



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

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DATE: 3 June 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**
15 JUNE 2016 AT 7.00 PM

MARK BOWEN
Director of Corporate Services

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

A G E N D A

- 1 **APOLOGIES FOR ABSENCE**
- 2 **DECLARATIONS OF INTEREST**
- 3 **TO CONFIRM THE MINUTES OF THE MEETING HELD ON 18TH MAY 2016**
(Pages 5 - 20)
- 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 9th June 2016.
- 5 **PROVISIONAL FINAL ACCOUNTS 2015/16** (Pages 21 - 84)
- 6 **CAPITAL PROGRAMME OUTTURN 2015/16** (Pages 85 - 96)
- 7 **BIGGIN HILL AIRPORT LTD (BHAL) - PROPOSAL TO VARY THE OPERATING HOURS** (Pages 97 - 182)
- 8 **FLOODING AND WATER MANAGEMENT ACT** (Pages 183 - 188)

- 9 CHISLEHURST RECREATION GROUND - PAVILION LEASE (Pages 189 - 220)
- 10 LAND AT HAVELOCK RECREATION GROUND - APPLICATION FOR REGISTRATION AS A TOWN OR VILLAGE GREEN (Pages 221 - 234)
- 11 CONSIDERATION OF ANY OTHER ISSUES REFERRED FROM THE EXECUTIVE AND RESOURCES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE
- 12 LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006 AND THE FREEDOM OF INFORMATION ACT 2000

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

<u>Items of Business</u>	<u>Schedule 12A Description</u>
13 EXEMPT MINUTES OF THE MEETING HELD ON 18TH MAY 2016 (Pages 235 - 238)	Information relating to the financial or business affairs of any particular person (including the authority holding that information)
14 GRANT OF LEASE OF THE WIDMORE CENTRE TO THE STEP ACADEMY TRUST (Pages 239 - 246)	Information relating to the financial or business affairs of any particular person (including the authority holding that information)
15 BIGGIN HILL MEMORIAL MUSEUM (Pages 247 - 390)	Information relating to the financial or business affairs of any particular person (including the authority holding that information)
16 THE GLADES SHOPPING CENTRE APPOINTMENT OF PROFESSIONAL ADVISERS Report to follow.	Information relating to the financial or business affairs of any particular person (including the authority holding that information)
17 "GIFTING" OF MEARS SCHEME TO PENSION FUND (Pages 391 - 410)	Information relating to the financial or business affairs of any particular person (including the authority holding that information)
18 PARKING CONTRACT (Pages 411 - 416)	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

**19 TEMPORARY ACCOMMODATION: TRINITY C
OF E PRIMARY SCHOOL AND CASTLECOMBE
PRIMARY SCHOOL (Pages 417 - 424)**

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 18 May 2016 starting at 7.00 pm

Present

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

Also Present

Councillor Nicholas Bennett J.P. and Councillor Angela
Wilkins

1 APOLOGIES FOR ABSENCE

Apologies were received from Cllr Colin Smith.

Apologies were also given on behalf of Cllr Simon Fawthrop as Chairman of the Executive and Resources PDS Committee.

2 DECLARATIONS OF INTEREST

There were no declarations.

3 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 23RD MARCH 2016

The minutes were agreed.

4 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING

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

5 UPDATE ON PORTFOLIO HOLDERS, APPOINTMENT OF EXECUTIVE ASSISTANTS AND MEMBER WORKING GROUPS AND APPOINTMENT OF MEMBERS TO THE BROMLEY ADOPTION PANEL

Report CSD16073

Members noted appointments by the Leader of the Council to help with administration of Executive business during 2016/17. Elected Member representation on the Bromley Adoption Panel for 2016/17 was also confirmed. Details of the appointments were tabled at the meeting. This additionally included appointments by the Leader to the Health and Wellbeing

Board, Crystal Palace Park Project Board, and Children's Board (reference to these Boards being omitted from Report CSD16073).

The Special Education Needs (SEN) Working Party was no longer needed and would cease with immediate effect. The Group had originally been established a number of years previously to look at issues pertinent at the time but more recently there had been less clarity on its role and function.

RESOLVED that:

(1) the Leader of the Council's appointment of Executive Members for 2016/17 along with their Portfolio responsibility be noted as –

- **Councillor Stephen Carr, Leader of the Council**
- **Councillor Colin Smith, Deputy Leader of the Council and Portfolio Holder for the Environment**
- **Councillor Graham Arthur, Portfolio Holder for Resources**
- **Councillor Robert Evans, Portfolio Holder for Care Services**
- **Councillor Peter Fortune, Portfolio Holder for Education**
- **Councillor Kate Lymer, Portfolio Holder for Public Protection and Safety**
- **Councillor Peter Morgan, Portfolio Holder for Renewal and Recreation;**

(2) the Leader of the Council's appointment of Executive Support Assistants for 2016/17 be noted as –

Councillor Will Harmer – Leader's Assistant
Councillor Lydia Buttinger - Environment
Councillor Tom Philpott – Education
Councillor Diane Smith - Care Services

(3) the Leader of the Council's appointment of Members to the following Working Parties/Group/Boards and Advisory Panel for 2016/17 be noted

- **Town Centre Working Party**
Cllr Vanessa Allen
Cllr Julian Benington
Cllr Stephen Carr
Cllr Peter Dean
Cllr Nicky Dykes
Cllr Will Harmer
Cllr William Huntington-Thresher
Cllr Alexa Michael
Cllr Peter Morgan
Cllr Colin Smith
Cllr Michael Tickner

- **Child Safeguarding and Corporate Parenting Working Party**

Cllr Nicholas Bennett
Cllr Ian Dunn
Cllr Judi Ellis
Cllr Robert Evans
Cllr Peter Fortune
Cllr Kate Lymer
Cllr Tom Philpott
Cllr Diane Smith
Cllr Pauline Tunncliffe

- **Local Development Framework Advisory Panel**

Cllr Vanessa Allen
Cllr Nicholas Bennett
Cllr Eric Bosshard
Cllr Stephen Carr
Cllr Peter Dean
Cllr Nicky Dykes
Cllr Simon Fawthrop
Cllr William Huntington-Thresher
Cllr Charles Joel
Cllr Russell Mellor
Cllr Alexa Michael
Cllr Peter Morgan
Cllr Colin Smith
Cllr Melanie Stevens
Cllr Stephen Wells

(Democratic Services Note - following the meeting it was confirmed that Cllr Lydia Buttinger would not be a Member of the Local Development Framework Advisory Panel for 2016/17)

