £94.6m was set aside, including a contribution of £16.2m from the Council's capital programme. Costs to date include the acquisition of 13 commercial properties totaling £72.8m, contribution to the Glades (£1.8m) and various other cost (£2.2m) leaving uncommitted monies for other potential schemes of £17.8m.
- 8.7.2 These purchases, including the purchases relating to the Growth Fund are on track to achieve an annual income of potentially over £5.2m per annum, which is some five to six times the income that was being earned from the equivalent investment in bank deposits.

8.8 Investment Income

- 8.8.1 The 2017/18 draft budget for income from properties purchased to date from the Investment Fund is £5.2m (the current yield provides an average rate of return of 6.0%) and there is further estimated income of £4.1m relating to other investment properties (including the Glades, Walnuts, Biggin Hill Airport and other sundry properties). Income from treasury management investments, combined with further acquisitions, potentially provides a total investment income of £12.7m. The strategy of continuing to generate additional investment income has helped reduce the budget gap by an equivalent amount.
- 8.8.2 The Council's investments span a wide variety of options with the majority of income from commercial properties. Apart from lending to banks and various local authorities other investment choices include a £30m investment made in a property fund and £10m in Diversified Growth Funds which represents a medium term (3 to 5 years) investment opportunity. The diverse range of investments enables more income to be achieved whilst managing the Council's exposure to risk.
- 8.8.3 The Council will explore using low cost treasury management monies to support future joint venture opportunities with the aim to generate investment returns over 3 to 5 year period. This could include, for example, funding of joint venture opportunities to support land disposal/key investments. The Council remains debt free and has resources to encourage and invest in innovation and new types of investment for the future.
- 8.8.4 A prudent approach to budgeting and the front-loading of savings has enabled a longer term approach to generate further income from the additional resources available, as well as mitigate against significant risks, to provide a more sustainable financial position in the longer term. Given the significant benefits of achieving sustainable investment income, which protects key services, this approach should continue.

8.9 Review of Fees and Charges

- 8.9.1 There will need to be an ongoing review identifying opportunities as the medium term "budget gap" remains significant. Chief Officers will be undertaking a fundamental review of all fees and charges during 2017/18 to identify opportunities to reduce the future years 'budget gap'.

8.10 Invest to Save

8.10.1 The Invest to Save earmarked reserve was approved by Council in October 2011, with an initial allocation of £14m, to enable “loans” to be provided for Invest to Save initiatives, with advances to be repaid within a “reasonable” period and on-going revenue savings to contribute towards reducing the budget gap. In February 2013, the Executive agreed that the one-off Council Tax Freeze grant in 2012/13 be added to the Fund, bringing the total “available” balance up to £17.3m.

8.10.2 Five schemes have been approved to date with a total approved sum of £9.7m to be advanced from the fund (the most significant of which was the street lighting replacement scheme at £8.5m). As at 31st March 2016, the actual balance on the Fund stood at £13.4m (the fund will be increased to £17.3m following final repayments, with any interest accrued included within interest on balances). To date, full year effect savings totalling £1.2m have been achieved on the five schemes.

8.11 Procurement

8.11.1 The Council will continue to identify opportunities for contract savings including the review of inflation provision and repackaging of contracts and re-negotiation to secure the best value for the Council.

8.12 Commissioning Authority

8.12.1 In the last two years significant savings have been delivered through commissioning of services (£6.3m including Mears) which has been managed within the overall resources available and are reflected in the financial forecast. However, the joint tendering of a number of the Environmental Services contracts totalling £30m p.a. by April 2019 (£300m over 10 years), will require dedicated finance and legal support over the next two years given the complexity of this work. It is important that legal and finance resources are available to support the environmental services commissioning board to advise on contractual and financial issues and undertake financial modelling, evaluation of bids, tender documentations etc. It is estimated that this will cost around £400k in total. It may also be necessary to fund one-off work to support other commissioning projects particularly around children’s services, so a sum of £100k is being requested for this. The 2017/18 Draft Budget includes one off funding of £500k towards these costs.

8.13 Managing Rising Demand

8.13.1 Apart from supply side improvement there remains the need to manage future demand by ensuring there is a focus on outcomes rather than service delivery which includes the need to rethink the relationship between the citizen and the service. More collaborative working with other public agencies will help to ensure that the most effective outcomes can be delivered whilst resources are reducing.

8.14 Transformation

8.14.1 With a clearer direction on the Government funding available for the next three years and that local authorities will need to be more self-sufficient thereafter, there is a need to consider what significant changes are required to manage within that new environment. The required changes relate to opportunities for partnership working, collaboration, reviewing the approach to managing risks, using technology to enable transformation of our services, helping people help themselves (friends groups) and exploring opportunities around community based place shaping led by the Council as a community leader. Even with the income opportunities identified in this report the Council will need to plan for significant changes including the inherent risk of a future recession.

8.15 Health and Social Care

8.15.1 The Spending Review and Autumn Statement 2015 referred to “the Government will integrate health and social care across the country by 2020 and requires every part of the country to have a plan in place by 2017 for full implementation by 2020”. This is a significant step combined with wider integration proposals with health and social care evolving in different parts of the country. One example includes the work undertaken in Manchester and the direction for integration which maintains the local democratic accountability at its core.

8.15.2 Integration may take different forms but the key benefits would be:

- Bromley CCG is co-terminus with the Council’s boundaries which makes any pooling of resources for a shared locality more straightforward;
- It is clearly evidenced that social care, which represents a high proportion of local government expenditure, has an impact on the cost and demand for NHS care. Combined resources would be “better spent” through integration. The ongoing funding reductions in local government make this more difficult to achieve without receiving a share of the additional funding available to the CCG and other relevant agencies. The new flexibilities introduced by the Government do help in part, e.g. council tax precept for adult social care and future increases in Better Care Fund;
- Integration would enable whole systems person centred care and it is proven that this will save money and provide a better patient experience;
- We still have funding silos and effectively there is a need for a whole system review to ensure that funding follows the patient. We need to avoid the risk that investment in social care is restricted as the savings in health care cannot be easily delivered;
- Local Government together with Health can bring significant combined skills to the table to support innovative ways of delivering care. As an example, during the austerity period local government staff and councillors have risen to the significant challenges over the last few years;
- Health partners appear to have more limited autonomy. This is partly due to the different accountability regime in central and local government. In health, there is a more centralistic approach. Simon Stevens, Chief Executive of NHS England is keen to see health work effectively with other partners;
- A lead role for Bromley could enable the move to other care settings in a more robust preventable way;
- Using payment by results in health risks providing an incentive to treat more people when it is important to manage the demand through preventative work etc.;
- The Council has considerable experience and skills in the sole and joint commissioning of services and a proven track record in achieving financial savings

and service improvements through this approach. These considerable benefits can be used to support our health partners;

- The Council has a history of robust financial management and has to produce a balanced budget and manage within the resource constraints. By sharing these skills with health we can work to make better use of resources and save money in health and social care;
- Integration of health and social care will reduce pressure on the acute sector.

8.15.3 It is important to remember there are also significant risks around integration and there is a need to mitigate against these risks. However, the benefits of achieving whole systems person centred care whilst making better use of resources and providing a better patient experience is a compelling reason to move away from the current arrangements. One of the key Building a Better Bromley priorities is “working to achieve the benefits of the integration of health and social care”. The impact of the Sustainability and Transformation Plans led by the health services and the continuation of the Better Care Fund will be monitored closely to identify the risks/opportunities that may arise to meet the Building a Better Bromley priorities.

9. IDENTIFYING FURTHER SAVINGS

9.1 There were 1,335 statutory duties as at June 2011, as identified by the National Audit Office. There has been no overall reduction in statutory duties to date despite significant funding reductions.

9.2 Chief Officers previously undertook “Baseline Reviews” which identified the full cost of services and their resultant statutory and non-statutory functions with scope for achieving savings as well as action to mitigate any negative service impact.

9.3 The scale of savings required in future years cannot be met by efficiency alone – there will be a need for a reduction in the scope and level of services. The council will need to continue to review its core priorities and how it works with partners and key stakeholders and the overall provision of services.

9.4 A significant challenge is to consider discretionary services which, if reduced, could result in higher cost statutory obligations. Therefore, it is important to consider the risk of ‘unintended consequence’ of reducing discretionary services adversely impacting on the cost of statutory services.

9.5 Chief Officers will explore the opportunities for further savings, as well as income opportunities, to address the medium term budget gap.

10. FUTURE LOCAL AUTHORITY LANDSCAPE

10.1 Although the “devolution revolution” will provide significant opportunities in the future where councils have to increase income (with government funding withdrawn) the key question is whether such a financial model is sustainable for local government.

- 10.2 A CIPFA survey, prior to the Spending Review and Autumn Statement 2015, identified that half of council finance directors are less confident in the ability to deliver savings than they were a year ago. The survey concluded that confidence levels in the sector are diminishing. When asked the same question the previous year, 41% said they were not confident they could deliver the required savings while the year before the proportion was 27% (CFOs). Rob Whiteman Chief Executive of CIPFA stated that “it should set alarm bells ringing across government as more and more councils struggle to balance their books with some authorities now facing a fiscal cliff”.
- 10.3 A recent CIPFA annual CFO confidence survey found that councils’ chief finance officers are significantly less confident in the ability of their council to keep delivering services in the next financial year in comparison to this year. 38% are less confident in their organisation’s ability to deliver services in 2017/18, compared with 15% for 2016/17.
- 10.4 Rob Whiteman recently argued the “battering” councils have taken so far will only get worse. He added that while most people welcome the shift of resources towards social care, this rise in spending actually showed “demand is inexorably rising as the population ages”. “These figures demonstrate the extent to which councils are suffering”.
- 10.5 The National Audit Office (NAO) as part of their work on the Financial Sustainability of Local Authorities 2014 found that local authorities have coped well with reductions in government funding, but some groups of authorities are showing clear signs of financial stress. They found that the Department of Communities and local Government has a limited understanding of authorities’ financial sustainability and the impacts of cuts on services.
- 10.6 The NAO issued a report at the end of 2014 that real terms cuts would amount to 37% from 2010 to 2016. The NAO said “Auditors were increasingly concerned about local authorities’ capacity to make further savings, with 52% of single tier and county councils not being well placed to deliver their medium term financial plans”.
- 10.7 As part of the submission to the Treasury, London Councils identified that, even with the assumption that all boroughs will raise council tax, the scale of the funding pressures coupled with inflation and rises in demand for services means London will face a funding gap of £2bn in 2020.
- 10.8 The LGA’s submission to the Treasury gave background on the future outlook and referred to “the need for financial stability across local government is urgent. Despite receiving a ‘flat cash’ settlement over the remaining years of the decade local government remains under enormous financial strain. Any cost pressures arising up to the end of the decade will have to be offset by further savings; conservatively we estimate that the overall funding gap will amount to £5.842 billion by 2019/20”.

- 10.9 PWC's "The Local State We're In" states the long term outlook for the local government sector is more uncertain than ever. Leaders and Chief Executives remain relatively confident that they will be able to make the necessary savings in the next year but when it comes to the next five years only one in 10 chief executives are confident in their council's ability to manage savings. Therefore the spectre of failure looms large with nine out of 10 chief executives believing that some local authorities will get into serious financial difficulties over the next five years. In the same survey, 84% of respondents believe that integration of health and social care will deliver better outcomes for the local population. Yet, while integration may generate savings for health and social care systems as a whole, less than three in ten agree that integration will lead to savings for their council.
- 10.10 The Government's ambition for devolution together with a fundamental review of the role of local authorities and the role of state together with the arrangements for funding is key to address this bleak picture. Greater devolution of powers and funding to local authorities will enable a greater lead role with other public sector organisations which will help partly address the challenges in the future landscape.
- 10.11 The London Finance Commission has been reformed to review, refresh and revise its original recommendations relating to devolution to London. In reconvening the Commission the Mayor stated "London needs a stronger voice so that the city continues to thrive – creating jobs, growth and remaining internationally competitive". The London Finance Commission will report its revised recommendations shortly.
- 10.12 Local Government cannot afford the future unless it changes what it does. Changes for the future will need to include operational mergers between authorities for services, greater use of private and voluntary sector, devolution of powers and funding to local authorities as community leaders, a fundamental change in the role of State and implementing opportunities to join up with health and other public agencies (community budgets etc.). Any major change may require the investment of one-off resources. After the delivery of cost savings and efficiency, there is a greater need for transformation, demand management and income enhancement. The scale of the funding reductions may also result in the need to stop or reduce services in the longer term.
- 10.13 Bromley remains "better placed" to deal with the ongoing challenges but needs to ensure that early decisions are made and adequate reserves are retained to ensure sustainable finances in an increasingly difficult financial landscape. The retention of an adequate level of reserves is key to ensure that Bromley can prepare for future funding reductions and to deal with increasing financial uncertainty including the impact of the local government finance reforms.

11. LONDON BOROUGHS GRANT COMMITTEE

- 11.1 London Councils require formal notification of the Council's agreement to their contribution for 2017/18. The London Councils Grants Committee has proposed a Budget for 2017/18 comprising total expenditure of £8.668m that is met by contributions from Boroughs of £7.668m, European Social Fund grant (£1m). A sum of £0.156m will be transferred from reserves to reduce the Boroughs' contribution.
- 11.2 Bromley's contribution to this Committee was £320,350 in 2016/17 (after a share of a one off payment of £18,286). The contribution for 2017/18 is £281,355 which represents a reduction of £38,995 compared with 2016/17 (reduction includes share of one off payment of £5,843 from reserves).

11.3 The approval of at least two thirds of the constituent Councils of the London Boroughs Grants Scheme is required for the proposed 2017/18 budget. If it is not agreed by the 31st January 2017, the overall level of expenditure is deemed to be the same as approved for 2016/17.

12. THE SCHOOLS BUDGET

12.1 Since 2003/04, the Council has received funding for the 'Schools Budget' element of Education services through a ring fenced grant, more recently through the Dedicated Schools Grant (DSG).

12.2 The implementation of the National Funding Formula (NFF) has been delayed by one year to 2018/19. The funding formula is currently out to consultation and is due to be responded to by March 2017. In the meantime the existing funding formula has been used subject to some overall realigning of the baseline in each area so that funding was more representative of expenditure in each block. This is a precursor to the NFF introduction in 2018/19. Funding within DSG remains tight. It is hoped that the Schools, Early Years and Central blocks under the NFF will be positive, However the High needs block is the risk area with early indications suggesting a reduction in DSG funding in future years. The financial forecast assumes funding reductions of £1.5m per annum for SEN from 2018/19 based on the latest information available. There may be further significant changes once the final proposals are known.

12.3 The per-pupil funding for 2017/18 in the schools block rose to £4,649.44 mainly due to the realignment described above. Additional funding has been given for early years 3 & 4 additional hours entitlement for working parents amounting to £2.64m. The overall DSG figure for 2017/18 is estimated at £259m.

12.4 The DSG continues to be ringfenced for funding the provision of Education, with no material changes to the conditions of use. As a result, the vast majority of this has to be passed directly to maintained schools and academies, and means that there continues to be minimal scope to redivert DSG budget to other services. In previous years the Portfolio Holder has agreed a package of funding to set the Schools budget following consultation with Schools Forum, Headteachers and Governors. The Executive is asked to agree that this process should take place again for 2017/18.

12.5 In 2017/18 the Education Services Grant (ESG) statutory payment, worth in the region of £700k will be converted to DSG. It is unclear as to the remaining ESG given to support Councils with maintained schools. This may be phased out over 2017/18 and some interim funding put in place or stopped altogether. We are awaiting details from government on this area.

12.6 Although it is difficult to accurately predict, the 2017/18 Draft Budget assumes ongoing conversion of remaining maintained schools to academies. The grant allocation is re-calculated on a quarterly basis, so the grant will reduce in-year as more schools convert to academies.

13. FIXED FUNDING OFFER

13.1 Details of the Local Government Finance Settlement 2016/17 were reported to the Executive in January 2016 resulting in a reduction in the Settlement Funding Assessment of 48.5% per annum by 2019/20, which compares with the England average of 31.8% (real term reduction of 52.2% for Bromley).

- 13.2 The Leader met with Greg Clark, Secretary of State and the local MPs to express concern about the settlement. The Leader and the Director of Finance have separately written to the Government as part of the response to the consultation. A significant number of points were raised and the concerns relate to the higher than average reduction in funding, “lock in” of previous low funding levels, no transitional protection, no recognition that lower cost authorities such as Bromley have less scope to achieve further savings and no account is taken of London related additional cost pressures (e.g. homelessness and increasing population). The changes also resulted in a reduction in the future allocation of Better Care Fund which the Council proposes should continue to be distributed using the adult social care formula.
- 13.3 The final 2016/17 Local Government Finance Settlement was published on 8th February 2016 and has resulted in some positive changes for the council as follows:
- (a) New Transitional Grant of £2.068m in 2016/17 and £2.052m in 2017/18 – although this represents one off income, it is still a significant contribution;
 - (b) No change for 2018/19 and 2019/20 funding levels. However, the Secretary of State has indicated that there will be 100% devolution of business rates by 2019/20 combined with a new “needs assessment” of the funding formula which will take place – this has been brought forward by a year.
- 13.4 To seek a better deal for Bromley, the Leader and Director of Finance met with Marcus Jones, Minister for Local Government on 25th May 2016 and further details are provided in Appendix 6.
- 13.5 Greg Clark referred to the value of signing up to the offer as “you’re not going to get any cuts more than that and you can proceed with certainty”. Any protection is subject to “economic shocks” which were “unanticipated”. One can only conclude that accepting the offer resulted in a lesser risk of further funding reductions.
- 13.6 Concerns have previously been expressed that accepting the offer could be viewed as an endorsement of the funding settlement for Bromley. However, Bromley continues to seek a fairer level of funding and the offer is only a means of mitigating against further funding losses. Even accepting the offer does not protect the Council from the risk of other government funding reductions.
- 13.7 Members of the Executive on 14th September 2016 considered the ‘Government’s Four Year Funding Offer’ report and agreed to accept the funding offer on the basis that it provides some additional limited protection in funding. 97% of Councils have accepted the offer with the remaining 10 councils being subject to an annual process to determine the level of core grant funding they receive.

14. GENERAL AND EARMARKED RESERVES

- 14.1 The Council has general reserves remaining of £20m as at 31/3/2016. A full breakdown of reserves including earmarked reserves will be reported to the next meeting as part of the 2017/18 Council Tax report. Reserves have reduced from £131m in 1997. The Council has reduced its level of general reserves towards funding an invest to save fund and to create the Growth and Investment Fund.

Reserves are one off monies and are utilised to resource investment in schemes that will deliver long terms savings, support economic development, create employment opportunities and enable income opportunities as well as have sufficient resources to manage financial risks during this unprecedented period of austerity.

- 14.2 The “Capital Programme Monitoring 2011/12 and Annual Capital Review 2012 to 2016” report to the February 2012 meeting of the Executive identified the long term financial implications of the capital programme. The report identified that abandoning the current agreed strategy (fund rolling programmes through capital and reinstating general fund contribution to support the revenue budget of £3.5m) would have resulted in the Council’s entire general reserves being utilised in the medium term. This illustrates the benefits of the strategy that Members have adopted since 2006/07. However, given the ongoing financial constraints and limited opportunities to reduce costs in the medium term, it may be necessary to reconsider this approach. Executive considered the ‘Highways Investment’ report on 18th October 2016 (see 4.10) and approved capital funding for investment in planned highway maintenance to be funded by capital receipts.
- 14.3 If the existing general reserves are released now to fund service initiatives, delay savings or reduce council tax there would be a resultant “opportunity cost” relating to a corresponding loss in interest earnings/investment opportunities and further acceleration of the anticipated exhaustion of reserves which is not recommended. Any increase in service levels or initial protection would only be very short term. Reserves can only be used as a one-off contribution to revenue spending and would not provide a sustainable solution to maintaining local government services.

15. ISSUES FOR FUTURE YEARS

- 15.1 The key issue to consider in the options identified above is the need to ensure long term sustainable finances to help ensure the Council can provide priority services in the longer term. Any final proposals as part of the 2017/18 Council Tax report in February will need to enable the Council to achieve a legally and financially balanced budget in 2017/18 but to also deal with the medium term financial position as well. Even allowing for the options in this report a budget gap of £23.6m per annum remains from 2020/21. All the measures identified in Appendix 4 will enable flexibility to provide a more sustainable financial position for future years when the Council is facing an increasing budget gap as well as provide greater stability in the longer term by adopting a medium term budget planning approach. The retention of reserves remain increasingly key to provide investment income, contribute towards the council’s capital programme, support invest to save and support the transitional period of significant reductions in funding in a period of a changing landscape for local authorities. The financial outcome will also depend on the final decisions made on council tax levels.
- 15.2 The Council continues to face the most challenging budget process in recent times with the current economic and financial environment providing an extremely challenging context for the medium term financial strategy. The strategy needs to remain flexible and the Council’s reserves resilient to respond to the impact of volatile external events and the structural budget deficit during this austerity period.

- 15.3 Historically, the council has been able to balance service pressures, whilst receiving low Formula Grant increases due to the large increase in specific grant for social care services and education up to 2006/07. This trend has been reversed since 2007/08. The situation is worsened with the Council continuing to remain, since 2003/04, at the “grant floor” for Formula Grant. The Leader and other colleagues have met Greg Clarke, Secretary of State, Communities and Local Government and also met separately with three local MPs to express concern about the levels of low funding reflected in the previous Government funding settlement.
- 15.4 Since 2003/04, the Council has received significant increases for the “schools budget” through ring fenced grant (more recently Dedicated Schools Grant). A further increase of £19.5m was made available for 2015/16. The ring fencing of this grant results in a continuation of minimal scope to redirect any resources from the schools budget to other services.

16. COUNCIL TAX, FUNDING AND SPEND COMPARISONS

- 16.1 Details of council tax, funding levels and cost comparisons between councils are shown in Appendix 2.
- 16.2 Bromley has had a clear strategy of setting its Council Tax amongst the lowest in outer London.
- 16.3 Using 2016/17 funding information, if Bromley’s council tax was the average for the 5 other low grant funded authorities, or received the average grant funding for London, its annual income would increase by £28m and £69m respectively.
- 16.4 Despite being a low cost authority, Bromley has achieved savings of over £80m since 2011/12 but it becomes more challenging to achieve further savings with a low cost base.
- 16.5 The Council has achieved a low council tax level despite low levels of Government funding by keeping spending low as illustrated in Appendix 2.
- 16.6 Therefore, in conclusion, Bromley has retained a low council tax despite lower levels of grant funding. This has been achieved by maintaining a low spending base. It is important to recognise that the pattern of spending in Bromley both in level and pattern restricts the options facing Members. One of the key issues in future year budgets will be the balance between spending, taxation and charges and service reductions in an organisation starting from a low spending base.

17. COUNCIL TAX LEVEL INCLUDING GLA PRECEPT

- 17.1 The GLA’s 2017/18 Draft Budget was issued for consultation on 16th December 2016 and includes proposals for an increase of 1.5% in existing GLA precept levels for 2017/18. The final GLA precept for 2017/18 is expected to be announced after the Assembly has considered the Mayor’s draft consolidated budget on 20th February 2017.
- 17.2 For 2017/18 every £1m change in income or expenditure causes a 0.74% variation in the “Bromley element” of the Council Tax. Each 1% council tax increase generates ongoing annual income of £1.4m.

- 17.3 As part of the Localism Act, any council tax increase of 2% or above in 2017/18 will trigger an automatic referendum of all registered electors in the borough. If the registered electors do not, by a majority, support the increase then the Council would be required to meet the cost of rebilling of approximately £100k. The one off cost of a referendum is estimated to be £400k.
- 17.4 The Social Care Precept on council tax was originally set at 2% per annum for 2016/17 to 2019/20. The terms of the precept have changed and local authorities will now be able to increase the precept by up to 3% per annum in 2017/18 and 2018/19. However, the total allowable increase will be 6% over the three year period 2017/18 to 2019/20. Councils are able to levy the adult social care precept on top of the existing freedom to raise council tax by up to 2% without holding a referendum.
- 17.5 If the Council chose to agree a Bromley element 3.99% council tax increase, including the 2% social care precept, and the GLA precept was increased by 1.5% there would be an overall combined council tax increase of around 3.5%. Utilising a 3% social care precept would increase the overall combined council tax by 4.3%.
- 17.6 As part of the Local Government Finance Settlement 2016/17, the Government provided indicative four year funding which assumed that the Council would raise funding from council tax increases (DCLG modelled an increase of 1.75%) and a further 2% increase to reflect the full Adult Social Care Precept.

18. CONSULTATION

- 18.1 Two separate resident association meetings were held on 21st November 2016 and 28th November 2016 and a wider public meeting on 24th November 2016 relating to “Your Voice in Your Borough” and “Council Budget 2017/18 and Beyond”. There was a web survey seeking the public’s views online (with a closing date extended to 4th December 2016). The outcome is summarised in Appendix 8.
- 18.2 It is proposed that this report is considered by individual PDS Committees and their comments and considerations will be reported back to the 8th February 2017 meeting of the Executive. Such consideration will enable the Executive to take into account those views as part of agreeing its final recommendations to the Council meeting on 20th February 2017 where the 2017/18 Budget and Council Tax will be agreed.
- 18.3 Prior to finalising the “Schools Budget” the Education Portfolio Holder will consult through meetings with Head Teachers, Governors and the Schools Forum. Consultation papers will also be sent to local business representatives for their views and comments. Other examples of consultation will include consultation on specific budget proposals.

19. POSITION BY DEPARTMENT – KEY ISSUES/RISKS

- 19.1 There remain risks arising from the scale of budget savings required to address the budget gap as well as the cost pressures arising from new burdens and the impact of Government Policy changes including welfare reforms and the new Living Wage. Action will need to be taken to contain, where possible these cost pressures, managing the implementation of savings or seeking alternative savings where required.

19.2 In addition to the issues shown above, a further list of the potential risks which will be faced in future years that Members should consider arising from the assumptions made are shown in Appendix 9. The level of balances held and provisions set aside in the central contingency provide significant safeguards against any adverse financial pressures.

20. IMPACT ON VULNERABLE ADULTS WITH CHILDREN

20.1 The draft 2017/18 Budget reflects the Council's key priorities which includes, for example, supporting vulnerable adults with children and being ambitious for all our children and young people.

21. POLICY IMPLICATIONS

21.1 The Council launched the updated "Building a Better Bromley 2016-2018" and the budget proposals reflect the Council's priorities. "Building a Better Bromley 2016-2018" identifies key priorities as follows

- Ensure financial independence and sustainability;
- Invest in our business and our people
- Ambitious for all our children and young people
- Enhance our clean and green Borough.

21.2 Ensure financial independence and sustainability priorities include:

- Strict management of our budgets to ensure we live within our means
- Working to achieve the benefits of the integration of health and social care
- Early intervention for our vulnerable residents

22. PERSONNEL IMPLICATIONS

22.1 Staff, departmental and trade union representatives will be consulted individually and collectively on any adverse staffing implications arising from the Draft 2017/18 Budget. Managers have also been asked to encourage and facilitate staff involvement in budget and service planning.

23. LEGAL IMPLICATIONS

23.1 The adoption of the budget and the setting of the council tax are matters reserved for the Council upon recommendation from the Executive. The Local Government Finance Act 1992 (as amended) requires the Council to set an amount of Council tax for each financial year and provides that it must be set before 11th March in the financial year preceding that for which it is set. Sections 73-79 of the Localism Act 2011 amended the calculations billing and precepting authorities need to make in determining the basic amount of Council tax. The changes included new sections 31 A and 31 B to the Local Government Finance Act 1992 which has modified the way in which a billing authority calculates its budget requirement and basic amount of Council Tax.

- 23.2 Schedule 5 to the Localism Act 2011 inserted a new section 52ZB in the 1992 Act which sets out the duty on billing authorities, and precepting authorities to each determine whether their relevant basic amount of council tax for a financial year is excessive. If an authority's relevant basic amount of council tax is excessive, the provisions in relation to the duty to hold a referendum will apply.
- 23.3 The Education Act 2005 introduced the concept of a funding period, which allows for the introduction of multiple year budgets rather than the setting of financial year budgets.
- 23.4 Executive is being requested to delegate the setting of the schools budget funded through the Dedicated Schools Grant to the Education Portfolio Holder.
- 23.5 The making of these budget decisions at full Council is a statutory responsibility for all Members. Members should also have regard to the changes from the Localism Act relating to council tax increases and the recent introduction of the Adult Social Care precept. The Council has a number of statutory duties which it must fulfill by law – although there can be an element of discretion on level of service provision. The Council also discharges a range of discretionary services. The Council is not bound to carry out such activities in the same way as it is for statutory duties – although it may be bound contractually to do so. A decision to cease or reduce provision of a discretionary service must be taken in accordance with sound public /administrative law decision making principles. The Council must also comply with the Public sector Equality Duties in section 149 of the Equality Act 2010. In doing so. the council must have due regard to elimination of discrimination, harassment and victimization, advance equality of opportunity and foster good relations with persons who share a protected characteristic.
- 23.6 The Local Government Act 2003 included new requirements to be followed by local authorities, which includes the CIPFA Prudential Code. This includes obligations, which includes ensuring adequacy of future years reserves in making budget decisions and section 25 of that act requires the Director of Finance to report on the robustness of the estimates made for the purposes of calculating the Council Tax and the adequacy of the reserves. Further details to support these obligations will be reflected in the 2017/18 Council Tax report to be reported to the February meeting of the Executive.

24. CONCLUSION

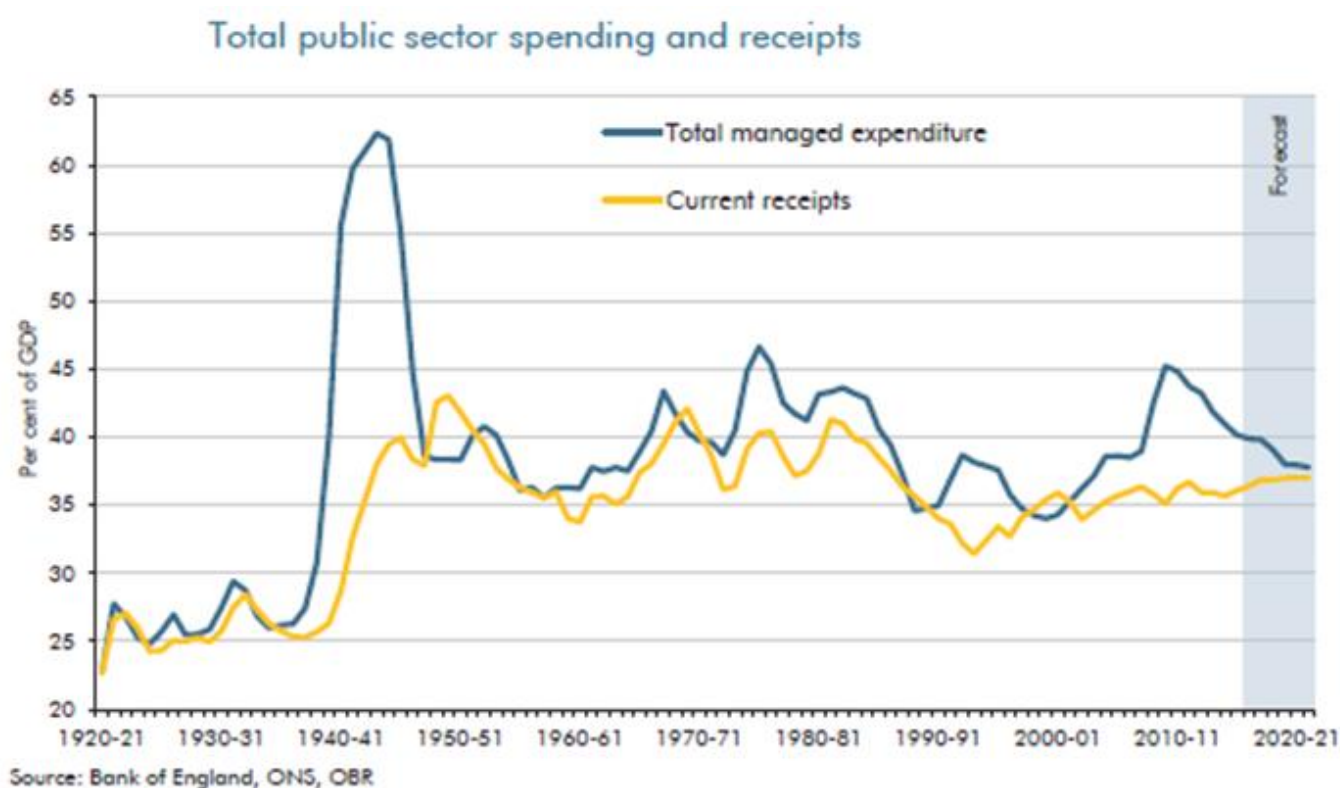
- 24.1 The Council has had to take significant action to reduce the cost base while protecting priority front line services and providing sustainable longer term solutions. Council tax has been kept low compared with other Councils. A combination of front loading of savings in previous years, pro-actively generating investment income and prudent financial management have provided an opportunity to provide a potential balanced budget for the next two years. There will be significant challenges as the Council is a low cost authority and the position will need to be regularly reviewed particularly as there are risks relating to potential higher increases in inflation, compared with the forecast, and further cost pressures/new burdens. Apart from early identification of options to address the future years budget gap (2019/20 and beyond) including any significant transformation and income generating opportunities, it remains essential that Chief Officers identify mitigating action to address any in year cost pressures/new burdens to remain within their "cash envelope".

- 24.2 There is uncertainty on the impact of the full devolution of business rates and the outcome of the Government’s “Fairer Funding” review which may result in new responsibilities for the Council and associated risks. The changes may not be implemented until 2020/21 whilst austerity for local government is expected to continue beyond that period and a possible future recession provides significant financial risks. The continuation of long term financial planning as part of the Medium Term Financial Strategy remains essential to ensure that any future service changes are managed effectively.
- 24.3 The Council will continue to seek a fairer financial settlement on behalf of the residents of the Borough and the report has referred to some of the work undertaken in the current financial year. The contribution of local MPs has also assisted in this arrangement.
- 24.4 There will be increasing and unprecedented financial volatility, uncertainty and risk and the Council faces the challenge of delivering a balanced budget over the medium term. Stewardship and delivering sustainable finances are increasingly important during a period of national and international economic issues which creates uncertainty over the longer term direction of the Government’s austerity measures. It is probable that the situation will remain volatile in the medium term requiring ongoing change in our detailed approach but the framework should be one of tight financial forecasts and control linked to a clear strategic service direction. In order to continue to provide services in the longer term the Council will need to continue to provide priority services, radically transform existing service provision, release the necessary revenues, increase council tax income, continue to explore investment opportunities and mitigate against the cost pressures currently being forecast. It is important to consider actions now that address the “budget gap” in the medium term.

Background documents	<p>Drawdown of Homeless Contingency Needs Grant, Executive, 30th November 2016 Budget Monitoring 2016/17, Executive, 30th November 2016 Highways Investment, Executive, 18th October 2016 Ofsted Inspection of Children’s Services, Executive, 14th September 2016 Government’s Four Year Funding Offer, Executive, 14th September 2016 Gateway Report Commissioning – Proposed Total facilities Management Contract, Executive, 20th July 2016 2015/16 Provisional Final Accounts. Executive, 15th June 2016 2016/17 Council Tax, Executive 10th February 2016 Draft 2016/17 Budget and Update on Council’s Financial Strategy 2017/18 to 2018/19, Executive, 13th January 2016</p>
Financial Considerations	<p>Covered within overall report</p>

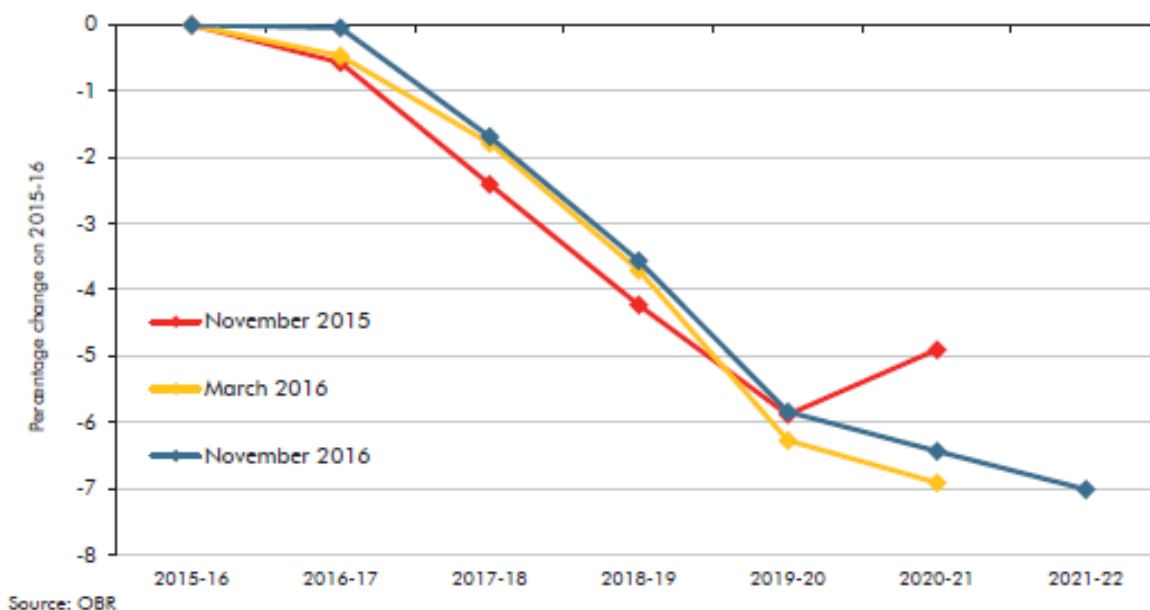
Update on Economic Situation which can impact on Public Finances

1. The overall national debt stands at £1.7 trillion and will increase to £1.9 trillion by 2019/20. The Autumn Statement 2016 identified that the public sector net borrowing (deficit) is expected to be £68.2bn this year which is planned to reduce to a deficit of £21.9bn from 2019/20 (previously planned to achieve a surplus of £10.1bn per annum from 2019/20). based on the national measures proposed. The Chancellor has said that he is committed to returning public finances to balance ‘as soon as practicable’. This highlights that austerity for local government is likely to continue beyond 2019/20. Debt as a % of GDP to fall from 84.2% in 2015 to 81.6% by 2021. The annual deficit (gap between total expenditure and managed receipts) is shown in the chart below:



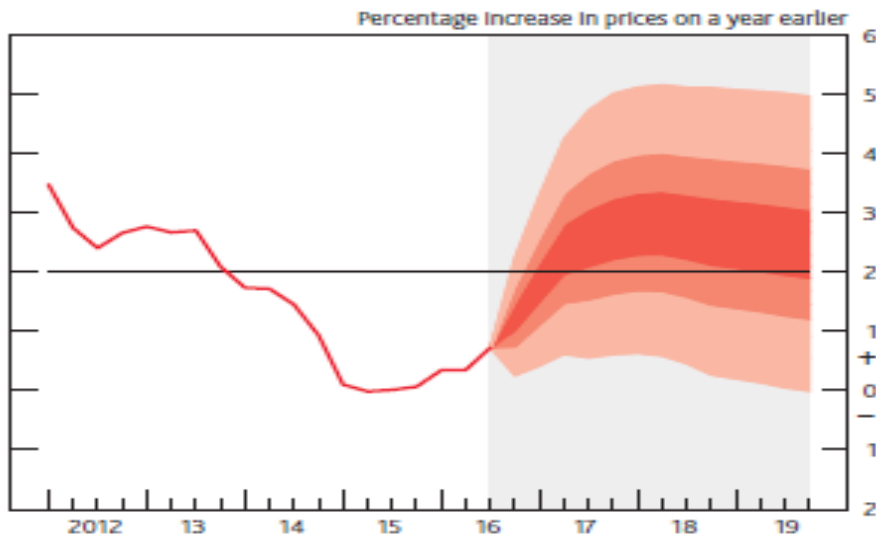
2. Departmental spending plans set out in the 2015 Spending Review remain in place. Therefore, the fiscal squeeze will continue and with ongoing protection of health, education and recently police and other security services, the disproportionate cuts in direct funding to local government will continue over the remainder of the four year spending review period.. The impact of funding reductions translates to a reduction in the Council’s Settlement Funding Assessment of 36% by 2019/20 compared with the England average of 21.6% for the period 2016/17 to 2019/20. Details of changes in Resource Departmental Expenditure Limits (RDEL) – Government Departmental Spending Plans, are shown below.