- **Constitution improvement Working Group**

Cllr Graham Arthur
Cllr Julian Benington
Cllr Nicholas Bennett
Cllr Stephen Carr
Cllr Mary Cooke
Cllr Robert Evans
Cllr David Livett
Cllr Tony Owen
Cllr Tim Stevens
Cllr Colin Smith
Cllr Angela Wilkins

- **Health and Wellbeing Board**

Cllr Stephen Carr
Cllr David Jeffreys (Chairman)
Cllr Diane Smith (Vice Chairman)
Cllr Ruth Bennett
Cllr Ian Dunn
Cllr Robert Evans
Cllr Colin Smith
Cllr Pauline Tunncliffe

(Democratic Services Note - following the meeting it was confirmed that Cllr William Huntington-Thresher and Cllr Angela Page would not be Members of the Health and Wellbeing Board for 2016/17)

- **Crystal Palace Park Project Board**

Cllr Stephen Carr (Chairman)
Cllr Peter Morgan
Cllr Colin Smith
Cllr Angela Wilkins

- **Children's Board**

Cllr Nicholas Bennett
Cllr Stephen Carr (Chairman)
Cllr Judi Ellis
Cllr Robert Evans
Cllr Peter Fortune
Cllr Kate Lymer

(4) Member representation on the Bromley Adoption Panel, 2016/17, be confirmed as –

Cllr Alan Collins
Cllr Diane Smith
Cllr Stephen Wells

(5) the SEN Working Party ceases to operate with immediate effect.

6 BETTER CARE FUND - LOCAL PLAN 2016/17

Report CS16039

On 21st April 2016, the Health and Wellbeing Board resolved to note the Better Care Fund Local Plan for 2016/17 and agree the Plan for submission to NHS England. The Board's authorisation is a formal requirement of NHS England as is the Chairman's signature on the plan. Although aligning L B Bromley and Clinical Commissioning Group (CCG) priorities remain an

ongoing challenge, significant progress had been made in developing an integration plan for 2017.

The report to the Health and Well Being Board was appended to Report CS16039 as was the full Local Plan. The Better Care Fund (this year standing at £21.611m), largely created from CCG baselines and not new monies, puts a requirement on CCGs and Local Authorities to pool budgets - commissioners then use the pooled fund to integrate and join up services for the benefit of local residents.

RESOLVED that the following be noted:

(1) the report to the Health and Wellbeing Board and the Board's decision to approve Bromley's Local Plan; and

(2) the Local Plan submission to NHS England for 2016/17.

**7 AUTHORISATION TO PROCURE SPECIAL EDUCATIONAL
 NEEDS PLACEMENTS THROUGH A DYNAMIC PURCHASING
 SYSTEM**

Report ED16031

A Dynamic Purchasing System (DPS) had been established in partnership with nine South London Local Authorities to procure Special Educational Needs (SEN) placements from Independent Specialist Providers (ISP), with Croydon Council acting as host for the DPS.

Approval was sought to enter into the DPS via an Operating Agreement with the host Authority for a four year period.

Although the default price/quality ratio for evaluating bids through the DPS is 40:60, it was confirmed that the system will allow the Council to refine tenders to its own requirements. As such, tender criteria could be set to a 60:40 price/quality ratio.

Rather than grant the Director of Education delegated authority to renew participation after the initial four year period (in consultation with the Portfolio for Education and the Directors of Corporate Services and Finance), Members preferred to review performance after a three year period.

RESOLVED that:

(1) entering into an Operating Agreement (subject to review and approval by the Director of Corporate Services) with L B Croydon as the host authority for participation in the DPS for a four year period be authorised; and

(2) a further report be presented to the Executive after a three year period reviewing performance of the DPS.

**8 GATEWAY REVIEW 1/2 APPROVAL OF 2016/2017
EDUCATION BUILDING MAINTENANCE BUDGETS,
EDUCATION PLANNED MAINTENANCE PROGRAMME AND
PREFERRED PROCUREMENT OPTIONS**

Report DRR16/047

Report DRR16/047 outlined an Education Planned Maintenance Programme along with budget and criteria for assembling the programme and a preferred procurement option.

The 2016/17 budget for Education Building Maintenance comprised £957,888, with £457,888 controlled by Operational Property Services and £500,000 controlled by Education, Care and Health Services.

RESOLVED that:

- (1) overall expenditure of £957,888 for the maintenance budget for education buildings in 2016/2017 be approved;**
- (2) the criteria used to assemble the planned maintenance programme be approved;**
- (3) the proposed education planned maintenance programme at Appendix A to Report DRR16/047 be approved;**
- (4) authority be delegated to the Director of Corporate Services to vary the planned programme where such action is considered necessary to either protect the Council's assets or make the most effective use of resources;**
- (5) the preferred procurement option and method to be used be approved;**
- (6) authority be delegated to the Director of Corporate Services to select the most economically advantageous tender for any individual item of expenditure under the approved programme referred to at (1) – (5) above;**
- (7) the Director of Regeneration and Transformation be authorised to submit planning applications where appropriate in respect of schemes identified in the education planned maintenance programme;**
- (8) as part of the £957,888 budget, £500k be allocated to Suitability/ Health and Safety, Security, and Seed Challenge programmes, and responsibility be delegated for management to the Director of Education;**

(9) a sum of £93,500 be vired to the Basic Need Programme in accordance with the recommendation at paragraph 3.11 of Report DRR16/047; and

(10) the Director of Education be authorised to submit planning applications in respect of schemes in the Suitability/ Health and Safety, Security, and Seed Challenge programmes.

9 CIVIC CENTRE DEVELOPMENT STRATEGY STAGE 2 REPORT: BUSINESS CASE

Report DRR16/045

A Development Strategy Stage 2 report refined the option for the Civic Centre selected by Executive on 17th September 2015, the report confirming the Civic Centre redevelopment as an affordable and implementable strategy meeting Council objectives.

Members were recommended to approve the Option 2 scheme which included retention of North Block, Stockwell Building and Reception and the demolition and rebuilding of Adventure Kingdom to create a new Democratic Hub/ multi-purpose space. The Palace and Council Chamber were not recommended for retention and the boundaries of the proposed park land and developable site area shown at Appendix 3 to Report DRR16/045 were recommended for approval.

Approval was also sought to market the surplus site in accordance with the consultant's recommendations and to include the project in the capital programme to be funded from capital receipts.

A developable site area took into account the proposed Civic buildings, the park land, site constraints, the setting of the Palace and other listed structures, and the surrounding area. Alternative masterplans indicated a variety of dwelling types and densities for the developable area, showing how the site could be redeveloped. The masterplans also enable an assessment to be made of potential capital receipts from differing types of redevelopment.

The Council as landowner had submitted a planning representation as part of the Local Plan process and an extract from the submitted landowner representation was appended to Report DRR16/045. An indicative programme for the project was also appended to the report, the consultant recommending two concurrent activities - marketing of the site and design development/ tender for construction work.

In discussion it was considered necessary for development to be in keeping with the site. There was a strong economic and planning case for the scheme.

Noting the option to demolish and rebuild the present site of Adventure Kingdom as a new Council Chamber/multi-purpose venue with café linked to an external garden, it was felt that the new Hub should retain an appropriate level of gravitas in keeping with the serious nature of a Council Chamber and democratic surroundings.

Concerning traffic to Rafford Way, the level of additional vehicle movements was considered small; with the preferred level of density it was thought that traffic movements could be managed to prevent congestion. Members and officers would need to be convinced on the acceptability of any future development.

At their meeting on 12th May 2016 the Executive and Resources PDS Committee proposed an additional recommendation to authorise the Director of Corporate Services to seek expert legal advice. This was supported.

RESOLVED that:

- (1) the Option 2 scheme which includes the retention of North Block, Stockwell Building and Reception and the demolition and rebuilding of the Adventure Kingdom to create a new Democratic Hub/ multi-purpose space be approved;**
- (2) the Palace and Council Chamber should not be retained;**
- (3) inclusion of the sum of £14.1m in the Capital Programme (Option 2), which will be funded from capital receipts, be approved subject to the approval of Full Council;**
- (4) procurement of the Project Delivery Team at a cost of £365k as set out at paragraph 3.50 of Report DRR16/045 be approved;**
- (5) the carry forward of general underspends totalling £200k be approved to meet the cost of document management (see paragraph 3.17 of Report DRR16/045);**
- (6) the area of open space delineated at Appendix 3 to Report DRR16/045 be approved with officers instructed to appropriate it for use as a park in accordance with the requirements of Section 122 of the Local Government Act 1972;**
- (7) the boundary of the developable site area outlined at Appendix 3 to Report DRR16/045 be approved, with officers instructed to appropriate the area to planning at the appropriate time in accordance with the requirements of Section 237 of the Town and Country Planning Act;**
- (8) a conditional, subject to planning, disposal of the developable site area be approved;**

- (9) use of the consultancy services framework and contractor framework outlined in Report DRR16/045 be approved;
- (10) submissions and representations to the Development Plan (Local Plan) process continue to be made and followed up; and
- (11) the Director of Corporate Services be authorised to seek advice from suitably qualified and experienced counsel on the application of, and management of, the covenants relating to the land, should he deem it appropriate to do so - any such advice being funded from money allocated to the project costs.

10 PETITION - KNOLL AREA OF SPECIAL RESIDENTIAL CHARACTER (ASRC)

Report CSD16046

At the full Council meeting on 22nd February 2016 Members received a petition from the Knoll Residents Association asking the Council to designate an area of Petts Wood and Knoll ward (and including a small part of Orpington ward) as an Area of Special Residential Character (ASRC). The petition was referred by Council to the Development Control Committee and the Executive for consideration with a recommendation that the matter is formally considered through the Local Plan process.

The full prayer of the petition read:

“To safeguard the distinctive character of the Knoll Area (broadly the area bounded by Dale Wood Road, Crofton Lane, Lynwood Grove cutting across to Irvine Way, Broxbourne Road, Chislehurst Road, Orpington High Street continuing into Sevenoaks Road until the railway line) by designating it an Area of Special Residential Character. We, the undersigned, are adult residents of the Knoll and petition the London Borough of Bromley to designate the Knoll area an ASRC.”

The outcome of consideration by the Development Control Committee was tabled, as recorded in published minutes of the Committee’s meeting on 19th April 2016, and it was **RESOLVED that the merits of establishing a Knoll Area of Special Residential Character (ASRC) be formally considered through the Local Plan process, and the petition be included as a submission seeking the change.**

11 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.

- 12 LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006 AND THE FREEDOM OF INFORMATION ACT 2000**
- 13 EXEMPT MINUTES OF THE MEETING HELD ON 23RD MARCH 2016**

Exempt minutes of the meeting held on 23rd March 2016 were agreed.

14 GROWTH FUND REVIEW

Report DRR16/048

Members were updated on progress with the Growth Fund with a number of recommendations related to the way forward.

15 REVISION TO THE EXCHEQUER SERVICES SPECIFICATION - REAL TIME INFORMATION

Report FSD16030

As a result of the introduction by the Department for Work and Pensions (DWP) of Real Time Information (RTI), it was proposed that certain provisions in the Exchequer services contract with Liberata be suspended and replaced with a revised process and conditions.

16 CIVIC CENTRE DEVELOPMENT STRATEGY STAGE 2 REPORT: BUSINESS CASE

Report DRR16/046

Linked to the Part 1 report, Members received Part 2 information on legal and financial implications related to the Development Strategy.

Chairman

The Meeting ended at 8.02 pm

EXECUTIVE

18th May 2016

Questions from Patricia Suarez for Written Reply

1. What (if any) are the Council's plans to improve our parks?

Reply

Since the commissioning of the Parks, Greenspace and Countryside service to The Landscape Group, (TLG) in June 2015, a strategy document has been published which sets out the broad aims and aspirations for the Authority's publically accessible landholding. Additionally, a continually revised Action Plan sets out specific, project-by-project details of planned improvements to parks and other Council landscapes.

2. When is Whitehall Rec going to get the matching funds promised for which the community has worked so hard? If matching funds continue to be withdrawn and this wipes away community spirit, does the Council have a plan for the parks?

Reply

Match funding will be released upon the completion of a successful bid for substantive funding from elsewhere, a search for which continues to be actively pursued.