Change in real RDEL spending per capita from 2015-16



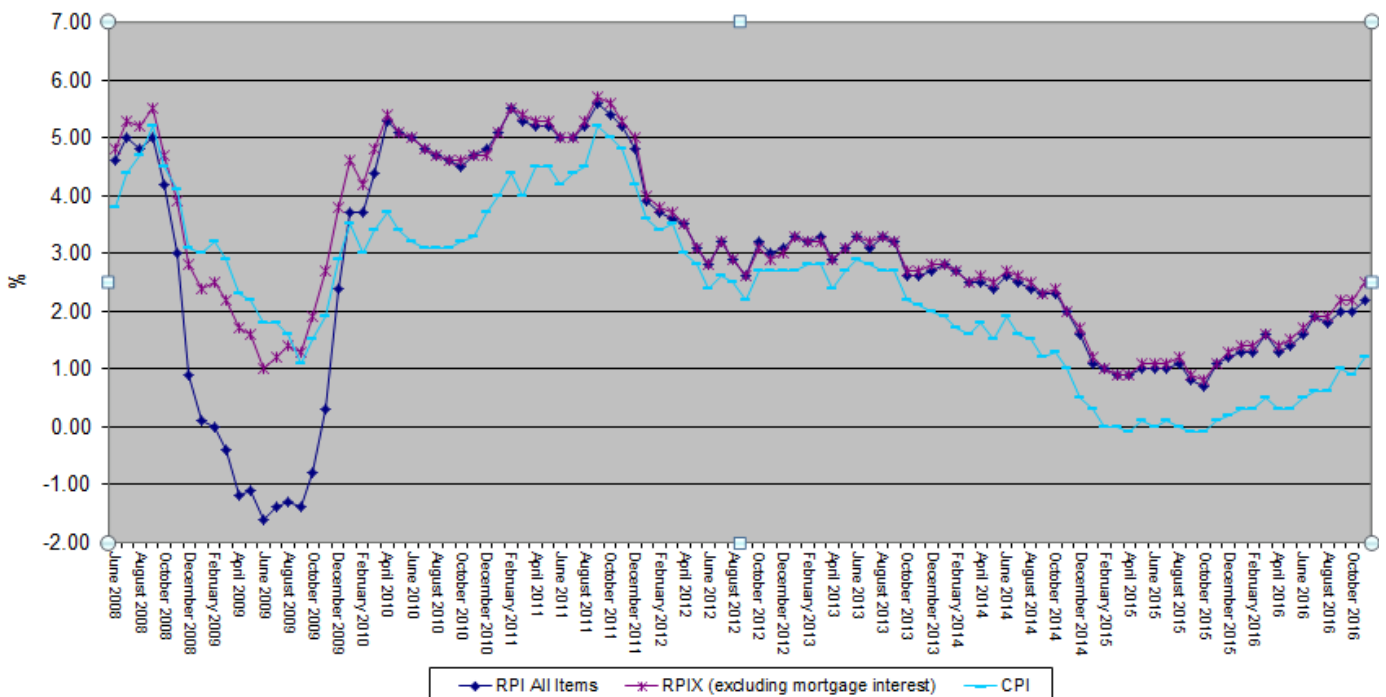
3. However, the Government view the new flexibilities such as the future growth forecasts from business rates (to be fully devolved to local government by 2019/20 or possibly 2020/21), scope to raise a social care precept and the ongoing ability to increase council tax as methods which can significantly mitigate the impact of grant reductions.
4. The Office for Budget Responsibility predict that the UK economy is expected to grow by 1.4% in 2017, 1.7% in 2018, 2.1% in 2019 and 2020 and 2% in 2021 – the forecast growth has been reduced since the March 2016 Budget and Autumn Statement 2015.
5. Inflation (CPI) is expected to be above target at 2.3% in 2017, 2.5% in 2018, 2.1% in 2019, and 2% in 2020 and 2021. Inflation (RPI) is expected to be 3.2% in 2017, 3.5% in 2018, 3.2% in 2019, 3.1% in 2020 and 3.2% in 2021 – the Council uses RPIX for its contracts which are similar to RPI. The Bank of England's inflation report (November 2016) provides the following projections for CPI inflation:

CPI inflation projection based on market interest rates expectations, other policy measures as announced



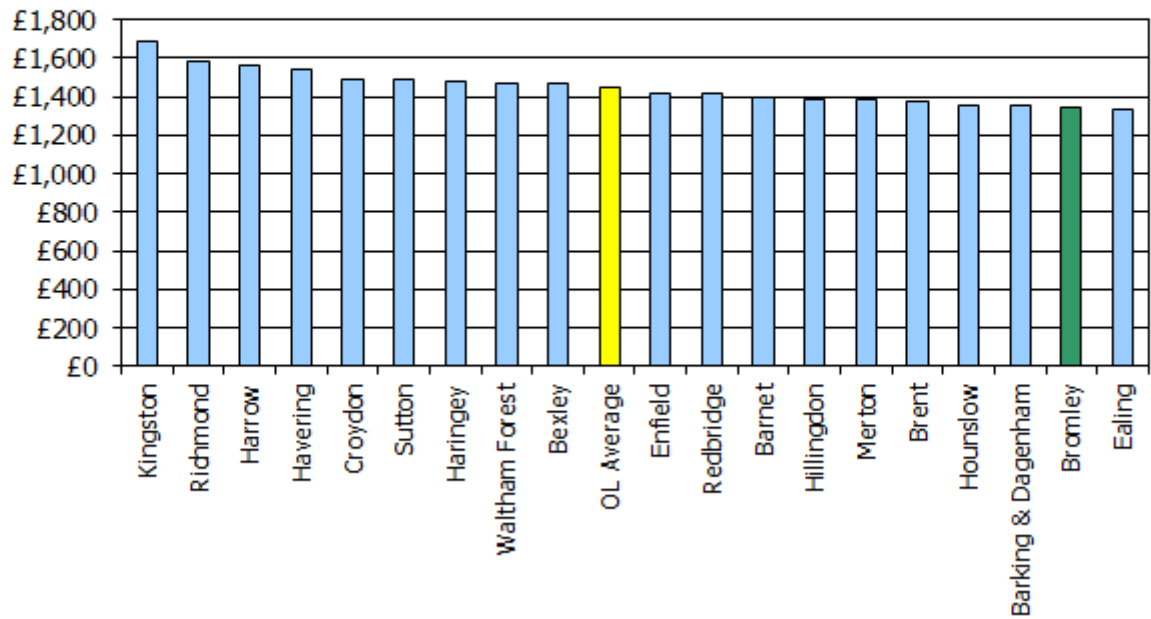
- The main measure of inflation for annual price increases for the Council's contracted out services is Retail Price Index (excluding mortgage interest rates) i.e. RPIX. This measure is normally up to 1% above the Consumer Price Index (CPI) level. The Draft 2017/18 Budget assumes contract price increases of 2.7% which compares with the existing RPIX of 2.5%. Contract price increases of 2.7% have been assumed for 2018/19 reducing to 2.5% per annum from 2019/20. Details of inflation movements over the last 8 years are shown below:

RPI, RPIX and CPI

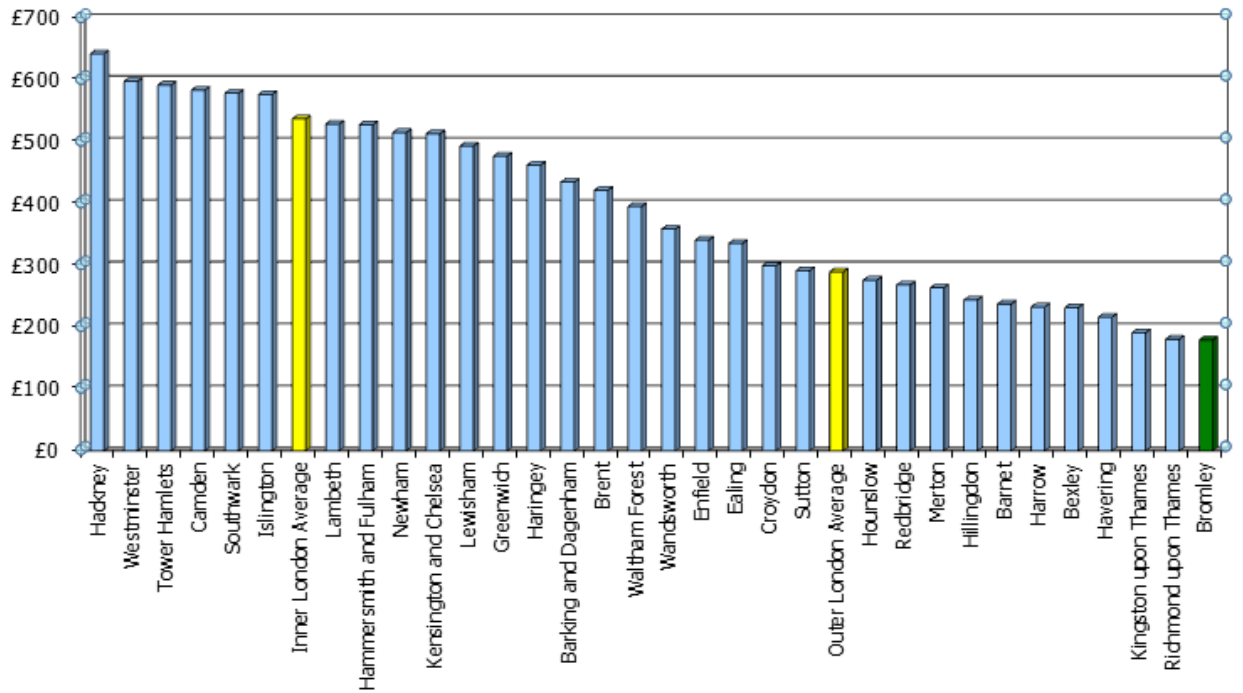


Council Tax Levels, Government Funding and Spend Levels

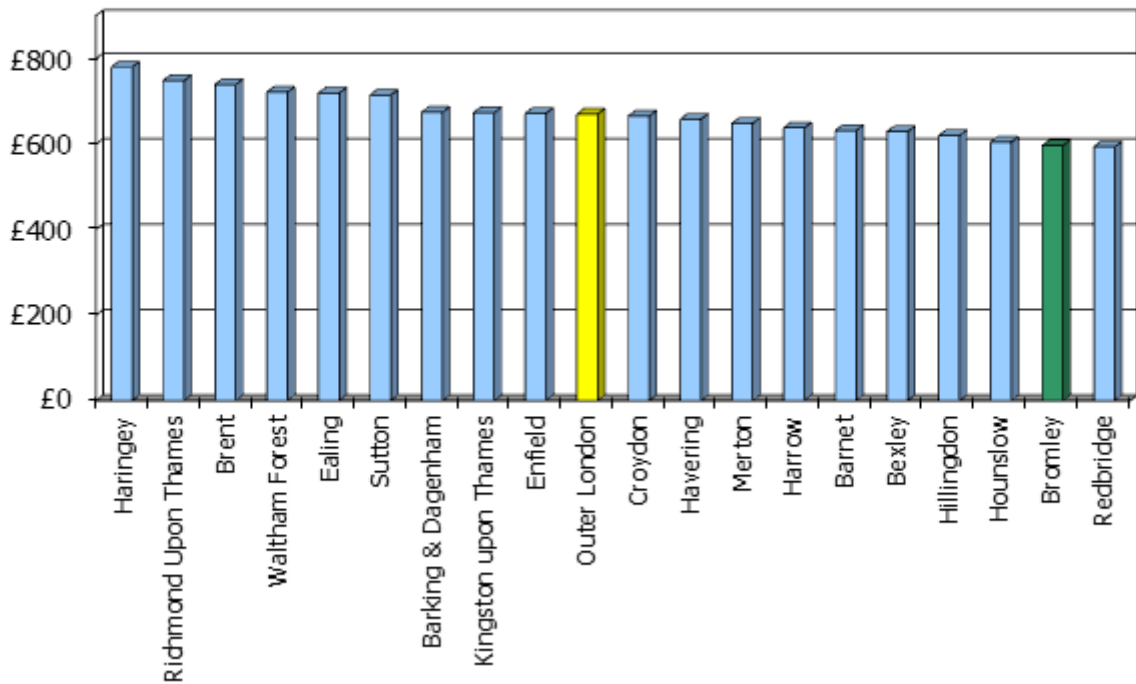
**Outer London Council Tax Band 'D' Levels 2016/17
(based on ONS Categories)**



Whole of London Funding per Head 2016/17 (including Transitional grant)



Outer London Spend per Head 2016/17



AUTUMN STATEMENT 2016 AND PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2017/18

The key issues are as follows:

Adult Social Care Precept

- The annual Social Care Precept of 2% can be applied at 3% in 2017/18 and 2018/19 subject to a maximum of 6% across the period 2017/18 to 2019/20;
- To ensure that councils are using income from the precept for adult social care, councils will be required to publish a description of their plans, including changing levels of spend on adult social care and other services. This must be signed off by the Chief Finance Officer (section 151 officer). Councils wishing to use the extra freedom to raise their precept by 3% instead of 2% in 2017/18 must also show how they plan to use this extra money to improve social care. The government intend to provide further guidance to adult social care authorities on the conditions of the scheme in the near future.

Council Tax Referendum Limit

- The Council Tax referendum limit of 2.0% will be maintained.

Core Grant Funding

- Core grant funding reductions are as expected (reduction of £9.6m in 2017/18 rising to £20.5m per annum by 2019/20).

Adult Social Care Support Grant

- The Government has made available one off Adult Social Care Support Grant of £1.2m in 2017/18 – this is likely to be a response to a significant proportion of the new additional Better Care Fund monies not being payable until 2018/19.

New Homes Bonus

- New Homes Bonus grant in 2017/18 will be paid on the basis of 5 years award and from 2018/19 on the basis of 4 years award (currently 6 years award). There will be a baseline growth of 0.4% which results in future funding being paid if baseline exceeded (i.e. only pay for excess properties over 625 per annum for Bromley, based on the current year – this number is likely to increase in future years);
- The baseline may be reviewed in future years (likely to increase) and other conditions may be reviewed as part of further consultation in the new year. The future consultation is likely to include options around new homes bonus being withheld for any additional properties arising from successful developments planning appeals.

National Funding Formula and Education matters

- The Government on 14th December 2016 issued a consultation on the National Funding Formula. For special education needs, the Council is expected to lose funding of £1.5m per annum from 2018/19 as previously estimated. Although this loss was expected, there is greater uncertainty on whether transitional protection will reduce this sum between 2018/19 and 2019/20;
- One off funding will be provided in 2016/17 (available in January 2017) from the new High Needs Strategic Planning Fund which provides funding to local authorities to 'carry out a strategic review of their high needs provision. We ask that local authorities prioritise this review and planning activity, working with schools, colleges and other providers, and with parents and young people.' Just under £140k will be available to Bromley.

Other changes

- Bromley is one of 97% of all councils that applied for a Four Year Settlement;
- The loss of public health grant is as previously estimated in the Council's financial forecast.

General Note

- At the time of writing this report details of the funding for the 2017/18 Better Care Fund which is also expected to include a requirement for the submission of a joint integration plan with the local Clinical Commissioning Group, is also awaited. There are various other grants where details are still awaited. The Council has signed up to a four year minimum funding offer for core government grant which provides some certainty in future funding. However, there are a considerable number of government grants which fall outside the minimum funding guarantee as reported previously.
- The Chancellor has said that he is committed to returning public finances to balance "as soon as is practicable". This highlights that austerity for local government is likely to continue beyond 2019/20. Departmental spending plans set out in the 2015 Spending Review are to remain in place.

DRAFT 2017/18 BUDGET AND FINANCIAL FORECAST 2018/19 TO 2020/21

	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000
Bromley's Budget Requirement in 2016/17 (before funding from Formula Grant)	192,363	192,363	192,363	192,363	192,363
Formula Grant and Business Rate Share	-56,680	-56,680	-56,680	-56,680	-56,680
	135,683	135,683	135,683	135,683	135,683
Increased costs (2.7% 2017/18 and 2018/19 then 2.5% per annum)		4,591	9,892	15,242	20,747
Net reduction in core funding		9,620	15,114	20,507	24,900
Potential impact of Chancellor's 2015 Summer Budget on future costs (eg. further changes on welfare reform, new living wage, etc.)		5,250	9,050	12,150	13,000
Less contingency for growth already reflected in 2016/17 budget		-4,483	-4,483	-4,483	-4,483
Impact of reduction on bank base rate resulting in lower interest rates for lending		600	600	600	600
Additional income from business rate share to reflect new developments in borough		-300	-600	-900	-1,200
General reductions in government funding		0	1,000	1,500	1,500
Reductions in Government Funding - Public Health		375	785	1,195	1,500
Estimated impact of National Formula Funding resulting in funding reductions for SEN placements		0	1,500	1,500	1,500
Better Care Fund (provisional estimate at this stage - allocations not known)		0	-2,010	-4,630	-4,630
Assumed compensatory cost requirements at this stage		0	2,010	4,630	4,630
Adult Social Care Grant		-1,196	0	0	0
		246	7,852	11,562	12,417
Real Changes and Other Variations					
Education, Care and Health Services		-189	-189	-189	-189
Environment		528	1,205	1,808	2,423
Renewal and Recreation		29	58	88	118
Other (mainly council wide)		-443	207	-375	-256
Sub total - real changes and other variations		-75	1,281	1,332	2,096
New Homes Bonus		-6,011	-3,250	-2,500	-1,000
New Homes Bonus - Support for Revenue Budget		2,171	-2,170	0	0
		-3,840	-5,420	-2,500	-1,000
Transitional Funding 2017/18 (part of Local Government Finance Settlement 2016/17)		-2,052	0	0	0
Transitional Funding set aside for Transitional Funding Reserve		2,052	0	0	0
Collection Fund surplus 2015/16		-6,401	0	0	0
Collection Fund surplus 2014/15 and 2015/16 set aside as one off support towards meeting the funding shortfall in future years		6,401	-6,924	-4,389	0
		0	-6,924	-4,389	0
Full year effect of savings agreed as part of 2015/16 Budget		-45	-45	-45	-45
Full year effect of savings agreed as part of 2016/17 Budget		-3,273	-4,158	-4,251	-4,251
Acquisition of residential properties to accommodate the homeless (Executive 2nd December 2015)		-493	-1,951	-2,433	-2,433
"Gifting" of residential properties investment to pension fund (Executive 2nd December 2015)		-1,700	-1,700	-1,700	-1,700
Additional income opportunity (TFM Contract)		0	-500	-700	-945
Impact of Highways Investment report		-2,500	-2,500	-2,500	-2,500
		-8,011	-10,854	-11,629	-11,874
Review of Children's Services following Ofsted report (Executive and Council September 2016)		2,314	2,266	2,266	2,266
Full year impact of Children's Placements overspend in 2016/17		2,093	2,093	2,093	2,093
Review of Children's Placements		0	-2,093	-2,093	-2,093
Provision for cost pressures - Children's Social Care		0	2,093	2,093	2,093
Education SEN and Adult Social Care - full year effect of additional costs		2,200	2,200	2,200	2,200
Release general provision in contingency for significant uncertainty/variables		-724	-2,400	-2,500	-2,500
Increase in Council Tax Base to reflect additional properties and increased collection rates		-2,000	-2,650	-3,300	-3,950
Impact of Pension Fund triennial valuation		-1,500	-1,500	-1,500	-1,500
Resourcing commissioning programme		500	0	0	0
		2,883	9	-741	-1,391
Increase in council tax (assume 1.99% per annum) *		-2,700	-5,454	-8,263	-11,127
2016/17 Council Tax Income	-135,683	-135,683	-135,683	-135,683	-135,683
Remaining "Budget Gap"	0	2,714	5,496	21,121	34,768
Impact of Adult Social Care Precept (assume 2% per annum) *		-2,714	-5,482	-8,305	-11,185
Remaining "Budget Gap"		0	14	12,816	23,583

* Included for illustrative purposes. Any decision on council tax and adult social care precept levels will be part of the annual council tax setting meeting.

DRAFT 2017/18 BUDGET AND FINANCIAL FORECAST 2018/19 TO 2020/21

SUMMARY OF REAL CHANGES AND OTHER VARIATIONS

	Budget				
	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Education, Care and Health Services					
SEN transport		74	150	227	305
Offset by invest to save initiatives		-74	-150	-227	-305
Full year effect of Adult Education Savings		-189	-189	-189	-189
Total real changes (ECHS)		-189	-189	-189	-189
Environment					
Absorption of inflation increases for PCNs	-3,787	76	153	232	312
Absorption of inflation increases for parking fee income	-7,863	157	318	481	648
		233	471	713	960
Other cost pressures/ growth					
Waste					
- Increase in land tax above inflation	3,524	20	71	122	173
- Increase in refuse/recycling collection to reflect additional units	7,752	46	92	138	184
- Increase in refuse/recycling disposal to reflect additional units	12,543	72	144	216	288
- Decrease in paper income from fall in projected tonnages	-844	17	34	51	68
- Growth in tonnage	12,543	140	393	568	750
Sub total (waste)		295	734	1,095	1,463
Total real changes (Environment)		528	1,205	1,808	2,423
Renewal and Recreation					
Absorption of inflation for statutory planning fees	-1,292	29	58	88	118
OTHER VARIATIONS (MAINLY COUNCIL WIDE)					
Other net cost pressures/ growth					
Cost of local elections in 2018/19	0	0	500	0	0
HR/Finance - Impact of Academy Conversions	110	-16	-16	-16	-16
Real reduction in cost of freedom passes		-640	-490	-340	-190
Full year savings from Mytime negotiations approved by Executive		0	0	-232	-263
Apprenticeship levy		350	350	350	350
Review of car allowances		-150	-150	-150	-150
Estimated impact of revaluation of business rates		350	350	350	350
TFM Contract (report to Executive on 20th July 2016)		-228	-228	-228	-228
Various other savings realised during 2016/17		-109	-109	-109	-109
Total real changes (mainly council wide)		-443	207	-375	-256
TOTAL		-75	1,281	1,332	2,096

The Rt. Hon. Marcus Jones, MP
Parliamentary Under Secretary of
State For Communities & Local
Government 2 Marsham Street
London SW1P

0AA 6th June

2016

Dear Mr Jones,

Follow up from Visit 25th May 2016

My sincere thanks for allowing me to meet with you and showing an interest in Bromley's views on the future Fair Funding arrangements. Enabling this meeting and offering an opportunity for future visits is most helpful.

We discussed some key points relating to matters that I feel should be fully considered as part of the Fair Funding review. These are summarised below. "Fair Funding" should have a mechanism to reward more efficient authorities by including financial incentives in the funding system. In terms of financial context, we believe Bromley has managed its finances extremely efficiently, despite having a low level of government funding and managing to retain a low council tax. This has only been achieved by keeping our costs low. We have effectively created a low cost base through many pioneering measures taken, including outsourcing on a large scale, transfer of housing stock and relentless cost control. However, this provides a further challenge as our scope to achieve savings through efficiencies is significantly reduced compared to other higher cost authorities and this should be recognised in any new system.

"Fair Funding" needs to recognise higher London costs which impacts on service costs and the financial impact of need. Bromley has one of the lowest Area Cost Adjustments for the London area and this needs to be reviewed to more closely reflect that costs in Bromley are as high as the South West of London.

Social Care responsibilities should be part of the adult social care formula and be excluded from any consideration of the council tax baseline. Bromley stand to lose up to £3m of additional funding from 2019/20 if the council tax baseline is taken into account. even though there is an increasing ageing population with social care needs.

Bromley's population is expected to increase by more than the national average by 2030 (funding is currently not reallocated based on population growth) and also Bromley has a higher increase in over 65 years (18.9%) compared with the rest of London (12.1%).

Benefits data, which is used in determining needs assessment, does not reflect the low level of take up (can it be adjusted to reflect lower take up compared with the rest of country?) and the impact of higher housing costs in London. Measuring deprivation levels after housing costs gives a more realistic assessment of disposable income and would help ensure a fairer assessment of need.

In terms of my discussion of the integration with Health, we still have funding silos and effectively there is a need for a whole systems review to ensure that funding follows the patient. We need to avoid the risk that investment in social care is restricted as savings in health care cannot easily be diverted. It is in the national interest that authorities like Bromley are empowered to spend money on health as well as social care to make best use of the public money available by creating innovative and cost effective

ways through integration to achieve better patient outcomes and better use of public resources. We are seeking your support to help remove any barriers to enable an effective local solution with our partners. Integration of health and social care will reduce pressure on the acute sector and it is clearly evidenced that social care, which represents a high proportion of local government expenditure, has an impact on the cost of and demand for NHS care. The ongoing funding reductions to local government make this more difficult to achieve and we can help ensure that public money directed towards health is better spent.

There are other matters which we did not discuss which are worth mentioning as follows:

- The resource element of any funding baseline should not reflect a notional council tax which may be higher than current council tax level for Bromley;
- Some form of “damping” protection would be needed to assist in forward planning;
- Authorities with low cost baseline should not face higher proportion of cuts to funding as part of ongoing austerity;
- Any Fair Funding solution needs to avoid the situation where low council tax authorities do not need to increase council tax as they have more generous settlement than other comparable authorities;
- London cost pressures relating to homelessness (for Bromley a further £4.5m per annum by 2019/20) – cost pressure mainly relating to London and a few other areas;
- The relative size of the Needs and Resource amounts are ultimately set by DCLG on the basis of judgement – this level of judgement needs to be reviewed to ensure it becomes “fit for purpose”;
- Council tax Freeze Grants (Bromley received grants equivalent to 3.5% of council tax baseline) should continue to be built into any future baseline – this is essential for boroughs that are more reliant on council tax revenue.

I welcome your real engagement with local authorities relating to Fairer Funding coupled with the previous meeting with Greg Clark to consider the wider devolution of business rates. This level of positive engagement will help us work together to find solutions that work for our residents and taxpayers to meet the necessary austerity measures.

I attach for background information the Council’s response to the Local Government Financial Settlement 2016/17 which provides some further background details.

I look forward to taking up your offer to meet again, as the work on the Fair Funding review progresses.

Yours sincerely

A handwritten signature in black ink, appearing to read "Stephen Carr". The signature is written in a cursive style with a long horizontal stroke at the end.

Cllr Stephen Carr

c.c. Local MPS

SUMMARY OF DRAFT 2017/18 REVENUE BUDGET - PORTFOLIO

2016/17 Final Budget £'000	Portfolio/Item	2017/18 Draft Budget £'000
88,950	Education	78,822
Cr 83,705	Less costs funded through Dedicated Schools Grant	Cr 73,736
5,245	Sub total	5,086
92,548	Care and Services	97,043
31,203	Environment	29,235
1,948	Public Protection and Safety	1,937
8,953	Renewal and Recreation	7,570
31,820	Resources	31,293
7,579	Non Distributed Costs & Corporate & Democratic Core	7,731
179,296	Total Controllable Budgets	179,895
11,521	Total Non Controllable Budgets	11,244
Cr 772	Total Excluded Recharges	Cr 772
190,045	Portfolio Total	190,367
Cr 10,203	Reversal of Net Capital Charges	Cr 9,901
Cr 3,491	Interest on General Fund Balances	Cr 2,891
7,402	Contribution to Investment Fund	-
-	New Homes Bonus - Support for Revenue Budget	2,171
2,068	Contribution to Transition Fund Reserve	2,052
4,912	Set Aside/Utilisation of Prior Year Collection Fund Surplus	6,401
15,629	Central Contingency Sum	15,324
	Levies	
464	- London Pension Fund Authority *	487
320	- London Boroughs Grants Committee	281
238	- Environment Agency *	250
362	- Lee Valley Regional Park *	380
207,746	Sub Total	204,921
Cr 56,680	Revenue Support Grant and Business Rate Retention	Cr 47,360
Cr 2,068	Transition Grant	Cr 2,052
Cr 15	Local Services Support Grant	-
Cr 4,912	Collection Fund Surplus	Cr 6,401
Cr 7,402	New Homes Bonus	Cr 6,011
Cr 986	New Homes Bonus - London Top Slice	-
135,683	Bromley's Requirement (excluding GLA)	143,097

* Final allocations awaited

DRAFT REVENUE BUDGET 2017/18

	Education	Care Services	Environment	Public Protection and Safety	Renewal and Recreation	Resources	Portfolio Total
	£000	£000	£000	£000	£000	£000	£000
Employees	13,101	28,614	6,014	2,104	7,717	18,783	76,333
Premises	822	276	6,055	42	896	3,592	11,683
Transport	4,236	236	231	63	84	33	4,883
Supplies and Services	38,683	15,453	7,296	198	961	4,679	67,270
Third Party Payments	32,244	108,421	30,472	941	1,262	14,222	187,562
Transfer Payments	1	137,325	-	-	-	11,934	149,260
Income	Cr 83,648	Cr 194,285	Cr 19,221	Cr 784	Cr 3,133	Cr 14,017	Cr 315,088
Controllable Recharges	Cr 353	1,003	Cr 1,612	Cr 627	Cr 217	Cr 371	Cr 2,177
Capital Charges/Financing	-	-	-	-	-	169	169
Total Controllable Budgets	5,086	97,043	29,235	1,937	7,570	39,024	179,895
Capital Charges/Financing	1,721	Cr 610	4,523	-	3,599	668	9,901
Repairs, Maintenance & Insurance	238	360	1,614	3	630	Cr 1,502	1,343
Property Rental Income	-	Cr 175	Cr 509	-	Cr 79	763	
Not Directly Controllable Budgets	1,959	Cr 425	5,628	3	4,150	Cr 71	11,244
Recharges In	15,721	23,238	6,403	1,516	4,528	15,981	67,387
Total Cost of Service	22,766	119,856	41,266	3,456	16,248	54,934	258,526
Recharges Out	Cr 12,799	Cr 12,907	Cr 4,240	Cr 1,337	Cr 2,173	Cr 34,703	Cr 68,159
Total Net Budget	9,967	106,949	37,026	2,119	14,075	20,231	190,367

2017/18 CENTRAL CONTINGENCY SUM

£'000

Renewal and Recreation

Planning appeals - changes in legislation		60
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Grants included within Central Contingency Sum

Adult Social Care Support Grant Income	Cr	1,196
Tackling Troubled Families Grant Expenditure		426
Tackling Troubled Families Grant Income	Cr	426
SEND Implementation Grant Expenditure		201
SEND Implementation Grant Income	Cr	201

General

Provision for Unallocated Inflation		2,485
Impact of Chancellor's Summer Budget 2015 on future costs		7,240
Education SEN and Adult Social Care - full year effect of additional costs		2,200
Provision for risk/uncertainty relating to volume and cost pressure		2,182
General provision for risk/uncertainty		2,194
Ofsted report Phase 3, reported to Executive on 14th September 2016		795
Commissioning Programme - one off funding		500
Retained Welfare Fund		450
Reduction of rate of conversion of schools to academies		444
Growth for waste services		424
Appreniceship levy		350
Provision for impact of NNDR revaluation		350
Other Provisions		293
Grants to voluntary organisations - pump priming funding		275
Deprivation of Liberty		118
Gifting' to Pension Fund	Cr	1,700
Impact of Pension Fund triennial valuation (provisional)	Cr	1,500
Real reduction in cost of Freedom passes	Cr	640
		<u>15,324</u>

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

EDUCATION PORTFOLIO**DRAFT REVENUE BUDGET 2017/18 - SUMMARY**

2015/16 Actual	Service Area	2016/17 Budget	Increased costs	Other Changes	2017/18 Draft Budget
£		£	£	£	£
	Education Division				
Cr 232,832	Adult Education Centres	Cr 288,000	Cr 28,870	Cr 189,020	Cr 505,890
230,739	Alternative Education and Welfare Service	250,410	4,700	Cr 6,220	248,890
264,385	Schools & Early Years Commissioning and QA	391,350	5,590	Cr 1,140	395,800
4,978,608	SEN and Inclusion	4,868,830	91,530	209,310	5,169,670
206,998	Strategic Place Planning	205,010	4,150	Cr 310	208,850
Cr 15,362	Workforce Development & Governor Services	17,650	2,190	0	19,840
Cr 1,649,898	Education Services Grant	Cr 1,728,000	0	1,219,610	Cr 508,390
Cr 1,381,422	Schools Budgets	Cr 1,219,550	5,090	Cr 742,610	Cr 1,957,070
94,112	Other Strategic Functions	179,150	3,430	80,910	263,490
1,756,705	Bromley Youth Support Programme	1,438,150	18,090	Cr 2,290	1,453,950
0	Early Years	0	0	0	0
Cr 13,864	Primary Schools	0	0	0	0
0	Secondary Schools	0	0	0	0
0	Special Schools & Alternative Provision	0	0	0	0
4,238,168		4,115,000	105,900	568,240	4,789,140
	Childrens Social Care				
1,872,440	Early Intervention Services	1,130,210	28,390	Cr 861,350	297,250
1,872,440		1,130,210	28,390	Cr 861,350	297,250
6,110,608	TOTAL CONTROLLABLE	5,245,210	134,290	Cr 293,110	5,086,390
11,061,055	TOTAL NON CONTROLLABLE	4,197,270	4,520	Cr 2,242,860	1,958,930
3,628,250	TOTAL EXCLUDED RECHARGES	3,240,290	0	Cr 318,370	2,921,920
20,799,913	PORTFOLIO TOTAL	12,682,770	138,810	Cr 2,854,340	9,967,240

EDUCATION PORTFOLIO

SUMMARY OF BUDGET VARIATIONS 2017/18

Ref		VARIATION IN 2017/18 £'000	ORIGINAL BUDGET 2016/17 £'000
1	2016/17 BUDGET	12,683	
2	Increased Costs	139	
	Full Year Effect of Allocation of Central Contingency		
3	Impact of Conversion of Schools to Academies	<u>54</u>	54
	Movements Between Portfolios/Departments		
4	SEN Transport Posts	67	67
5	Commissioning Restructure	<u>12</u>	12
	Real Changes		
	<i>Savings identified for 2017/18 as part of the 2016/17 Budget process</i>		
6	Adult Education Restructure	Cr 189	
7	Car Allowances	<u>Cr 11</u>	22
	<i>Other Real Changes:</i>		
8	Education Services Grant	477	
9	Transport Grant	<u>Cr 15</u>	462
10	Variations in Capital Charges	Cr 2,241	
11	Variations in Recharges	Cr 1,006	
12	Variations in Building Maintenance	0	
13	Variations in Insurances	Cr 3	
14	Variations in Rent Income	0	
15	2017/18 DRAFT BUDGET	<u>9,967</u>	

EDUCATION PORTFOLIO

Notes on Budget Variations in 2017/18

Ref Comments

Full Year Effect of Allocation of Central Contingency

- 3 Impact of Conversion of Schools to Academies on Operational Properties (Dr £54)
Additional funding of £216k was agreed by the Executive on 23 March 2016 to meet cost pressures within Operational Property. This covered the loss of income from the conversion of schools to academies. £149k was drawn down for the Resources Portfolio and the remaining £67k was drawn down for the Education and Care Services Portfolios (of which the Education Portfolio share is £54k).

Movements Between Portfolios/Departments

- 4 Transfer of SEN Transport Client Team (Dr £67k)
Transfer of resources to the Education Portfolio to manage the SEN transport contract.
- 5 Commissioning Restructure (Dr £12k)
The ECHS Commissioning Division was restructured early in 2016/17. Procurement, contracts and brokerage functions were transferred from ECHS Department to Chief Executive's and service commissioners were transferred to the relevant ECHS divisions e.g. Education, Adult Social Care etc. This adjustment reflects the net effect for £12k in this Division.

Real Changes

- 6 Adult Education Restructure (Cr £189k)
This is the saving agreed as part of the Adult Education restructure report presented in December 2015. The report details the changes needed following a significant reduction in Skill Funding Agency grant over the last few years.
- 7 Car Allowances (Cr £11k)
This saving relates to the full year effect of changes to the car allowance scheme.
- 8 Education Services Grant (Dr £477)
This Relates to the reduction in the ESG income due to academy conversions during 2016/17
- 9 Transport Grant (Cr £15)
This relates to the transfer of this grant from Corporate to the Education Portfolio due to it being removed from the Local Services Support Grant (LSSG) agreement and now paid to Bromley as an individual grant.
- 10 Variations in Capital Charges (Cr £2,241k)
The variation in capital charges is due to a combination of the following:
(i) Depreciation – the impact of revaluations or asset disposals in 2015/16 (after the 2016/17 budget was agreed) and in the first half of 2016/17;
(ii) Revenue Expenditure Funded by Capital Under Statute (REFCUS) – mainly due to variations in the value of schemes in our 2017/18 Capital Programme that do not add value to the Council's fixed asset base.
(iii) Government Grants – mainly due to variations in credits for capital grants receivable in respect of 2017/18 Capital Programme schemes, which are used to finance expenditure that is treated as REFCUS. These charges are required to be made to service revenue accounts, but an adjustment is made below the line to avoid a charge on Council Tax.
- 11 Variations in Recharges (Cr £1,006k)

Variations in recharges are offset by corresponding variations elsewhere and have no impact on the overall position.