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Decision Maker: Executive

Date: 15th June 2016

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

Title: **MATTERS ARISING FROM PREVIOUS MEETINGS**

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

Chief Officer: Director of Corporate Services

Ward: N/A

1. Reason for report

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

2. **RECOMMENDATION**

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

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

Corporate Policy

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

Financial

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

Staff

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

Legal

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

Customer Impact

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

Ward Councillor Views

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

<u>Minute Number/Title</u>	<u>Executive Decision/Request</u>	<u>Update</u>	<u>Action by</u>	<u>Completion Date</u>
23rd March 2016				
378. Gateway Report Commissioning – Proposed Total Facilities Management Contract	(3) due diligence be undertaken with the outcome and assurances on staff issues being reported back to the Executive within two months.	Due diligence has commenced and is proceeding at a satisfactory pace. It is likely that officers will be able to report back in July concerning the matters raised during Executive discussions on 23 rd March 2016.	Assistant Director, Leisure and Culture Assistant Director Transformation Head of Corporate Procurement	Please see opposite
389/1 Site G: Revised Development Boundary and Procurement	(3) quarterly updating reports be submitted to the Executive; and (4) officers report back outcome details of the tender exercise for Executive approval.	Update/ quarterly report intended for September 2016.	Director of Regeneration and Transformation/ Head of Renewal	Please see opposite
390/1 Extension to Agency Contract	(2) a further report be presented to Members in due course exploring possible service options for the future.	A Gateway report exploring options will be going to the Executive on 7 th September 2016.	Director of Human Resources/ Head of HR Strategy & Education	Please see opposite

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Report No.
FSD16040

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker: Executive Council

Date: 15th June 2016
4th July 2016

Decision Type: Non-Urgent Executive Non-Key

Title: PROVISIONAL FINAL ACCOUNTS 2015/16

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

Chief Officer: Director of Finance

Ward: Borough Wide

1. Reason for report

- 1.1 This report considers the 2015/16 provisional outturn at portfolio level and Council wide as well as the potential implications for the Council's financial position in 2016/17. The purpose of the report is to give a broad overview of the financial outturn. The 2015/16 provisional outturn provides for no variation in general fund balances, subject to the recommendations in this report being agreed. The summary variations are made up of Cr £7.2m on services offset by carry forwards of Dr £1.7m, Dr £8.4m on central items (assuming the recommendations in this report are approved), prior year adjustments of Cr £1.6m and general grants & retained business rates of Cr £1.3m.
- 1.2 More detailed reports will be submitted to individual PDS Committees and the Education Budget Sub-Committee. Details of the carry forward requests and a summary of the Council's capital programme are also considered in the report.
-

2. RECOMMENDATION(S)

2.1 Executive are requested to:

- (a) consider the provisional revenue and capital outturns for the 2015/16 financial year, and the earmarked balances on the General Fund as at 31st March 2016;
- (b) note that a more detailed analysis of the 2015/16 final outturn will be reported for each Portfolio to the Relevant PDS committees;
- (c) consider the variations in 2015/16 impacting on the Council's 2016/17 financial position;

- (d) consider the comments from the Education, Care and Health Services Department, the Director of Transformation and Regeneration and the Executive Director of Environment and Community Services as detailed in Appendix 1B;**
- (e) note the carry forwards of £301k relating to repairs and maintenance, approved under delegated authority as detailed in Appendix 5;**
- (f) approve the requests for carry forwards totalling £1,401k (net) as detailed in Appendix 5, subject to the funding being allocated to the Central Contingency to be drawn down on the approval of the relevant Portfolio Holder;**
- (g) agree to release a total of £589k funding from Central Contingency as detailed in para 3.2.1;**
- (h) note the return to the Central Contingency of £45k as detailed in para 3.2.2;**
- (i) agree that a sum of £97,400 be set aside from the 2015/16 underspends in the Central Contingency as detailed in paras 3.2.3 and 3.2.4;**
- (j) note the Prior Year Adjustments totalling £1,577k as detailed in section 3.4;**
- (k) recommend to Council the transfer of £7,024k to the Growth Fund as detailed in section 4.2.**

Corporate Policy

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

1. Cost of proposal: N/A
 2. Ongoing costs: Recurring cost.
 3. Budget head/performance centre: Council wide
 4. Total current budget for this head: £205.5m
 5. Source of funding: See Appendix 1 for overall funding of Council's budget
-

Staff

1. Number of staff (current and additional): 3,218 (per 2015/16 Budget), which includes 1,356 for delegated budgets to schools.
 2. If from existing staff resources, number of staff hours: N/A
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Legal

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

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

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

3 COMMENTARY

3.1 Provisional Final Outturn 2015/16

3.1.1 The Resources Portfolio Plan included the target that each service department will spend within its own budget. A summary of the overall budget and the provisional outturn for 2015/16 is shown in the table below.

3.1.2 The 2015/16 provisional outturn shows no overall net movement in general fund balances, subject to approval of the contribution to the Growth Fund, as detailed in section 4.2.

Provisional Outturn on Services & Central Items	2015/16 Original Budget £'000	2015/16 Latest Budget £'000	2015/16 Provisional Outturn £'000	2015/16 Variation £'000
Portfolio				
Care Services	102,794	100,808	96,458	Cr 4,350
Education	5,124	6,088	6,110	22
Environment	32,095	33,141	32,092	Cr 1,049
Public Protection & Safety	2,120	2,125	2,015	Cr 110
Renewal & Recreation	9,214	9,403	9,042	Cr 361
Resources	37,869	39,233	37,919	Cr 1,314
Total Controllable Budgets	189,216	190,798	183,636	Cr 7,162
Capital Charges and Insurance	20,980	7,595	7,595	0
Non General Fund Recharges	Cr 793	Cr 827	Cr 827	0
Total Portfolio Budgets	209,403	197,566	190,404	Cr 7,162
Adj. for carry forwards from 2015/16 to 2016/17	0	0	1,702	1,702
Capital, Insurance & Pension a/c requirements	Cr 19,698	Cr 6,338	Cr 6,388	Cr 50
Total Portfolio Budgets (adj. for carry forwards and accounting requirements)	189,705	191,228	185,718	Cr 5,510
Contingency Provision	14,003	949	0	Cr 949
Interest on General Fund Balances	Cr 2,741	Cr 2,741	Cr 4,269	Cr 1,528
Contribution to Investment Fund	4,400	4,400	4,541	141
Contribution to Growth Fund	0	12,500	12,500	0
Further Contribution to Growth Fund (subject to approval)	0	0	7,024	7,024
Contribution to Business Rates Risk Reserve	0	0	3,000	3,000
Funding for One-Off Member Initiatives	0	0	750	750
Contribution to Other Reserves	0	701	701	0
Utilisation of Prior Year Collection Fund Surplus	Cr 2,964	Cr 2,964	Cr 2,964	0
LRB receipt	0	0	Cr 44	Cr 44
Levies	1,427	1,427	1,427	0
Total Central Items	14,125	14,272	22,666	8,394
Total Variation on Services and Central Items	203,830	205,500	208,384	2,884
Prior Year Adjustments	0	0	Cr 1,577	Cr 1,577
Total Variation	203,830	205,500	206,807	1,307
Carry forwards from 2015/16 to 2016/17	0	0	Cr 1,702	Cr 1,702
Net Variation (after allowing for carry forwards)	203,830	205,500	205,105	Cr 395

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

3.2 Central Contingency Sum

3.2.1 The 2015/16 Central Contingency contained various provisions which reflected uncertainty around potential costs, grants and service pressures. There is a total net variation of £0.9m relating to provisions that were not required in the 2015/16 financial year, subject to the approval to release a total of £589k as detailed below. Further details of the allocations from, and variations in, the 2015/16 Central Contingency are included in Appendix 3.