12/13 Variations in Building Maintenance and Insurances (Cr £3k)

Insurance recharges to individual portfolios have changed between years, in some cases significantly, partly because we have factored in an extra year of claims experience since the 2016/17 budget was finalised. Despite the increase in Insurance Premium Tax from 9.5% to 10% which takes effect from February 2017, as well as the take-up of Terrorism cover for the first time, the overall variation across the Council is Cr £1k as a result of the savings achieved by tendering the insurance policies with effect from August 2016.

**EDUCATION PORTFOLIO
DRAFT REVENUE BUDGET 2017/18 - SUBJECTIVE SUMMARY**

Service area	Employees	Premises	Transport	Supplies and Services	Third Party Payments	Transfer Payments	Income	Controllable Recharges	Capital Charges/Financing	Total Controllable	Capital Charges/Financing	Repairs, Maintenance & Insurance	Property Rental Income	Not Directly Controllable	Recharges In	Total Cost of Service	Recharges Out	Total Net Budget
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Education Division																		
Adult Education Centres	1,154,800	146,310	1,320	287,970	0	1,060	Cr 2,124,840	27,490	0	Cr 505,890	317,240	32,640	0	349,880	454,300	298,290	Cr 2,970	295,320
Alternative Education and Welfare Service	401,100	0	8,290	169,200	146,390	0	Cr 110,580	Cr 365,510	0	248,890	0	760	0	760	150,580	400,230	Cr 394,580	5,650
Schools & Early Years Commissioning and QA	1,371,030	71,890	20,000	425,660	14,324,870	0	Cr 544,450	Cr 15,273,200	0	395,800	0	24,920	0	24,920	329,630	750,350	Cr 854,040	Cr 103,690
SEN and Inclusion	5,815,450	233,590	4,099,600	297,760	17,448,520	0	Cr 399,450	Cr 22,325,800	0	5,169,670	2,000	11,240	0	13,240	1,288,290	6,471,200	Cr 6,325,580	145,620
Strategic Place Planning	525,440	0	66,210	54,590	0	0	Cr 10,000	Cr 427,390	0	208,850	0	780	0	780	182,440	392,070	Cr 375,200	16,870
Workforce Development & Governor Services	83,840	24,620	610	46,690	24,110	0	Cr 77,040	Cr 82,990	0	19,840	0	140	0	140	18,770	38,750	Cr 50,880	Cr 12,130
Education Services Grant	0	0	0	0	0	0	Cr 508,390	0	0	Cr 508,390	0	0	0	0	0	508,390	0	Cr 508,390
Schools Budgets	0	0	0	Cr 2,072,500	0	0	Cr 76,949,500	77,064,930	0	Cr 1,957,070	0	0	0	0	1,219,550	Cr 737,520	0	Cr 737,520
Other Strategic Functions	219,200	0	820	43,470	0	0	0	0	0	263,490	0	1,490	0	1,490	6,348,370	6,613,350	Cr 168,320	6,445,030
Bromley Youth Support Programme	1,815,650	127,350	31,110	145,530	63,320	0	Cr 600,680	Cr 128,330	0	1,453,950	52,550	50,160	Cr 350	102,360	393,860	1,950,170	Cr 65,760	1,884,410
Early Years	0	0	0	0	0	0	0	0	0	0	0	0	0	0	959,700	959,700	Cr 355,270	604,430
Primary Schools	101,570	0	0	21,668,730	0	0	44,840	Cr 21,815,140	0	0	742,770	95,740	0	838,510	2,015,950	2,854,460	Cr 2,082,800	771,660
Secondary Schools	0	0	0	5,362,710	0	0	Cr 2,242,190	Cr 3,120,520	0	0	0	3,870	0	3,870	259,100	262,970	Cr 262,600	370
Special Schools & Alternative Provision	0	0	0	12,139,720	0	0	Cr 48,110	Cr 12,091,610	0	0	581,610	8,670	0	590,280	1,892,410	2,482,690	Cr 1,845,160	637,530
	11,488,080	603,760	4,227,960	38,569,530	32,007,210	1,060	Cr 83,570,390	1,461,930	0	4,789,140	1,696,170	230,410	Cr 350	1,926,230	15,512,950	22,228,320	Cr 12,783,160	9,445,160
Childrens Social Care																		
Early Intervention Services	1,613,200	218,020	8,300	113,830	236,740	0	Cr 77,480	Cr 1,815,360	0	297,250	25,290	7,410	0	32,700	207,570	537,520	Cr 15,440	522,080
	1,613,200	218,020	8,300	113,830	236,740	0	Cr 77,480	Cr 1,815,360	0	297,250	25,290	7,410	0	32,700	207,570	537,520	Cr 15,440	522,080
	13,101,280	821,780	4,236,260	38,683,360	32,243,950	1,060	Cr 83,647,870	Cr 353,430	0	5,086,390	1,721,460	237,820	Cr 350	1,958,930	15,720,520	22,765,840	Cr 12,798,600	9,967,240

Care Services

DRAFT REVENUE BUDGET 2017/18 - SUMMARY

2015/16 Actual	Service Area	2016/17 Budget	Increased costs	Other Changes	2017/18 Draft Budget
£		£	£	£	£
	Adult Social Care				
22,340,323	Assessment and Care Management	21,342,560	512,220	Cr 1,558,920	20,295,860
774,505	Commissioning and Service Delivery	2,699,560	18,260	Cr 1,497,810	1,220,010
2,516,276	Direct Services	1,240,660	24,080	Cr 417,730	847,010
0	Learning Disabilities Care Management	2,833,700	0	Cr 2,833,700	0
28,980,061	Learning Disabilities Services	26,843,430	615,020	2,817,150	30,275,600
6,091,632	Mental Health Services	5,947,260	116,910	Cr 108,300	5,955,870
60,702,797		60,907,170	1,286,490	Cr 3,599,310	58,594,350
	Childrens Social Care				
16,767,755	Care and Resources	15,977,630	305,450	2,081,980	18,365,060
2,342,561	Children's Disability Services	2,342,500	40,550	Cr 2,550	2,380,500
1,113,054	Early Intervention and Family Support	997,600	18,630	Cr 254,440	761,790
3,174,393	Safeguarding and Care Planning Services	2,967,470	48,050	Cr 6,880	3,008,640
1,853,248	Safeguarding and Quality Assurance	1,494,120	26,220	1,537,940	3,058,280
2,507,734	Social Care Referral Services	2,694,830	38,410	Cr 3,970	2,729,270
27,758,744		26,474,150	477,310	3,352,080	30,303,540
	Environmental Services - Housing				
189,287	Housing Improvement	195,680	2,220	Cr 2,590	195,310
189,287		195,680	2,220	Cr 2,590	195,310
	Operational Housing				
Cr 641	Enabling Activities	Cr 900	0	0	Cr 900
Cr 2,350,997	Housing Benefits	Cr 1,907,270	Cr 38,140	0	Cr 1,945,410
6,364,121	Housing Needs	6,353,960	125,610	Cr 208,210	6,271,360
1,413,668	Supporting People	1,050,530	21,010	0	1,071,540
5,426,151		5,496,320	108,480	Cr 208,210	5,396,590
	Health Integration				
Cr 158,580	Better Care Fund	Cr 153,050	0	0	Cr 153,050
0	Carers	0	10,340	Cr 10,340	0
330,000	Health Integration Programme Team	0	3,960	329,560	333,520
0	Information & Early Intervention	0	23,830	Cr 23,830	0
0	NHS Support for Social Care	0	0	0	0
171,420		Cr 153,050	38,130	295,390	180,470
	Public Health				
Cr 358,177		Cr 371,650	0	375,000	3,350
	Strategic and Business Support Service				
241,966	Learning & Development	308,370	7,880	0	316,250
1,925,620	Strategic and Business Support Service	2,278,920	28,960	Cr 255,400	2,052,480
2,167,586		2,587,290	36,840	Cr 255,400	2,368,730
Cr 1,079,000	Savings achieved early in 2015/16 for 2016/17	0	0	0	0
94,978,809		95,135,910	1,949,470	Cr 43,040	97,042,340
3,000,883	TOTAL NON CONTROLLABLE	Cr 576,020	1,390	149,690	Cr 424,940
10,751,092	TOTAL EXCLUDED RECHARGES	8,609,860	0	1,721,280	10,331,140
108,730,784	PORTFOLIO TOTAL	103,169,750	1,950,860	1,827,930	106,948,540

CARE SERVICES PORTFOLIO

SUMMARY OF BUDGET VARIATIONS 2017/18

Ref		VARIATION IN 2017/18 £'000	ORIGINAL BUDGET 2016/17 £'000
1	2016/17 BUDGET	103,170	
2	Increased Costs	1,951	
	Full Year Effect of Allocation of Central Contingency		
3	Increase in cost of Homelessness/impact of welfare reform	760	7,320
4	Reduction of Public Health Grant	375	Cr 15,478
5	Deprivation of Liberty	66	575
6	Revenue budget for caretaking	13	
7	Car allowances	Cr 82	
8	Better Care Fund	<u>Cr 750</u>	Cr 19,180
		382	
	Movements Between Portfolios/Departments		
9	MOPAC Budgets	258	
10	Commissioning restructure	Cr 12	
11	Contribution towards Information Systems post in Corporate	<u>Cr 31</u>	215
	Real Changes		
	<i>Savings identified for 2017/18 as part of the 2016/17 Budget process</i>		
12	Review of respite provision	Cr 50	147
13	Further efficiency savings	Cr 500	
14	Learning Disabilities - managing placements/contract negotiations	Cr 510	26,843
15	Public Health	<u>Cr 1,104</u>	15,478
		Cr 2,164	
	<i>Other Real Changes</i>		
16	Risk and uncertainties provision: Children's Services		1,519
17	Childrens Placements		2,093
	<i>New Savings identified for 2017/18 (subject to approval)</i>		
18	Savings in TA - Mears Project	Cr 950	
19	Variations in Capital Charges		42
20	Variations in Recharges		583
21	Variations in Insurances		12
22	Variations in Rent Income		96
23	2017/18 DRAFT BUDGET	<u><u>106,949</u></u>	

CARE SERVICES PORTFOLIO

Notes on Budget Variations in 2017/18

Ref Comments

2 **Increased Costs (Dr £1,951k)**

Inflation of £1,951k has been allocated to budgets for 2017/18. An estimated rate of 1.2% has been applied to staffing budgets with 2% applied to all other budgets.

Full Year Effect of Allocation of Central Contingency

3 **Increase in cost of Homelessness/impact of welfare reform (Dr £760k)**

This represents the growth in temporary accommodation during 2016/17 and the full year effect that that growth has on the budget for 2017/18

4 **Reduction in Public Health Grant (Dr £375k)**

The Public Health Grant has been reduced in 2017/18 to £15,096k. The difference between this amount and the 2016/17 grant amount has been funded by an allocation from contingency.

5 **Deprivation of Liberty Safeguards (DoLS) (Dr £66k)**

There is a statutory obligation under the Mental Capacity Act to carry out assessments to prevent unlawful deprivation of liberty. On 30th November 2016 the Executive agreed the drawdown of £66k to fund additional costs resulting from an increase in the number of DoLS applications being processed.

6 **Revenue Budget for Caretaking (Dr £13k)**

Budgets for caretaking services at the family centres have now been devolved to the department.

7 **Car allowances (Cr £82k)**

The saving relates to the full year effect of car allowances savings in 2016/17.

8 **Better Care Fund (Cr £750k)**

Additional Better Care Fund income was allocated from the central contingency during 2016/17 as an increased contribution to social care costs.

Movements Between Portfolios/Departments

9 **MOPAC funded Domestic Violence Project (Dr £258k)**

The element of MOPAC Grant relating to Domestic Violence Projects now sits within Strategic and Business Support Services and the applicable contracts will be managed from this service. The associated grant income is held within PPS Portfolio and there is a recharge to PPS for the full amount of this budget.

10 **ECHS Commissioning Restructure (Cr £12k)**

The ECHS Commissioning Division was restructured early in 2016/17. Procurement, contracts and brokerage functions were transferred from ECHS Department to Chief Executive's and service commissioners were transferred to the relevant ECHS divisions e.g. Education, Adult Social Care etc. This adjustment reflects the net effect.

- 11 Funding transferred for Corporate Post (Cr £31k)
This is the full year effect of a virement of budget for the creation of a post in IT to support ECHS systems.

Real Changes

Savings identified for 2017/18 as part of the 2016/17 Budget process

- 12 Review of respite provision (Cr £50k)
This saving relates to the full year effect of changes to the provision of respite care.
- 13 Further savings to be identified through efficiencies (Cr £500k)
Efficiency savings across Care Services were agreed as part of the 2016/17 budget process. The full year effect in 2017/18 is a further £500k saving across Adult Social Care budgets.
- 14 Learning Disabilities - managing placements / contract renegotiations (Cr £510k)
This is the full year effect of savings that were agreed as part of the 2016/17 budget process.
- 15 Public Health (Cr £1,104k)
Savings have been identified in the following areas:
National Childhood Measurement Programme - Cr £131k
Bromley Stop smoking Service - Cr £342k
Prescribing Smoking Cessation - Cr £386k
Children's services - Cr £65k
Health Improvement Inequalities - Cr £51k
Health Improvement Lifestyles - Cr £82k
Health Improvement Mental Health - Cr £47k

Other Real Changes

- 16 Risk and uncertainties provision: Children's Services (Dr £1,519k)
As part of the improvement plans for Children's Social Care, funding of £950k was approved by the Executive on 14th September 2016 for 26 new posts. The approved full year effect of these additional posts in 2017/18 is £1,519k.

New Savings identified for 2017/18 (subject to approval)

- 17 Childrens Placements (Dr £2,093k)
This represents additional children's placements growth for 2017/18
- 18 Mears Project Savings (Cr £950k)
This represents the phased saving expected to be achieved from the Mears Project as stated in the Executive Report. The total full year saving is Cr £950k

Variations in Capital Charges, Recharges & Rent Income

- 19 Variations in Capital Charges (Dr £42k)
The variation in capital charges is due to a combination of the following:

- (i) Depreciation – the impact of revaluations or asset disposals in 2015/16 (after the 2016/17 budget was agreed) and in the first half of 2016/17;
- (ii) Revenue Expenditure Funded by Capital Under Statute (REFCUS) – mainly due to variations in the value of schemes in our 2017/18 Capital Programme that do not add value to the Council's fixed asset base.
- (iii) Government Grants – mainly due to variations in credits for capital grants receivable in respect of 2017/18 Capital Programme schemes, which are used to finance expenditure that is treated as REFCUS.

These charges are required to be made to service revenue accounts, but an adjustment is made below the line to avoid a charge on Council Tax.

20 Variations in Recharges (Dr £583k)

Variations in recharges are offset by corresponding variations elsewhere and have no impact on the overall position.

21 Variations in Insurances (Dr £12k)

Insurance recharges to individual portfolios have changed between years, in some cases significantly, partly because we have factored in an extra year of claims experience since the 2016/17 budget was finalised. Despite the increase in Insurance Premium Tax from 9.5% to 10% which takes effect from February 2017, as well as the take-up of Terrorism cover for the first time, the overall variation across the Council is Cr £1k as a result of the savings achieved by tendering the insurance policies with effect from August 2016.

22 Variations in Rent Income (Dr £96k)

This relates to the reallocation of rental income budgets across departments / portfolios. There are corresponding adjustments in other portfolios and these net out to zero in total.

Care Services
DRAFT REVENUE BUDGET 2017/18 - SUBJECTIVE SUMMARY

Service area	Employees	Premises	Transport	Supplies and Services	Third Party Payments	Transfer Payments	Income	Controllable Recharges	Capital Charges/Financing	Total Controllable	Capital Charges/Financing	Repairs, Maintenance & Insurance	Property Rental Income	Not Directly Controllable	Recharges In	Total Cost of Service	Recharges Out	Total Net Budget	
	£	£	£	£	£	£	£			£	£				£	£	£	£	
Adult Social Care																			
Assessment and Care Management	5,516,620	55,760	37,930	1,441,440	31,269,600	2,806,270	Cr 13,394,320	Cr 7,437,440	0	20,295,860	22,000	164,310	Cr 151,110	35,200	6,263,230	26,594,290	Cr 1,919,140	24,675,150	
Commissioning and Service Delivery	712,870	0	950	220,450	274,730	36,880	0	Cr 25,870	0	1,220,010	0	920	0	920	4,856,440	6,077,370	Cr 709,400	5,367,970	
Direct Services	2,752,080	54,480	71,940	108,710	39,420	0	Cr 703,880	Cr 1,475,740	0	847,010	0	6,710	0	6,710	10,090	863,810	Cr 1,183,760	Cr 319,950	
Learning Disabilities Services	879,850	0	10,300	0	32,314,040	2,152,770	Cr 3,648,160	Cr 1,433,200	0	30,275,600	106,000	84,340	0	190,340	3,883,010	34,348,950	Cr 4,663,520	29,685,430	
Mental Health Services	0	0	0	0	6,515,730	159,560	Cr 711,900	Cr 7,520	0	5,955,870	4,000	21,820	Cr 17,590	8,230	108,240	6,072,340	Cr 1,365,870	4,706,470	
	9,861,420	110,240	121,120	1,770,600	70,413,520	5,155,480	Cr 18,458,260	Cr 10,379,770	0	58,594,350	132,000	278,100	Cr 168,700	241,400	15,121,010	73,956,760	Cr 9,841,690	64,115,070	
Childrens Social Care																			
Care and Resources	4,251,600	0	34,010	629,290	14,039,410	1,828,370	Cr 1,526,620	Cr 891,000	0	18,365,060	0	0	0	0	2,221,650	20,586,710	Cr 56,460	20,530,250	
Children's Disability Services	782,810	0	8,670	5,250	1,237,260	460,130	Cr 113,620	0	0	2,380,500	0	0	0	0	115,120	2,495,620	0	2,495,620	
Early Intervention and Family Support	586,390	35,370	12,820	51,340	471,820	25,320	0	Cr 421,270	0	761,790	3,000	2,170	0	5,170	84,110	851,070	0	851,070	
Safeguarding and Care Planning Services	3,192,450	0	16,960	73,570	484,680	65,230	Cr 134,680	Cr 689,570	0	3,008,640	0	0	0	0	347,240	3,355,880	0	3,355,880	
Safeguarding and Quality Assurance	1,509,470	0	4,850	348,210	63,310	0	Cr 94,540	1,226,980	0	3,058,280	0	20,200	0	20,200	699,470	3,777,950	0	3,777,950	
Social Care Referral Services	1,972,210	0	10,650	633,310	75,410	42,200	0	Cr 4,510	0	2,729,270	0	25,190	Cr 6,070	19,120	422,410	3,170,800	0	3,170,800	
	12,294,930	35,370	87,960	1,740,970	16,371,890	2,421,250	Cr 1,869,460	Cr 779,370	0	30,303,570	3,000	47,560	Cr 6,070	44,490	3,890,000	34,238,030	Cr 56,460	34,181,570	
Environmental Services - Housing																			
Housing Improvement	391,640	36,040	3,910	3,580	0	0	Cr 167,290	Cr 72,570	0	195,310	Cr 829,000	1,140	0	Cr 827,860	328,260	Cr 304,290	0	Cr 304,290	
	391,640	36,040	3,910	3,580	0	0	Cr 167,290	Cr 72,570	0	195,310	Cr 829,000	1,140	0	Cr 827,860	328,260	Cr 304,290	0	Cr 304,290	
Health Integration																			
Better Care Fund	0	0	0	9,789,000	0	0	Cr 19,930,000	9,987,950	0	Cr 153,050	0	0	0	0	153,050	0	0	0	
Carers	0	0	0	0	517,710	0	0	Cr 517,710	0	0	0	0	0	0	0	0	0	0	
Health Integration Programme Team	401,110	0	900	1,320	0	0	Cr 69,810	0	0	333,520	0	360	0	360	0	333,880	Cr 333,880	0	
Information & Early Intervention	0	0	0	1,482,030	0	0	Cr 289,680	Cr 1,192,350	0	0	0	0	0	0	150,150	150,150	Cr 150,150	0	
	401,110	0	900	9,790,320	1,999,740	0	Cr 20,289,490	8,277,890	0	180,470	0	360	0	360	303,200	484,030	Cr 484,030	0	
Operational Housing																			
Enabling Activities	0	0	0	0	0	0	Cr 900	0	0	900	0	0	0	0	156,620	155,720	0	155,720	
Housing Benefits	0	0	0	604,340	0	129,748,480	Cr 132,298,230	0	0	1,945,410	0	0	0	0	2,091,970	146,560	0	146,560	
Housing Needs	2,228,150	94,210	13,630	800,230	9,000,970	0	Cr 5,789,500	Cr 76,330	0	6,271,360	84,000	29,510	0	113,510	925,200	7,310,070	Cr 148,830	7,161,240	
Supporting People	0	0	0	1,071,540	0	0	0	0	0	1,071,540	0	0	0	0	46,130	1,117,670	0	1,117,670	
	2,228,150	94,210	13,630	1,404,570	10,072,510	129,748,480	Cr 138,088,630	Cr 76,330	0	5,396,590	84,000	29,510	0	113,510	3,219,920	8,730,020	Cr 148,830	8,581,190	
Public Health																			
Public Health	1,396,940	0	4,500	80,260	9,377,980	0	Cr 15,275,000	4,418,670	0	3,350	0	0	0	0	371,650	375,000	0	375,000	
	1,396,940	0	4,500	80,260	9,377,980	0	Cr 15,275,000	4,418,670	0	3,350	0	0	0	0	371,650	375,000	0	375,000	
Strategic and Business Support Service																			
Learning & Development	415,200	0	0	44,000	0	0	Cr 65,970	Cr 76,980	0	316,250	0	360	0	360	0	316,610	Cr 316,610	0	
Strategic and Business Support Service	1,624,000	0	3,770	618,540	184,890	0	Cr 70,520	Cr 308,200	0	2,052,480	0	2,800	0	2,800	3,840	2,059,120	Cr 2,059,120	0	
	2,039,200	0	3,770	662,540	184,890	0	Cr 136,490	Cr 385,180	0	2,368,730	0	3,160	0	3,160	3,840	2,375,730	Cr 2,375,730	0	
	28,613,390	275,860	235,790	15,452,840	108,420,530	137,325,210	Cr 194,284,620	1,003,340	0	97,042,340	Cr 610,000	359,830	Cr 174,770	Cr 424,940	23,237,880	119,855,280	Cr 12,906,740	106,948,540	

ENVIRONMENT PORTFOLIO

Appendix 7F

DRAFT REVENUE BUDGET 2017/18 - SUMMARY

2015/16 Actual	Service Area	2016/17 Budget	Increased costs	Other Changes	2017/18 Draft Budget
£		£	£	£	£
	Street Scene & Green Space				
5,445,445	Parks and Green Spaces	5,109,300	106,250	Cr 22,720	5,192,830
417,132	Street Regulation and Enforcement incl markets	386,140	2,200	Cr 24,120	364,220
17,598,423	Waste Services	17,205,380	346,250	136,630	17,688,260
3,890,767	Street Environment	4,180,970	81,990	Cr 3,120	4,259,840
807,516	Management and Contract Support	781,150	9,530	0	790,680
628,706	Transport Operations and Depot Management	811,190	11,000	Cr 148,480	673,710
280,860	Trees Maintenance	682,710	12,720	38,050	733,480
29,068,849		29,156,840	569,940	Cr 23,760	29,703,020
	Parking Services				
Cr 7,454,768	Parking	Cr 7,041,440	Cr 149,330	Cr 220,000	Cr 7,410,770
Cr 7,454,768		Cr 7,041,440	Cr 149,330	Cr 220,000	Cr 7,410,770
	Transport & Highways				
111,771	Traffic & Road Safety	205,950	16,630	Cr 7,580	215,000
10,035,001	Highways (including London Permit Scheme)	8,881,300	139,240	Cr 2,293,160	6,727,380
10,146,772		9,087,250	155,870	Cr 2,300,740	6,942,380
31,760,853	TOTAL CONTROLLABLE	31,202,650	576,480	Cr 2,544,500	29,234,630
8,074,754	TOTAL NON CONTROLLABLE	5,299,010	16,450	312,520	5,627,980
2,429,589	TOTAL EXCLUDED RECHARGES	2,041,280	0	121,930	2,163,210
42,265,196	PORTFOLIO TOTAL	38,542,940	592,930	Cr 2,110,050	37,025,820

ENVIRONMENT PORTFOLIO

SUMMARY OF BUDGET VARIATIONS 2017/18

Ref		VARIATION IN 2017/18 £'000	ORIGINAL BUDGET 2016/17 £'000
1	2016/17 BUDGET	38,543	
2	Increased Costs	593	
	Full Year Effect of Allocation of Central Contingency		
3	Lead Local Flood Authorities Grant	<u>213</u> 213	0
	Movements Between Portfolios/Departments		
4	Transfer of SEN transport client team	Cr 67	67
5	Transfer of resources for the mail delivery driver post	<u>Cr 23</u> Cr 90	23
	Real Changes		
6	Absorption of inflation increases for PCNs	76	Cr 3,787
7	Absorption of inflation increases for parking fee income	157	Cr 7,863
8	Increase in landfill tax above inflation	20	3,524
9	Increase in refuse/recycling collection to reflect additional units	46	6,980
10	Increase in refuse/recycling disposal to reflect additional units	<u>72</u> 371	12,654
	<i>Savings identified for 2017/18 as part of the 2016/17 Budget process</i>		
11	Car Allowance Savings	<u>Cr 28</u> Cr 28	143
	<i>New Savings Identified for 2017/18 (subject to approval)</i>		
12	Impact of Highways Investment report	Cr 2,500	3,429
13	Parking contract	Cr 453	2,369
14	Mail Delivery Savings	<u>Cr 58</u> Cr 3,011	Cr 81
15	Variations in Capital Charges	52	
16	Variations in Recharges	122	
17	Variations in Insurances	301	
18	Variations in Rent Income	Cr 40	
19	2017/18 DRAFT BUDGET	<u>37,026</u>	

ENVIRONMENT PORTFOLIO

Notes on Budget Variations in 2017/18

Ref Comments

Full Year Effect of Allocation of Central Contingency

3 Lead Local Flood Authorities Grant (Dr £213k)

This reflects the permanent release of £213k from the Central Contingency for the local flood risk management, as approved by Executive on 7 June 2016.

Movements Between Portfolios/Departments

4 Transfer of SEN Transport Client Team (Cr £67K)

Transfer of resources to the Education Portfolio to manage the SEN transport contract.

5 Transfer of resources for the mail delivery driver post (Cr £23k)

Transfer of £23k to Office Resources for the mail delivery driver post. This was subsequently passed to Amey as part of the TFM contract.

Real Changes

6 Absorption of Inflation increases for PCNs (Dr £76k)

Estimates are prepared on the basis that inflation is added to both income and expenditure. As penalty charge notices (for parking and bus lane contraventions) are set by the Mayor of London and therefore statutory, savings have to be found to absorb the inflation rate.

7 Absorption of Inflation increases for parking fee income (Dr £157k)

Estimates are prepared on the basis that inflation is added to both income and expenditure. As the parking fees were increased significantly in 2015/16 and are not expected to rise again for another 3 years, savings have to be found to absorb the inflation rate.

8 Increase in landfill tax above inflation (Dr 20k)

This represents the expected cost of the Government increasing the landfill tax above inflation built into the 2017/18 budget.

9 Increase in Refuse/Recycling Collection (Dr £46k)

The current refuse and recycling collection contract is based on the number of premises rather than bins. The additional costs reflect the anticipated increase in new properties for 2017/18.

10 Increase in Refuse/Recycling Disposal (Dr £72k)

The additional costs for the disposal contract reflect the anticipated increase in tonnage generated from new properties for 2017/18.

11 Car Allowance Savings (Cr £28k)

This reflects the full year effect of the car allowance savings.

12 Impact of Highways Investment report (Cr £2,500k)

Annual revenue savings of £2.5m as a result of a one-off investment of £11.8m from capital receipts that will be used for planned highway maintenance works.

13 Parking contract (Cr £453k)

Annual saving of £453k as a result of awarding the new parking contract, agreed by the Executive on 30 November 2016.

14 Mail Delivery Savings (Cr £58k)

This reflects the full year effect of the Mail Delivery savings as part of the TFM contract.

15 Variations in Capital Charges (Dr £52k)

The variation in capital charges is due to a combination of the following:

(i) Depreciation – the impact of revaluations or asset disposals in 2015/16 (after the 2016/17 budget was agreed) and in the first half of 2016/17;

(ii) Revenue Expenditure Funded by Capital Under Statute (REFCUS) – mainly due to variations in the value of schemes in our 2017/18 Capital Programme that do not add value to the Council's fixed asset base.

(iii) Government Grants – mainly due to variations in credits for capital grants receivable in respect of 2017/18 Capital Programme schemes, which are used to finance expenditure that is treated as REFCUS.

These charges are required to be made to service revenue accounts, but an adjustment is made below the line to avoid a charge on Council Tax.

16 Variations in Recharges (Dr £122k)

Variations in cross-departmental recharges are offset by corresponding variations elsewhere and therefore have no impact on the overall position.

17 Variations in Insurances (Dr £301k)

Insurance recharges to individual portfolios have changed between years, in some cases significantly, partly because we have factored in an extra year of claims experience since the 2016/17 budget was finalised. Despite the increase in Insurance Premium Tax from 9.5% to 10% which takes effect from February 2017, as well as the take-up of Terrorism cover for the first time, the overall variation across the Council is Cr £1k as a result of the savings achieved by tendering the insurance policies with effect from August 2016.

18 Variations in Rent Income (Cr £40k)

This relates to the reallocation of rental income budgets across departments/portfolios. There are corresponding adjustments in other portfolios and these net out to zero in total.

**ENVIRONMENT PORTFOLIO
DRAFT REVENUE BUDGET 2017/18 - SUBJECTIVE SUMMARY**

Service area	Employees	Premises	Transport	Supplies and Services	Third Party Payments	Transfer Payments	Income	Controllable Recharges	Capital Charges/ Financing	Total Controllable	Capital Charges/ Financing	Repairs, Maintenance & Insurance	Property Rental Income	Not Directly Controllable	Recharges In	Total Cost of Service	Recharges Out	Total Net Budget
	£	£	£	£	£	£	£			£	£				£	£	£	£
Street Scene & Green Spaces																		
Parks and Green Spaces	76,360	3,138,720	4,420	38,820	2,237,140	0 Cr	42,630	Cr 260,000	0	5,192,830	501,000	515,330	Cr 310,110	706,220	536,580	6,435,630	Cr 730,580	5,705,050
Street Regulation and Enforcement incl markets	629,780	5,120	20,630	187,310	0	0 Cr	478,620	0	0	364,220	0	1,290	0	1,290	176,870	542,380	Cr 650,700	Cr 108,320
Waste Services	206,090	17,660	18,300	411,300	22,422,330	0 Cr	5,330,820	Cr 56,600	0	17,688,260	61,000	430	0	61,430	913,280	18,662,970	Cr 87,280	18,575,690
Street Environment	185,040	26,310	16,430	407,390	3,632,650	0 Cr	7,980	0	0	4,259,840	36,000	6,540	0	42,540	856,150	5,158,530	Cr 354,160	4,804,370
Management and Contract Support	775,370	0	4,980	10,330	0	0	0	0	0	790,680	0	700	0	700	74,730	866,110	Cr 818,960	47,150
Transport Operations and Depot Management	355,560	245,170	27,280	180,170	0	0 Cr	134,470	0	0	673,710	37,000	157,600	Cr 128,280	66,320	260,620	1,000,650	Cr 1,115,700	Cr 115,050
Tree Maintenance	211,750	98,230	4,790	418,710	0	0	0	0	0	733,480	0	404,420	0	404,420	56,440	1,194,340	Cr 626,850	567,490
	2,439,950	3,531,210	96,830	1,654,030	28,292,120	0 Cr	5,994,520	Cr 316,600	0	29,703,020	635,000	1,086,310	Cr 438,390	1,282,920	2,874,670	33,860,610	Cr 4,384,230	29,476,380
Parking Services																		
Parking	634,280	952,270	2,050	819,510	1,891,650	0 Cr	11,754,570	44,040	0	Cr 7,410,770	190,000	29,010	Cr 51,310	167,700	367,960	Cr 6,875,110	431,570	Cr 6,443,540
	634,280	952,270	2,050	819,510	1,891,650	0 Cr	11,754,570	44,040	0	Cr 7,410,770	190,000	29,010	Cr 51,310	167,700	367,960	Cr 6,875,110	431,570	Cr 6,443,540
Transport & Highways																		
Traffic & Road Safety	1,475,180	0	14,580	33,930	0	0 Cr	112,300	Cr 1,196,390	0	215,000	0	2,850	0	2,850	473,600	691,450	Cr 134,530	556,920
Highways (Including London Permit Scheme)	1,465,050	1,571,050	117,630	4,788,110	288,690	0 Cr	1,359,460	Cr 143,690	0	6,727,380	3,698,000	498,500	Cr 18,990	4,174,510	2,687,320	13,589,210	Cr 153,150	13,436,060
	2,940,230	1,571,050	132,210	4,822,040	288,690	0 Cr	1,471,760	Cr 1,340,080	0	6,942,380	3,698,000	498,350	Cr 18,990	4,177,360	3,160,920	14,280,660	Cr 287,680	13,992,980
	6,014,460	6,054,530	231,090	7,295,580	30,472,460	0 Cr	19,220,850	Cr 1,612,640	0	29,234,630	4,523,000	1,613,670	Cr 508,690	5,627,980	6,403,550	41,266,160	Cr 4,240,340	37,025,820

PUBLIC PROTECTION & SAFETY PORTFOLIO**DRAFT REVENUE BUDGET 2017/18 - SUMMARY**

2015/16 Actual	Service Area	2016/17 Budget	Increased costs	Other Changes	2017/18 Draft Budget
£		£	£	£	£
	Public Protection				
172,302	Community Safety	126,100	1,640	Cr 1,400	126,340
70,075	Emergency Planning	78,110	1,090	0	79,200
332,871	Mortuary & Coroners Service	355,080	7,890	40,000	402,970
1,464,426	Public Protection	1,389,010	30,240	Cr 90,290	1,328,960
2,039,674		1,948,300	40,860	Cr 51,690	1,937,470
2,039,674	TOTAL CONTROLLABLE	1,948,300	40,860	Cr 51,690	1,937,470
425,884	TOTAL NON CONTROLLABLE	6,230	120	Cr 3,080	3,270
28,874	TOTAL EXCLUDED RECHARGES	158,970	0	19,430	178,400
2,494,432	PORTFOLIO TOTAL	2,113,500	40,980	Cr 35,340	2,119,140

PUBLIC PROTECTION AND SAFETY PORTFOLIO

SUMMARY OF BUDGET VARIATIONS 2017/18

Ref		VARIATION IN 2017/18 £'000	ORIGINAL BUDGET 2016/17 £'000
1	2016/17 BUDGET	2,113	
2	Increased Costs	41	
	Movements Between Portfolios/Departments		
3	Transfer of resources for asbestos testing work	<u>Cr 36</u> Cr 36	36
	Real Changes		
	<i>Savings identified for 2017/18 as part of the 2016/17 Budget process</i>		
4	Car Allowance Savings	<u>Cr 15</u> Cr 15	50
	<i>Real Changes Funded by Savings</i>		
5	Coroners Service	40	
6	Savings from award of new kennelling contract	<u>Cr 40</u>	0
7	Variations in Recharges	19	
8	Variations in Insurances	Cr 3	
9	2017/18 DRAFT BUDGET	<u>2,119</u>	

PUBLIC PROTECTION AND SAFETY PORTFOLIO

Notes on Budget Variations in 2017/18

Ref Comments

Movements Between Portfolios/Departments

- 3 Transfer of resources for asbestos testing work (Cr £36k)
A sum of £36k has been transferred to operational property for carrying out asbestos testing work. This was subsequently passed to Amey as part of the TFM contract.

Real Changes

- 4 Car Allowance Savings (Cr £15)
This reflects the full year effect of the car allowance savings.
- 5 Coroners Service (Dr £40k)
The LB Croydon have notified the other three Boroughs in the Consortium that there will be an increase in costs of the service. These costs cover the Coroner's salary, post mortems, forensic toxicology, inquests and other related running costs.
- 6 Savings from award of new kennelling contract (Cr £40k)
Savings of £40k have been achieved from a combination of an award of a new kennelling contract and due to a reduction in the number of dogs required to be kept in kennels.
- 7 Variations in Recharges (Dr £19k)
Variations in cross-departmental recharges are offset by corresponding variations elsewhere and therefore have no impact on the overall position.
- 8 Variations in Insurance (Cr £3k)
Insurance recharges to individual portfolios have changed between years, in some cases significantly, partly because we have factored in an extra year of claims experience since the 2016/17 budget was finalised. Despite the increase in Insurance Premium Tax from 9.5% to 10% which takes effect from February 2017, as well as the take-up of Terrorism cover for the first time, the overall variation across the Council is Cr £1k as a result of the savings achieved by tendering the insurance policies with effect from August 2016.