	£'000
Reduction in Education Services Grant	478
Staff Merit Awards	111
	589

- (a) as a result of the 14 academy conversions that occurred during 2015/16, there is a shortfall of income on the Education Services Grant budget of £478k. The effect of the reduction in grant has been included in Central Contingency, and it is requested that this amount be drawn down and allocated to the Education Portfolio.
- (b) as part of the introduction of Localised Pay, Members agreed a merited reward for exceptional performers and a provision of £200k was included in the Central Contingency. A request is made to drawdown £111k to fund the expenditure for the rewards in 2015/16. The remaining balance of £89k has been included in the carry forward requests as detailed in appendix 5.
- 3.2.2 In addition, the sum of £45k relating to Deprivation of Liberty, has been returned to the Central Contingency. The 2015/16 budget included growth pressures of £628k to cover additional costs relating to Deprivation of Liberty Safeguards (DoLS) following a Supreme Court judgement which had resulted in an increase in the number of applications submitted to Court. £314k of this sum was allocated to the Care Services Portfolio with the balance being held in the Contingency. However, not all of the funding was required in-year and £45k has therefore been returned as unused.
- 3.2.3 As detailed in a report elsewhere on the agenda, Members are requested to agree that a sum of £47,400 be set aside from the 2015/16 underspends in the Central Contingency to be used as match funding for the development work for the first round application to the HLF for the Biggin Hill Memorial Museum. A request for this sum to be carried forward is included in appendix 5.
- 3.2.4 There is a requirement to build a database that holds all of the information currently held on the Council's Contract Register along with additional information such as waivers approved, gate reports, audit issues, risks, etc. The new system will RAG status contracts automatically when they are due to end (currently officers do this manually which takes up quite a lot of officer time) and the database will link into the Council's finance system for the latest approved budget and projected expenditure, avoiding many of the manual processes which are currently undertaken. Some of this work can be undertaken within existing resources but a one off sum of £50k is required to fully develop the database and automate the manual processes. If agreed, it is anticipated that this work will be completed within the next 6 months. Members are requested to agree that a sum of £50k be set aside from underspends in the 2015/16 Central Contingency to meet the cost of this development. A request for this sum to be carried forward is included in appendix 5.

3.2.5 It is proposed that the overall underspends remaining, including those in the Central Contingency, will be utilised to provide one-off funding for the Council's Growth Fund to provide investment for economic development (see section 4.2). Economic development is a key priority for the Council, creating employment opportunities and generating additional income through business rate growth, investment income and new homes bonus.

3.3 General Fund Balances

3.3.1 Subject to approval of the proposals detailed in this report, and taking account of the final outturn on Portfolio budgets and Central Items, there will be no variation to the level of general reserves as at 31st March 2016 as detailed below:

	2015/16 Provisional Outturn £'000
General Fund Balance as at 1st April 2015	Cr 20,000
Net Variations on Services & Central Items (para 3.1)	Cr 395
Variations in Business Rates Retention Scheme and General Government Grants	Cr 1,275
	Cr 21,670
Adjustments to Balances:	
Carry Forwards (funded from underspends in 2014/15)	1,670
General Fund Balance as at 31st March 2016	Cr 20,000

3.4 Prior Year Adjustments resulting in a Net Credit Provision in the Accounts of £1,577k

3.4.1 As referred to in the last budget monitoring report, provisions made in prior years for Learning Disability and Mental Health services are no longer required and have therefore been released in 2015/16 resulting in a credit of £400k (compared to £350k previously reported). Although there is some evidence of additional unknown clients coming through, it is not at the same level as previously seen.

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

3.4.3 A provision for termination costs relating to a transferred service has been held for some years against the possibility of potential claims for redundancy, legal costs and compensation at the ceasing of the contract. The likelihood is getting smaller that there will be any call on this funding so the £300k provision has been released.

3.4.4 In line with accounting requirements, provision is made against bad and doubtful debts arising from the non-collection or write off of income. This is across all services including council tax, business rates, housing benefits, parking enforcement and all other general income streams. These provisions are reviewed annually and, as part of the 2015/16 closing, there has been an overall net reduction of £496k in the required provision.

- 3.4.5 A credit of £250k (previously reported £225k) relates to backdated Council Tax benefits adjustments which, under the new Council Tax Support Scheme, do not result in a corresponding reduction in subsidy.
- 3.4.6 Following Skills Funding Agency scrutiny of the 2014/15 Adult Education outturn report submitted in October, notification was received that there would be a clawback of £122k in 2015/16 mainly related to mandated ESOL funding and 24+ Advanced Learning Loans. In the main, this is because the volume of learners expected did not materialise to generate all of the funding allocated. The SFA have since discontinued elements of this funding and the Adult Education Service have re-organised which will mitigate any future impact on the service moving forward.
- 3.4.7 There is a charge of £344k relating to a tax liability from previous years. Details were reported to the Executive on 23rd March 2016 as a Part 2 supplementary report.

3.5 Impact on Future Years

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

	2015/16 Budget £'000	2016/17 Impact £'000
Care Services Portfolio		
Assessment & Care Management	23,591	Cr 603
Learning Disabilities Care Management	3,655	198
Early Achievement of Savings *	0	Cr 2,192
		Cr 2,597
Environment Portfolio		
Waste	18,087	Cr 270
Highways (inc. London Permit Scheme)	7,219	145
		Cr 125
Resources Portfolio		
Investment Income	Cr 7,396	Cr 995
		Cr 995
TOTAL		Cr 3,717
* reflects savings achieved in 2015/16 across the whole Portfolio. The full year effect of these savings are already reflected in the 2016/17 budget.		

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

3.6 Interest on Balances

- 3.6.1 A rate of 1% was assumed in the 2015/16 budget for interest on new investments and the budget for net interest earnings was set at £2.7m. Interest rates still show no real sign of increasing and Capita maintain their projection that the Bank of England base rate will not rise until early 2017. There have been no improvements to counterparty credit ratings, which means that the restrictions to investment opportunities that followed ratings downgrades in recent years have still been in place. However, increases in the limits for the two part-nationalised banks (Lloyds and RBS) approved by the Council in October 2014, together with higher rates from longer-term deals placed with other local authorities, higher average balances than anticipated and the strong performance of the CCLA Property Fund, have resulted in a considerable improvement in interest earnings in 2015/16.
- 3.6.2 In the December revenue budget monitoring report, it was estimated that the 2015/16 outturn for interest earnings would be around £1.0m above budget. The final outturn increased to £4.3m, £1.5m above budget, as a result of further investment in the CCLA Property Fund as well as an upturn in dividends received from one of the Diversified Growth Funds. Additional income of £0.8m is included in the 2016/17 budget to reflect the increased interest rates being achieved, partly offset by a reduction to balances as a result of further property acquisitions.
- 3.6.3 Details of the Council's Treasury Management Strategy were reported to Council on 22nd February 2016.