PUBLIC PROTECTION AND SAFETY PORTFOLIO
DRAFT REVENUE BUDGET 2017/18 - SUBJECTIVE SUMMARY

Service area	Employees	Premises	Transport	Supplies and Services	Third Party Payments	Income	Controllable Recharges	Total Controllable	Repairs, Maintenance & Insurance	Property Rental Income	Not Directly Controllable	Recharges In	Total Cost of Service	Recharges Out	Total Net Budget
	£	£	£	£	£	£		£				£	£	£	£
Public Protection															
Community Safety	191,750	0	5,710	16,700	0	Cr 403,550	315,730	126,340	240	0	240	539,940	666,520	Cr 43,270	623,250
Emergency Planning	51,360	0	5,440	22,400	0	0	0	79,200	70	0	70	43,660	122,930	0	122,930
Mortuary & Coroners Service	0	0	0	0	402,970	0	0	402,970	0	0	0	21,990	424,960	0	424,960
Public Protection	1,860,660	41,740	52,150	159,300	538,300	Cr 380,670	Cr 942,520	1,328,960	2,960	0	2,960	910,050	2,241,970	Cr 1,293,970	948,000
	2,103,770	41,740	63,300	198,400	941,270	Cr 784,220	Cr 626,790	1,937,470	3,270	0	3,270	1,515,640	3,456,380	Cr 1,337,240	2,119,140

RENEWAL AND RECREATION PORTFOLIO**DRAFT REVENUE BUDGET 2017/18 - SUMMARY**

2015/16 Actual	Service Area	2016/17 Budget	Increased costs	Other Changes	2017/18 Draft Budget
£		£	£	£	£
	Planning				
Cr 19,368	Building Control	68,660	2,970	Cr 2,990	68,640
Cr 168,400	Land Charges	Cr 131,360	230	0	Cr 131,130
589,115	Planning	670,920	Cr 1,760	5,850	675,010
1,568,348	Renewal	1,662,540	9,790	Cr 889,380	782,950
1,969,695		2,270,760	11,230	Cr 886,520	1,395,470
	Recreation				
2,192,607	Culture	1,709,590	28,450	Cr 103,740	1,634,300
4,610,140	Libraries	4,494,920	61,910	Cr 196,000	4,360,830
262,790	Town Centre Management & Business Support	251,370	2,590	Cr 75,000	178,960
7,065,537		6,455,880	92,950	Cr 374,740	6,174,090
9,035,232	TOTAL CONTROLLABLE	8,726,640	104,180	Cr 1,261,260	7,569,560
Cr 13,572,716	TOTAL NON CONTROLLABLE	2,353,590	18,250	1,778,330	4,150,170
2,281,094	TOTAL EXCLUDED RECHARGES	2,177,030	0	178,460	2,355,490
Cr 2,256,390	PORTFOLIO TOTAL	13,257,260	122,430	695,530	14,075,220

RENEWAL AND RECREATION PORTFOLIO

SUMMARY OF BUDGET VARIATIONS 2017/18

Ref		VARIATION IN 2017/18 £'000	ORIGINAL BUDGET 2016/17 £'000
1	2016/17 BUDGET	13,257	
2	Increased Costs	122	
	Movements Between Portfolios/Departments		
3	Transfer of resources to Commissioning & Procurement	<u>Cr 59</u> Cr 59	59
	Real Changes		
	<i>Savings identified for 2017/18 as part of the 2016/17 Budget process</i>		
4	Absorption of inflation for Statutory Planning	29	Cr 1,270
5	Car Allowance Savings	Cr 4	48
6	Relocation of museum exhibition space to Central Library	Cr 45	65
7	Potential savings from outsourcing the Library services	Cr 446	4,495
8	Removal of savings target for Community Libraries	<u>250</u> Cr 216	Cr 250
	<i>Other Real Changes:</i>		
9	Removal of budget for New Homes Bonus Topslice monies	<u>Cr 986</u> Cr 986	986
10	Variations in Capital Charges	2,019	
11	Variations in Recharges	178	
12	Variations in Insurances	Cr 246	
13	Variations in Rent Income	6	
14	2017/18 DRAFT BUDGET	<u>14,075</u>	

RENEWAL AND RECREATION PORTFOLIO

Notes on Budget Variations in 2017/18

Ref Comments

Movements Between Portfolios/Departments

3 Transfer of Commissioning & Procurement (Cr £59k)

Transfer of the procurement post from Renewal to the new Procurement and Commissioning division within the Resources Portfolio.

Real Changes

4 Statutory Planning inflation (Dr £29k)

Estimates are prepared on the basis that inflation is added to both income and expenditure. As planning fees are statutory, savings have to be found to absorb the inflation rate.

5 Car Allowance Savings (Cr £4k)

This reflects the full year effect of the car allowance savings.

6 Relocation of museum exhibition space to Central Library (Cr £45k)

Full year savings as a result of relocating the museum exhibition space to Central Library.

7 Potential savings from outsourcing the Library services (Cr £446k)

Potential savings from the tendering exercise to outsource the library services.

8 Removal of savings target for Community Libraries (Dr £250k)

This adjustment reflects the removal of the assumed savings built into the 2016/17 budget that will not be realised following the withdrawal of the remaining tenderer, as reported to the Executive on 12 October 2016.

9 Removal of budget for New Homes Bonus Topslice monies (Cr 986k)

This adjustment reflects the removal of the budget for the New Homes Bonus topslicing funding.

10 Variations in Capital Charges (Dr £2,019k)

The variation in capital charges is due to a combination of the following:

(i) Depreciation – the impact of revaluations or asset disposals in 2015/16 (after the 2016/17 budget was agreed) and in the first half of 2016/17;

(ii) Revenue Expenditure Funded by Capital Under Statute (REFCUS) – mainly due to variations in the value of schemes in our 2017/18 Capital Programme that do not add value to the Council's fixed asset base.

(iii) Government Grants – mainly due to variations in credits for capital grants receivable in respect of 2017/18 Capital Programme schemes, which are used to finance expenditure that is treated as REFCUS.

These charges are required to be made to service revenue accounts, but an adjustment is made below the line to avoid a charge on Council Tax.

11 Variations in Recharges (Dr £178k)

Variations in cross-departmental recharges are offset by corresponding variations elsewhere and therefore have no impact on the overall position.

12 Variations in Insurances (Cr £246k)

Insurance recharges to individual portfolios have changed between years, in some cases significantly, partly because we have factored in an extra year of claims experience since the 2016/17 budget was finalised. Despite the increase in Insurance Premium Tax from 9.5% to 10% which takes effect from February 2017, as well as the take-up of Terrorism cover for the first time, the overall variation across the Council is Cr £1k as a result of the savings achieved by tendering the insurance policies with effect from August 2016.

13 Variations in Rent Income (Dr £6k)

This relates to the reallocation of rental income budgets across departments/portfolios. There are corresponding adjustments in other portfolios and these net out to zero in total.

**RENEWAL AND RECREATION PORTFOLIO
DRAFT REVENUE BUDGET 2017/18 - SUBJECTIVE SUMMARY**

Service area	Employees	Premises	Transport	Supplies and Services	Third Party Payments	Transfer Payments	Income	Controllable Recharges	Capital Charges/ Financing	Total Controllable	Capital Charges/ Financing	Repairs, Maintenance & Insurance	Property Rental Income	Not Directly Controllable	Recharges In	Total Cost of Service	Recharges Out	Total Net Budget
	£	£	£	£	£	£	£			£	£				£	£	£	£
Planning																		
Building Control	878,190	0	22,140	79,580	0	0	Cr 911,270	0	0	68,640	0	1,180	0	1,180	247,910	317,730	Cr 97,700	220,030
Land Charges	197,940	0	100	16,610	0	0	Cr 345,780	0	0	131,130	0	450	0	450	260,310	129,630	Cr 45,020	84,610
Planning	1,932,750	0	20,890	142,480	11,380	0	Cr 1,432,490	0	0	675,010	0	3,440	0	3,440	1,892,150	2,570,600	Cr 1,105,340	1,465,260
Renewal	869,850	8,710	2,050	57,990	0	0	Cr 650	Cr 155,000	0	782,950	0	1,450	0	1,450	527,510	1,311,910	Cr 364,250	947,660
	3,878,730	8,710	45,180	296,660	11,380	0	Cr 2,690,190	Cr 155,000	0	1,395,470	0	6,520	0	6,520	2,927,880	4,329,870	Cr 1,612,310	2,717,560
Recreation																		
Culture	599,550	54,540	5,600	69,720	1,010,380	0	Cr 43,040	Cr 62,450	0	1,634,300	3,279,000	81,700	Cr 78,810	3,281,890	424,590	5,340,780	Cr 498,670	4,842,110
Libraries	3,125,260	817,930	32,250	544,420	218,030	0	Cr 377,060	0	0	4,360,830	320,000	541,610	0	861,610	978,520	6,200,960	Cr 61,680	6,139,280
Town Centre Management & Business Support	113,020	14,460	910	50,570	22,380	0	Cr 22,380	0	0	178,960	0	150	0	150	197,160	376,270	0	376,270
	3,837,830	886,930	38,760	664,710	1,250,790	0	Cr 442,480	Cr 62,450	0	6,174,090	3,599,000	623,460	Cr 78,810	4,143,650	1,600,270	11,918,010	Cr 560,350	11,357,660
	7,716,560	895,640	83,940	961,370	1,262,170	0	Cr 3,132,670	Cr 217,450	0	7,569,560	3,599,000	629,980	Cr 78,810	4,150,170	4,528,150	16,247,880	Cr 2,172,660	14,075,220

RESOURCES PORTFOLIO**DRAFT REVENUE BUDGET 2017/18 - SUMMARY**

2015/16 Actual	Service Area	2016/17 Budget	Increased costs	Other Changes	2017/18 Draft Budget
£		£	£	£	£
	CHIEF EXECUTIVES DEPARTMENT				
	Financial Services				
733,220	Audit	663,560	11,190	0	674,750
200,365	Director of Finance & Other	206,590	2,780	0	209,370
1,499,941	Exchequer - Payments & Income	1,559,630	29,280	0	1,588,910
6,338,435	Exchequer - Revenue & Benefits	6,728,410	129,260	Cr 448,000	6,409,670
601,905	Financial Accounting	588,320	16,070	10,500	614,890
1,387,565	Management Accounting & Systems	1,519,640	19,520	Cr 38,700	1,500,460
10,761,431		11,266,150	208,100	Cr 476,200	10,998,050
	Corporate Services				
1,026,966	Contact Centre	1,086,350	21,540	0	1,107,890
1,371,073	Democratic Services	1,396,650	25,380	0	1,422,030
322,830	Electoral Services	319,060	4,450	Cr 70	323,440
4,453,143	Information Systems & Telephony	4,369,160	77,980	30,930	4,478,070
1,731,970	Legal Services	1,754,280	36,060	Cr 30	1,790,310
Cr 104,413	Registration of Births, Deaths & Marriages	Cr 95,110	Cr 5,530	Cr 50	Cr 100,690
8,801,569		8,830,390	159,880	30,780	9,021,050
	HR Division				
1,500,492	Human Resources	1,549,510	24,930	Cr 31,890	1,542,550
1,500,492		1,549,510	24,930	Cr 31,890	1,542,550
	Commissioning & Procurement Division				
0	Commissioning	0	24,760	1,260,940	1,285,700
615,763	Procurement & Data Management	462,380	8,220	156,250	626,850
615,763		462,380	32,980	1,417,190	1,912,550
	Chief Executive's Division				
205,484	Comms	176,520	1,460	Cr 54,160	123,820
709,989	Management & Other (C. Exec)	764,330	46,260	Cr 105,070	705,520
121,489	Mayoral	131,060	17,220	0	148,280
1,036,962		1,071,910	64,940	Cr 159,230	977,620
	ENVIRONMENT & COMMUNITY SERVICES DEPT				
	Total Facilities Management				0
202,733	Investment & Operational Property	180,640	3,490	0	184,130
1,001,759	Strategic & Operational Property	1,032,420	70,490	Cr 141,320	961,590
0	TFM Client Monitoring Team	0	3,980	301,430	305,410
2,002,448	Admin Buildings & Facilities Support	1,869,950	51,510	268,620	2,190,080
Cr 7,456,348	Investment & Non-Operational Property Income	Cr 9,541,540	Cr 86,080	Cr 226,380	Cr 9,854,000
Cr 824,763	Other Rental Income - Other Portfolios	Cr 810,730	Cr 13,270	61,380	Cr 762,620
2,018,101	Repairs & Maintenance (All LBB)	1,928,850	38,170	0	1,967,020
Cr 3,056,070		Cr 5,340,410	68,290	263,730	Cr 5,008,390
	CENTRAL ITEMS				
7,525,473	CDC & Non-Distributed Costs	7,579,350	151,550	0	7,730,900
10,993,809	Concessionary Fares	11,617,540	232,340	0	11,849,880
18,519,282		19,196,890	383,890	0	19,580,780
38,179,429	TOTAL CONTROLLABLE	37,036,820	943,010	1,044,380	39,024,210
Cr 780,193	TOTAL NON CONTROLLABLE	958,840	2,290	Cr 235,810	725,320
Cr 18,472,240	TOTAL EXCLUDED RECHARGES	Cr 16,999,500	0	Cr 1,722,730	Cr 18,722,230
Cr 1,438,705	Less R & M allocated across other Portfolios	Cr 1,528,620	Cr 30,260	0	Cr 1,558,880
824,763	Less Rent allocated across other Portfolios	810,730	13,270	Cr 61,380	762,620
18,313,054	PORTFOLIO TOTAL	20,278,270	928,310	Cr 975,540	20,231,040

RESOURCES PORTFOLIO

SUMMARY OF BUDGET VARIATIONS 2017/18

Ref		VARIATION IN 2017/18 £'000	ORIGINAL BUDGET 2016/17 £'000
1	2016/17 BUDGET	20,278	
2	Increased Costs	928	
	Full Year Effect of Allocation of Central Contingency		
3	Increase in energy costs	30	551
4	Impact of conversion of schools to academies on Operational Property	149	149
5	Impact of academy conversions on Liberata contract re HR/Finance	<u>Cr 60</u>	157
		119	
	Movements Between Portfolios/Departments		
6	Transfer of resources for asbestos testing work	36	36
7	Transfer of resources for the mail delivery driver post	23	23
8	Transfer of resources for the Business Systems Manager	31	31
9	Transfer of resources to Commissioning & Procurement	<u>59</u>	59
		149	
	Real Changes		
	<i>Savings identified for 2017/18 as part of the 2016/17 Budget process</i>		
10	Additional income from Investment Properties	Cr 165	Cr 5,210
11	Savings from the Exchequer Services contract	Cr 448	7,324
12	Car Allowance Savings	<u>Cr 10</u>	36
		Cr 623	
	<i>New Savings Identified for 2017/18 (subject to approval)</i>		
13	Savings from the TFM contract	<u>Cr 170</u>	4,165
		Cr 170	
14	Variations in Capital Charges	Cr 174	
15	Variations in Recharges	Cr 153	
16	Variations in Insurances	Cr 62	
17	Variations in Rent Income	Cr 61	
18	2017/18 DRAFT BUDGET	<u>20,231</u>	

RESOURCES PORTFOLIO

Notes on Budget Variations in 2017/18

Ref Comments

Full Year Effect of Allocation of Central Contingency

- 3 Increase in energy costs (Dr £30k)
Allocation of central contingency to reflect the increase in energy costs.
- 4 Impact of conversion of schools to academies on Operational Property (Dr £149k)
Additional funding of £216k was agreed by the Executive on 23 March 2016 to meet cost pressures within Operational Property. This covered the loss of income from the conversion of schools to academies. £149k was drawn down for the Resources Portfolio and the remaining £67k was drawn down for the Education and Care Services Portfolios.
- 5 Impact of academy conversions on Liberata contract re HR/Finance (Cr £60k)
Allocation of 2016/17 savings held in the central contingency to reflect the savings in the Liberata contract for HR and finance, due to the impact of academy conversions.

Movements Between Portfolios/Departments

- 6 Transfer of resources for asbestos testing work (Dr £36k)
A sum of £36k has been transferred to operational property for carrying out asbestos testing work. This was subsequently passed to Amey as part of the TFM contract.
- 7 Transfer of resources for the mail delivery driver post (Dr £23k)
Transfer of £23k to Office Resources for the mail delivery driver post. This was subsequently passed to Amey as part of the TFM contract.
- 8 Transfer of resources for the Business Systems Manager (Dr £31k)
A sum of £31k has been transferred from the Care services Portfolio to fund the Business Systems manager post within IT.
- 9 Transfer of resources to Commissioning & Procurement (Dr £59k)
Transfer of a procurement post from Renewal and Recreation Portfolio to the new Procurement and Commissioning division within the Resources Portfolio.

Real Changes

- 10 Additional income from Investment Property (Cr £165k)
Further investment is proposed for the purchase of commercial property, in order to achieve additional rent income of £165. This was agreed as part of the 2016-17 budget.
- 11 Savings from the Exchequer Services contract (Cr £448k)
Savings as a result of the extension of the Exchequer Services contract award for further a 2 years. This was approved by the Executive in January 2016.
- 12 Car Allowance Savings (Cr £10k)
This reflects the full year effect of the car allowance savings.
- 13 Savings from the TFM contract (Cr £170k)
This reflects the full year savings as a result of awarding the TFM contract to Amey as agreed by the Executive on 20 July 2016.

14 Variations in Capital Charges (Cr £174k)

The variation in capital charges is due to a combination of the following:

(i) Depreciation – the impact of revaluations or asset disposals in 2015/16 (after the 2016/17 budget was agreed) and in the first half of 2016/17;

(ii) Revenue Expenditure Funded by Capital Under Statute (REFCUS) – mainly due to variations in the value of schemes in our 2017/18 Capital Programme that do not add value to the Council's fixed asset base.

(iii) Government Grants – mainly due to variations in credits for capital grants receivable in respect of 2017/18 Capital Programme schemes, which are used to finance expenditure that is treated as REFCUS.

These charges are required to be made to service revenue accounts, but an adjustment is made below the line to avoid a charge on Council Tax.

15 Variations in Recharges (Cr £153k)

Variations in cross-departmental recharges are offset by corresponding variations elsewhere and therefore have no impact on the overall position.

16 Variations in Insurances (Cr £62k)

Insurance recharges to individual portfolios have changed between years, in some cases significantly, partly because we have factored in an extra year of claims experience since the 2016/17 budget was finalised. Despite the increase in Insurance Premium Tax from 9.5% to 10% which takes effect from February 2017, as well as the take-up of Terrorism cover for the first time, the overall variation across the Council is Cr £1k as a result of the savings achieved by tendering the insurance policies with effect from August 2016.

17 Variations in Rent Income (Cr £61k)

This relates to the reallocation of rental income budgets across departments/portfolios. There are corresponding adjustments in other portfolios and these net out to zero in total.

RESOURCES PORTFOLIO
DRAFT REVENUE BUDGET 2017/18 - SUBJECTIVE SUMMARY

Service area	Employees	Premises	Transport	Supplies and Services	Third Party Payments	Transfer Payments	Income	Controllable Recharges	Capital Charges/ Financing	Total Controllable	Capital Charges/ Financing	Repairs, Maintenance & Insurance	Property Rental Income	Not Directly Controllable	Recharges In	Total Cost of Service	Recharges Out	Total Net Budget
	£	£	£	£	£	£	£			£	£				£	£	£	£
CHIEF EXECUTIVES DEPARTMENT																		
Financial Services																		
Audit	301,720	0	1,040	210,770	178,320	0	Cr 17,100	0	0	674,750	0	410	0	410	150,850	826,010	Cr 818,750	7,260
Director of Finance & Other	178,990	0	280	35,010	0	0	Cr 4,910	0	0	209,370	0	70	0	70	149,460	358,900	Cr 358,320	580
Exchequer - Payments & Income	232,510	0	620	17,850	1,440,430	0	Cr 102,500	0	0	1,588,910	0	370	0	370	269,050	1,858,330	Cr 1,806,180	52,150
Exchequer - Revenue & Benefits	410,910	0	1,830	Cr 11,150	6,977,650	102,510	Cr 1,072,080	0	0	6,409,670	0	750	0	750	4,454,300	10,864,720	Cr 7,720,460	3,144,260
Financial Accounting	423,540	0	200	515,720	86,100	0	Cr 335,450	Cr 244,350	169,130	614,890	0	440	0	440	162,000	777,330	Cr 790,330	13,000
Management Accounting & Systems	1,267,410	0	1,880	365,280	83,850	0	Cr 217,960	0	0	1,500,460	0	1,690	0	1,690	707,540	2,209,690	Cr 2,206,950	2,740
	2,815,080	0	5,850	1,133,480	8,766,350	102,510	Cr 1,750,000	Cr 244,350	169,130	10,998,050	0	3,730	0	3,730	5,893,200	16,894,980	Cr 13,700,990	3,193,990
Corporate Services																		
Contact Centre	87,750	0	0	179,970	923,050	0	Cr 57,550	Cr 25,330	0	1,107,890	0	70	0	70	99,180	1,207,140	Cr 1,013,720	193,420
Democratic Services	316,350	0	0	1,105,680	0	0	0	0	0	1,422,030	0	810	0	810	432,630	1,855,470	Cr 1,844,740	10,730
Electoral Services	241,900	0	500	85,990	0	0	Cr 4,950	0	0	323,440	0	560	0	560	631,430	955,430	Cr 356,430	599,000
Information Systems & Telephony	1,348,470	0	1,200	1,094,690	2,056,220	0	0	Cr 22,510	0	4,478,070	314,000	1,940	0	315,940	378,810	5,172,820	Cr 5,180,960	8,140
Legal Services	1,544,330	0	1,960	405,260	0	0	Cr 141,240	Cr 20,000	0	1,790,310	0	1,910	0	1,910	478,670	2,270,890	Cr 2,212,780	58,110
Registration of Births, Deaths & Marriages	453,190	0	250	25,340	0	0	Cr 579,470	0	0	100,690	0	1,010	0	1,010	223,770	124,090	0	124,090
	3,991,990	0	3,910	2,896,930	2,979,270	0	Cr 783,210	Cr 67,840	0	9,021,050	314,000	6,300	0	320,300	2,244,490	11,585,840	Cr 10,608,630	977,210
HR Division																		
Human Resources	1,303,890	0	470	181,010	332,280	0	Cr 275,100	0	0	1,542,550	0	2,610	0	2,610	417,610	1,962,770	Cr 1,981,410	18,640
	1,303,890	0	470	181,010	332,280	0	Cr 275,100	0	0	1,542,550	0	2,610	0	2,610	417,610	1,962,770	Cr 1,981,410	18,640
Commissioning & Procurement Division																		
Commissioning	1,276,610	0	3,210	5,880	0	0	0	0	0	1,285,700	0	2,180	0	2,180	204,910	1,492,790	Cr 996,880	495,910
Procurement & Data Management	677,840	0	2,280	45,720	32,150	0	Cr 90,310	Cr 40,830	0	626,850	0	1,070	0	1,070	264,410	892,330	Cr 1,177,850	285,520
	1,954,450	0	5,490	51,600	32,150	0	Cr 90,310	Cr 40,830	0	1,912,550	0	3,250	0	3,250	469,320	2,385,120	Cr 2,174,730	210,390
Chief Executive's Division																		
Comms	121,640	0	150	2,030	0	0	0	0	0	123,820	0	150	0	150	30,930	154,900	Cr 157,480	2,580
Management & Other (C. Exec)	490,190	0	780	214,550	0	0	0	0	0	705,520	0	590	0	590	194,380	900,490	Cr 1,159,770	259,280
Mayoral	81,570	1,160	15,420	50,130	0	0	0	0	0	148,280	6,000	170	0	6,170	21,780	176,230	Cr 171,040	5,190
	693,400	1,160	16,350	266,710	0	0	0	0	0	977,620	6,000	910	0	6,910	247,090	1,231,620	Cr 1,488,290	256,670
ENVIRONMENT & COMMUNITY SERVICES DEPT																		
Total Facilities Management																		
Investment & Operational Property	0	165,200	0	18,930	0	0	0	0	0	184,130	58,000	192,300	Cr 9,454,320	Cr 9,204,020	640,970	Cr 8,378,920	0	Cr 8,378,920
Strategic & Operational Property	0	212,070	0	0	1,078,080	0	Cr 310,160	Cr 18,400	0	961,590	0	61,700	0	61,700	355,810	1,379,100	Cr 1,370,600	8,500
TFM Client Monitoring Team	258,860	0	570	45,980	0	0	0	0	0	305,410	0	0	0	0	34,410	339,820	0	339,820
Admin Buildings & Facilities Support	34,790	1,247,050	0	75,590	1,024,170	0	Cr 191,520	0	0	2,190,080	290,000	194,660	Cr 399,680	84,980	862,300	3,137,360	Cr 3,378,120	240,760
Investment & Non-Operational Property Income	0	0	0	0	0	0	Cr 9,854,000	0	0	9,854,000	0	9,854,000	9,854,000	0	0	0	0	0
Other Rental Income - Other Portfolios	0	0	0	0	0	0	Cr 762,620	0	0	762,620	0	762,620	762,620	0	0	0	0	0
Repairs & Maintenance (All LBB)	0	1,967,020	0	0	0	0	0	0	0	1,967,020	0	Cr 1,967,020	0	Cr 1,967,020	0	0	0	0
	293,650	3,591,340	570	140,500	2,102,250	0	Cr 11,118,300	Cr 18,400	0	Cr 5,008,390	348,000	Cr 1,518,360	762,620	Cr 407,740	1,893,490	Cr 3,522,640	Cr 4,748,720	Cr 8,271,360
Central Items																		
CDC & Non Distributed Costs	7,730,900	0	0	0	0	0	0	0	0	7,730,900	0	0	0	0	4,815,340	12,546,240	0	12,546,240
Concessionary Fares	0	0	0	9,320	9,400	11,831,160	0	0	0	11,849,880	0	0	0	0	0	11,849,880	0	11,849,880
	7,730,900	0	0	9,320	9,400	11,831,160	0	0	0	19,580,780	0	0	0	0	4,815,340	24,396,120	0	24,396,120
	18,783,360	3,592,500	32,640	4,679,550	14,221,700	11,933,670	Cr 14,016,920	Cr 371,420	169,130	39,024,210	668,000	Cr 1,501,560	762,620	Cr 70,940	15,980,540	54,933,810	Cr 34,702,770	20,231,040

Budget Consultation 2016

7 November – 4 December 2016

Introduction

This year's Council budget consultation – **Bromley Council's Budget 2017-18: Your Voice in Your Borough** – sought to collect views from residents as the Council sets the budget for 2017-18 and beyond. The consultation was set against the context of the re-launch of Bromley's **Building a Better Bromley** priorities which was supported by the Council's key partner organisations. It is also in light of a tough few years of change and the need for the Council to continue making efficiency savings to balance the budget.

The consultation consisted of an online survey, a public meeting, and two round table meetings for representatives of the Borough's residents' associations. A public meeting was held at the Civic Centre on 24 November, and was attended by 60 people. Two round table meetings for residents' associations were attended by 62 people on behalf of 41 organisations, out of the 189 associations invited from across the Borough. There were 2,628 replies to the survey, including nine from paper surveys which were handed out at the meetings.

The consultation was widely publicised through adverts which featured in local newspapers; the News Shopper, Bromley Times, and Biggin Hill News. Other methods by which the consultation was promoted included posters in Council buildings and libraries, flyers, online advertising and emails to MyBromley account members. Posters and flyers were sent out to a wide range of community organisations in the Borough. It was additionally promoted online via social media: Twitter and Facebook. Comments were also captured through submissions from Bromley Youth Council. The following is a summary of the themes and issues raised throughout the consultation.

Online Survey – Summary of findings

This section of the report summarises responses to the Council's online survey, which sought views on its overarching Building a Better Bromley priorities and service delivery. Feedback was invited in answer to specific questions and through free-text comments. The Leader of the Council and other members of the Executive have had full access to all the comments made and, along with feedback from the public meeting, residents' association sessions and a submission from Bromley Youth Council, these will continue to be considered and will inform budget setting decisions in 2017-18 and beyond. Below is an overview of responses.

The survey asked in which ward respondents lived. Out of the replies received to this question, the largest contingent was from Orpington, Bromley Town, Penge and Cator and Chislehurst. The fewest replies came from Darwin, Cray Valley West, Mottingham and Chislehurst North, Cray Valley East and Crystal Palace. The rest of respondents were reasonably fairly split across other wards.

Section One

How the Council provides its services

Question 1

This question asked about the Council's policy to 'market test' most services to ascertain who is best placed to deliver a value for money service, whether fully or partly commissioned by a commercial organisation, through the voluntary sector or in-house. More than 80 per cent of the

2,573 people answering the question agreed with the policy. Of the 500 plus people who commented on this question, most were concerned about quality being affected under this policy and many said that it would be important to monitor any resulting contracts well. Some could not see how savings could be made if services were commissioned on a like-for-like basis.

Question 2

In all, 2,534 people answered this question. Of those, nearly three quarters agreed with the Council's approach of maintaining the current library service, but looking for a new partner to deliver a modern, dynamic library service for the future. Of the remaining quarter, the main reason for disagreement was the belief that libraries should be run entirely by the Council and that it would be too risky to use external partners to deliver such an important service. They were concerned that the quality of the service would be affected. A small number of people suggested ways to save money such as shorter hours and looking at the way other councils run their library service to see if there might be lessons for Bromley.

Section Two

Council Tax

Question 3

Nearly two thirds of the 2455 who answered this question said they would be prepared to pay more Council Tax if it were ring-fenced for certain purposes, with the remainder saying they would not be prepared to pay more.

Question 4

Respondents who were prepared to accept a ring-fenced precept were asked to specify for which services they would be prepared to accept this. In all 1,540 people went on to answer this question where respondents were able to choose more than one answer. 'Adult Social Care' was selected as an answer 76 per cent of the time, 'Children's Social Care' 63 per cent, 'Environment' was chosen 45 per cent of the time and 'Housing' 36 per cent of the time. The remaining replies in the 'other' category were quite diverse, though street cleaning and road maintenance, education, health and libraries were mentioned around 20 to 30 times each.

Question 5

More than 80 per cent of the 2448 respondents to this question said they agreed with the principle of the Council investing funds, such as acquiring investment properties, even recognising there will be some risks, to gain sustainable income each year for frontline services.

However, around a quarter of the written comments – 154 out of 455 people who commented - expressed a clear aversion to 'risky' investments. Many who commented expressed concerns with investing in this way, citing the risks that the private sector can bring. This was despite the fact that many agreed with the premise of investing in this way 'in principle' or 'within reason.' Many wanted the investment money to stay in Bromley.

The Council's reserves were mentioned by some people, while others said the £13million return on investments had not been set into the context of how much the Council spends, saves and invests, while others generally felt they had insufficient information to answer the question.

Question 6

The Freedom Pass costs £11.6million a year to provide free travel for older people. This question asked if residents would support an administrative charge to help secure its future, if the Council was allowed to introduce one. Sixty per cent of the 2454 who answered the question said 'yes' they would support such a charge; 40 per cent said 'no.'

Section Three

Education

Question 7

Replies to this question totalled 2097. Sixty per cent said 'yes' they thought that Adult Education in the Borough was adequate, forty per cent said they disagreed.

Of those who commented with an opinion, 40 per cent mentioned that choices were limited and 46 per cent had concerns about cuts to the service as well as how this affects older people and those with disabilities. Most of the remaining comments suggested that classes were too expensive. Although, conversely, a few people suggested that spending was too high and Adult Education should not be a priority for the Borough.

Question 8

More than 60 per cent of the 2125 people who answered this question said they thought the balance of schools in the Borough was correct. Few people elaborated on why they thought this. Those who commented further were mainly respondents not satisfied with the choice. Points mentioned included dissatisfaction with a particular academy chain, the quality of schools for children with disabilities and lack of facilities in schools generally. Some praised grammar schools, while others suggested that schools should be 'updated' by decreasing the amount of same-sex and faith schools in Bromley.

Question 9

More than 2357 people answered this question about their support for a new grammar school in the Borough. Around two-thirds said they would support this with 14 per cent of those in favour indicating a preference for the north of the Borough and 15 per cent the south. Around a third of those answering the question would not support a new Grammar School anywhere in the Borough.

Section Four

Environment

Question 10

Fifty-nine per cent of the 2,350 replies said that the Green Belt should be protected at all cost and not built on for any purposes at all. Nearly 37 per cent said the Green Belt should be protected, but agreed with 'selective use in exceptional proven circumstances' such as a school to meet urgent need for additional places. The remaining replies of just over 4 per cent felt the Green Belt should not be protected at all.

Of the 603 who commented further about what they would consider 'selective use in exceptional proven circumstances', a considerable number talked about extending or building new schools and nurseries, followed by a reasonable proportion mentioning hospitals, GP surgeries and social housing as being appropriate. Other more minority ideas were gyms, leisure centres and community halls.

Some people elaborated on their views for not building on Green Belt land at all. For example: many answers placed an emphasis on using brownfield sites instead, while others believed that decisions should be reached on a case-by-case basis with minimal harm to the environment.

Question 11

Given the recent enormous pressures from rising numbers of families in temporary accommodation, this question asked about housing development in the Borough. From three options, nearly 60 per cent of the 2349 people who answered opted for 'mixed developments with lower density larger and smaller homes on brownfield sites', with just over 20 per cent indicating 'higher density' on such sites and just under 20 per cent suggesting that it would be acceptable 'not to build any more housing in Bromley at all.'

Question 12

When asked to choose between attracting more businesses or build more housing on brownfield sites, just over 45 per cent of the 2321 people who answered this question went for more housing and just over 40 per cent for attracting more businesses. The remainder did not want to see either.

Question 13

Respondents were asked to rank a number of Environmental Services into a priority order to help the Council develop and prioritise services for the future. Of the 2338 people who answered, an average rating indicated that 'waste' was most important followed by 'street cleaning', then in descending order: 'highways', 'parks management' and 'grounds maintenance.'

Question 14

This question gave people an opportunity to comment further on environmental matters, with just over 600 people using it to broadly express their own opinions with anecdotal evidence in many cases. Topics related most frequently to 'street cleanliness', 'waste' and 'roads'. Other points mentioned fairly frequently included fly-tipping and parking.

Section Five

Renewal and Regeneration

Question 15

This question was answered by 2294 people and over two-thirds thought it was important to invest in business growth in the Borough with the main aim of 'creating jobs.' Slightly more than half of the remaining replies indicated that 'increasing income' was the most important factor with the rest citing different opinions. Of the 239 who left comments in the 'for other reasons' section, more than half used the opportunity to say both 'increasing income' and 'creating jobs' are equally important. The remainder elaborated on job creation or stated that investing in business was not a priority in their view.

Question 16

Respondents were asked to give some idea of what types of businesses the Council should encourage to the Borough. A total of 1234 responses were received for this question and ideas ranged from high end retailers such as John Lewis to focussing on small and medium enterprises. Some mentioned 'ethical' businesses to respect the environment and a significant proportion highlighted IT and technological industries with an eye to the future requirements of the younger generation.

Section Six

Social Care and Health

Question 17

Bromley Council offers support for people who require social care as well as carers so people can remain independent and stay in their own homes for as long as possible. This question asked for some key support services to be ranked in order of importance to find out which services, in this context, are most important to residents. The average ratings were fairly even with the exception of 'home care and home help' which was judged significantly more important by the 2145 people who replied. Next came 'support services allowing carers to take a break from caring', followed equally by 'home adaptation equipment' and 'meals services.' The rest, in descending order, were 'lifeline alarms' and 'assistive technology.'

Question 18

The Council has moved away from placing children in residential care towards using more foster carers. More than 78 per cent of the 2267 who replied agreed with this approach; 19 per cent were unsure and the rest disagreed.

Also, as part of this question, 27 residents signed up to get information about fostering for the Borough. They were invited to an information evening during December.

Section Seven

Your voice in your Borough

Question 19

More than 2,237 people responded to this question, of which 45 per cent said they had just about the right amount of input into shaping the Borough, while 55 per cent would like more say in the way decisions are reached.

Question 20

This question asked residents about areas where they wanted more say, with 1732 people providing answers. Respondents were able to select more than one answer from a list of services as well as offer their own ideas.

'Environment' received most votes; with 'Health' a close second and 'Housing' third. As well as these answers, respondents had a chance to specify their own suggestions. Within these comments, topics relating to the environment, roads, culture, planning and business were most regularly featured. Also mentioned was health with an emphasis, by some, on mental health.

Question 21

This question asked for any further comments not already captured and attracted 842 responses - around a third of the number of people taking part in the survey overall. The comments were varied, though many referred broadly to environmental issues including the 'cleanliness' and 'greenness' of the Borough through comments on street cleaning, parks and green spaces.

A smaller proportion of people mentioned concerns about the future of Adult Social Care with many saying spending here should be increased. Due to the catch-all nature of this last question, the points covered generally reflected previous answers and covered the same points, namely: environment, spending, planning, health and the National Health Service, taxes, schools, commissioning and privatisation, roads, street cleanliness, housing and social care.

Bromley Youth Council

Bromley Youth Council (BYC) is a representative forum organised and supported by the Council to enable younger residents to have a participating voice in local decision-making. The following is a summary of the key points of their discussion surrounding the budget consultation questionnaire:

- **Delivering commissioned services:** BYC members discussed the propositions to find the right partners for certain key services, and agreed that 'market testing' must be vigorous and always in residents' interests. They raised concerns over potential loss of service standards, and added that residents must not lose confidence in the Council's ability to commission services appropriately. This issue was somewhat divisive; whereas some agreed that libraries should be modernised, others were sceptical as to whether an external partner could provide the best value for money, citing the importance of libraries as educational hubs.
- **Council tax:** BYC were in favour of raising Council Tax, adding that cuts to key services had affected them as young people. They stated that such cuts have led to a rise in youth crime

and failures in the educational system. They indicated that a precept should be ring-fenced for the environment, police and fire brigade. BYC were divided on the idea of the Council using its income to make investments. They also expressed concern over the cost of the Freedom Pass, making new suggestions of how to minimise cost through technology and wealth-based means tested schemes.

- **Education:** BYC indicated that Bromley would benefit from the construction of new schools, whilst not explicitly supporting grammar schools. They discussed the growing number of students in the Borough, which affects class sizes and educational development. They felt that adults had too few education options, centres and courses available. There was a clear concern over academies; primarily because they are not answerable to the Council.
- **Environment:** BYC agreed that the Green Belt should be protected, but said there is a need to build social housing, schools, and health centres. They support the proposed mixed developments of larger and smaller homes on brownfield sites to tackle homelessness and high housing costs. On the question of brownfield sites, housing was favoured above businesses. Waste was considered the highest-priority environmental service.
- **Renewal and regeneration:** BYC stated that business growth should be encouraged to increase income for the Council and to create new employment opportunities for local residents.
- **Social care and health:** Youth Councillors ranked 'home care and home help' as the most important key service, with 'meals services' the least important. They concurred that we are now moving towards the use of foster carers to take care of all children, generally agreeing that young people can get the help they need through the support of various adults, agencies and services available. They added that children receive the best care when foster carers help them develop life skills and support them into independence.
- **Your voice in your Borough:** generally the BYC feels it could have more say, especially with Children's Social Care, Education, Health and Housing. It says more can be done to protect frontline services and actively help local residents.

Public Meeting

This took place on Thursday 24 November 2016 at Bromley Civic Centre. Below is a summary of the topics discussed:

Resources

- Lobby Central Government to allow Council Tax to be increased above 2 per cent without the need for a referendum.
- Lobby Central Government to allow the 2 per cent social care precept to be charged for a further year.
- Lobby Central Government to allow for an increase in Council Tax above the 4 per cent already noted, so making a total of 6 per cent.
- What were the Council's savings and where were the savings allocated?
- Increase income generation to move towards a more self-sufficient Council.
- The Portfolio of Property Investments and the selling of disposable assets.
- Why was the Council holding on to its £600m in investments? Why not spend resources?
- How much reserves did the Council have as cash?
- Council's aim to be financially self-sufficient.
- Council Tax had been raised by an extra 2 per cent - what had the money been spent on?

Sustainability and Environment

- Maximise the profitability of parking enforcement.
- Emptying of litter bins and cleaning away of fallen leaves, especially on bridges and where drains are blocked. The safety of crossing the bridge at Chislehurst station because of leaf fall was raised.