4 EARMARKED RESERVES

- 4.1 As reported to the Executive previously, the Council has reduced its level of general reserves (general fund reserves in 1997 were £131 million). Part of the reduction reflects funding directed towards the Growth Fund and the Investment Fund. These funds will help support the achievement of sustainable savings and income to the Council.
- 4.2 **Growth Fund**
- 4.2.1 A key priority for the Council is economic development and inward investment which was reflected in the Local Plan report to Executive in February 2013. Supporting economic growth and new investment creates employment opportunities, potentially reduces the cost of council tax support and generates income through business rates, new homes bonus and other investment opportunities.
- 4.2.2 Members have previously approved the allocation of £10m to be ring-fenced for investments which support growth in the Biggin Hill area (£3.5m), Cray Corridor (£3.5m) and Bromley Town Centre (£3m). There are further opportunities to support economic development and on 5th October the Chancellor set out plans to fully devolve 100% of business rates to local government (includes GLA for London) by 2020. Although this change is expected to be cost neutral, it will provide an opportunity to generate additional income through the uplift in business rate income arising from economic growth as the Council will retain a higher share. Generating additional income will become more critical as the Council will lose core government funding in the future.
- 4.2.3 Following consideration by the Executive on 2nd December 2015, Council approved that £6.5m of the 2015/16 underspend on services and the Central Contingency be transferred to the Growth Fund. The transfer of a further £6m in one-off funding was agreed by Council following consideration by the Executive on 23rd March 2016.

- 4.2.4 The Council will continue to seek opportunities to invest in growth and economic development and a “Growth Fund Review” was reported to the Executive on 18th May 2016. This report sought to provide a strategic review of growth projects and set out a series of proposed recommendations for the next stage of the work programme. The report also identified significant opportunities available, subject to the necessary funding being in place.
- 4.2.5 It is proposed to transfer the remainder of the underspends on the Council’s budget to the Growth Fund. As set out in para. 3.1, this would result in the transfer of a further £7m into the Growth Fund for 2015/16. A detailed analysis of this Fund is provided in the Capital Programme Outturn report elsewhere on the agenda. As at 31st March 2016 the unallocated balance (after allowing for the approved expenditure in para. 4.2.2) was £12.5m which will increase to £19.5m should the proposed transfer be agreed.
- 4.2.6 The setting aside of this additional funding will also require the approval of Council and any future release of these monies will be subject to a detailed report to Members for approval.

4.3 **Investment Fund**

- 4.3.1 At the meeting of the Executive on 14th January 2015, as part of the draft 2015/16 budget, Members agreed the setting aside of the 2015/16 New Homes Bonus as a contribution to the earmarked reserve for the Investment Fund. The Fund is used primarily for property investments to enable the Council to achieve investment income which exceeds treasury management rates. As at 31st March 2016, the uncommitted balance on the Fund stood at £18.6m (including £16.2m allocation set aside from capital receipts).
- 4.3.2 As part of the 2016/17 draft budget Members agreed to the setting aside of the 2016/17 New Homes Bonus (£7.4m) which will increase the uncommitted balance on the Fund to £26m.
- 4.3.3 The Council’s acquisition of investment properties through utilisation of the Investment Fund has resulted in actual and planned property acquisitions generating potential income of £3.7m per annum with further income of £1.3m assumed in the 2016/17 budget (net income of £4.5m after allowing for foregone interest earnings from treasury management).
- 4.3.4 A detailed analysis of this Fund is provided in the Capital Programme Outturn report elsewhere on the agenda.

4.4 **Business Rates Risk Reserve**

- 4.4.1 Under the recently introduced Business Rates Retention Scheme, it has become increasingly difficult to forecast the level of business rates income that the Council can retain and this is compounded by the level of downward revaluations and successful appeals. The number and estimated value of outstanding appeals provides a significant challenge in forecasting income levels with any degree of accuracy. This could well result in further volatility in 2016/17 and future years.
- 4.4.2 Following consideration by the Executive on 23rd March 2016, Council agreed to set aside £3m in an earmarked reserve to provide a general provision to reflect the financial risks relating to the Council’s share of business rate income. This provision would cover potential changes relating to the backlog of outstanding valuation appeals and uncertainty relating to government funding to meet the loss of income arising from changes to small business rate relief and increasing the associated thresholds announced as part of the Chancellor’s 2016 Budget.

4.5 Better Care Fund (BCF) Objectives

- 4.5.1 In view of the ambitious programme to deliver BCF Objectives, an element of the budget has required re-profiling into 2016/17. On 22nd February 2016, Council agreed that a sum of £3,100k be set aside as an earmarked reserve in order to allow the continuation of agreed joint schemes and to be used as pump priming investment for more cost effective delivery models across Health and Social care in Bromley.

4.6 Other Earmarked Reserves

- 4.6.1 A summary of the actual balances as at 31st March 2016 on the earmarked reserves set out above and all other earmarked reserves is provided in Appendix 6. An analysis of the Invest to Save Fund is also provided in Appendix 9.

5 CONTINGENT LIABILITIES AND PROVISIONS

- 5.1 Details of contingent liabilities and provisions will be included in the draft statement of accounts which will be available for audit at the end of June. Large provisions as at 31st March 2016 include unsettled insurance claims (£1.6m), NNDR and Council Tax credit balances (£2.6m), backdated business rates appeals (£2.1m), and potential further redundancy costs (£1.1m).

6 CAPITAL EXPENDITURE AND RECEIPTS

6.1 Capital Expenditure

- 6.1.1 The final capital outturn (actual expenditure) for the year was £76.2m, compared with the original estimate of £64.2m approved by the Executive in February 2015 and with the latest approved budget of £81.3m agreed in February 2016 (adjusted for the further £3.7m approved in March 2016 for property acquisitions). At that time, further slippage of £2.5m was assumed for capital financing purposes so the overall variation in the capital financing requirement (capital receipts, government grants, other external contributions and revenue contributions) is £2.6m.

- 6.1.2 Most of the variation was due to slippage of expenditure into later years. Further details are included in the capital outturn report elsewhere on this agenda.