- LBB should concentrate on cleaning leaves away from accident sensitive sites.
- Highlight the Street Friends initiative.
- Promote the use of 'Fix my Street'.
- Don't waste time sending out lorries for street cleaning when there were parked cars in the way.
- The problem of traffic congestion at the traffic lights at the junction of Bromley High Street and Westmoreland Road. It was feared that this would worsen when the new building development was finished. It was noted that TfL controlled traffic light phasing.
- The issue of traffic congestion in Hayes Street and Hayes Lane was raised. It was noted that consultation plans were being developed to deal with this.
- More parking was required at the PRU, and current parking was expensive.
- How could LBB ensure that contactors were fulfilling their contractual obligations?

Social Care

- Provide sufficient investment to Children's Services to deliver a 'good' service.
- Issues around the efficiency of transport services for disabled adults and children were raised.
- The number of bailiff visits had increased generally, especially to disabled people.
- The number of homeless people in Bromley was continuing to escalate-more affordable housing was required.
- LBB outlined innovative ways to deal with the homeless problem in Bromley, this included Manorfields and a new Mears Scheme.
- There were a large number of Liberator errors concerning housing benefit.
- The growing problem of mental health issues amongst young people was mentioned. How much money was being invested in this area? There was a need for early intervention. Would resources be sustainable?
- There was a reduction of funding available to support independent living in the community.
- The problem of people living in social isolation.
- The Better Care Fund (BCF) was discussed.

Planning

- A question was raised around the London Plan and housing—how many houses were planned for social housing?
- A balance had to be found between the building of new houses and the use of Green Belt Land. Bromley requires more housing— should LBB build on Green Belt land to meet housing targets?

Economic Development and Town Centres

- Support the development of new and established businesses in the Borough.
- Continue to build on business rates receipts.
- Attract more businesses and investment into the Borough.
- Council and contractors should pay the Living Wage.
- A member of the public requested a list of the contractors used by the Council.
- The lack of social and affordable housing.
- Bromley's Community Toilet Scheme.

Education and Young People

- What was the 'opportunity cost' to LBB of dealing with difficult schools going into the process of academisation?

- An Ofsted Action Plan had been developed and was being implemented.
- How can greater youth involvement in public consultations be achieved?
- Ask for young people to volunteer for projects like leaf cleaning.
- The success of Bromley Youth Council and pro-active nature of Bromley youth in general was noted.

Community, Leisure, Culture and Sport

- Support the continued provision of community libraries.
- Do not close libraries.
- Ensure the Priory continues to be protected.
- Was there any way LBB could assist people to get on to the property ladder?
- The significant benefit to the community of those aged 65+ was noted.

General

- There was a need for public consultation meetings in the evening to cater for people that worked in the day time.
- It was asked how many Compliance Officers the Council employed.
- Central government needed to get to grips with tax evasion and tax avoidance - this would then have the effect of releasing funds for local government.
- LBB partnership working.
- Cllr Lymer commented that as public protection issues had not been raised, this was positive as it seemed to be the case that residents felt safe in Bromley.

Residents' Association Meetings 2016

The **first Residents' Association** meeting was held on Monday 21 November 2016. Below is a summary of the topics covered by 35 representatives from broadly the west of the Borough:

Resources

- Lobby Central Government to improve the funding allocation to the Local Authority.
- Lobby Central Government to allow Council Tax to be increased above 2 per cent without the need for a referendum.
- Lobby Central Government to allow the 2 per cent Social Care precept to be charged for a further year.
- Increase income generation to move towards a more self-sufficient Council.
- Identify all reserves available to be released for capital investment.
- Take a realistic approach to increasing Council Tax in future years to ensure sufficient funding is available for good quality services.
- Continue to undertake enforcement measures for unpaid Council Tax.
- Undertake more cross-working across Council Departments.
- Continue to support the provision of Freedom Passes.

Sustainability and environment

- Protect conservation areas within the built environment.
- Increase the number of conservation officers.
- Re-launch the Local Authority's recycling programme.
- Develop a programme of resurfacing of side roads and pavements across the Borough.
- Consider reducing levels of street lighting by 20-30 per cent where appropriate.
- Monitor the performance of street cleansing operatives.
- Work to improve the street scene.
- Enable parking enforcement officers to issue litter notices.
- Maximise the profitability of parking enforcement.

Social Care

- Provide sufficient investment to Children's Services to deliver a 'good' service.
- Develop a recruitment and retention strategy that supports the delivery of high quality Children's Services.
- Ensure sufficient appropriate care is available for Bromley's older residents, including high quality care home provision for the most vulnerable elderly and disabled people.

Planning

- Maximise use of Section 106 funding to invest in the Borough's infrastructure.
- Provide additional funding to the Planning Service to ensure all planning applications are dealt with in a timely manner.
- Build additional capacity for planning enforcement.
- Expedite work on planning conditions regarding large developments to ensure they can move forward in a timely manner.
- Lobby Central Government to increase planning charges to better reflect the cost of providing the service.

Economic Development and Town Centres

- Support the development of new and established businesses in the Borough.
- Assist with the provision of small, flexible business space for start-up projects.
- Continue to build on business rates receipts.
- Attract more businesses and investment into the Borough.
- Introduce parking validation schemes in town centres (such as in Business Improvement Districts).
- Tailor parking schemes to the needs of individual areas.
- Price parking in town centre locations to encourage short stay usage by shoppers and discourage long term commuter parking.
- Support the night-time economy in Beckenham.
- Support local traders as part of refurbishment of Bromley Market.
- Introduce measures to direct footfall exiting The Hill car park through Bromley High Street.
- Support economic development and regeneration within Penge and Anerley ward.
- Encourage high quality retailers to invest in the Homebase site in Penge.
- Introduce more pedestrianisation to town centres.
- Introduce more parking restrictions around Market Square, Bromley to reduce delays to buses.
- Reduce parking in high streets.
- Ensure the development of Site A: Bromley North Station is appropriate to the local area.

Education

- Continue to support the excellent school provision across the Borough.

Community, Leisure, Culture and Sport

- Promote heritage within Bromley Town Centre.
- Provide funding for grassroots arts organisations within the community.
- Advertise arts and cultural events together with other Borough-wide mailings.
- Offer support to arts organisations around becoming more self-sufficient through commercial activities.
- Support the development of the Crystal Palace Park offer.
- Participate in the London Open House weekend.

- Support the continued provision of community libraries.
- Ensure the Priory continues to be protected.

The **second Residents' Association** meeting was held on Monday 28 November 2016. Below is a summary of the topics covered by 27 representatives from broadly the east of the Borough:

Resources

- Lobby Central Government to improve the funding allocation to the Local Authority.
- Ensure the Council has access to relevant expertise to support its investment programme.
- Ensure that a robust contract monitoring programme is in place to monitor the performance of external contractors.
- Ensure value for money is achieved and contractors are held accountable for any deficiencies in services.
- Monitor the future financial landscape in the Borough.

Sustainability and environment

- Lobby TfL for increased funding for road safety schemes.
- Cleanliness and regularity of street cleaning and monitoring of the contract.
- Use of 'Fix my Street.'
- Better advertising of the Community Toilet Scheme.
- Notify Residents' Associations when streets are due to be cleaned to help to encourage cars to be moved to enable better cleaning.
- Further rollout of 'Friends' voluntary schemes to cover areas such as litter picking.
- Continue to improve air quality in the Borough.
- Improve facilities for cyclists.

Social Care

- Consider converting Council owned buildings into social housing.

Planning

- Improve the quality of planning processes and ensure there is sufficient resource within the service.
- Provide more explanation and justification for the felling of trees in conservation areas.
- More consultation with Friends Groups when planning applications affect parks, rivers etc and have biodiversity implications.

Economic Development and Town centres

- Consider the impact of any new businesses coming into the area on existing infrastructure and services.
- Reduce bureaucracy for new businesses coming into the area.
- Encourage and support local smaller shopping centres and parades.
- Ensure surveys are undertaken before parking metres are installed.
- Consider not working through developers for the regeneration of town centres and instead working directly with larger businesses.
- Enforcement of parking restrictions.

Education

- Continue to monitor and address pressures around secondary school places.

Leader's email box, other emails and tweets

Throughout the consultation, the Council received a number of emails and tweets relating to the budget. The points raised generally mirrored the comments made throughout the survey with the addition of:

- Improving and maintaining footpaths.
- Positive comments related to the Residents' Associations meetings.
- Adding new Residents' Associations to the list of existing ones.
- Improving the 'Fix My Street' service.
- Improving traffic flow.
- Continuing the tree-planting initiatives around the Borough.
- Spending more on electric-charging infrastructure.
- Maximising income, possibly by increasing car parking charges.
- Tackling noise and air pollution.

Susie Clark
December 2016

RISK AREAS WITHIN CARE SERVICES PORTFOLIO FOR 2017/18 ONWARDS

Risk Summary – Care and Health

Care Services

Budgets within Care Services are closely linked and so many risks are held in common. Evidence shows that clients presenting to adult social care are increasingly complex, requiring more sophisticated packages of care, including Deprivation of Liberty orders (DoLs). At the same time, we see demographic pressures pushing the average age of our population upwards. However, many residents are living longer, healthier lives which is to be celebrated, as is the wider council policy to help maintain residents in their own homes for as long as possible.

We know that our partners who provide clients with care whether in residential homes or domestic, are also under very significant pressures. Containing our supplier costs will remain challenging in the coming year, and it is the case that we are very dependent on our commissioning team to manage pressures in a number of areas. These seem particularly acute in the complexities of children transitioning from children's to adults' services. A general reduction in targeted provision means we will also be ending funding to many single interest groups where individual needs will need to be picked-up through our generic programmes.

Costs can be best contained by improving the early advice help and guidance we give residents when they contact us, and we will bring an increasing focus to our first point of contact. This will allow us to reduce staffing in a range of back office functions but also to focus on ensuring clients are given appropriate access to universal credit and other benefits. Ever closer links with health will also improve the efficiency of the spend of the public purse, but we are very dependent on health partners delivering on their responsibilities, for us to deliver ours.

We have seen significant changes to the universal offer in children's services with the redesign of our youth service to give a much greater focus on statutory provision. The potential loss of our universal youth service, a significant source of both referrals and early intervention activities, means that we need to rely heavily on partners to continue to signpost those most at risk to our statutory services, including into the CAF process.

The National Living Wage continues to have a significant impact on the care sector where traditionally care workers are remunerated at the lower end of average income levels. In Bromley around 95% of adult social care front line service delivery and spend is in the independent sector. The Council's social care contracts require providers to pay at least the National Minimum Wage, currently £7.20 per hour, rising to £7.50 from the 1st April 2017. The Council will consider the contractual position with providers and would expect them to be able to demonstrate the specific impact of the NLW on their costs.

Nationally the care worker sector is experiencing recruitment problems partly as a result of pay levels but also caused by the sector's poor reputation and perceived lack of opportunity for employees. Recruitment issues for the sector locally have meant that domiciliary care providers in particular are not always able to respond in a timely way to requests for support for people living in the community which can have an impact on ensuring timely hospital discharges and avoiding unnecessary hospital admissions.

The Council is working closely with the NHS to further integration of health and social care. One of the priorities for the NHS is to deliver 7 day working across the health sector in hospitals and the community. This means that the Council will also have to consider how to respond to pressure for social care services to be accessible 7 days a week both in terms of its own workforce and contracts with external providers. This priority is reflected in the outcomes for the Better Care Fund in order to ensure that the resulting cost pressures in social care are recognised and supported within the health and social care economy.

Housing costs continue to escalate for those qualifying for temporary accommodation and we will observe this carefully, monitoring the control mechanisms we have put in place, However, this area has provided very significant pressures in the preceding years and Members will need to be aware of the particular risks here which may be further exacerbated as the welfare reform is rolled out.

Whilst the Department will endeavour to meet its budgetary commitments there is a risk that increasing demands and pressures on budgets, particularly in Adults and Childrens Social Care. This will mean that additional in year pressures may occur leading to overspends in those areas. The Department will try to mitigate these as far as possible.

Key challenges remain in reducing caseloads and improving practice to ensure that children and young people are safeguarded. A range of actions are being undertaken to address:

- Recruitment of experienced qualified social workers
- Recruitment of experienced managers and heads of service
- Setting clear caseload levels – which are monitored (Caseload Promise and Challenge)
- Focussed training plan January – March 2017 covering key areas that will improve practice
- Continued implementation of the quality assurance framework
- New arrangements for authorising placements

Pace across all actions needs to be increased and this is being addressed through the refocussed “Children’s Services Improvement Team” meetings and CS Governance Board.

Education

The Education Department continues to deliver effective services at a time when the landscape is an evolving one and presenting considerable financial challenge. The SEND reforms have brought additional funding to support change but the extension of education, health and care plans through to age 25 has yet to work its way through the system and it is anticipated that this will have associated additional financial burdens for both the DSG high needs block and RSG in the case of SEN transport. The funding for the education capital programme remains uncertain and there is concern that the increased pressure to create bulge classes will create further DSG pressures. In terms of adult education the proposed restructure, if agreed, will move the service closer to meeting its costs but we must be mindful of possible future further reductions to grant funding.

The introduction of the National Funding Formula (NFF) in 2018/19 holds risks for Education. A second consultation has been issued by DfE in December which splits out the funding into different silos which are the schools, early years, high needs and central blocks. The latest indications are that there will be a reduction in the high needs block of £1.5m which will have to be managed by the department as far as possible. DfE have acknowledged this and have established a new grant, the high needs strategic planning

fund. Local authorities can use this fund to carry out a strategic review of their high needs provision in time for the introduction of the NFF in 2018/19

RISK AREAS WITHIN ENVIRONMENT PORTFOLIO FOR 2017/18 ONWARDS

Waste Services

Landfill Tax

Landfill Tax currently stands at £84.40 per tonne. The Government has confirmed that this Tax will continue to increase annually by RPI inflation until further notice.

The Government has not published any plans for introducing an Incineration Tax, but remains unwilling to rule it out. Until recently Waste tonnages were continuing to fall; and nationally, since 2003, municipal waste to landfill has fallen by 60%, and in 2015/16 was down to 5.1 million tonnes, down from 8.5m tonnes in 2014/15. This has the effect of reducing government Landfill Tax income, which suggests that alternative income may yet be sought.

Increasing property numbers

Growth in the number of properties incurs additional expenditure, as extra collections are required and additional waste is generated. Currently each new property attracts a cost of £50 per year for collection (refuse, recycling and food waste), and an average of £78 per year for waste disposal. Each new property thus cumulatively increases costs by about £153 per year. On average, the number of properties in the borough has increased by about 500 each year, although the increase in the last year was 721 properties. This continues to add pressure to Waste budgets; not only for the collection and disposal of the waste, but also for the provision of recycling containers - the average cost to equip a property with recycling containers, including delivery, is £22.

The average additional cost per property is thus $£50 + £78 + 22 = £150$. At an average increase of 500 properties per year, this represents an additional annual cost of £75,000 to the Waste budget. This year's increase of 721 properties added a cost of £108,150.

Municipal Waste Tonnages

After a long period of falling tonnages, the quantity of municipal waste collected in Bromley is rising again:

2007/08	163,981
2008/09	157,225
2009/10	149,720
2010/11	144,890
2011/12	139,836
2012/13	138,400
2013/14	145,150
2014/15	144,337
2015/16	145,866

In the first 8 months of 2016/17 tonnages have increased by 2.92%, which suggests waste could increase by 4,260 tonnes over the full year compared to 2015/16. DEFRA figures suggest the average annual increase in total municipal waste arisings was 1.2%. This is partly due to the

easing of the recession. Whilst the impact of Recycling for All and local and national waste minimisation campaigns will contribute to restraining increases in waste, there is a substantial risk that tonnages will continue to rise as the economy revives.

The average cost of waste disposal for 2016/17 will be £78 per tonne. Each 1% increase in waste tonnage would increase disposal costs by £114k per annum. However, elements of the increased tonnage are due to commercial waste for which a charge is made, which would mitigate this slightly.

Recycling Income

The fall in overall waste tonnages can also impact on the quantity of recycling materials available for collection.

Paper is sold to UK paper mills through Veolia at a fixed rate of £67 per tonne. 15,690 tonnes of paper were recycled in 2011/12, 15,877 tonnes in 2012/13, 14,436 in 2013/14, 12,940 in 2014/15. This fell to 12,004 tonnes in 2015/16, although this was in part due to issues with difficulties in finding a reliable reprocessor following the closure of Aylesford Newsprint. Tonnages have recovered this year, and the current projection for 2016/17 is 13,600 tonnes. Each 1% fall in paper tonnage will reduce income by £9k. It appears that the ongoing fall in recycled paper tonnages (due to lower sales of printed media. In effect, the influx of tablets, laptops and smartphones was reducing the role of printed newspapers and magazines), has eased, possibly balanced by additional cardboard and paper packaging from internet shopping deliveries).

Similarly, the trend of falling income from textiles is easing. The trend of the public taking advantage of 'cash for clothes' shops and similar charity outlets appears to have stabilised. However, market prices for textiles continue to be relatively poor, largely due to poor export markets.

Alternative disposal options

The pricing schedule in the Waste Management Contract specifies a set minimum tonnage each year to be sent for incineration. Patently, Landfill Tax costs mean it would be beneficial to send more of Bromley's waste to incineration. However, with all disposal authorities facing similar pressures current incineration capacity is at a premium. Officers have explored additional incineration capacity, both through Veolia and independently, but this has not yet proved successful. However, Veolia are now delivering some of our waste to the Veolia MBT plant at Southwark, which has the benefit of diverting an element of our waste from landfill. Conversations continue with Viridor (Croydon), Lewisham Council and Kent County Council to establish whether further tonnage can be diverted.

Street Environment Contracts

The Street Environment Contracts were re-let in 2012 and saw expenditure on Street Cleansing services reduce by about £1m per annum. This was a significant reduction (26%) in contract costs, achieved through variations in operational methodology and reductions in the frequency of carriageway and footway cleaning in a number of roads across the borough.

Officers revised the frequency of cleaning based on their experience and operational knowledge of local circumstances across the borough. However it was recognised that, given the significant

budget reduction and reductions in the frequency of cleaning some roads, it might be necessary to review cleaning schedules in the light of any concerns about standards of cleanliness. This could result in a need to change operational methodology and/or the frequency of scheduled cleaning in some areas.

To manage this risk a budget of £200k is held in the street cleaning revenue budget to address any need to provide additional targeted cleans or to revise operational methodology. This budget provides flexibility to add non-scheduled programmes of works (e.g. weekend sweeping, additional litter picking and bin emptying), whilst retaining budget capacity to manage risk.

Street works

LB Bromley has a responsibility under the New Roads & Street Works Act to monitor the works of Statutory Undertakers (SUs) which affect highway infrastructure. When defects are identified in road or footway reinstatements, a defect notice is issued and a charge made on the SU concerned to cover additional inspections. Charges are also raised when works over-run their approved programme (S74) and when other issues are found on site (FPN's)

Income levels have fluctuated during recent years in line with the performance of utility companies. The quality of works undertaken by Thames Water Utilities (TWU) for example had deteriorated, which led to additional income for the Council between 2007/8 and 2010/11. However TWU have been working hard in recent years to improve their performance, and have introduced new contracts to minimise defective works in the future.

Income from defect notices peaked at £903k in 2010/11, reducing to £793k in 2011/12 and £452k in 2012/13. Although income increased to £872k in 2013/14 this reduced to £446k in 2014/15 it is estimated to drop to £250k in 2016/17 as SU performance improves. At the same time income from S74 has reduced from £222k to £30k, and FPN's from £77k to £30k due to improved performance and changes in regulations.

LB Bromley also administers the London permit Scheme for all road and streetworks, with permit fees received being ring-fenced to cover administration of the scheme. As the number of permits issued depends on actual work on the network, income will vary year on year. Income peaked in 2011/12 at £1.021m, reducing to £0.814m in subsequent years, and is estimated to drop to £0.760m in 2016/17 in line with the reduced defects, each of which requires a permit.

Winter service

2010/11 and 2011/12 saw a significant increase in expenditure on the winter service, following several years with little or no snow. Budgets have historically been based on patterns of spend for precautionary salting, primarily for frost or ice, with relatively little actual snow clearance. As a result of the protracted snow, ice and sub-zero temperatures during the winter of 2010/11 winter maintenance budgets were overspent by £706k, with extra costs incurred for tree maintenance of £35k as well as for waste collection costs of £77k.

It is unclear at this stage whether this is a permanent shift in weather patterns or a one-off. The Government has commissioned research into this issue. In the meantime there continues to be a significant risk of incurring additional

Highways Contracts

The Highways contracts have price fluctuation clauses based on actual cost indexing, whereas budget increases are based on the Consumer Price Index. Although the budgets are cash limited, over time the variation between the two will lead to a reduction in spending power in real terms.

The recently approved highway investment budget will provide £12.4m during the next two years, which will allow a protective maintenance programme to be completed prior to the new Environment Contracts being let in 2019. From recent benchmarking it is likely that costs will increase by 25% from 2019, which will impact on the volume of maintenance works completed within cash-limited budgets.

Street Lighting Contract

The street lighting invest to save programme is nearing completion, and future savings from reduced energy and maintenance will be used to repay the 'loan'. With the intense investment period, future expenditure on maintenance will not follow historic spend profiles, i.e. electrical safety inspections are required every six years, which has required one sixth of the stock being tested each year. However, there will be no testing of the LED units during the next five years, although they will all require testing in year six. A similar situation will apply to cleaning and maintenance.

During the last 12 months the performance of the street lighting contractor has been very poor, and despite intervention from senior officers and Members there is a possibility that an alternative supplier will need to be employed, which would likely increase the cost of the service,

Parking

Charges and tariffs for on- and off-street parking places are set by LB Bromley. A fundamental review of the Council's charging policy took place during 2011/12, leading to Member agreement to increase prices and simplify the tariff structure. A review of these charges was agreed in Feb 2015 to cover the period 2015/19. Members are aware of the potential impact of a further increase in charges, whilst recognising the pressure on the service to meet its budgeted income in the light of fluctuating demand and inflationary pressures.

It should be noted that the parking service operates in a restricted legal environment which cannot include "maximisation of revenue from Penalty Charge Notices as one of the relevant considerations to be taken into account in securing the...movement of traffic" (Traffic Management and Parking Guidance for London).

For a number of years there has been a general decline in 'paid for' car parking in the borough. The introduction of new on-street parking schemes and restricted zones has prevented the reduction from being even greater. Although new schemes will continue to be implemented to meet localised traffic and parking needs, there is no reason to suspect that the downward trend will be reversed, particularly in regard to off-street parking. Again this puts greater pressure on the service to meet its financial obligations. In the changing economic climate it is difficult to make reliable estimates of parking demand in the short to medium term, or forecast the longer term effects on parking behaviour.

The Executive agreed a proposal to extend pay & display parking around shopping centre and railway stations which is being rolled out and is improving management of parking in these areas, with associated income.

The Shared Service is continuing to perform well and lead on a joint Tender exercise with Bexley for the provision of all parking functions, with a go live date of April 2017. The results of the Tender process have been reported to the Executive. The tender process has resulted in a change of primary contractor. The evaluation process included close scrutiny of the Method Statement returns to ensure all risks were minimised including matters such as CEO deployment and ICT systems.

In April 2015 Government banned the use of CCTV for the majority of Parking Contraventions. Proposals for management action with mitigation measures were agreed by Executive in December 2015 and have been implemented.

Pressures from Public Demand

Apart from the identifiable financial pressures arising from such items as budget reductions, contract costs and price increases, there are other pressures due to growing public expectations, social change and legislation. Increased public expectations of local services may be difficult to respond to during a period of tight restraints on resources.

Past surveys of public opinion have shown that four issues were consistently recognised as making Bromley a good place to live. These were low levels of crime, good health services, clean streets and public transport. The Environment and Community Services department leads for the Council on clean streets and on crime issues, particularly enviro-crime and anti-social behaviour; and the department has an input to TfL and others on public transport. There is continued public demand for high service standards in all these areas.

In terms of what needs most improvement in the local area, activities for teenagers, traffic congestion, road and pavement repairs, the level of crime and clean streets were regularly mentioned by residents. All of these service areas are either the lead responsibility of the Environment and Community Services department (clean streets, road & pavement repairs) or ones to which the department makes a significant contribution.

RISK AREAS WITHIN RENEWAL AND RECREATION PORTFOLIO FOR 2017/18 ONWARDS

Planning Services

A substantial part of Planning Services' work attracts a fee income for the Council, for example the planning application fees. The fee income and volume of work reflects the wider economic circumstances affecting development pressures in the Borough. There is a risk of income variation beyond the Council's immediate control; however trends are regularly monitored in order that appropriate action can be taken.

Action is ongoing to avoid the risk of Government Designation for Special Measures due to performance, in spite of high volumes of work and this has significantly reduced the risk of Designation.

A recent Audit of Community Infrastructure Levy processes showed a risk in the full collection of CIL contributions. Agreed remedial action is underway.

RISK AREAS WITHIN RESOURCES PORTFOLIO FOR 2017/18 ONWARDS

Rental Income

1. Other Rental Income

The majority of the Council's leased property has periodic rent increases, the frequency of which is set in the individual property lease. Most rent reviews are five yearly. Thus annual rental increases across all properties cannot be achieved. Whilst some reviews are based on movements in RPI, most are to market level and there is a risk that increases in the properties where there are reviews will not match the assumed inflationary increase in income.

2. Surplus Property

There is a risk that if sales cannot be progressed the cost of retaining surplus properties will increase.

Admin Subsidy

The Authority has not been advised the amount of HB Admin subsidy to be received for 2017/18. However, The DWP has stated that there will be an overall reduction of 4.89% in Admin subsidy payable to LA's. The level of Admin Subsidy to be received in respect of Council Tax Support has not yet been announced.

Benefit Changes

Universal Credit (UC) for new single claimants was introduced in January 2016, with claimants receiving UC towards their housing costs rather than Housing Benefit (HB). Funding has yet to be advised for 2017/18. The DWP have advised that all working-age new claims will receive UC rather than HB from May 2018. Movement of the current working-age HB claimants to UC is due to be completed by 2022. The rental market is reacting to the introduction of UC, making landlords less likely to rent to benefit claimants and further inflating rents. The introduction of UC will have major contractual implications and the uncertainty regarding the roll-out timetable severely impact on the Authority's ability to negotiate.

The above change will also make HB overpayments far more difficult to recover as currently the vast majority is recovered by means of claw-back from ongoing entitlement. Once claims transfer over to UC the opportunity for this form of recovery will be severely reduced.

From April 2016 working age claimants in receipt of Council Tax Support (CTS) have been required to pay a minimum of 25% towards their Council Tax liability. The minimum liability of 25% necessitates collecting Council Tax from some of our most vulnerable residents and courts are becoming more reticent to grant costs and thereby add to the individual's financial burden.

From November 2016 the Benefit Cap has reduced in Bromley to £23,000pa for couples (with or without children) and £15,410pa for single claimants. For those placed outside of London the amounts are £20,000pa and £14,000pa respectively.

The ongoing welfare reform programme combined with an increase in rent levels mean that a growing number of households are at risk of losing their homes through rent arrears. The problem is heightened by the shortage of small properties for those attempting to downsize.

Interest on Balances

An average rate of 0.9% has been assumed for interest on new investments in the financial forecast from 2017/18. Following the Bank of England's decision in August 2016 to reduce the Base Rate to 0.25% from 0.5% (the rate it has been since March 2009), it is now anticipated by many "experts" that rates won't increase (and then only gradually) from around the middle of 2019, although this is by no means certain. Any future increase in interest rates resulting in additional income will be factored into future financial forecasts. The credit ratings agencies, and indeed the markets in general, continue to be very nervous about the financial climate and cautious with their ratings. The downgrading of a number of UK banks in 2012/13, which resulted in reductions to counterparty limits, both financial and duration, in our Investment Strategy, have generally still not been reversed. As a result, we have in recent years placed larger deposit balances with money market funds, which pay considerably lower rates in exchange for instant access to cash. Following Member approval to changes to our strategy, however, we have placed more money in longer term investments (2 to 3 years) with the two part-nationalised banks, Lloyds and RBS, and have invested in a local authority property fund and in two diversified growth funds, which should be seen as medium-term investments (3 to 5 years). In addition, in September 2016, Council approved further changes to the investment strategy, with a view to providing greater flexibility for future investments. However, total balances available for investment are projected to start reducing, and despite the continued good performance in comparison to Base Rate, as well as other Local Authorities, a reduction of £600k income has been included in the 2017/18 budget.

Insurances

The Council's casualty/liability insurance is on a long-term agreement expiring on 30th April 2019, and, following a tender exercise, the Resources Portfolio Holder agreed in June 2016 to award contracts for the Council's other insurance policies (mainly property and motor) from 1st August 2016 to 30th April 2018 with the option for a further year so that all policies would expire on 30th April 2019. Despite the increase in Insurance Premium Tax from 9.5% to 10% which takes effect from February 2017, as well as the take-up of Terrorism cover for the first time, the overall budget variation across the Council for 2017/18 is Cr £1k due to the savings achieved from tendering. However the actual figure could vary in-year following the annual renewals as a result of claims history, as well as changes within the insurance market in general.

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Report No.
CS17074

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Executive

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

Date: 10th January 2017

Decision Type: Non-Urgent Executive Key

Title: RECRUITMENT OF THE FOSTER CARER SERVICE

Contact Officer: Lesley Moore, Director of Commissioning
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Chief Officer: Lesley Moore, Director of Commissioning

Ward: Borough wide

1. Reason for report

- 1.1 Recruitment of In-house Foster Carers is a key priority and therefore a detailed review has been undertaken to see if improvements can be made in the service to increase the overall numbers recruited and consider how this service provision could be provided in the future.

2. RECOMMENDATION(S)

- 2.1 Agree to market test the recruitment of the Foster Carer service through a negotiated procurement process, for a contract term of 3 years, with the option to extend for a further 2 years, with a whole contract value of £1m, as set out in Option 2, para 6.2 of this report.
- 2.2 Note the improvements officers have undertaken around the recruitment process as set out in para's 3.7 to 3.13 of this report.

Impact on Vulnerable Adults and Children

1. Summary of Impact:
-

Corporate Policy

1. Policy Status: Not Applicable Existing Policy New Policy:
 2. BBB Priority: Children and Young People Excellent Council Quality Environment Safer Bromley Supporting Independence Vibrant, Thriving Town Centres Not Applicable:
-

Financial

1. Cost of proposal: N/A
 2. Ongoing costs:: N/A
 3. Budget head/performance centre: 833120
 4. Total current budget for this head: £5,834k of which £45k currently set aside for foister care promotion
 5. Source of funding: Core
-

Personnel

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

Legal

1. Legal Requirement: Statutory Requirement Non-Statutory - Government Guidance None: Further Details
 2. Call-in: Applicable
-

Procurement

1. Summary of Procurement Implications:
-

Customer Impact

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

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes No Not Applicable
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 The Council's strategy over the years has been to increase the use of In-house Fostering as an alternative to Independent Fostering Agencies (IFA) because using IFAs cost £22k p.a. more for each child placed. It is also more cost effective than placing in residential care type accommodation.
- 3.2 The In-house Fostering Service has been established to:-
- Increase the overall number of In-house Foster Placements (to meet identified need)
 - Work and develop services for family members and friends to act as Foster Carers
 - Recruit, approve and support Foster Carers as far as possible to reflect the racial and cultural origins of the children looked after
 - Recruit Foster Carers in or nearby to the Borough to minimise disruption to the child's life
- 3.3 Historically, Bromley's fostering service has found it a challenge to keep pace with the steady increase in demand for foster placements for adolescent children. These difficulties have been further exacerbated by the "natural" loss of carers in recent years.
- 3.4 Foster carer availability constantly fluctuates with carers resting from time to time or resigning when fostering no longer suits their family. Housing is also one of the biggest challenges to people wanting to become foster carers as a spare bedroom is needed to accommodate children over two years of age (often the carer assumes our children can share a room with their own children).

Restructure of Service

- 3.5 The current service is in the process of a restructure to enable a group of staff to focus specifically on foster care recruitment, which is a key priority for the service. This will provide a more coherent approach embedded in the service, with information captured from the point of initial enquiry through to final approval of foster carers, and information captured at each stage of the recruitment process as to why potential foster carers decide not to proceed forward.
- 3.6 The problem with the current staffing structure is that a number of different officers, including qualified social workers, are involved in the recruitment process and important information is captured and recorded in different places, so there is no strategic overview of the recruitment process, to consider what is working well and where improvements need to be made.

Review undertaken by Commissioning & Procurement Division

- 3.7 The Programme Manager within Commissioning & Procurement division has recently undertaken a detailed review of the fostering service with a view to making improvements so it is more efficient and effective. These are listed below:-
- Inefficient responses to enquiries from potential foster carers
 - Website used for initial contact
 - No tracking of advertising
 - No data analysis and individual tracking to understand why foster carers drop out through the process

- Lack of consistency around officers to be contacted
- Social Workers undertaking administrative tasks that could be done by lower graded staff

3.8 The current arrangements for all foster carer enquiries is that all calls are routed through a separate line to the customer contact centre where two questions are asked:-

- Are you over 21 years of age
- Do you have a spare room

No question was asked as to how/why they contacted Bromley, which would help inform future advertising campaigns. This is now in place.

3.9 Responding to foster carer enquiries at times went unanswered or could take 48 hours for the Fostering Team to send out the information packs. Given recruitment of foster carers is a key priority for the service, this has now been changed so that there is a staff member available at all times to take the calls and the information packs sent out within the first 24 hours of enquiry.

3.10 A new policy has now been implemented to ensure that enquires on the web and telephone are dealt with quickly within one hour of initial contact and then people invited to an information meeting to learn more about fostering in Bromley within 2 weeks of the enquiry.

3.11 Website

Changes to the website are also being undertaken to make it easier for Foster Carers to access information about becoming a foster carer in Bromley.

3.12 Data Capture

The table below identifies the total number of enquires for the last two years against how many ultimately resulted in successful foster carers.

	Total Enquiries	Total Applications	Number of Initial Visits	Proceeding to Skills To Foster	Form F's allocated	Forms F's completed	Form F's Closed	Form F's Current at year end	Foster Carers Actually approved
2014/2015	251	61	35	26	25	13	7	5	13
2015/2016	216	71	59	41	21	5	11	15	5

Focussing on 2015/2016 data above although there were 216 enquiries of which only 71 resulted in an application (33%).

The next data set of interest is from the Proceeding to Skills To Foster whereby 18 potential foster carers dropped out or were not being considered as suitable. Of that cohort 21 have gone through to the Form F statutory assessment process, 5 of those to date have been completed and referred to panel, 5 approved as Foster Carers with 15 still to be reviewed. At that stage 11 dropped out due to not being suitable or deciding not to proceed.

Throughout the process from initial enquiry to final approval, applicants withdraw or are considered not suitable, so it remains a challenge to recruit suitable foster carers. It is critical that recruitment data is captured centrally (it has been difficult to get accurate data as officers hold different information depending on which part of the process is being looked at) and analysed regularly to help inform where improvements or changes need to be made – this has now been undertaken.

3.13 Social Workers undertaking administrative tasks that could be done by a lower grade

The restructure of the service will also mean that gathering of Information to provide to prospective foster carers, the arranging of meetings, drafting of reports on the suitability of a potential foster carer proceeding to the next stage and responding to telephone queries will now be undertaken by a dedicated recruitment officer freeing up social work time to do other things.

4. PRESSURE ON THE SERVICE

4.1 Based on the 2016/17 October Budget Monitoring, children’s placement numbers are forecast to increase by 10.3 full time equivalents by the end of this year, resulting in a forecast overspend of around £1.5m. It is therefore critical that an overall commissioning strategy is developed within the Children’s Division in ECHS to manage both current and future demands. This will need to be a priority for the service.

4.2 The trend in placement numbers is shown in the table below. The spike in 2014/15 to 2015/16 of 24 placements was in the main due to Special Guardianship orders (21) where family members come forward to take responsibility for the child. The placement trend is broken down in the table below:-

	2014/15		2015/16		2016/17	
	Actual		Actual		Forecast	
	FTE's	£'000	FTE's	£'000	FTE's	£'000
Residential	33.55	5,278	30.74	4,703	37.27	5,672
IFA	38.16	1,608	45.56	1,718	39.55	1,723
In-house Fostering (including Guardianship etc)	290.18	5,098	309.88	4,917	315.62	4,829
TOTAL	361.89	11,984	386.18	11,338	392.44	12,224

4.3 Whilst the overall number of In-house Fostering placements have increased year on year the benefits are not being realised due to more children being placed in high cost residential type placements, sometimes because no suitable alternative provision can be identified. This means that children suitable for IFAs type placements for example, are being funded in more expensive residential placements. The Director of Children’s Services will need to undertake an urgent piece of work to identify future service needs and how best to meet that need through the commissioning process.

- 4.4 Bromley's fostering service has found it a challenge to keep pace with the steady increase in demand for foster placements required for adolescent CLA, although recent changes brought about by significant case law has lessened the need to recruit carers for younger children. This position may be reversing. Foster Carers presenting to the Council are generally less keen to take on children aged 13+ because they are more challenging.
- 4.5 The recent launch of the [Interim National Transfer Protocol for Unaccompanied Asylum Seeking Children 2016-17](#), of which under the Immigration Act 2016 it is anticipated will soon become a statutory requirement for all local authorities in England, places yet more pressure upon fostering services at Bromley. As a result of the implementation of this protocol, Bromley expects it will be obligated to find placements for more unaccompanied asylum seeking children in the coming year, of which a significant proportion will likely be from an adolescent age group. Although these places will be funded by Government grant, the team will still have to be able to manage this additional capacity
- 4.6 These pressures faced by Bromley's fostering service are similar to those currently experienced by other local authorities nationally and across London and, in conjunction with one another, have already resulted in an increased use of IFAs and residential foster placements for adolescent CLA.

5. SERVICE PROFILE / DATA ANALYSIS

- 5.1 Bromley has experienced an increase in its Looked After Children population from 361.89 in April 2014 to 386.18 in April 2016 (392.44 projected by the end of the financial year).
- 5.2 The reasons for the increase in numbers is not well understood particularly the significant increase in the cohort of young people over the age of 13 becoming looked after. This trend appears to be replicated across most London boroughs.
- 5.3 The recruitment of foster carers for adolescents has, historically, proved challenging. Attempts to raise the profile through targeted recruitment have not been successful overall. It is known that there is a shortage nationally of carers for adolescents, which together with the apparent shift in the number of placements required to meet current and future demand means the service needs to consider how best to deliver this service going forward.

6. FUTURE SERVICE OPTIONS

6.1 Option 1 - Continuation of Current Service Arrangements

Officers do not recommend this option for the following reasons:-

- A more focused approach is required
- The Council has a responsibility to use public resources responsibly and faces significant budget pressures. Doing nothing would imply acceptance of the current arrangements, which clearly is not meeting our needs
- A tender exercise will generate competition within the market, potentially leading to innovation
- Should deliver efficiencies both in service provision and financially

6.2 **Option 2** – Market test the recruitment service

This is the option recommended by officers as it should ensure a specific focus on the recruitment service lead by a provider with detailed knowledge and experience in this area. The market testing of the recruitment process will enable the Council to fully understand the breadth of the market available.

It is proposed that the procurement process is carried out through a negotiated light touch regime, with a contract term of 3 years with the option to extend for a further 2 years. The estimated contract value over the whole 5 year period is £1m

6.3 **Option 3** – Market test the whole fostering service, adoption, and other children services in a bigger bundle.

It is inevitable that market testing more children's service together will deliver greater efficiencies in the longer term; however, very few authorities to date have outsourced the whole of the fostering service. Adoption will also move out of local authority control into regional adoption agencies by 2017, so that all LA services are merged by the end of the decade.

Given the need to attract more in-house foster carers as a matter of urgency, particularly in light of the budget pressures, officers consider that any widening of the market testing to include other services will simply add in delays.

7. **MARKET CONSIDERATIONS**

7.1 Our market analysis has identified several local authorities in London, such as Lewisham, Sutton, Hackney, and Islington, who have, to varying degrees, outsourced the recruitment of their foster carer's service. These local authorities have, on the whole, welcomed the extensive capacity of these commissioned agencies to implement wide ranging recruitment methods and the speed in which they can complete statutory assessments.

7.2 Market analysis and research has also identified risks in commissioning such a service. One local authority in particular, expressed two significant downsides to their experience:

- they felt that the frontloaded management/advertising fee they were charged was too expensive for the service they received and
- the provider had significantly under-delivered on the number of carers provided compared to their initial proposal within a 12 month period.

7.3 Officers have acknowledged these risks and will seek to mitigate them as far as possible in the tender specification. Officers will insist upon through the contract specification, strong safeguards in terms of the quality assurance and contract monitoring of both any advertising material the provider may use, and in the carer assessments that the provider will conduct.

8. **OUTLINE PROCUREMENT STRATEGY & CONTRACTING PROPOSALS.**

8.1 It is proposed to market test the whole recruitment process for the fostering carer service from the point of initial enquiry up to approval stage, although the final quality assurance of the foster carer will be undertaken in conjunction with the service manager, the children's commissioner and fostering panel. The final decision will be confirmed by the Director of Children's Services.

8.3 The specification will require the provider to provide their own recruitment and advertising strategy, process initial carer enquiries, conduct the initial 'Skills to Foster' course, undertake all elements of the assessment of prospective carers, complete the formal written record (Form F),

and present the prospective carers to the Bromley Fostering Panel for consideration of approval.

- 8.4 The provider will be required to provide professional supervision to the assessors and a robust quality assurance package. To ensure compliance with the standards required for our fostering panel, all reports will be required to be quality assured and assessed at an appropriate level of quality prior to being presented to our fostering panel.
- 8.5 The provider will need to ensure that a proportion of fostering units recruited are prepared to take on specific types of placements where Bromley currently has specific shortages (e.g. male or sibling placements, adolescents, and a proportion of these foster carers will be of a Black and Minority Ethnic (BME) background, a measure required due to a current shortage of carers from this demographic.
- 8.6 The provider will be subject to minimum quality requirements when responding to carer enquiries and carrying out initial assessments, details of which will be set out in the service specification.
- 8.7 The provider will be required to ensure that each carer is recruited within a maximum 10 mile radius of Bromley's borough boundaries and within a minimum timeframe of 16 weeks from the carer first registering an interest.

Timetable for market testing

- 8.8 It is proposed to carry out an 'open' procurement process to establish if there are appropriate qualified and experienced providers to manage this service to the standards noted within the specification. An indicative timetable for the tendering process is noted below:
 - January 2017 – Finalise the specification and tendering documents
 - February 2017 – Commence tendering exercise
 - September 2017 - Commence new service
- 8.9 The contract term will be for 3 years with the option to extend for a further 2 years, with a whole contract value of £1m.
- 8.10 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. The proposed tender will be undertaken in accordance with the Council's Financial Regulations & Contract Procedure Rules and procurement policies.

9. SUSTAINABILITY

- 9.1 A more focused service should reduce the number of placement disruptions and achieve more permanency and stability of placements.

10. POLICY IMPLICATIONS

- 10.1 Improving Bromley's capacity to provide appropriate and cost-effective in-house foster placements is a key objective for Children's Social Care and contributes towards *Building a Better Bromley*.

11. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 11.1 Improving the speed and effectiveness of Bromley Council's fostering recruitment and assessment will have a positive impact on vulnerable children in Bromley.
- 11.2 Improving the lives of vulnerable children in Bromley is at the heart of this proposal.
- 11.3 There is no impact on vulnerable adults associated with this report.

12. PERSONNEL IMPLICATIONS

- 12.1 Consultations with staff and their representatives around market testing of the Foster Carer Recruitment Service will be undertaken if members approve the proposals outlined in this report.

13. LEGAL IMPLICATIONS

- 13.1 This report seeks approval to market test (by carrying out a procurement process) the availability and cost of organisations who can provide a recruitment of foster carers service. At this stage the term of any potential contract is unknown.
- 13.2 The estimated value of the procurement is not stated. Rule 5 of the Contract Procedure Rules provides that for a contract with a total value of £500,000 or more the relevant portfolio holder must be consulted and for a contract with a total value of £1million or more the Executive must be consulted on the intended action and contracting arrangements. In both cases the report must be reviewed by the commissioning board prior to submission to the Portfolio Holder or the Executive, as the case may be.
- 13.3 As stated in paragraph 8.10 the light touch regime in the **Public Contracts Regulations 2015** applies to this contract. The Council will need to comply with these Regulations.
- 13.4 The Council has a duty to accommodate and look after unaccompanied children pursuant to parts 3, 4, and 5 of the Children Act 1989.
- 13.5 When carrying out the consultation the Council should have regard to its duties under the Equalities Act 2010 and the Public Sector (Social Value) Act 2012.
- 13.6 The report author will need to consult with the Legal Department regarding the contract terms and conditions.

Non-Applicable Sections:	
Background Documents: (Access via Contact Officer)	Held in Central Commissioning Team, social care and Finance Teams

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Report No.
CS17093

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Executive

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

Date: 10th January 2017

Decision Type: Non-Urgent Executive Key

Title: REGIONALISATION OF ADOPTION SERVICES

Contact Officers: Janet Bailey, Interim Director: Children's Social Care
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Ian Leadbetter, Head of Social Care, Care and Resources
Tel: 020 8313 4116 E-mail: ian.leadbetter@bromley.gov.uk

Chief Officer: Ade Adetosoye, Deputy Chief Executive and Executive Director, ECHS

Ward: (All Wards);

1. Reason for report

- 1.1 This report seeks approval for Bromley to work collaboratively with other London boroughs to continue to develop the London Regional Adoption Agency with the intention of joining the agency, when it becomes operational.
- 1.2 This report sets out the initial scope and identifies the advantages along with potential risks.
- 1.3 This proposal will ensure value for money and reduce the current expenditure on high cost, at a distance, residential emergency placements.

2. **RECOMMENDATIONS**

- 2.1 **To agree, in principle, to join a London Regional Adoption Agency, subject to detailed financial analysis and business case.**
- 2.2 **Authorise the Interim Director of Children's Social Care, in consultation with the Portfolio Holder for Care Services, to progress arrangements relating to the development of a business case for the Agency model.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: The arrangements for regionalising adoption services are designed to ensure that vulnerable children where adoption is considered to be in their best interest achieve permanency without delay
-

Corporate Policy

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

Financial

1. Cost of proposal: No Cost: There are no specific costs associated to the work to develop the business case.
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: 833110
 4. Total current budget for this head: £1,251k
 5. Source of funding: Core
-

Personnel

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

Legal

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

Procurement

1. Summary of Procurement Implications: N/A
-

Customer Impact

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

Ward Councillor Views

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

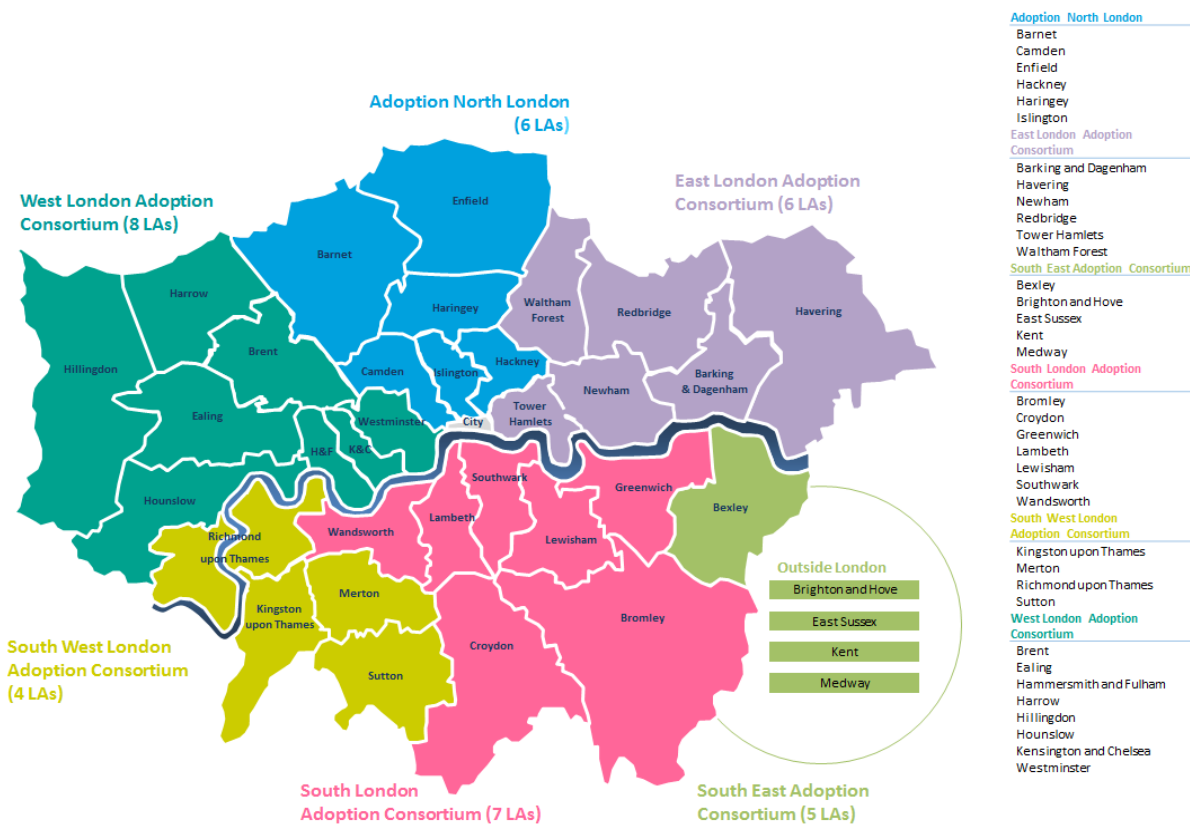
3. COMMENTARY

- 3.1 Following the publication of the DfE paper, *Regionalising Adoption* (June 2015), the Department invited councils and Voluntary Adoption Agencies to submit Expressions of Interest in becoming part of new regionalised arrangements. In response, the Association of London Directors of Children's Services (ALDCS) submitted a London proposition, which was approved for development in 'scope and define' phase. Through the development of regional agencies, the DfE and ALDCS aspire to speed up matching, improve adoption support and achieve cost efficiencies.
- 3.2 A number of possible models for the London Regional Adoption Agency (London RAA) have been explored. ALDCS have recommended the creation of a new local authority owned entity operating in a hub and spoke approach. The model is expected to retain a strong local link. It is recognised that local knowledge and relationships will be essential.
- 3.3 Bromley Council will need to formally agree whether they wish to join the ALDCS Regional Adoption Arrangements, or seek other arrangements to join. The final detailed operational arrangements are expected to be developed by September 2017.
- 3.4 Adoption is a way of providing new families for children who cannot be brought up by their biological parents. It is a legal process in which all parental rights and responsibilities are transferred to the adoptive family. Once an adoption has been granted, it cannot be reversed, except in a very limited circumstances. Alternative permanency options include special guardianship orders (SGOs) and long term fostering.
- 3.5 Successive governments have raised concerns that children in care may experience poorer outcomes due to a low rate of adoption as well as delays in the process. Children in care are more likely to be unemployed, to experience mental health problems, to become homeless and to have their own children removed from them. It should be noted that children in care often arrive in care with significant issues that contribute to poor outcomes; however, a poor care experience can exacerbate rather than remedy these issues. Conversely, a well-timed and good placement match can make a significant and positive difference to the long-term outcomes of children who have difficult and damaging pre-birth and early year's experiences which lead to an adoptive placement.
- 3.6 In order to improve outcomes for children in care, the Coalition Government introduced *An Action Plan for Adoption: tackling delay*¹ with legislative changes to the monitoring of the adoption process through an Adoption Scorecard. This set targets for Local Authorities to speed up the adoption process. In many authorities, those targets have not been met and the speed of adoption remains a local corporate parent and central government concern.
- 3.7 The Department for Education (DfE) paper, *Regionalising Adoption*² proposed the move to regional adoption agencies in order to:
- Speed up matching
 - Improve adopter recruitment and adoption support
 - Reduce costs
 - Improve the life chances of vulnerable children
- 3.8 In 2013, the London Adoption Steering Group was set up to enable pan-London good practice sharing and development. This group transitioned to the London Adoption Board in 2014. The London Adoption Board includes London boroughs and voluntary adoption agencies (VAAs)

and is sponsored by the CVAA. The London Adoption Board has supported the collection of adoption data, facilitated best practice showcase events, advocated with external groups on behalf of London, and enabled the development of standards for adoption services.

3.9 All London boroughs belong to an adoption consortium. These consortia allow best practice sharing between local authorities and enable joint working on some aspects of the service. In some cases, services are carried out jointly between boroughs via these consortia arrangements. Examples of service areas that are carried out jointly include adopter training, recruitment activity, and joint subscriptions. There is a range of levels of integration within the different consortia. Figure 1 shows the current consortia regions.

3.10 Figure 1. London adoption consortia arrangements



4. COST AND EFFICIENCY PERFORMANCE

4.1 For local authorities, the vision cites a need to support cost efficient and effective delivery that enables future flexibility. Figure 2 shows the variation in adoption numbers by borough during 2015-16. This shows that adoption is a very small service within many boroughs, which may result in inefficiencies and may reduce focus on this area within staff training and development.

4.2 Figure 2. Number of children adopted from care Q1-3 2015/16, ALB data set



4.3 There is also significant variation in cost per adoption, which partially relates to the efficiency aspects described above, but also reflects savings opportunities. An economic analysis during the first phase of work estimated the average cost per adoption in local authorities was £58,900, based on submissions from 21 local authorities, compared to an interagency fee average spend of £33,300 (The interagency fee is the 'fee' charged between local authorities for the provision of adopters when adopters are used by the non-assessing local authority. This figure represents the maximum allowed for under the DfE interagency fee guidelines) This does not include indirect costs, adoption allowances, Adoption Support Fund spend, and third party payments.

4.4 Further analysis is required to confirm the data and identify which tasks are carried out by local authorities and not by external agencies. This will provide an indication of the window of opportunity for efficiency improvement.

4.5 The greatest area of saving potential was identified within staffing, but the potential models are hypothetical and need further testing in the context of the service design. Further analysis is required of local authorities with low cost per adoption and good performance on timeliness and quality to identify whether these achievements are possible to extend to other areas. The London RAA will measure performance against Adoption Leadership Board statistics, quality metrics including breakdowns, process efficiency and satisfaction. Proactive tracking and problem solving processes will be a core function of the RAA.

5. BENEFITS OF A REGIONAL ADOPTION AGENCY

- 5.1 It is anticipated that, following the formation of a RAA, the following benefits will be achieved.
- Timeliness of adoption matching with central tracking of children and adopters.
 - Economies of scales for commissioned contracts; one lead commissioner could potentially manage all adoption contracts on behalf of the RAA.
 - Reduction in bureaucratic processes so they are not replicated numerous times in each local authority. Centralised management and administration of adoption panels, including health.
 - Increased government funding for the delivery of centralised adoption agencies.
 - Recruitment will be driven by the needs of a larger cohort of children who are waiting to be matched. Family finding social workers will be clearer about the adopters who are available and the children requiring placement.
 - Social workers will have immediate access to a larger pool of adopters when carrying out the matching process. This is likely to speed up the matching and maintain adopted children in their regional areas.
 - There will be opportunities to work in partnership with health departments across the region, which supports continuing and local health provision. There is increased choice, consistency and availability of support services in relation to post adoption support.
- 5.2 The RAA would look to develop supervision models, looking at cross-agency support, and to develop practice skills and behaviours, learning from good practice across the region. This will also enable external challenge and scrutiny over permanence decision making, timeliness and missed matches.
- 5.3 Mechanisms will be established which will provide an overview of those children coming into the care system and this will provide an opportunity to develop early planning with protocols agreed across a wider range of local authorities.

6. RISKS

- 6.1 The development of a regional adoption agency risks dislocating adoption services from the social work teams which work with children. Services may become fragmented leading to delay for children. All participating councils are aware of this risk; engagement of social work teams for children is planned. Close monitoring of adoption delay and rates of adoption is now in place at national, regional and council level to closely track any changes.
- 6.2 The Council currently has direct control over its adoption service; regionalisation has the potential to dilute this.
- 6.3 Disruption during the period of transition and managers/staff may become focussed on the change process rather than service delivery which may lead to delays in plans for children.

- 6.4 Adopters may lose confidence during the change process resulting in the potential for fractured relationships and breakdown in service delivery.
- 6.5 Set up and running costs may be underestimated leading to unforeseen liabilities for partners and/or the new RRA.
- 6.6 If the RAA does not benefit Bromley is there a way to opt out. We may be stuck in a process which does not benefit our young people.
- 6.7 Numbers of adoptions could increase which would lead to us having to deliver more without any extra resources.
- 6.6 There are likely to be a number of legal issues and risks regarding contracts, procurement and transfer of functions into the RAA. This also may include consideration of pension arrangements and a formal partnership agreement between all the local authorities involved in this project. These will need to be considered at an early stage but much will be dependent upon the final delivery model chosen.
- 6.6 Key risks and issues will be identified as part of the future project planning. A risk register will be produced and will be regularly monitored and updated as part of the project work plan.

7. POSSIBLE MODELS AND GOVERNANCE

- 7.1 The following options provide a brief overview of potential models. Each option will have to be analysed and researched further.
- 7.2 **Option 1** – RAA is hosted by a single Local Authority on behalf of other LA's. This option would provide an apparently simple solution and would ensure continuity of LA 'Terms and Conditions' and pension rights for all staff. This is the model currently being explored in a number of regional development projects. However, the regionalisation steering group agreed this option as not viable due to the scale and complexity being too large for a single LA to manage. The organisational culture would also be strongly influenced by the individual LA identified.
- 7.3 **Option 2** – RAA is formed by the creation of a Local Authority Trading Company. The steering group agreed this model should be explored further as there was lower procurement risk in this model and potential for a strategic partnership with VAA's in a new LA owned entity.
- 7.4 **Option 3** – RAA is formed by LA's and VAA's combining under an existing brand with co-ownership of the brand by VAA's and LA's. This option would bring a national perspective to the local region but would also see local services brought under the management of a separate local body.
- 7.5 **Option 4** – RAA is formed by LA's combining under a trust to form a company jointly governed by LA's. This option would involve outsourcing to existing VAA's.
- 7.6 The Regionalisation steering group carried out scoring of desirability and feasibility criteria and held a discussion of the available options based on engagement with stakeholders and other data captured. The group recommended the two models which should be investigated further are Options 2 and 3.

8. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 8.1 Improving the speed and effectiveness of adoption services will have a positive impact on vulnerable children in Bromley.
- 8.2 Improving the lives of vulnerable children in Bromley is at the heart of this proposal.
- 8.3 There is no impact on vulnerable adults associated with this report.

9. PROCUREMENT IMPLICATIONS

- 9.1 There are no specific implications in relation to this report. Future implications will be reported to Members in due course.

10. FINANCIAL IMPLICATIONS

- 10.1 A submission will be made to the DfE by the London Adoption Board for funding to support the project management of the delivery of the RAA.
- 10.2 There are no costs associated with this report as this is at the scoping phase at the moment. However a detailed financial model and business case will be required before it progresses any further.

11. EQUALITY IMPLICATIONS

- 11.1 There are no equality implications associated with this report.

12. POLICY IMPLICATIONS

- 12.1 Improving Bromley's capacity to provide more effective and appropriate adoption services is a key objective for Children's Social Care and contributes towards *Building a Better Bromley*.

13. LEGAL IMPLICATIONS

- 13.1 There are no specific legal implications in relation to this report. Detailed legal advice has been sought by the London Adoption Agency during the initial modelling stages and further advice will be sought as each of the delivery option is analysed. A further report to Members prior to any formal agreement will be provided.

14. PERSONNEL IMPLICATIONS

- 14.1 There are no specific implications in relation to this report. Future implications will be reported to Members in due course.

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

Report No.
CS17073

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Executive

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

Date: 10th January 2017

Decision Type: Non-Urgent Executive Key

Title: **PROPOSAL FOR CHILDREN'S RESIDENTIAL BLOCK BED PLACEMENTS**

Contact Officer: Lesley Moore, Director of Commissioning
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Philip White, Strategic Commissioner Children's Services
Tel: 020 8313 4643 E-mail: Philip.white@bromley.gov.uk

Chief Officer: Lesley Moore, Director of Commissioning

Ward: Borough Wide

1. Reason for report

- 1.1 This proposal sets out the need for block beds for residential placements for young people coming into care and what the benefits and implications would be for the London Borough of Bromley, particularly in the light of the cost pressures facing the department.
 - 1.2 Following the recent follow up visit from Ofsted they agreed with the Director of Commissioning that the Council's current strategy with placing children in high cost spot residential placements was not offering the council value for money and not the best placement for these children.
 - 1.3 Within the block bed contract it is proposed that 1 or 2 beds are set aside for emergency placements.
-

2. RECOMMENDATIONS

- 2.1 **Agree to market test residential placements for young children aged 13 – 17 years of age, block booking up to 12 beds which will be within 10 miles of Bromley, for a period of 4 years with the option to extend for a further 4 years (2 plus 2), in line with the Commissioning Strategy as set out in para 5.6 of this report, with a whole contract value of £15.4m.**

- 2.2 Agree to enter into discussions with a local provider in the borough to block book 4 emergency residential care beds for young children aged between 13 – 17 years of age for a period of 9 months as set out in para 5.5 of this report, with an estimated contract value of £540k.**
- 2.3 Note the on-going discussions with Drake Court a provision for 16+ children, which will need further investigations as set out in para 8.3 of this report.**

Impact on Vulnerable Adults and Children

1. Summary of Impact:
-

Corporate Policy

1. Policy Status: Not Applicable Existing Policy New Policy:
 2. BBB Priority: Children and Young People Excellent Council Quality Environment Safer Bromley Supporting Independence Vibrant, Thriving Town Centres Not Applicable:
-

Financial

1. Cost of proposal: £1.9m p.a.
 2. Ongoing costs: Recurring Cost Non-Recurring Cost Not Applicable:
 3. Budget head/performance centre: 808101
 4. Total current budget for this head: £5.1m
 5. Source of funding: Core Funding
-

Personnel

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

Legal

1. Legal Requirement: Statutory Requirement Non-Statutory - Government Guidance None: Further Details
 2. Call-in: Applicable
-

Procurement

1. Summary of Procurement Implications:
-

Customer Impact

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

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes No Not Applicable
2. Summary of Ward Councillors comments:

3. COMMENTARY

3.1 Placements can occur as a result of a family crisis which can include:

- Parents determining they can no longer manage the young person.
- The parents may be either hospitalised or imprisoned and so children are placed in the care of the LA if there are no other suitable carers available in the extended family network.
- The young person may have become involved in crime and gangs and needs to be moved from the home environment.
- The young person may be discharged from a secure or hospital environment and be referred to LA to accommodate.
- The young person may be remanded to LA care following an appearance in court.
- The young person may have been subject to emotional, physical or sexual abuse. They could be susceptible to CSE or have been trafficked.
- There is also potentially a cohort of unaccompanied asylum seekers.

3.2 Whatever route a young person takes into care, the process is the same. An initial assessment is made (if there is time) and a request is made to the Head of Service in order to approve admission into care and the funding/type of accommodation that is being agreed.

3.3 These young people can often be complex and very difficult to turn around, on the basis that they may have quite a few years of emotional dysfunction and chaotic living. Some teenagers are under pressure from peers to continue with criminal or gang behaviour and young people with a history of absconding may continue to carry out this behaviour – quite often they are running to something rather than running from a situation.

3.4 Bromley has not used block placements since it operated its own children's homes (contracts ended in 2005). The approved provider and registered manager of each and every home have the right to either accept or reject a placement from any authority. The homes have a duty of care to their existing residents and their staff to ensure that any new placement is a match for existing residents, that they can meet the child's needs and will cause no disruption to existing tenants and/or there will be no safeguarding issues arising from the placement.

3.5 There has been on average 33 Looked After Children placed in a residential care type setting in the last 3 years. In 2016/17 specifically, there has been an average of 36 children of which 15 are placed in Residential Care Homes with Education, 17 children are in Children's Homes and travel for their education, 2 children placed in Specialist Community Homes funded 50/50 by children's social care and the CCG and 2 children are at Boarding Schools.

3.6 When the Council block books placements there is a risk of paying for empty beds if there is no demand for that placement effectively causing 'double funding'. However, given the high demand for these type of placements and that the Council will have the ability to offer empty beds to other local authorities if not required, this risk will be mitigated. It is also proposed that 1 or 2 of these beds in each home are set aside for emergency placements.

Current Arrangements

3.7 The current arrangements to identify emergency residential placements for young people coming into care are on a spot purchase arrangement. As and when a placement is required for a young person a referral is submitted to the Central Placements Team to source the most appropriate available provision in which to place the young person.

3.8 Improving outcomes and providing better quality of care with added value for the Council can happen with a change in the current commissioning arrangement.

3.9 The responsibility of identifying the emergency placement is held by the Central Placements Team once the referral is completed by the Social Worker of the young person and authorised by a Head of Service.

3.10 Given that the Commissioning Strategy details that all young people should be placed within 10 miles of Bromley it has been identified the need to have more readily available local beds for these young people.

3.11 The Commissioning Strategy aims to provide and plan for the future and to ensure that we need to commission services that are effective, efficient and responds to the needs of Children Looked After in Bromley.

3.12 In recent months it has become more challenging to identify suitable placements for these young people coming into care for a variety of reasons:-

- A decrease in current vacancies available to the London Borough of Bromley.
- Young people are presenting with very complex and challenging needs and providers are not able to take the placement due to the risk they present to other young people who are already accommodated in the placement.
- Provisions with vacancies do not have a Good or Outstanding Ofsted Inspection.
- Providers are not as willing to provide emergency placements and opt to only accept placements on a planned basis.
- The majority of these young people are not known to the Local Authority and therefore a lack of information drives further complications and difficulties in identifying a placement. Potentially these children could have been fostered but a lack of information and time to gather this information prevents this.
- The providers who can manage these young people do not have time to arrange the level of staffing these young people will need when initially placed.

3.13 The block booking of residential placements should address the above challenges by increasing local capacity and have a vetted and approved provider ready to take the placements.

3.14 When young people are unknown to the Authority it is difficult to identify immediately the best provision that will meet their needs longer term, or even to know what their needs might be. Having 2/4 emergency placement provision will enable an initial assessment of need from a place of safety will result in better quality care planning and potentially enable a move to a foster placement rather than on going placements in residential care.

3.15 The Commissioning Strategy identifies the need to build in-house fostering capacity; once this is achieved, having young people locally placed will aid the transition from residential to the in-house foster placements. This will allow the provider, Bromley's Fostering Service and Bromley's carers to be able to plan a move and work closely with the young person, something that is much more costly and harder to achieve when a young person is placed at a distance to Bromley.

3.16 The Commissioning Strategy identifies the need to ensure preventative and support services are in place to avoid children becoming looked after unnecessarily or to support quicker returns to home. Block beds could act as a preventative service by:-

- Supporting young people over a short period of time by means of a respite bed to prevent behaviours escalating at home and enabling a child and/or the family to have breathing space. This will prevent unnecessary longer periods of time in care.

- Reducing the escalation of placing children who do not necessarily need high cost residential placements while a period of assessment is undertaken by the Social Worker. This would allow more time to identify a suitable placement. Once more details have been ascertained it is more likely to find a suitable foster placement or more cost effective and better matched residential placement.

4. SERVICE PROFILE / DATA ANALYSIS

4.1 There has been an increase in Children Looked After in the London Borough Bromley.

4.2 There has been an increase in young people presenting with complex and challenging needs. The current trend is both boys and girls aged 13-17. They are presenting in need of an emergency/same day placement and are generally at risk of CSE and/or have a criminal history.

4.3 Analysis confirms that there will always be a need for the London Borough of Bromley to use residential placements but a block contract should deliver a reduction in spend rather than rely on the current arrangements of emergency residential placements purchased on a spot arrangement, which heavily depends on availability at the time. Supply and demand will inevitably push up cost of placements.

4.4 It is anticipated that a block contract will achieve:-

- An increase in young people being placed locally.
- A reduction in residential spend
- A reduction in travel expenses transporting the young person to the placement, home or even to court attendances.
- A reduction in the need to commission out of other support services such as, CAMHS, therapy, contact centres.
- Savings in placement officer and management time identifying emergency placements that will be suitable
- Children being placed late in the evening/night (especially when at a distance)
- More effective planning for the young person, leading to better outcomes and placement stability.

4.5 In 2015/16 there were 43 referrals of all ages requiring residential placements compared to this year to date which has seen 65 referrals. In the main these referrals have fallen within the 13-17 year old age category (about 95%). Given the level of demand for 13 -17 year old residential placements the Council will need to look at commissioning services differently to avoid continued pressure on this budget. Placements made outside of the borough also impact on SEN transport costs, which are forecast to overspend this year, so a block bed contract will help reduce costs in this area.

4.6 The numbers of children placed in residential care for the age group 13-17 years on placement for the last three years is shown in para 5.1 below.

4.7 There is a steady increase in the number of children coming into care at 13years plus (with a steady 40-50% of all children looked after in the past three years being 13years plus) and they are presenting with more and more complex needs. These needs include CSE, absconding, mental health issues, drug and alcohol problems and gang affiliation/involvement or other criminal activity. These are the young people who generally we are not able to place in foster placements.

5. FINANCIAL DATA

5.1 The total expenditure on residential placements along with the forecasted spend for this year is:

	2014/15		2015/16		2016/17	
	£'000	FTE's	£'000	FTE's	£'000	FTE's
	Actual		Actual		Projected	
Community Homes with Education	1,715	14.59	1,534	10.29	1,894	14.59
Community Homes	1,300	9.30	2,387	12.48	2,951	17.00
Specialist Homes	529	4.00	254	2.16	209	2.33
Boarding Schools	377	6.55	344	4.71	189	2.25
TOTAL	3,921	34.44	4,519	29.64	5,243	36.17

5.2 The FTE figures for 2016/17 include children currently in a placement, who have been in the system and have since left and estimation for future placements during the year. The table shows a significant growth in placement numbers in 2016/17.

5.3 As you can see from the table above expenditure on children's residential placements has risen considerably in the last two years from £3.9m in 2014/15 to £4.5m in 2015/16 and projected to increase this year by a further £0.7m.

5.4 Unfortunately, emergency placements are not recorded in an identifiable or specific way. However the relevant Head of Service has identified that currently around £4,000 a week is the weekly cost of an emergency placement when placed. Although Emergency placements are reviewed and costs are often reduced, in some cases the placement needs to continue and this becomes a long term placement where the fee bar is set high from the onset

5.5 An existing provider in the borough currently operates a 6 bedroom children's home for 13 -17 years olds which has caused some issues for residents due to inappropriate placements. Officers propose as an interim arrangement, particularly given the concerns raised by Ofsted, entering into direct negotiations with this provider to secure 4 emergency beds for an interim period of up to nine months whilst a full tendering exercise is undertaken. It is estimated this will cost £540,000 for a nine month period,

5.6 Given the upward pressures on children placed in residential care aged 13 – 17 years of age, it is proposed to market test for up to 12 block bed placements comprising of emergency and non-emergency beds as required by the service. It is proposed to enter into a contract for a period of 4 years with the option to extend for a further 4 years (2 plus 2) if required. The annual contract value for this would be around ££1.9m and an estimated contract value of £15.4m (over 8 years).

6. MARKET RESEARCH

6.1 From research carried out into other local authorities there appears to be a clear pattern in moving away from spot purchasing. This is in relation to all residential placements, not only those ones which are an emergency.

6.2 Over the last five years local authorities have moved from spot purchasing to block purchasing residential placements. The majority of the local authorities who currently spot purchase are looking at other options given demand on the service.

6.3 The main reason for moving away from spot purchasing is to deliver a more efficient and effective service. Spot purchasing does not always represent best value for money, particularly when a placement has to be found in an emergency situation or if there is a lack of availability which results in placements having to be made further afield, which then impacts on other services such as transport and social worker time travelling around the country to undertake visits to the child

6.4 Block booking of placements will also ensure where possible that the placement is kept in borough or very close to the borough, therefore minimising disruption to the child and reducing support costs.

6.5 Nottinghamshire Council block purchased 25 residential care beds for children in 2015 in order to save money from spot purchasing and drive efficiency.

6.6 Manchester City Council has a five bed in house children's home for emergency young people entering care.

6.7 In 2011 a consortium of local authorities in the North East came together in order to better manage the residential placements process. The aim of the consortium is to increase the residential placements market in order to increase competition, to improve quality and choice and control cost. The arrangements will modernise the way placements are procured making it a more open, transparent and robust process. LBB has this arrangement under London Care placements (formerly the pan London consortium).

6.8 There is a home in the Borough which could provide the Council with six bed placements. The Home is presently used by other local authorities, which has seen children placed which were not suitable for the home, and have caused disruption in the area. Given the Council could utilise these placements officers are currently in discussions with the home about block booking all these beds, both for emergency and longer term.

7. MARKET CONSIDERATIONS

7.1 Our market analysis has identified several providers within 10 miles of the London Borough Bromley. These providers are based in, Bexley, Bromley, Croydon and Lewisham.

7.2 All these providers have been approached as part of our research but not all of these providers are able to offer a block bed arrangement for a variety of reasons:-

- Some providers are only interested in planned moves, so do not offer emergency placements. Block booking of beds should reduce over reliance on emergency beds anyway, so this should not be an issue.

- Some providers are registered for a certain age range which would be lower than 13 – 17 year olds that the Council is targeting.
- Although some providers said they could offer placements they would decline the option of Bromley having a block bed as they feel our young people with their presenting needs would substantially alter the focus of the work they carry out in their homes.
- After initial visits to the providers by the Central Placements Team it was felt that some providers are not suitable to offer placements for complex and challenging behaviour, they do not have the staffing capacity and staff are not trained to deal with these behaviours. However, as part of the commissioning role, the market will need to be developed to manage this.

7.3 One risk identified in commissioning the block beds is the provider rejecting the referrals of the young people being referred for the placement; however this will be managed by ensuring that any block bed contract meets the needs of the service both now and in the future. A detailed analysis of what is required will be undertaken and accounted for in the service specification.

7.4 A provider cannot guarantee that they can accept every referral sent to them. An example given by one provider was, if Bromley referred a young boy who has a conviction of a sexual assault against underage girls, and the provider had two females currently in the placement they would not be able to accept the young boy, due to the risk it would impose on the females in placement and Ofsted would not allow this as this as it would be deemed an unsuitable match. This risk is lowered by having two block beds over two Units.

7.5 Providers however stated that if children were placed with 1:1 and 2:1 staffing then they would be able to manage most of our referrals and unless the proposed young person presented significant risk to young people in placement they could accept the majority of Bromley's referrals. However 1:1 and 2:1 staff can present a significant additional cost to the placement.

7.6 One provider suggested they would share live matching criteria for the home with Bromley on a weekly basis. This would detail the types of other young people in placement and any specific matching considerations that needed to be factored in. They would then complete an impact risk assessment and if for whatever reason they could not match, they would share this assessment with Bromley to show their rationale.

8. OTHER OPTIONS CONSIDERED

8.1 **Do nothing** – although some placements will still need to be spot purchased (if the child has very complex needs) given the significant pressures on the service in the last few years and going forward, a different service model will need to be implemented. Therefore, doing nothing is not an option.

8.2 Increase internal capacity by **opening a residential unit in Bromley**, run and owned by Bromley – The cost incurred would be a lot higher than have block bed contracts. In 2005 Bromley owned a residential unit; this cost £500k per annum. It is felt that in today's market this would be far more costly. This would also take time to implement which is not viable and Bromley would still have the same level of risk when it comes to matching the young people in placement.

8.3 **Drake Court** – Drake Court is a provision that is contracted for young people aged 16+ that provides supported lodgings. There is a possibility that they have an underutilised flat that could be used for children aged 16+. Again this would help reduce budget pressures for Children Leaving Care. This would not be suitable for all young people as this is not an Ofsted registered provision

and could not be used for any child under the age of 16 years. However, this option is currently being explored for 16+ placements.

8.4 **Shared services** – (is this shared services with other authorities?) currently it would not be practical to share these services due to the arrangements in place. This could potentially be a long term option after further research but would not be the quick option required.

9. OUTLINE PROCUREMENT STRATEGY & CONTRACTING PROPOSALS.

9.1 It is proposed that we contract with two providers in order to secure block beds placements for children aged 13 -17 years of age, which will include emergency bed arrangements.

9.2 We will seek to enter into a contract with a provider for a period of up to 4 years, with the option to extend for a further two years plus 2 years (8 years in total) if required. As part of the contract any vacant beds will be able to be offered to other local authorities should they not be required. This helps mitigate any risks.

9.3 The specification will be developed with the Head of Care and Resources, the Central Placements Team and Procurement Team.

9.4 The provider will need a tried and tested high control behavioural management model in place to ensure the young people have the best support and best outcomes possible available to them.

9.5 The Provider will be expected to work with community partners, the Local Police and Safeguarding Boards and other agencies to always promote a team around the child to promote better outcomes.

9.6 All staff who work within the homes will be recruited in line with Safer Recruitment guidelines and undergo a rigorous training programme.

9.7 The Provider, will ensure they meet all nine Quality Standards contained within the Children's Home Regulations to help young people achieve better outcomes:

- The quality and purpose of care standard (regulation 6)
- The children's views, wishes and feelings standard (regulation 7)
- The education standard (regulation 8)
- The enjoyment and achievement standard (regulation 9)
- The health and well-being standard (regulation 10)
- The positive relationships standard (regulation 11)
- The protection of children standard (regulation 12)
- The leadership and management standard (regulation 13)
- The care planning standards (regulation 14)

9.8 The Provider, will ensure they meet all Statutory Requirements and Legislation around providing care for looked after children; this will be clearly identified in the Specification.