6.2 Capital Receipts

- 6.2.1 Under the “prudential” capital system in operation from 1st April 2004, most capital receipts are “useable” and may be applied to finance capital expenditure. Available capital receipts totalled £36.2m, including an unapplied balance of £28.9m brought forward from 2014/15. A total of 3.4m was applied in 2015/16 and a balance of £32.8m has been carried forward to finance capital expenditure in future years. No capital contribution from the General Fund was required in 2015/16. Further details are included in the capital outturn report elsewhere on this agenda.

7 TREASURY MANAGEMENT - BORROWING AND INVESTMENT

- 7.1 The Authority's borrowing and investments have been reported quarterly to the Executive and Resources PDS Committee and the Resources Portfolio holder during 2015/16. The final outturn report (including details of activity in the 4th quarter) will be considered by the Executive and Resources PDS Committee on 7th July 2016. As at 31st March 2016, the balance of investments (including accrued interest) stood at £288.2m. At that date, the Council had a total of £24.4m short term temporary borrowing which was fully repaid by 4th April 2016. This was primarily due to activity in quarter four, mainly relating to the purchase of 3 investment properties and an anticipated capital receipt not being realised. As at 31st March 2015 there was no temporary borrowing and £256.7m total investments.
- 7.2 Further details will be provided in the Treasury Management Annual Report to Executive and Resources PDS Committee on 7th July 2016.

8 SECTION 106

- 8.1 An update on balances as at 31st March 2016 is included in Appendix 7 of this report. Further details on the arrangements for utilising Section 106 monies will be provided in the "Section 106 Agreements: Update" report to Executive and Resources PDS Committee on 7th July 2016.

9 THE SCHOOLS BUDGET

- 9.1 Expenditure on Schools is funded through the Dedicated Schools Grant (DSG) provided for by the Department for Education (DfE). DSG is ring fenced and can only be applied to meet expenditure properly included in the schools budget. Any overspend or underspend must be carried forward to the following years Schools Budget.
- 9.2 There is a total in-year overspend of £1,464k on DSG funded services, with a total to carry forward to 2016/17 of £3,683k. Subject to approval, surplus funds may be given to schools as a one off payment, carried forward centrally to offset any future unknown pressures, or a combination of the two. Further details of the in-year variation and plans for spending some of the amount carried forward are provided in Appendix 8.

10 ACADEMIES

- 10.1 During the 2015/16 financial year 14 schools have converted to academy status.
- 10.2 The impact of these arrangements is that when schools convert to academy status their balances are removed from the accounts as the schools are autonomous and no longer under Bromley's control and therefore have their own financial arrangements in place. This generally results in a reduction in maintained balances. During 2015/16 total balances have reduced from £4,544k to £4,017k.
- 10.3 Further details of schools' balances are provided in Appendix 8.

11 COLLECTION FUND

- 11.1 It is a statutory requirement to maintain a Collection Fund at arm's length from the remainder of the Council's accounts. The Fund is credited with income from Council Tax and Business Rates and charged with sums payable to the Council, GLA and Central Government.

- 11.2 There is a Council Tax surplus on the fund in 2015/16 of £8.0m. 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 action 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 in 2017/18.
- 11.3 There is an overall deficit of £1.2m relating to the collection and distribution of Non Domestic Rates under the recently introduced Business Rates Retention Scheme. This is mainly due to downward revaluations of properties during the year and an increase in the provision for outstanding appeals based on more recent information from the Valuation Office Agency. This highlights the challenges of predicting accurate levels of retained business rates under the new scheme and the volatility of projections arising from successful appeals. Of the 2015/16 deficit, £0.6m will be allocated to Central Government, £0.2m to the GLA and £0.4m to Bromley. In accordance with statutory provisions, this will be distributed in 2016/17 and has already been reflected in 2016/17 budget.
- 11.4 The volatility arising from the level of downward revaluations and outstanding appeals provides a significant challenge in accurately forecasting the level of business rates income that the Council can retain. Although the in-year deficit has already been reflected in the 2016/17 budget, there may well be further volatility during 2016/17 and in future years.
- 11.5 A further complexity arises from the timing of income with a requirement for business rates to be accounted for through the Collection Fund. This means that in-year surpluses or deficits are distributed in either of the following two years, depending on when they are provisionally estimated, with any resulting variations from those provisional estimates being adjusted in the subsequent year.
- 11.6 In addition, funding provided by way of Section 31 grant to compensate authorities for reduced rating income associated with business rates measures announced in the 2013, 2014 and 2015 Autumn Statements are allocated directly to the general fund in the year they are due. This can result in the Collection Fund having an in-year surplus or deficit (which will impact on the general fund in a future year) whilst the general fund has an in-year variation relating to the receipt of these grants and the distribution of prior year Collection Fund variations.
- 11.7 The overall impact in 2015/16 is a deficit of £1.2m on the collection fund as detailed in para. 11.3 (£0.4m of which will be distributed to the Council in 2016/17) and a net credit variation in the Council's general fund of £1.3m.
- 11.8 There is expected to be underlying growth in business rates in 2016/17 and the Council will benefit from its respective share of 30%.

12 FINANCIAL CONTEXT

- 12.1 The 2016/17 Council tax report identified the latest financial projections and a future year budget gap due to the impact of inflation, service and cost pressures and ongoing significant reductions in government funding. More details were reported in the "2016/17 Council Tax" report to Executive in February.

- 12.2 The provisional 2015/16 outturn identifies underspends from prior year adjustments, departmental spend and the Council's central contingency sum. In addition there are savings from the early release of 2016/17 Budget savings and changes to the treasury management strategy to improve investment returns. The underspends from the central contingency sum mainly relate to ongoing action to contain growth pressures, stringent cost controls, management of risk, effective use of government funding and meeting income targets.
- 12.3 As reported as part of the Council's financial strategy, a prudent approach has been adopted in considering the central contingency sum to mitigate against financial risks to partly reflect the significant changes that may follow a new Government. The approach also includes an ongoing 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. The contributions made to the Growth Fund will greatly assist in providing a more sustainable financial position for the Council as it moves to become "self-sufficient" in the longer term with the ongoing need to address the budget gap of £26m per annum by 2019/20 reported to Executive in February 2016.
- 12.4 The Council's general reserves remain at £20m, whilst a future years "budget gap" continues. However there is flexibility in the Council's overall resources (including earmarked reserves) to allow this position to be revised in the future. The approach to reserves was reported in the 2016/17 Council Tax report to Executive in February 2016.