9.9 The Provider will ensure that their Statement of Purpose is current and has regard to the needs of children placed in the home and the home's role and aims are clearly identified.

Procurement Process

9.10 Soft market testing was carried out with the fourteen providers who are within 10 miles of Bromley, for emergency beds. Only five at the time of market testing would be able to offer block bed arrangements, the other providers declined for the variety of reason stated in 6.2. However, this will be very different if we went out as planned for block bed contracts for permanent placements.

9.11 Prior to entering into a formal EU process there will be a discussion with a number of service providers in the locality to further inform the Councils procurement strategy given the complexity of the service and the needs of the client groups identified, along with the need for the services to be located in or close to the borough. It is proposed that the Council enter into a competitive dialogue procedure with negotiations (with notice) within the light touch regime.

9.12 The proposed draft timetable is set out below:-

2017	
Report to Executive	January/February
Specifications drafted	February
PIN/Contract Notice issued	March
Contract Award	July

* Maybe earlier for contract with local provider (recommendation 2.2)

9.13 The monitoring of these contracts along with all the other contracts for children's services will be undertaken by the central contracts monitoring team in the Commissioning & Procurement Division.

10. IMPACT ON VULNERABLE ADULTS AND CHILDREN

10.1 Blocking booking of emergency beds and more local provision will allow for more effective planning for the young person, leading to better outcomes and placement stability.

10.2 Improving the lives of vulnerable children in Bromley is at the heart of this proposal.

10.3 There is no impact on vulnerable adults associated with this report.

11. SUSTAINABILITY

11.1 Block beds should reduce the number of out of borough placements for young people in care which should reduce placement disruptions and achieve better outcomes.

12. POLICY IMPLICATIONS

12.1 Improving Bromley's capacity to provide appropriate and cost-effective residential placements is a key objective for Children's Social Care and contributes towards *Building a Better Bromley*.

13. LEGAL IMPLICATIONS

13.1 This report seeks the approval of the Executive to procure a contract for the provision of:

- (1) 12 children's residential block bed placements for a period up to 4 years with an option to extend for a period or periods up to 4 years and an estimated total value of £15.4 million; and
- (2) 4 emergency children's residential block bed placements for a period up to 9 months and an estimated total value of £540,000.

13.2 Rule 5 of the Contract Procedure Rules provides that for a contract with an intended total value of £1,000,000 or more the Executive will be formally consulted on the intended action and contracting arrangements having first been reviewed by the Commissioning Board.

13.3 Rule 8 of the Contract Procedure Rules provides that for contracts with a value above the EU threshold the Council must open the procurement to between 5 and 8 organisations.

13.4 The Public Contracts Regulations 2015 apply to this contract and the Council will need to comply with these Regulations. It is intended to procure the 12 children's residential block bed placements using a competitive procedure with negotiation.

13.5 The estimated financial value of the procurement of the 4 emergency children's residential block bed placements falls under the light touch regime set out in the Public Contracts Regulations 2015 and is under the financial threshold of £589,148 for that regime. These beds are required urgently owing to an unforeseen circumstance, see paragraph 5.5 of the Report. Accordingly, the procurement procedures under Part 2 of the Regulations do not apply.

13.6 The report author will need to consult with the Legal Department regarding the contract terms and conditions.

Non-Applicable Sections:	Personnel
Background Documents: (Access via Contact Officer)	supporting papers held in commissioning and finance

Report No.
CS17090

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Executive

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

Date: 10th January 2017

Decision Type: Non-Urgent Executive Non-Key

Title: **CHANGES TO NON RESIDENTIAL CONTRIBUTION POLICY AND ADDITIONAL INCOME GENERATION**

Contact Officer: Stephen John, Director, Adult Social Care

David Bradshaw, Head of Education, Care & Health Services Finance
Tel: 020 8313 4807 E-mail: David.Bradshaw@bromley.gov.uk

Chief Officer: Ade Adetosoye, Deputy Chief Executive and Executive Director, ECHS

Ward: (All Wards);

1. Reason for report

1.1 To consider the proposed changes to the Non-residential contribution policy.

2. RECOMMENDATIONS

The Executive is asked to approve the following recommendations:

2.1 To agree the new charging rates for 2017/18 for domiciliary care as set out in paragraph 3.9 of this report.

2.2 To agree the new direct payment charging rates as set out in paragraph 3.12 of this report.

2.3 To agree to charge a cancellation fee in Reablement as set out in paragraph 3.20 of this report.

2.4 To note that a blended rate for Extra Care Housing may be introduced subject to the outcome of tendering which will reported at a later date.

Corporate Policy

1. Policy Status: Not Applicable
 2. BBB Priority: Not applicable
-

Financial

1. Cost of proposal: No cost:
 2. Ongoing costs: N/A:
 3. Budget head/performance centre: Care Services charging
 4. Total current budget for this head: £4,839k
 5. Source of funding: Charging
-

Staff

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

Legal

1. Legal Requirement: Care Act 2014
 2. Call-in: Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): maximum 1,800 clients
-

Ward Councillor Views

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

3. COMMENTARY

- 3.1 Given the significant savings that the Council will need to find over the next four years it is important that as part of the budget process officers review all income opportunities to ensure that income is maximised or reflects changes that have occurred to services that ultimately impact on our charging policy.
- 3.2 Social Care services are provided to vulnerable adults within the community who meet the Council's eligibility criteria and following an assessment of need. Traditionally following that assessment the Council arranged for services to be provided – often through the provision of a home care service – either directly delivered or from a contracted provider. The new contributions policy agreed by the Executive in April 2011 for non- residential social care services, allocates services on the basis of a personal budget and allows service users to take a direct payment to buy care directly themselves or still ask the council to manage this on their behalf. This new contribution policy assumes full cost recovery (subject to a financial assessment) of all services.
- 3.3 The services included within a personal budget are shown below:-
- Personal Care
 - Personal Assistant
 - Extra Care Housing – Personal Care
 - Supported Living
 - Day Care including transport
 - Live in Carers
 - Assistive Technology Community Alarm Service
 - Assistive Technology Equipment (provided as part of Community Alarm)
 - Non Residential Respite
 - Other non- residential services determined as necessary to meet assessed need e.g. Laundry, Shopping, Bathing
- 3.4 In 2014 the Government issued guidance for setting charges for non-residential social care services. That guidance sought to ensure that people who use services are treated fairly and are not asked to make a contribution towards their care that will leave them in financial difficulty or hardship. It also ensured that local authorities could not make a profit from these services, so the maximum charge that can be set is full cost recovery (subject to a financial assessment).
- 3.5 In addition to the various allowances that are taken into account in assessing a service user's charge, people with specific expenses in excess of 'standard' living costs may receive a further reduction in their charge for 'disability related expenses'. (These may include incontinence laundry costs or costs to address a sensory impairment, for example). Provision for this kind of expense is included in the government guidance.
- 3.6 Given Officers are only able to set charges to cover costs and cannot make a profit, it is important that as service costs increase the charging for these services are kept under review at the same time. In the last year the impact of the National Living Wage and further increases proposed for 2017/18 mean that the cost of the domiciliary care packages will increase significantly (£1.5m) and as such the charging for these services will also need to be reviewed.
- 3.7 This impacts on both our domiciliary care and direct payment budgets as set out in tables A and B below. The charges are similar to those with a managed service in the main as individuals will still need to go to providers for care. The exception is the Personal Assistant rate that only applies to Direct Payments but this still has a direct relationship to the other charges.

Personal Care - Managed Service

- 3.8 Clients who have their domiciliary care dealt with and arranged by the Council come under the managed service and the Council broker this service. The National Living Wage (NLW) increased was introduced in April 2016 at £7.20 per hour and will increase further to £7.50 in April 2017. Providers have found it increasingly difficult to cope with the current price levels and officers have been engaging with providers to ensure that the current levels of service are maintained. Increases for the providers have been proposed and therefore as the cost to the Council increases, the charges to clients will follow suit.
- 3.9 The current and proposed charging levels are contained in Tables A below.

Table A

Domiciliary Care Charge Rates - managed service

	<u>Current Rates</u> <u>2016/17</u> £	<u>Proposed Rates</u> <u>2017/18</u> £	<u>Change</u> %
1 Hour Single Handed	13.44	15.19	13%
3/4 Hour Single Handed	10.08	11.82	17%
1/2 Hour Single Handed	7.87	8.76	11%
1 Hour Double Handed	26.88	30.38	13%
3/4 Hour Double Handed	20.16	23.64	17%
1/2 Hour Double Handed	15.74	17.52	11%

- 3.10 These rates take into account the rises in national living wage and inflation for 2017/18 which is currently estimated at 2%.
- 3.11 There are currently 600 people that will see their charge increase by on average 5% - 6% as assessed payers. There are 330 people that are currently full payers that will see their charges increase by an average of 11% (as majority of people receive half hour packages). The remaining 520 people will not be affected by these changes as they are NIL payers.

Personal Care – Direct Payments

- 3.12 Those clients who do not wish to have the managed service can organise their own care needs. A Direct Payment enables the client to have freedom of choice and control over the way in which their support needs are met and be able to manage their own requirements. Where the client employs an assistant directly, the charge covers all of the costs of employing a person including contingency for sick, holiday, pension contributions, etc. The current and proposed rates are contained in the table B below.

Table B

Domiciliary Care Charge Rates - Direct Payments

	<u>Current</u> <u>Rates</u> <u>2016/17</u> <u>£</u>	<u>Proposed</u> <u>Rates</u> <u>2017/18</u> <u>£</u>	<u>Change</u> <u>%</u>
1 Hour	13.44	15.19	13%
3/4 Hour	10.08	11.82	17%
1/2 Hour	7.87	8.76	11%
Personal Assistant	11.78	13.31	13%

3.13 The table above includes uplift for 2017/18 inflation which is currently estimated to be 2%.

3.14 Clients receiving a direct payment will not pay the additional costs. This is because a direct payment is not made to a client unless all of their contributions to the costs of care are exhausted. Therefore each person receiving a direct payment has already reached their maximum contribution.

Reablement

3.15 Reablement is the name used to describe intensive short-term support so people can re-learn daily skills and regain their confidence to live independently. It might be after a spell in hospital, an illness or accident and usually lasts three to six weeks. The idea is to make the most of the skills the client already has to live as independently as possible.

3.16 The service lasts from between three and six weeks and is a free service.

3.17 Significant savings have been assumed in the budget around service users care costs reducing once they have been reabled. The service is not charged for because of the future benefit both of the service user and financially for the Council. Unless there is a good reason all new service users are meant to have received a reablement service.

3.18 However, given that the Council forgoes income (we are legally not allowed to charge) it is critical that the service user keeps the appointment. The Reablement service generally make appointments with clients to visit them in their own homes. Recently there has been an increase in last minute cancellations or when the Reablement Officer arrives and they are turned away at the door as the appointment is no longer convenient. This causes inefficiencies and delays and decreases the officers contact time with clients.

3.19 It is proposed to levy a cancellation fee if the appointment is not kept and is not cancelled with 24 hours' notice. This will act as a deterrent to simply cancelling pre-arranged appointments if they become inconvenient.

3.20 It is proposed that in the event of a last minute cancellation or being turned away that a charge be incurred by the client to the equivalent of the care costs highlighted in Table A above, at a rate of £15.19 per hour.

Extra Care Housing

3.21 Officers are currently reviewing options around the future of the Extra Care Housing Service (ECH), which should impact on how this service is charged for in the future.

3.22 Presently the in house service is charged for at the existing hourly Domiciliary care rates in table A (£13.44 per hour). Whereas the external ECH are charged at actual cost. Both are subject to financial assessment.

3.23 If the outcome of tendering results in changing the provision around the in house services (these discussions have not yet concluded) then a blended rate will need to be agreed, potentially across all services. It is proposed that this is included in any future report to Members agreeing what a 'blended' rate would be and to include it in the 2017/18 contributions policy in due course.

4. EQUALITIES IMPACT ASSESSMENT

4.1 An initial equality impact assessment is being undertaken to assess the impact of the changes on the current service users and this will be available at the consultation web page <http://bromley.mylifeportal.co.uk/consultations>

4.2 A follow up assessment will be undertaken during the implementation phase to reassess the impact. This will include contributions from a range of stakeholders to ensure that issues and risks are identified and actions are put in place to minimise the impact.

5. POLICY IMPLICATIONS

5.1 These proposals impact on the Councils Building a Better Bromley aim of promoting independence by ensuring that resources are available to meet the increasing demand from an elderly population and adults with disabilities and care needs.

6. FINANCIAL IMPLICATIONS

6.1 The proposed changes the Care Charge rates are estimated to cost the following:-

Costs of amendments to charging policy

	<u>2017/18</u> <u>£000</u>
Care - Managed service - increase in rates	1,495
Less increase in income from charging	-650
Care - Direct Payments - increase in rates	298
Reablement - cancellation charge	0
Extra Care Housing - figure not yet available	0
	<u>1,143</u>

6.2 It can be seen that there will be an increase in costs due to the increase in payments to providers for care services. This is, in part, offset by additional income generated from clients.

6.3 All clients are financially assessed. Full payers will continue to pay all of the costs of their care. NIL payers will continue to pay nothing. Those assessed to be able to more towards their care will see an increase in their contributions.

6.4 The exact figure will depend on the circumstances of each individual client. However the figures above have been calculated based on existing service users.

- 6.5 It is not envisaged that any significant additional income will be generated from the Reablement cancellation charge, but should ensure that clients give sufficient notice if they find themselves unavailable to meet an appointment and therefore allow for staff to be fully utilised elsewhere.
- 6.6 The income generation possibilities for ECH will be covered in a more detailed report to Members.
- 6.7 There may be a further impact on charging from the National Living Wage (NLW) which was introduced in 2016 and rises to £7.50 in April 2017. Although this has been taken into account in the prices above, prices for services may increase further and in turn our recovery rates from full cost payers and assessed clients. It is recommended that the decision to amend charging rates, should they need to be amended to reflect the impact of the NLW be delegated to the Director of Finance.

8. LEGAL IMPLICATIONS

8.1 Section 14 Care Act 2014 gives the local authority a power to charge for this type of service when meeting care needs

(1) A local authority - (a) **may** make a charge for meeting needs under sections 18 to 20, and (4). A charge under subsection (1)(a) may cover only the cost that the local authority incurs in meeting the needs to which the charge applies.

(5) Regulations may make provision about the exercise of the power to make a charge under subsection (1). The requirement to ensure that people are not charged more than it is reasonably practicable for them to pay and are not charged more than the cost of providing a service.

Non-Applicable Sections:	Personnel Implications
Background Documents: (Access via Contact Officer)	Files held in Finance and Exchequer teams

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Report No.
CS17094

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Executive

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

Date: 10th January 2017

Decision Type: Non-Urgent Executive Non-Key

Title: **RENEWAL OF HOUSING ASSOCIATION AND PRIVATE SECTOR LEASING SCHEMES - DABORA CONWAY, AND THEORI HOUSING MANAGEMENT LTD**

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

Chief Officer: Director: Commissioning

Ward: (All Wards);

1. Reason for report

- 1.1 The Council spends more than £4.5m (net) procuring temporary accommodation for homeless households every year and demand for this service is forecast to increase. Temporary accommodation (TA) is procured through a mixture of block and spot contract arrangements.
 - 1.2 Members receive regular reports outlining the key activities, new initiatives and pressures in the respect of homelessness and provision of temporary accommodation. The gateway report on Temporary Accommodation in January 2016 sets out all activities and recommended actions required in order to sustain the initiatives to source an adequate supply of general needs TA to meet future requirements.
 - 1.3 The Gateway Report also recommended extending leasing scheme arrangements where possible to maintain existing supply. This report therefore seeks to confirm extension for two of the smaller leasing scheme arrangements as detailed in the earlier report.
-

2. RECOMMENDATIONS

Members of the Care Services PDS Committee are asked to:

- **Note and comment on the contents of this report and support the recommendation to renew the existing leasing agreements for Theori and Dabora Conway as set out in the body of this report.**

The Council's Executive is asked to agree:

- **To renew the existing housing leasing scheme agreements with Theori housing and Dabora Conway for a period of 3 years from 6th February 2017 to 5th February 2020 with the option to extend for a further 2 years – this to cover the existing individual leased properties under the scheme and any properties providers secure and offer under the same terms.**
- **To delegate authority to the Assistant Director Housing to enter into individual leases for properties within the terms of the overarching agreement as and when leases require renewal or where providers are successful in securing new leases within Bromley.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: The above leasing schemes assist the Council in meetings its statutory rehousing duties to Homeless households ensuring safe and suitable accommodation for families and vulnerable adults
-

Corporate Policy

1. Policy Status: Existing Policy:
 2. BBB Priority: Children and Young People Supporting Independence Healthy Bromley:
-

Financial

1. Cost of proposal: N/A:
 2. Ongoing costs: For private sector leased properties there is a set management fee of £40 per unit per week which is recoverable through the rental stream.
 3. Budget head/performance centre: Temporary Accommodation
 4. Total current budget for this head: £4,090,07
 5. Source of funding: EC&HS approved revenue budget
-

Personnel

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

Legal

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

Procurement

1. Summary of Procurement Implications:
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): There are currently 1,371 households placed in temporary accommodation, of which 931 are in forms of nightly paid provision. The above schemes currently provide 22 self-contained units to assist in meeting the required supply of temporary accommodation.
-

Ward Councillor Views

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

3. COMMENTARY

- 3.1 The duty to provide temporary accommodation for certain homeless households is set out in The Housing Act 1996, part VII to provide temporary accommodation
- 3.3 The Executive Committee Gateway report in January 2016 set out the key activities, new initiatives and pressures in the Housing Division in relation to the provision of temporary accommodation.
- 3.4 The report further set out the need to maintain the current supply of around 450 properties from leasing schemes and provided approval to enter into a new contract with the main leasing scheme provider Orchard and Shipman upon expiry of the then existing arrangement. It further went on to recommend in paragraphs 3.17 and 3.35 that extensions are sought for Dabora Conway and Theori Housing for a period of 3 years from 6th February 2017 to 5th February 2020 with the options to renew for a further 2 years:

1. **Dabora Conway: local authority private sector leasing** whereby Dabora Conway secures private rented accommodation and provides the Council with a lease arrangement for use as temporary accommodation. The Council then recoups the cost of the lease rent and management through the rent collected by the Council from the tenant. Dabora Conway undertakes the management of these leased units. Dabora Conway currently provides 16 units under this arrangement. However 3 are currently in the process of lease end and handback.

Contract Value: the overarching cost to the Council is nil as it does not directly relate to any individual lease. The management fee element which is recovered through the rental stream is £40 per week per property. For 2017/18 based on the current portfolio this equates to a total annual sum of £27,040.

2. **Theori: housing association leasing** whereby the housing association takes a lease from a private landlord. The housing association is responsible for paying the lease rent and managing the property during the lease term. This is funded through the rent they collect from the tenant. The Council then provides the tenant by way of nomination. Theori currently provide 6 properties under this arrangement.

Contract Value: £0. The cost to the Council of the contract is nil as it is based upon nomination arrangements only.

- 3.5 Following negotiations with current providers based upon the recommendations contained within the Executive Committee Gateway report on Temporary Accommodation, this report now requests approval to extend the existing leasing scheme contracts for Theori Housing; housing association leasing scheme and Dabora Conway, private sector leasing scheme for a period of 3 years with the option to renew for 2 years.

4. SERVICE PROFILE/DATA ANALYSIS

- 4.1 The Council has a duty to provide temporary accommodation to homeless households falling into the prescribed priority need categories set out in the provisions of the homelessness legislation.
- 4.2 The number of people living in temporary accommodation and cost continues to rise now dominating overall provision with no prospect of any reduction over the next few years. In order to meet the continued demand for temporary accommodation the Council secures units in a number of ways. The most advantageous arrangements are via housing association temporary lets and the most costly are spot purchased nightly rate units.

- 4.3 There are currently 1371 households in temporary accommodation. In order to meet the Councils statutory duties in relation to the provision of suitable accommodation and reduce the use of costly forms of nightly rate accommodation, in addition new initiatives such as the More Homes Bromley, property purchase scheme, it is necessary to maintain the current supply of properties from private sector and housing association leasing schemes.

5. MARKET CONSIDERATIONS:

- 5.1 The number of registered providers (RPs) offering leasing scheme arrangements has reduced in recent years. Relationships with RPs are highly sought after by local authorities and as a result RPs are increasingly working on wider regional basis to gain the negotiating power within the market and obtain economies of scale for the management of units. Providers however are commonly complaining that the current management fee allowance is not sufficient to cover their costs and Councils are increasingly being forced to be innovative in their offer of incentives in order to continue to engage with existing RPs and build new relationships
- 5.2 Temporary accommodation is a tough market. Other boroughs running procurement exercises for block booking and leasing scheme arrangements have not been successful in securing additional supply through these routes.
- 5.3 All London Boroughs are facing increasing demand and costs in relation to temporary accommodation, there is stiff competition in acquiring properties and the properties currently utilised under these arrangements would be quickly taken up by other authorities if offered to the temporary accommodation market..

6. SUSTAINABILITY/IMPACT ASSESSMENT

- 6.1 As these properties are directly secured by the housing providers operating the schemes, it is not possible to transfer the existing leases to another provider, or arrange direct agreements and as such the only options to continue to secure these properties is to continue with the existing provider arrangements.
- 6.2 The potential risk to the Council for not taking the proposed course of action is therefore that these properties will be withdrawn and offered to another local authority. This would mean that the Council would have to place the existing tenants in alternative accommodation. At this stage the alternative would be nightly rate accommodation. For the existing tenants this would equate to an annual net cost in excess of £140,000 based upon the current average net cost for nightly paid accommodation.

7. SERVICE REVIEW

- 7.1 The Housing Division will continue to review the requirement for temporary accommodation ensuring that the procurement plan remains reflective of any changes in legislation impacting upon requirements.

8. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 8.1 There is no direct impact on vulnerable adults and children arising directly from the contents of this report. However the provision of temporary accommodation through leasing scheme arrangement offers local self-contained accommodation of a good quality, safe accommodation for homeless households enabling them to maintain family and support networks, access health, schooling, education and employment.

9. POLICY IMPLICATIONS

- 9.1 The Council has a published homelessness strategy which sets out the approved strategic policy in terms of homelessness. This includes temporary accommodation provision and reducing the reliance on NPA. The Council also has a detailed temporary accommodation procurement and placements policy to ensure that it complies with its statutory duties in this area.
- 9.2 The leasing scheme units comply with statutory regulations and council policy for provision of temporary accommodation by providing costs effective local provision to meet homelessness duties.

10. FINANCIAL IMPLICATIONS

- 10.1 In total the gross value of all temporary accommodation procured through the private rented sector equates to around £14m. Once the applicable rental charges are collected from tenants this equates to as net expenditure of approximately £4.5 m. The leasing arrangements with Dabora and Conway and Theori do not have a cost to the Council.
- 10.2 By making these leasing arrangements it enables the Council to have a long term supply of temporary accommodation. The alternative would be nightly paid accommodation which, depending on the type of accommodation would cost at least £6k p.a. per property.

11. LEGAL IMPLICATIONS

- 11.1 All local authorities have a statutory duty under the Housing Act 1996, part VII (as amended by the Homelessness Act 2002) to secure suitable temporary accommodation for priority homeless households.
- 11.2 The accommodation secured by the above contracts assists in ensuring that the Council meets this statutory duty.
- 11.3 The Council has a temporary accommodation procurement and placement policy which seeks to ensure compliance with the statutory framework for the provision of temporary accommodation meeting the requirements for suitability whilst seeking value for money in all placements
- 11.4 The Council's temporary accommodation procurement and placement policy takes account of all statutory guidance together with case law requirements to fulfil the Council's statutory duty for the provision of temporary accommodation. This has been reviewed to reflect market, legislative and case law changes.

12. PROCUREMENT IMPLICATIONS

Paragraph 3.35 of the Gateway Report on Temporary Accommodation to Executive on 13th January 2016 (report no. CS16007) stated that extensions would be sought to the arrangements with Dabora Conway and Theori Oak Housing Associations for 3 years from 1.4.17 to 31.3.2020 with optional extensions of 2 years. This report formally seeks such extensions under Contract Procedure Rule 13..

Non-Applicable Sections:	Personnel
Background Documents: (Access via Contact Officer)	Executive Gateway report – temporary accommodation – January 2016 Contingency drawdown report – October 2016

Report No.
CS17099

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker: Executive

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

Date: 10th January 2017

Decision Type: Non-Urgent Executive Key

Title: **EXTENSION OF BROMLEY Y COMMUNITY WELLBEING SERVICE FOR CHILDREN AND YOUNG PEOPLE**

Contact Officer: Hilary Rogers, Joint Commissioner for Disabled Children Services,
Tel: 020 8464 3333 x 3059 E-mail: hilary.rogers@bromley.gov.uk

Chief Officer: Lorna Blackwood, Director, Health Integration Programme

Ward: All wards

1. Reason for report

- 1.1 Bromley Y was awarded the contract for the Bromley Community Wellbeing Service for Children and Young People for a period of three years commencing 1st December 2014 to 30th November 2017.
 - 1.2 The contract permits a two year extension beyond November 2017, subject to satisfactory contract monitoring and satisfactory service delivery.
 - 1.3 This service introduced a new delivery model for children and young people's mental well being provision which is now embedding.
 - 1.4 Bromley Clinical Commissioning Group is supporting the Council's investment by providing additional investment to enhance the service provision.
 - 1.5 The report provides evidence and rationale to support an extension to the contract for a two year period commencing 1 December 2017 and terminating on 30 November 2019.
-

2. RECOMMENDATION(S)

- 2.1 Executive is asked to consider and comment upon the current service outcomes.
- 2.2 Executive is asked to agree an extension to the existing contract with Bromley Y for a two year period commencing 1 December 2017.

Corporate Policy

1. Policy Status: <please select>. Existing Policy Context/Statements
 2. BBB Priority: Children and Young People. (i) Supporting independence, (ii) Safeguard Children & Young People, Healthy Bromley (i) work with health partners, (ii) ensure integration of health & wellbeing priorities
-

Financial

1. Cost of proposal: Estimated cost £446kp.a. for two years
 2. Ongoing costs: Recurring cost. £446k
 3. Budget head/performance centre: 834130
 4. Total current budget for this head: £ 446k
 5. Source of funding: Revenue Support Grant
-

Staff

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

Legal

1. Legal Requirement: Statutory requirement. Children Act 1989 places a duty on local authorities to safeguard and promote the welfare of children in their area who are in need by providing a range of services appropriate to need.
Children Act 2004 - duty to co-operate with relevant partners including NHS
Children & Families Act 2014 Social, Emotional and Mental Health to be classed as SEND
 2. Call-in: Call-in is applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Approximately 2000
-

Ward Councillor Views

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

3. COMMENTARY

BACKGROUND

- 3.1 Following a joint review by the Council and Bromley Clinical Commissioning Group (BCCG) of all child and adolescent mental health services in 2013/14, Bromley Y was awarded the contract for the Bromley Community Wellbeing Service for Children and Young People, for a period of three years from 1st December 2014 to 30th November 2017.
- 3.2 The contract introduced a new service model, intended to provide a clear care pathway into well being and mental health services through a 'single point of access'. The expectation noted in the contract describes that children and young people who are referred into the service are contacted and initially assessed within 72 hours of that referral.
- 3.2 The single point of access determines whether individuals should be (i) signposted to universal preventative services, (ii) receive a short intervention from the Wellbeing Service or (iii) be referred onto the higher level Child and Adolescent Mental Health Service (CAMHS) which is commissioned by BCCG. This determination is underpinned by scores from Strength and Difficulties Questionnaires (SDQs).
- 3.4 The aim of early identification, referral and service provision is to ensure that children and young people are prevented from moving to higher levels of needs and, wherever possible, their prevailing levels of need also reduce.
- 3.5 An annual performance review of the service was presented to Care Service Policy Development and Scrutiny Committee in June 2016 (CS17014.)

REVIEW OF CONTRACT OUTCOMES TO DATE

- 3.7 Bromley Y reports that although referrals do not tend to identify one with one discrete issue, there are clear themes emerging for the referred population. Data from the first full year of operation of the Service (December 2014 to December 2015) noted that the most common referral issue was anxiety (53%) and/ or low mood (37%). In addition:-
- 22% of those referred reported having a parent with a mental health problem and 36% reported problems in their family relationships
 - 15% report experience of being bullied
 - 17% report having eating issues
 - 12% have a history of Social Care involvement
 - Many of the young people referred are struggling to attend school or engage positively with life outside of home.

Since December 2015 Bromley Y has continued to monitor the referral data and report that the current presenting issues remain very similar. This information is helpful as it means that (i) this data can increasingly be relied upon to represent the Bromley demographic and (ii) it will enable more targeted planning for future service delivery.

- 3.8 From April 2015 to March 2016 the Bromley Community Wellbeing Service received 2,206 referrals. Of those referrals all required some level of intervention either from (i) the short-term interventions provided by Bromley Y as part of this contract, or (ii) from longer term interventions via a separate contract provided by Bromley Y which is commissioned by Bromley CCG or (iii) from more specialist services.

3.9 From April 2016 to November 2016 1,232 referrals have been received and have been managed as illustrated in Table One below.

Table One : Referral pathway April 2015 to November 2016 and full year projection

Service required	April 2015 to March 2016	April 2016 to November 2016	April 2016 to March 2017 Projection
Bromley Y Community Wellbeing Service	1,491	1,126	1,689
Specialist CAMHS provided by Oxleas (*may be assessed prior to referral)	531	230*	345
Specialist Eating Disorder service provided by South London & Maudsely (SLAM)	18	10	15
Bromley Children Project (BCP)	67	29	44
Specialist ASD/ADH Service provided by Bromley Health Care (BHC) (*may be assessed prior to referral)	99	58*	87
TOTAL	2,206	1,453	2,180

3.10 The figures in Table One show that referrals to specialist CAMHS are projected to reduce from 24% of total referrals in the year 2015/16 to 16% of total referrals in 2016/17. This is a significant reduction which would indicate that the early intervention service is providing interventions which are preventing escalation to the more costly CAMHS provision.

3.11 Bromley Y have costed a session at £52 although the duration of a session will differ dependant upon the intervention being delivered. A session may consist of counselling, individual therapy, resilience building, family work and/or group work. For the period 1 April 2016 to 30 November 2016, the service has provided 6,600 short term intervention sessions for a total value of £297,047 (i.e 8 months of the annual contract value of £445,570). This equates to £45 per session, with the additional cost being borne independently by Bromley Y. There is no requirement for a pre determined number of sessions per annum noted within the contract as the contract refers to 'contacts' (see 3.15 below)

3.12 Children and young people are contacted and assessed within 72 hours of referral which is effective in improving outcomes and reducing crisis. Whilst this contact is immediate the individual may have to wait for an intervention to be put in place. The current average waiting time for treatment from Bromley Y is 41 days. This is compliant with the contracted service standard of treatment being undertaken with 4 to 6 weeks of the triage process. However, the 41 days average masks some longer waits as identified in Table Two below.

Table Two : Current average waiting times for treatment

Waiting time from referral to treatment (days)	Number of children and young people	% of children and young people
4 – 6 weeks	149	59%
6 – 8 weeks	45	18%
8 – 10 weeks	38	15%
More than 12 weeks	19	8%

Some longer waiting times are inevitable due to clinical information being awaited, information awaited from schools and GPs and ‘no shows’ - all of which are chased up in a systematic way.

3.13 Additional activity includes:

- Team Around the Child meetings (TAC)
- Contact with Social Worker
- Meeting with family
- Liason with initial referrer
- Initial assessment
- Administration – gathering of information

3.14 Those accepted for treatment from the Wellbeing Service receive short term interventions of 6 to 8 sessions. Bromley Y can demonstrate a positive impact on the outcomes for children and young people. Using the Strengths and Difficulties Questionnaire (SDQ) as a measure there is an 81% improvement for individuals in early intervention. This compares with a national improvement average of 33%. Positive outcomes include young people returning to full time education, reduction in self harming behaviours or suicidal ideation and improved family relationships.

3.15 The service specification estimated an expected number of contacts to the service to be approximately 10,000 per annum. However, there was very little prevalence data available at the time to support this number. It was assumed that a large percentage of contacts would be seeking one off information but this has not been borne out in practice as the majority of referrals are for children and young people who require a level of intervention/support, usually of a complex nature. There are a number of enquires from Social Workers and School staff seeking general information on referral processes but these numbers are not recorded.

3.15 The Council’s Public Health Department has recently sought feedback on this service from GPs. Feedback received was positive and recognise that the new triage system has much improved access to the early intervention service.

ADDED VALUE

3.16 Children and Young People’ Improving Access to Psychological Therapies Programme : Bromley Y is a national demonstration site for the Children and Young People’s Improving Access to Psychological Therapies programme (CYP IAPT) which is a service workforce transformation programme delivered by NHS England that aims to improve existing emotional

Wellbeing and Child and Adolescent Mental Health Services (CAMHS) working in the community. Bromley Y as an organisation have successfully embedded the principles and practice in all its service delivery and has recently been awarded Level Four Accreditation (the highest level achievable).

- 3.17 SE Learning Collaborative : Bromley Y has recently been awarded a contract by the South East Learning Collaborative for an additional 4 Psychological Wellbeing Practitioners (PWP) who are 'introductory level' practitioners', i.e. new entrants into children's psychology services, which will develop the Bromley capacity. These practitioners will be asked to commit to a two year term in Bromley.
- 3.18 Mentoring Programme: Bromley Y has a mentoring programme aimed at supporting children and young people who have received a service from Bromley Y, but require some extra support. Mentoring is a one-to-one relationship between a young person and an adult which provides consistent support, guidance and assistance. The mentor is an experienced and trusted advisor, who shares their knowledge, skills and experience with a young person to achieve an agreed set of goals. This programme is independently funded by Bromley Y.

SUMMARY

- 3.20 The Bromley Y WellBeing Service represents good value for money. The additional value added by Bromley Y's own resources enhance the commissioned service to the extent that the demand for the service is now over and above that which can be borne within the Council commissioned provision and Bromley CCG are therefore contributing additional resource to enable the sustainability for the immediate future. The government is making Transformation Funding available to CCGs nationwide for a 5 year period, which commenced in 2015, and which is intended to enable the transformation of Child and Adolescent Mental Health Services (CAMHS) by 2020 (see Appendix One). BCCG is currently applying that funding to ensure that existing services can maintain and further develop their functions.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 4.1 The service user profile is made up of children and young people aged 0 – 25 who experience social, emotional and mental health issues and who require support to manage these issues by way of information, advice and guidance or by way of a programme of early intervention which is aimed at minimising the impact of the issue and which can enable them to maintain good health without further referral into services.
- 4.2 The service also supports families, GPs, other health professionals, Social Workers and school staff who are working in a 'front line' way with children and young people.

STAKEHOLDER CONSULTATION

- 4.3 The Bromley Community Wellbeing Service was developed in consultation with stakeholders to ensure that the emotional and mental wellbeing needs of children and young people aged up to 18 years, and up to 25 years for young people subject to an Education, Care and Health Plan, were met at the earliest opportunity, with information on the service available via a wide range of stakeholders including GPs and schools who can make referrals to the service.

- 4.4 To progress joint Council and Bromley CCG commitments on engagement and involvement, NEF Consulting were commissioned by Bromley CCG in June 2016 to engage young people and other stakeholders in to make a start in our journey towards fully co-designed transformation of emotional wellbeing and mental health care pathways in Bromley. A co-production approach was pursued in order to enable young people and their families to be partners in shaping the design of the system of support and how services for mental wellbeing and emotional health for children and young people (CYP) should be delivered in Bromley.
- 4.5 These recommendations will be further tested and explored as part of the further development of Bromley Y's Wellbeing Service.
- 4.6 Bromley Social Care Head of Safeguarding for Children and young People is supportive of the continuation and further development of the early intervention and wellbeing service.

5. SERVICE PROFILE / DATA ANALYSIS

- 5.1 National KPI's currently focus on access and waiting times but these are only important if people are being seen effectively. Providers should be transparent and be able to show the impact they are having on children and young peoples lives.
- 5.2 Early data submissions from Bromley Y indicate that the needs of an increasing number of children and young people are being effectively met through the Wellbeing service and that the number of referrals through to the Tier 3 CAMHS is reducing.
- 5.3 Bromley Y recognises the key role that consistent data collection and analysis plays in understanding need and shaping commissioning responses. Bromley CCG has invested additional resources to focus on data collection and analysis and is committed to addressing the existing data gaps across the local provider network which will develop a local minimum dataset that will be analysed jointly by the Council and BCCG.
- 5.4 The local minimum dataset is in its first iteration and sits alongside the national datasets. It will be available by mid 2017. The local dataset will provide commissioners with patient level activity data that will follow any given patient through the system of support (from early intervention through to specialist community CAMHS) and to the point of discharge.
- The benefit of this commitment is that it will allow commissioners to:
- To develop a baseline of need and service performance at a local level
 - To have a more sophisticated understanding of local need
 - To develop appropriate system outcome measures across the whole pathway and to support this with new approaches to pathway commissioning
 - To allow the commissioning partnership, alongside communities, schools and social care, to direct where future resources should focus in order to address identified needs and trends.
 - Provide as close to real time and accurate picture as possible of how the system is working

6. MARKET CONSIDERATIONS

- 6.1 This service was procured as a result of an open market tender in 2014 and introduced a whole system change for services for children and young people with emotional or mental health needs. The service has taken some time to embed and is delivering the desired outcomes in terms of having established a single point of entry and triaging into wellbeing services.
- 6.2 The new service has been in place for only two years. This paper recommends extension of the existing contract to enable the service to be fully tested. The minimum local dataset is expected to inform proposals for a significantly transformed service beyond 2019 which will be subject to open market tendering in the later half of 2018.
- 6.3 NHS England are currently seeking a national sustainable transformation of emotional and mental health services for children and young people by 2020 and it is proposed to continue with this existing service and, in tandem, work with the range of providers within Bromley's marketplace, and further afield, in order to ensure a cost effective and outcome driven service for the future.
- 6.4 Before the extension is put in place officers will be evaluating with Bromley CCG the appropriate funding arrangement for the service given the reduction in Tier 3 CAMHS activity.

7. SUSTAINABILITY / IMPACT ASSESSMENTS

- 7.1 It is recognised that, whilst it is important to continue to invest in services in way that leads to improvements across the current referral and care pathways, there is concurrent need to think about and plan for sustainability.
- 7.2 It is proposed to develop a Bromley Mental Health Strategy, to be completed in 2017/2018. The strategy will clearly identify the aspiration to ensure a more proactive and preventative approach to reducing the long term impact for people experiencing mental health problems and for their families.
- 7.3 The strategy and subsequent Action Plans will provide the platform to bring about change over a sustained period of time which will allow distribution of investment from acute and chronic hospital and community based services to supporting activities that prevent or significantly delay the onset of serious mental health problems.

8. OUTLINE PROCUREMENT STRATEGY & CONTRACTING PROPOSALS

- 8.1 This paper is recommending an extension of the existing contract until December 2019. During that time work will be undertaken to ensure the transformation of emotional wellbeing and mental health provision for children and young people in Bromley with an expectation of procuring for this purpose during late 2018. (Separate permission for any procurement linked to this exercise will be sought at the appropriate time).
- 8.2 Appendix Two notes the Council's required timescale for this purpose.

9. POLICY IMPLICATIONS

Building a Better Bromley 2016/18 : Key Priorities : Early intervention for vulnerable residents, Providing the best possible service to deliver appropriate support to all children and young

people, fulfilling the Council's duty of care to ensure the health, wellbeing and achievements of our vulnerable children

Children Services Improvement Plan

10. PROCUREMENT IMPLICATIONS

10.1 The Contract makes provision for an extension of two years and at the value indicated, and as provided for in CPR 23.7 and 13, can be Authorised by The Portfolio Holder (or Executive). As the original tender and contracting arrangement allowed for the envisaged action it is not necessary to complete a re-tender process at this time, and provision is made for this within the Public Contract Regulations 2015.

11. FINANCIAL IMPLICATIONS

11.1 The current value of the contract is £446kp.a. Agreeing the extension of the contract for two years results in committing expenditure totalling £892k. Budget is currently available to cover the extension of the contract.

12. LEGAL IMPLICATIONS

12.1 This extension is permitted within the Public Contracts Regulations 2015 as the current contract allows for an extension.

12.2 The Council's Contract Procedure Rule 23 allows extensions to be granted where the contract already provides for an extension subject to satisfactory outcome of contract monitoring. Any extension for a contract must comply with the Council's Financial Regulations

12.3 Children Act 1989 places a duty on local authorities to safeguard and promote the welfare of children in their area who are in need by providing a range of services appropriate to need.

12.4 Children Act 2004 places a duty on local authorities co-operate with relevant partners including NHS

12.5 Children & Families Act 2014 require children and young people's health needs to be identified, assessed and provision to meet assessed need to be documented within Education, Health & Care Plans

Non-Applicable Sections:	Personnel Implications
Background Documents: (Access via Contact Officer)	Care Service PDS Report June 2016 - Annual Review Report No: CS17014 'Future in Mind' 2015 Implementing the Five Year Forward View for Mental Health Plan" [2016].

APPENDIX ONE Transformation Fund

Nationally, the CAMHS priorities are identified as :-

- Promoting resilience, prevention and early intervention
- Improving access to effective support
- Care for the most vulnerable
- Developing the workforce
- Co-design of future systems with children & young people and communities

CCGs have been allocated additional resources to be distributed over a five year period on the proviso that they can evidence that change is being experienced on the ground.

Bromley CCG's Plan 2016 and beyond sets out the next steps towards a sustainable local and proactive system of support and treatment that responds to the needs of individuals and communities set in the context of broader strategies that are developing concurrently across health, education, social care, youth offending.

Bromley CCG and its partners are now launching into a three year period of further significant and sustainable change to improve community resilience and supporting communities to "keep well" and have access the right services at the right time and the right place.

APPENDIX TWO PROCUREMENT TIMETABLE

Activity	Target date
Notify existing providers and potential suppliers of requirement to register with Pro Contract	January 2019
Develop project plan and communications strategy and arrange any consultation/open days before tender is advertised	February 2019
Finalise tender documents and collate TUPE information from current provider.	End February 2019
Evaluation panel to meet and establish protocols. Arrange training on ProContract as required	March 2019
Publish tender opportunity through ProContract and notify Community Links of tender opportunity	March 2019
Tender return date	End April 2019
Completion of Stage 1 evaluations submissions	Mid May 2019
Completion of Stage 2 evaluation submissions completed	End May 2019
Clarification interviews	June 2019
Finalisation of tender submissions including consolidation of scores	June 2019
Draft reports for LBB Executive	July 2019
Report to LBB Executive	August 2019
LBB minutes published/Award of Contract by Executive	By 1 September 2019
Tenderers notified, including Alcatel period	1 September 2019
Feedback to unsuccessful tenders as required	September – October 2019
TUPE staff as appropriate	September 2019
Contract commencement	1 December 2019

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Report No.
DRR17/001

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Executive

Date: 11th January 2017

Decision Type: Non-Urgent Executive Key

Title: UPDATE: BIGGIN HILL MEMORIAL MUSEUM

Contact Officer: Lydia Lee, Head of Culture
Tel: 020 8313 4456 E-mail: Lydia.Lee@bromley.gov.uk

Chief Officer: Executive Director of Environment & Community Services

Ward: Biggin Hill;

1. Reason for report

- 1.1 Officers were asked to return to the Executive to report on the outcomes of the funding applications.
 - 1.2 This report provides a project update and seeks approval from Members to proceed with the development of the project prior to final grant decisions.
-

2. **RECOMMENDATION(S)**

That Members –

- 2.1 **Note that the Heritage Lottery Fund (HLF) awarded a first stage pass for a grant of almost £2m and therefore the capital scheme is being developed to RIBA Stage 4, and a planning application for the Biggin Hill Memorial Museum scheme will be submitted in February 2017.**
- 2.2 **Note that the second £1m funding application to the Treasury was successful and that the monies will be received by the Council in early 2017.**
- 2.3 **Agree to underwrite the difference of £54k from S106 monies if Taylor Wimpey decide to deliver their scheme set out in planning application 16/02685 rather than planning application 15/00508. In the event that this sum is required it can be met from the Council's 2016/17 Central Contingency.**
- 2.4 **Approve the continued development of the project, namely publication of the works tender, following the submission of the second stage HLF grant application in February, prior to the final funding decision being known in June 2017.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: The Biggin Hill Memorial Museum will be a new cultural destination within the borough that is easy for Bromley's vulnerable adults and children to access. The activity plan being developed, a requirement of the HLF application, identifies young people as a target audience, and will provide opportunities for free access and engagement.
-

Corporate Policy

1. Policy Status: Not Applicable
 2. BBB Priority: Regeneration
-

Financial

1. Cost of proposal: Estimated Cost £54k
 2. Ongoing costs: Non-Recurring Cost
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £420k
 5. Source of funding: Underspend from 2015/16 Central Contingency, Treasury Grant, contribution from BHMM Trust and 2016/17 Central Contingency.
-

Personnel

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

Legal

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

Procurement

1. Summary of Procurement Implications: The architects and exhibition design consultants have been appointed through a competitive process in line with the Council's CPRs. The works contract will also be procured through a competitive process using the ProContract/Due North system. The HLF requires all works and consultancy services over £5k to be competitively tendered.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The Chapel received an estimated 10,000 visitors per annum. Through the delivery of this project it is projected that visitor numbers will increase to 25,000 per annum.
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments: The scheme is supported by the Ward Councillors. Cllr Stevens is delighted that the scheme has favourably been received and that all funding streams appear to be forthcoming. I fully endorse the content of the report and would also like other members to do so so that Officers may continue with their hard work in bringing this project to fruition. Cllr Benington is a Trustee of the Biggin Hill Memorial Museum Trust.

3. COMMENTARY

- 3.1. The background to this project is described in the report DRR15/101 that was considered by the Executive on the 2 December 2015. In summary there has been an aspiration to build a museum at Biggin Hill for over thirty years. Following the threat to the closure of St George's Chapel of Remembrance the Council took the lead on developing a project to bring the Chapel and museum together, creating a sustainable future for them both.
- 3.2 A further report DRR16/051 was considered by the Executive on the 15 June 2016. This report set out the preferred scheme for the development of a museum at the Chapel site, a capital funding strategy, governance arrangements, business plan, and programme for delivery.

Scheme costs and funding

- 3.3 The estimated cost of the scheme is £5.268m. The table below provides the breakdown of the estimated costs and potential funding available: -

Estimated costs of preferred scheme	£'000
Development costs to RIBA Stage 4 (as detailed above)	420
Capital works	2,320
Professional fees (architect and exhibition design multidisciplinary teams).	115
Activity plan (requirement of HLF grant)	601
Contingency (10% on capital and activity costs)	285
Endowment (as required by business model)	1,500
Museum Development Manager (six months March to September 2017).	27
Total Estimated costs	<u>5,268</u>
Potential Funding	
Treasury grant - secured	1,000
Second treasury grant - secured	1,000
S106 monies - subject to Taylor Wimpey planning application decision	968
HLF grant - Second round funding confirmation due June 2017	1,941
Biggin Hill Memorial Museum Trust	3
Bromley Council contribution (includes HLF match funding)	356
	<u>5,268</u>

- 3.5 The Executive agreed at the 15 June 2016 meeting that the preferred capital scheme should be developed to RIBA Stage 4, subject to a successful first stage pass by the Heritage Lottery Fund (HLF) in September 2016 for a grant of £1.85m.
- 3.6 Following the receipt of final costings the Council actually applied to the HLF for £1.94m as shown in the table in 3.3. In September the HLF confirmed that their London grant giving

Board had unanimously agreed to award a first stage pass to the project. Therefore officers have been progressing the scheme to RIBA Stage 4 as agreed by the Executive. The second stage application will be submitted at the end of February with final confirmation of the HLF funding expected in June 2017.

- 3.7 Officers submitted their second grant application for £1m to the Treasury's LIBOR fund in the summer as planned and in November received confirmation that this grant application had also been successful. This grant will be paid to Bromley Council in early 2017. The first £1m grant from the treasury has already been received by the Council.
- 3.8 The S106 monies have also been partially secured following approval of the Taylor Wimpey planning application. The legal agreement is still being finalised however the value of the S106 monies will be either £914k or £968k (difference of £54k) depending on whether Taylor Wimpey implement the scheme detailed in planning application 15/00508 or 16/02685.
- 3.9 Therefore all funding originally identified in the previous committee report to deliver the preferred scheme is now fully or partially secure.
- 3.10 The scheme has been costed and the full £968k from S106 monies will be required to deliver the scheme as set out in point 3.3. Should the lower S106 sum of £914k be received there will be a shortfall of £54k. Therefore Members are asked to underwrite the difference of £54k so that officers can proceed with the development of the planned scheme without delay or requirement to adjust the scheme at a later stage which would increase the cost of professional fees.
- 3.11 In addition to the funding detailed above officers submitted a funding application to the Clore Duffield Foundation in August 2016, on behalf of the Biggin Hill Memorial Museum Trust, for a grant of £490k to fund the build and fit out of a dedicated learning space for the museum. The outcome of this funding application is not yet known, and the Foundation does not commit to a decision date. However they have indicated that we are likely to be informed of their decision at the end of January.
- 3.12 It had originally been envisaged that the learning space would be delivered at a later date, following the opening of the museum, and the architects had designed the building to allow for this extension when monies were secured in the future. However, given that it is more cost effective to undertake all building works under one works contract at one time, and would be less disruptive to future museum operations, a funding application has been made to the Clore Duffield Foundation now so that the learning space could, if this funding application is successful, be delivered as part of the main scheme.
- 3.13 The design of the learning space would be in line with the Clore Duffield Foundation's specialist guidance on creating learning spaces at cultural sites, would greatly enhance the museum offer, particularly in relation to engaging young people, and provide improved opportunities for the delivery of the HLF activity plan.

Programme

3.14 The outline programme is as follows: -

February 2017	Second Stage HLF funding application submitted
February	Planning application submitted
March - April	Complete technical design and prepare works contract tender
May	Publish works contract tender on ProContract/Due North
May	Outcome of planning application known
June	Final HLF funding decision
THE FOLLOWING IS SUBJECT TO CONFIRMATION OF THE HLF FUNDING	
July	Invest the Trust's endowment of £1.5m in Common Investment Fund
July	Evaluate works tenders
August	Seek approval to appoint at a special meeting of the Executive and Full Council
September	Chapel closes and works start on site
November	Publish exhibition and fit out contract tender on ProContract/Due North
January 2018	Evaluate exhibition and fit out tenders
January	Appoint exhibition and fit out contractor
August	Building works complete
November	Exhibitions and fit out complete
November	Site handed over from the Council to the Trust and museum opens to the public

3.15 The aspiration has been to open the museum in November 2018, 100 years after the end of the First World War. To achieve this opening date, officers need to continue project development, namely the technical design, and preparation and publishing of the works contract tender, prior to the final outcome of the second stage HLF funding application being known.

3.16 The Executive is asked to agree to officers continuing to develop the project after submission of the HLF second stage application, specifically the publication of the works contract tender, prior to the final outcome of the grant application being known.

- 3.17 The final HLF decision is due in June 2017. If the HLF second stage application is not successful the tendered works contract will not be awarded and officers will work with the Biggin Hill Memorial Museum Trust to identify a reduced scheme for consideration by the Executive. Any new scheme would result in a programme delay due to significant design changes and a subsequent requirement to retender the works contract for a reduced scheme.
- 3.18 The Executive should also note that, as shown in the programme table, if the second stage funding application to the HLF is successful, expected June 2017, officers will invest £1.5m in a Common Investment Fund (CIF) as set out in the previous committee report. This will become the museum's endowment fund as detailed in the business plan previously provided, and as shown in the table in point 3.3 within this report.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 4.1 The Biggin Hill Memorial Museum will be a new cultural destination within the borough that is easy for Bromley's vulnerable adults and children to access by public transport or car.
- 4.2 The activity plan being developed, a requirement of the HLF application, identifies young people as a target audience, and will provide opportunities for free access and engagement. The museum's activity plan includes a schools programme, and evening, weekend and holiday activities for adults and young people.

5. POLICY IMPLICATIONS

- 5.1 It has been a long standing objective of the Council to facilitate a heritage centre at Biggin Hill.
- 5.2 The RAF enclave lies within a Major Developed Site in the Green Belt where infill development is subject to guidelines set out in the UDP; it is also wholly within the RAF Biggin Hill Conservation Area. The Chapel is a Grade II listed building. If new construction is less than 1000sq m of floor space, there is no need for referral to the London Mayor or to the Secretary of State. Documents accompanying a planning application would need to include a heritage assessment and transport assessment.
- 5.3 A strategic plan is currently in development for the Biggin Hill West Camp, within which the Chapel is sited.
- 5.4 Historic England, a statutory Planning consultee, is supportive of the Biggin Hill Memorial Museum (BHMM) scheme.

6. FINANCIAL IMPLICATIONS

- 6.1 The estimated cost of delivering the BHMM has been revised to £5.268m following the receipt of final costings and the submission of the HLF grant bid for £1.941m. The potential resources available to fund the scheme are detailed in the table in 3.3.
- 6.2 The funding is dependent on being successful in securing the HLF grant as well as the securing the maximum S106 funding available of £968k.
- 6.3 Approval is sought to underwrite the £54k, detailed in paragraph 3.8, to ensure that the current scheme can proceed should the lower S106 contribution be received. In the event that the sum of £54k is required, the cost can be met from the Council's 2016/17 Central Contingency.

- 6.4 Following the HLF award of a first stage pass for a grant of £1.941m, the scheme is being developed to RIBA stage 4 as agreed by the Executive in June 2016. The estimated cost of development to this stage is £420k.
- 6.5 Members should note that a funding application has been submitted to the Clore Duffield Foundation for a sum of £490k to build a dedicated learning space for the museum. A decision is expected at the end of January.
- 6.6 In order to meet the programme timetable, approval is also sought to tender for the contract works prior to receiving notification of the HLF decision. The detailed programme timetable is set out in 3.14 above.

7. PERSONNEL IMPLICATIONS

- 7.1 The costs of the Museum Development Manager post are included in the project costs detailed in this report.

8. LEGAL IMPLICATIONS

- 8.1 So far as is applicable these are contained within the body of the report. The Executive should note that the S106 monies will only be due for payment to the Council on the commencement of the building of the Taylor Wimpey scheme.

9. PROCUREMENT IMPLICATIONS

- 9.1 In relation to the publishing of the works contract tender in advance of the outcome of the HLF application being known - The Council should not tender works it is not intent on delivering. In this instance the Council is planning on delivering the scheme, subject to the successful outcome of the second round HLF grant application. If the HLF do not confirm the grant award at the second stage the works contract would not be awarded. The Council is not obliged to award any tendered contract as set out in the Council’s standard Invitation to Tender document.
- 9.2 Officers have followed the correct procurement procedure in relation to the architects and exhibition design consultancy contracts.

Non-Applicable Sections:	
Background Documents: (Access via Contact Officer)	DRR16/051 Biggin Hill Memorial Museum (plus appendices) DRR15/101 Biggin Hill Memorial Museum

Report No.
DRR16/094

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Executive

Date: 11th January 2017

Decision Type: Non-Urgent Executive Non-Key

Title: DISPOSAL OF BANBURY HOUSE, CHISLEHURST

Contact Officer: Michael Watkins, Manager - Strategic Property
Tel: 020 8313 4178 E-mail: Michael.Watkins@bromley.gov.uk

Chief Officer: Executive Director of Environment & Community Services

Ward: Chislehurst

1. Reason for report

This report seeks the Executive's approval to dispose of this site with Planning consent for an optimal scheme to ensure that best consideration is made in a timely manner.

2. **RECOMMENDATIONS**

The Executive is recommended to:

- 2.1 **Agree to the appointment of Cushman & Wakefield to develop a scheme in order to achieve best consideration for the site by;**
- a) **The submission of a Planning Application.**
 - b) **Once Planning has been achieved to market the site on a non-conditional basis.**
 - c) **Post marketing to evaluate bids received and recommend a prospective purchaser for the site via a report to the Portfolio Holder for Resources seeking his approval for the disposal of the site to the recommended purchaser.**
- 2.2 **Agree that the sum of £46k is funded from the receipt which will be generated from the disposal of this site and to include the sum in the capital programme.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: None
-

Corporate Policy

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

Financial

1. Cost of proposal: Estimated Cost: £46k
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: N/A
 5. Source of funding: N/A
-

Personnel

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

Legal

1. Legal Requirement: Statutory Requirement S123 of the Local Government Act 1972
 2. Call-in: Applicable:
-

Procurement

1. Summary of Procurement Implications:
-

Customer Impact

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

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments: Are contained within the body of the report.

3. COMMENTARY

- 3.1 Authority to dispose of this site was given by the Portfolio Holder for Resources on April 2014. The site was subsequently marketed and offers reported to E&R PDS for pre-decision scrutiny in January 2016. A purchaser was selected based on a conditional offer for 28 retirement units. The purchaser withdrew their offer and resubmitted a lesser sum based on a higher number of smaller units. The decision was then made to re-invite the highest bidders from the marketing exercise to re-bid. The previously identified purchaser was again the highest bidder. The purchaser commenced the Pre Planning Application process and due to the scheme being considered an over development then withdrew.
- 3.2 Potential purchasers will make offers based on their interpretation to planning guidelines and policy often attempting to maximise the development potential. They incur concept design costs in order to prove the initial viability of their scheme – however, The Council is not able to provide scrutiny to all potential bidders and seeks to encourage applicants to follow the Pre Application process.
- 3.3 The Council has disposed of a number of sites where it has gone to market and sought offers which inevitably have been made “Subject to Planning”. This has led to potential purchasers making offers based on, post planning application process, unrealistic over development schemes with a lack of financial security in terms of capital receipt and timescale for the Council. Consequently in order to provide clarity to the market the approach adopted in this report of seeking planning consent for an optimal scheme is recommended.

The Site

- 3.4 The site encompasses a 0.71 acre plot lying to the west of A208 White Horse Hill, accessed via Bushell way. The site has road frontage to both Bushell Way and Invicta Close.
- 3.5 The plot is occupied by Banbury House, a purpose built care home which was constructed in the 1980s. It provides approximately 5,694 sq ft (529m²) of accommodation on ground and part first floor. Part of the building has been adapted for office use. It is currently vacant and has been so since at least September 2015.
- 3.6 The neighbouring property, 1 Bushell Way, a detached house, has rights of access over the site for vehicles and additional rights on foot only over another small part of the site.
- 3.7 The surrounding area is predominately residential in character, with housing to the north, west and south, and east. The nearest railway stations are at Chislehurst and Grove Park, which are just over two miles distant, with direct services to London Charing Cross, Cannon Street and London Bridge. The centre of Chislehurst, which offers a good range of shops, is under a mile from the property.

Ascertaining Outline Planning Consent

- 3.8 Whilst there are no details available of the proposed development on the site at this stage, in order to be accepted as a ‘valid’ planning application, a development will need to be accompanied by raft of supporting material by way of drawings and reports. Whilst this supporting information tends to be drawn down from a fairly standard range of inputs, the precise requirements vary according to the type of development and local circumstances.

- 3.9 Cushman and Wakefield will review what studies may already be available and whether these are suitable to support the proposed application and will identify what further work need to be undertaken. It is preferred that Cushman and Wakefield appoint any necessary sub-consultants to prepare the additional information.
- 3.10 Whilst the determination of planning will provide for a detailed estimated of a capital receipt, it is estimated that the receipt would be in the range of £3.5m.

Planning Approach and Disposal Marketing

- 3.11 Cushman and Wakefield have approached their fee proposal by looking at the project in a number of stages which allows a greater budget certainty where the extent of their input can be readily discerned at this stage. Where that is not possible, they have given an estimate of the likely budget but this will need to be confirmed before the relevant stage commences.

Stage 1 Feasibility (Fixed Fee £4,500)

- 3.12 To ensure the case starts off on the correct foot, Cushman and Wakefield will review the site's planning context looking at the form of surrounding development, it's planning history, the existing and emerging planning policy position, and thereby seek to identify the key planning issues. This will establish whether the principle of the development is acceptable in land use terms, identify the technical planning policy standards which will need to be met; and those material issues which will impact on the proposal and so need to be addressed through consultant's reports. They would also seek to quantify and planning obligation or community infrastructure requirements so that these can be costed in a development appraisal. We suggest that a site visit be incorporated into a project kick off meeting so as to afford us all an opportunity to meet and also inspect the site to take advantage of your background knowledge.
- 3.13 The output from this stage would be a planning report providing a detailed overview of the project and its context and identifying planning issues which will need to be addressed. It will also set out a series of recommendations as to how the development will need to be presented to the local planning authority in order to win their support. Cushman & Wakefield have also stated that they would also recommend a CIL minimisation approach at this stage to help inform the reduction in overall development costs.
- 3.14 Ward Members would be appraised at this stage and their views taken into account in the planning report.

Stage 2 Design Development (Hourly Charges Budget Estimate £15,000)

- 3.15 This stage is followed by the working up of a more detailed feasibility scheme based on a measured survey and CAD drawings of the proposal taking into account the issues identified in Stage 1.
- 3.16 Cushman and Wakefield would utilise the findings of their report to shape the design approach and respond to the developing design being produced by the architect. They anticipate that this stage will be rather iterative in approach and will involve meetings and telephone conferences over an unspecified period in order to fine tune succeeding stages of design.

Stage 3 Formal Pre-Application Discussions with LB Bromley Planning Department (Hourly Charges Budget Estimate £4,000)

- 3.17 At this stage the feasibility scheme is shared with the local planning authority through a formal pre-application process. Cushman and Wakefield would co-ordinate the production of the documents for the submission and arrange the meeting. They would attend the meeting (in conjunction with the architect and other members of the design team as appropriate) to discuss the draft scheme; identify the need for any amendments; clarify the full range of documents to be submitted; scope the planning gain requirements; and to subsequently recommend actions to prepare a scheme to a suitable standard for submission supported by the range of reports and drawing sufficient to answer all the questions the local planning authority will raise.
- 3.18 They would also utilise the pre-application feedback to help define the need for and scope of any public consultation to be undertaken prior to the submission. This would include identifying relevant local stakeholders and the most effective way of carrying out that consultation.

Stage 4 Design Finalisation (Hourly Charges Budget Estimate £5,000)

- 3.19 In the light of the council's response, Cushman & Wakefield would work with the appointed design team to fully detail the proposed scheme to respond to points raised through pre-application. They would also identify other consultants which would need to be appointed to feed into the design development so as to develop a scheme suitable for submission.

Stage 5 Stakeholder Engagement (Hourly charges or fixed fee to be determined once need for exercise known)

- 3.20 If required through the pre-application process, Cushman and Wakefield would either design and implement a consultation strategy with neighbours and local stakeholders or, if the scheme seems likely to be controversial leading to a significant public interest, they would recommend the appointment of a third party to undertake this on the Council's behalf. If there is no need for public consultation, they would omit this stage as a cost saving.

Stage 6 Preparation and Submission of a Planning Application (Hourly Charges Budget Estimate £10,000)

- 3.21 Cushman and Wakefield will coordinate the preparation of the application pack, co-ordinating the project team to ensure their reports are mutually consistent and meet the requirements of the Council. In addition they would prepare the planning statement, the application form, the notices and statement of community involvement (unless a third party is appointed) and coordinate application pack to ensure validation. They would submit the application via the Planning.

Stage 7 Negotiation of Planning Application (Hourly Charges Budget Estimate £7,500)

- 3.22 Once submitted, Cushman and Wakefield will enter into regular contact with the case officer and ensure validation and provide confirmation of key dates (such as target determination date, close of consultation, committee date etc.). Through this they will identify consultees and speak to them direct to establish whether they have any questions about the scheme and devise an appropriate response. They will discuss

draft conditions with the case officer and look to agree these before determination. If a planning obligation is necessary they will agree the heads of terms so that the documentation can be completed by the Council's Legal team.

Stage 8 Post Decision Marketing – Nil Cost as this work is provided for via the TFM Amey/Cushman & Wakefield Contract

3.23 Once Planning has been agreed, Cushman and Wakefield will market the site with the associated consent seeking best offers on a non-conditional basis. A draft contract for disposal will be included in the marketing particulars.

Stage 9 Evaluation and Report to Portfolio Holder for approval to dispose

3.24 Officers and Cushman and Wakefield will evaluate bids received and recommend a prospective purchaser for the site via a report to the Portfolio Holder for Resources seeking his approval for the disposal of the site to the recommended purchaser.

Protecting future value

3.25 The contract for disposal will contain a provision that should the purchaser, or any successor in title, wish to deviate from the obtained planning consent then they will require the Council's consent to do so. This will be enforced by a restrictive covenant being lodged in the Council's favour at the Land Registry and on the title of the site. This will protect the Council in the future should any purchaser of the site wish to increase density or re-develop the site in the future. If the Council were minded at that time to release the covenant then that would be subject to a commercial negotiation at that time.

Timescales

3.26 Cushman & Wakefield have advised that the 9 Stages detailed above should be completed by the beginning of August 2017.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

None

5. POLICY IMPLICATIONS

The Council's aims include being an authority which manages its assets well.

6. FINANCIAL IMPLICATIONS

6.1 This report is seeking approval to spend £46k from the future capital receipt that will be generated from the disposal of this site and to add the scheme to the capital programme. The funding will meet the costs of the feasibility study and the works required to obtain planning consent and marketing of the sale of the site.

6.2 It should be noted that by gaining the necessary planning consents prior to marketing the property, there is a potential to generate a larger capital receipt from the sale of the site.

6.3 The estimated capital receipt could be £3.5m.

7. PERSONNEL IMPLICATIONS

None

8. LEGAL IMPLICATIONS

Section 123 of the Local Government Act 1972 requires a local authority to secure the best consideration reasonably obtainable when it disposes of land (other than on a lease of 7 years or less) unless it has the benefit of an express or general consent of the Secretary of state. Marketing a property is the usual method of ensuring compliance with this requirement.

9. PROCUREMENT IMPLICATIONS

Cushman & Wakefield is a key sub-contractor of the Council's TFM Contract and commenced their service offering on the 1st December 2016. Their fee basis is calculated against a set of fees contained within the contract which are set against comparable frameworks with a 5% discount.

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

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Report No.
DRR16/093

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Executive

Date: 11th January 2017

Decision Type: Non-Urgent Executive Non-Key

Title: DISPOSAL OF SMALL HALLS SITE, YORK RISE, ORPINGTON

Contact Officer: Michael Watkins, Manager - Strategic Property
Tel: 020 8313 4178 E-mail: Michael.Watkins@bromley.gov.uk

Chief Officer: Executive Director of Environment & Community Services

Ward: Orpington;

1. Reason for report

This report seeks the Executive's approval to dispose of this site with Planning consent for an optimal scheme to ensure that best consideration is made in a timely manner.

2. **RECOMMENDATIONS**

The Executive is recommended to:

- 2.1 **Agree to the appointment of Cushman & Wakefield to develop a scheme in order to achieve best consideration for the site by;**
- a) **The submission of a Planning Application.**
 - b) **Once Planning has been achieved to market the site on a non-conditional basis.**
 - c) **Post marketing to evaluate bids received and recommend a prospective purchaser for the site via a report to the Portfolio Holder for Resources seeking his approval for the disposal of the site to the recommended purchaser.**
- 2.2 **Agree that the sum of £46,000 is funded from the receipt which will be generated from the disposal of this site and to include the sum in the capital programme.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: None
-

Corporate Policy

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

Financial

1. Cost of proposal: Estimated Cost: £46k
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Capital programme
 4. Total current budget for this head: £N/A
 5. Source of funding: N/A
-

Personnel

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

Legal

1. Legal Requirement: Statutory Requirement S123 of the Local Government Act 1972
 2. Call-in: Applicable:
-

Procurement

1. Summary of Procurement Implications:
-

Customer Impact

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

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments: Are contained within the body of the report.

3. COMMENTARY

- 3.1 The Executive agreed to dispose of the Small Halls site in March 2016. However, it was also agreed that a temporary usage of the site as a car park should be explored whilst the site is being marketed if it was viable. Marketing was delayed due the anticipation that the site should be disposed of with Planning Consent which would be secured by the Council's appointed advisors through the TFM Contract which came into operation on 1st October 2016.
- 3.2 Temporary Planning Consent for a car park has been approved and costs have been provided for the necessary works in order to provide for revenue generation. It is likely that car park operations will shortly commence.
- 3.3 The Council has disposed of a number of sites where it has gone to market and sought offers which inevitably have been made "Subject to Planning". This has led to potential purchasers making offers based on, post planning application process, unrealistic over development schemes with a lack of financial security in terms of capital receipt and timescale for the Council. Consequently in order to provide clarity to the market the approach adopted in this report of seeking planning consent for an optimal scheme is recommended.

The Site

- 3.4 The site encompasses a 1.16 acre area at the junction of York Rise and Crofton Road. It is situated about 100m west of Orpington mainline railway station with services to London Bridge, Waterloo East, Charing Cross and Cannon Street. It is also about 1 mile from Orpington town centre.
- 3.5 It is understood that sections of the site are steeply banked and it is bordered along its eastern edge by a retaining wall and steep bank. There is also steep banking, retained by steel sheet walling along the western boundary of the site.
- 3.6 The site was largely cleared in 2014 save for floor slabs and areas of hardstanding. It is known there are air raid shelters constructed under the site but it is not known what condition they are in. There is a substation on the western edge of the site which is leased to EDF Energy.
- 3.7 There is also evidence of roman archaeological remains at the southern end of the site. The surrounding area is predominately residential in character, with housing to the north, west and south, and flats together with a secondary retail parade to the east.

Ascertaining Outline Planning Consent

- 3.8 Whilst there are no details available of the proposed development on the site at this stage, in order to be accepted as a 'valid' planning application, a development will need to be accompanied by raft of supporting material by way of drawings and reports. Whilst this supporting information tends to be drawn down from a fairly standard range of inputs, the precise requirements vary according to the type of development and local circumstances.
- 3.9 Cushman and Wakefield will review what studies may already be available and whether these are suitable to support the proposed application and will identify what further work need to be undertaken. It is preferred that Cushman and Wakefield appoint any necessary sub-consultants to prepare the additional information.

3.10 Whilst the determination of planning will provide for a detailed estimate of a capital receipt, it is estimated that the receipt would be in the range of £3.5 - £4m.

Planning Approach and Disposal Marketing

3.11 Cushman and Wakefield have approached their fee proposal by looking at the project in a number of stages which allows a greater budget certainty where the extent of their input can be readily discerned at this stage. Where that is not possible, they have given an estimate of the likely costs but this will need to be confirmed before the relevant stage commences.

Stage 1 Feasibility (Fixed Fee £4,500)

3.12 To ensure the case starts off on the correct foot, Cushman and Wakefield will review the site's planning context looking at the form of surrounding development, it's planning history, the existing and emerging planning policy position, and thereby seek to identify the key planning issues. This will establish whether the principle of the development is acceptable in land use terms, identify the technical planning policy standards which will need to be met; and those material issues which will impact on the proposal and so need to be addressed through consultant's reports. They would also seek to quantify and planning obligation or community infrastructure requirements so that these can be costed in a development appraisal. We suggest that a site visit be incorporated into a project kick off meeting so as to afford us all an opportunity to meet and also inspect the site to take advantage of your background knowledge.

3.13 The output from this stage would be a planning report providing a detailed overview of the project and its context and identifying planning issues which will need to be addressed. It will also set out a series of recommendations as to how the development will need to be presented to the local planning authority in order to win their support. Cushman & Wakefield have also stated that they would also recommend a CIL minimisation approach at this stage to help inform the reduction in overall development costs.

3.14 Ward Members would be appraised at this stage and their views taken into account in the planning report.

Stage 2 Design Development (Hourly Charges Budget Estimate £15,000)

3.15 This stage is followed by the working up of a more detailed feasibility scheme based on a measured survey and CAD drawings of the proposal taking into account the issues identified in Stage 1.

3.16 Cushman and Wakefield would utilise the findings of their report to shape the design approach and respond to the developing design being produced by the architect. They anticipate that this stage will be rather iterative in approach and will involve meetings and telephone conferences over an unspecified period in order to fine tune succeeding stages of design.

Stage 3 Formal Pre-Application Discussions with LB Bromley Planning Department (Hourly Charges Budget Estimate £4,000)

3.17 At this stage the feasibility scheme is shared with the local planning authority through a formal pre-application process. Cushman and Wakefield would co-ordinate the production of the documents for the submission and arrange the meeting . They would attend the meeting (in conjunction with the architect and other members of the design

team as appropriate) to discuss the draft scheme; identify the need for any amendments; clarify the full range of documents to be submitted; scope the planning gain requirements; and to subsequently recommend actions to prepare a scheme to a suitable standard for submission supported by the range of reports and drawing sufficient to answer all the questions the local planning authority will raise.

- 3.18 They would also utilise the pre-application feedback to help define the need for and scope of any public consultation to be undertaken prior to the submission. This would include identifying relevant local stakeholders and the most effective way of carrying out that consultation.

Stage 4 Design Finalisation (Hourly Charges Budget Estimate £5,000)

- 3.19 In the light of the council's response, Cushman & Wakefield would work with the appointed design team to fully detail the proposed scheme to respond to points raised through pre-application. They would also identify other consultants which would need to be appointed to feed into the design development so as to develop a scheme suitable for submission.

Stage 5 Stakeholder Engagement (Hourly charges or fixed fee to be determined once need for exercise known)

- 3.20 If required through the pre-application process, Cushman and Wakefield would either design and implement a consultation strategy with neighbours and local stakeholders or, if the scheme seems likely to be controversial leading to a significant public interest, they would recommend the appointment of a third party to undertake this on the Council's behalf. If there is no need for public consultation, they would omit this stage as a cost saving.

Stage 6 Preparation and Submission of a Planning Application (Hourly Charges Budget Estimate £10,000)

- 3.21 Cushman and Wakefield will coordinate the preparation of the application pack, co-ordinating the project team to ensure their reports are mutually consistent and meet the requirements of the Council. In addition they would prepare the planning statement, the application form, the notices and statement of community involvement (unless a third party is appointed) and coordinate application pack to ensure validation. They would submit the application via the Planning.

Stage 7 Negotiation of Planning Application (Hourly Charges Budget Estimate £7,500)

- 3.22 Once submitted, Cushman and Wakefield will enter into regular contact with the case officer and ensure validation and provide confirmation of key dates (such as target determination date, close of consultation, committee date etc.). Through this they will identify consultees and speak to them direct to establish whether they have any questions about the scheme and devise an appropriate response. They will discuss draft conditions with the case officer and look to agree these before determination. If a planning obligation is necessary they will agree the heads of terms so that the documentation can be completed by the Council's Legal team.

Stage 8 Post Decision Marketing – Nil Cost as this work is provided for via the TFM Amey/Cushman & Wakefield Contract

3.23 Once Planning has been agreed, Cushman and Wakefield will market the site with the associated consent seeking best offers on a non-conditional basis. A draft contract for disposal will be included in the marketing particulars.

Stage 9 Evaluation and Report to Portfolio Holder for approval to dispose

3.24 Officers and Cushman and Wakefield will evaluate bids received and recommend a prospective purchaser for the site via a report to the Portfolio Holder for Resources seeking his approval for the disposal of the site to the recommended purchaser.

Protecting future value

3.25 The contract for disposal will contain a provision that should the purchaser, or any successor in title, wish to deviate from the obtained planning consent then they will require the Council's consent to do so. This will be enforced by a restrictive covenant being lodged in the Council's favour at the Land Registry and on the title of the site. This will protect the Council in the future should any purchaser of the site wish to increase density or re-develop the site in the future. If the Council were minded at that time to release the covenant then that would be subject to a commercial negotiation at that time.

Timescales

3.26 Cushman & Wakefield have advised that the 9 Stages detailed above should be completed by the beginning of August 2017.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

None

5. POLICY IMPLICATIONS

The Council's aims include being an authority which manages its assets well.

6. FINANCIAL IMPLICATIONS

6.1 This report is seeking approval to spend £46k from the future capital receipt that will be generated from the disposal of this site and to add the scheme to the capital programme. The funding will meet the costs of the feasibility study and the works required to obtain planning consent and marketing of the sale of the site.

6.2 It should be noted that by gaining the necessary planning consents prior to marketing the property, there is a potential to generate a larger capital receipt from the sale of the site.

6.3 The estimated capital receipt could be between £3.5 – £4m.

7. PERSONNEL IMPLICATIONS

None

8. LEGAL IMPLICATIONS

Section 123 of the Local Government Act 1972 requires a local authority to secure the best consideration reasonably obtainable when it disposes of land (other than on a lease of 7 years or less) unless it has the benefit of an express or general consent of the Secretary of state. Marketing a property is the usual method of ensuring compliance with this requirement.

9. PROCUREMENT IMPLICATIONS

Cushman & Wakefield is a key sub-contractor of the Council's TFM Contract and commenced their service offering on the 1st December 2016. Their fee basis is calculated against a set of fees contained within the contract which are set against comparable frameworks with a 5% discount.

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

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

Document is Restricted

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