13 STATUTORY ACCOUNTS

- 13.1 The audited statutory accounts for 2015/16 will be reported to the General Purposes and Licensing Committee meeting on 14th September 2016, which meets the statutory deadline of 30th September 2016 for reporting accounts under the Accounts & Audit Regulations 2015.

14 POLICY IMPLICATIONS

- 14.1 The "Building a Better Bromley" objective of being an Excellent Council refers to the Council's intention to provide efficient services and to have a financial strategy that focuses on stewardship and sustainability. Delivering Value for Money is one of the Corporate Operating Principles supporting Building a Better Bromley.
- 14.2 The "2016/17 Council Tax" report highlighted the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2016/17 to minimise the risk of compounding financial pressures in future years.
- 14.3 Chief Officer's comments are included in Appendix 1B.

15 FINANCIAL IMPLICATIONS

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

Non-Applicable Sections:	Legal, Personnel
Background Documents: (Access via Contact Officer)	<p>2016/17 Council Tax – Executive 10th February 2016;</p> <p>Budget Monitoring Reports in 2015/16 – Executive;</p> <p>Financial Management Budget Monitoring files across all Portfolios;</p> <p>2015/16 Budget Monitoring file held by Technical and Control Finance Section;</p> <p>Provisional final Accounts - Executive 10th June 2015;</p> <p>Draft 2015/16 Budget and Update on Council's Financial strategy 2016/17 to 2018/19 - Executive 14th January 2015;</p> <p>Capital Programme Outturn 2015/16 (elsewhere on the agenda).</p>

GENERAL FUND - PROVISIONAL OUTTURN FOR 2015/16

Portfolio	2015/16 Original Budget £'000	Budget Variations allocated in year #	2015/16 Final Approved Budget £'000	2015/16 Provisional Final Outturn £'000	Variation £'000	Variation previously reported to Exec 23/03/16 £'000
Care Services	102,794	Cr 1,986	100,808	96,458	Cr 4,350	Cr 3,646
Education (incl. Schools' Budget)	5,124	964	6,088	6,110	22	320
Environment	32,095	1,046	33,141	32,092	Cr 1,049	Cr 139
Public Protection & Safety	2,120	5	2,125	2,015	Cr 110	Cr 35
Renewal and Recreation	9,214	189	9,403	9,042	Cr 361	Cr 235
Resources	37,869	1,364	39,233	37,919	Cr 1,314	Cr 638
Total Controllable Budgets	189,216	1,582	190,798	183,636	Cr 7,162	Cr 4,373
Capital and Insurances (see note 2)	20,980	Cr 13,385	7,595	7,595	0	0
Non General Fund Recharges	Cr 793	Cr 34	Cr 827	Cr 827	0	0
Total Portfolios (see note 1)	209,403	Cr 11,837	197,566	190,404	Cr 7,162	Cr 4,373
Adj for Carry Forwards from 2015/16 to 2016/17	0	0	0	1,702	1,702	0
Capital, Insurance & Pension Accounting Requirements	Cr 19,698	13,360	Cr 6,338	Cr 6,388	Cr 50	0
	189,705	1,523	191,228	185,718	Cr 5,510	Cr 4,373
Central Items:						
Interest on General Fund Balances	Cr 2,741	0	Cr 2,741	Cr 4,269	Cr 1,528	Cr 1,000
Contingency Provision (see Appendix 3)	14,003	Cr 13,054	949	0	Cr 949	Cr 5,487
Other central items						
Contribution to Investment Fund	4,400	0	4,400	4,541	141	141
Utilisation of Prior Year Collection Fund Surplus	Cr 2,964	0	Cr 2,964	Cr 2,964	0	0
Contribution to Growth Fund (Council 14.12.15)	0	6,500	6,500	6,500	0	0
Contribution to Crystal Palace Park Improvements (Exec 22.7.14)	0	240	240	240	0	0
Contribution to One-off Member Initiatives (Council 22.02.16)	0	0	0	750	750	750
Funding for Non-Recurring Expenditure 16/17 (Exec 23.03.16)	0	461	461	461	0	461
Contribution to Business Rates Risk Reserve (Council 11.04.16)	0	0	0	3,000	3,000	2,800
Contribution to Growth Fund (Council 11.04.16)	0	6,000	6,000	6,000	0	6,000
Subject to Approval Executive 15th June 2016						
Contribution to Growth Fund	0	0	0	7,024	7,024	0
LRB Receipts	0	0	0	Cr 44	Cr 44	0
Levies	1,427	0	1,427	1,427	0	0
Total other central items	2,863	13,201	16,064	26,935	10,871	10,152
Carry Forwards from 2015/16 to 2016/17	0	0	0	Cr 1,702	Cr 1,702	0
Prior Year Adjustments						
Housing Benefits	0	0	0	Cr 597	Cr 597	Cr 597
Adult Education grant clawback	0	0	0	122	122	122
Tax liability	0	0	0	344	344	344
Backdated Council Tax Benefit adjustments	0	0	0	Cr 250	Cr 250	Cr 225
Provision for redundancies re transferred services	0	0	0	Cr 300	Cr 300	Cr 300
Learning Disabilities	0	0	0	Cr 235	Cr 235	Cr 200
Mental Health	0	0	0	Cr 165	Cr 165	Cr 150
Net Reduction in Bad Debt Provision	0	0	0	Cr 496	Cr 496	0
Total Prior Year Adjustments	0	0	0	Cr 1,577	Cr 1,577	Cr 1,006
Total All Central Items	14,125	147	14,272	19,387	5,115	2,659
Bromley's Requirement before balances	203,830	1,670	205,500	205,105	Cr 395	Cr 1,714
Carry Forwards from 2014/15 (see note 3)	Cr 1,186	Cr 1,186	0	1,186	1,186	1,186
Carry Forward from 2014/15 Delegated Authority - R&M	Cr 484	Cr 484	0	484	484	484
Adjustment to Balances	0	0	0	0	0	185
Revenue Support Grant	203,830	0	203,830	205,105	1,275	141
Business Rates Retention Scheme (Retained Income, Top-up and S31 Grants)	Cr 32,971	0	Cr 32,971	Cr 32,971	0	0
New Homes Bonus	Cr 4,400	0	Cr 4,400	Cr 4,541	Cr 141	Cr 141
New Homes Bonus Top Slice	Cr 760	0	Cr 760	Cr 537	Cr 223	0
Local Services Support Grant	Cr 89	0	Cr 89	Cr 89	0	0
Collection Fund Surplus	Cr 2,300	Cr 593	Cr 2,893	Cr 2,927	Cr 34	0
Bromley's Requirement	128,901	0	128,901	128,901	0	0
GLA Precept	36,913	0	36,913	36,913	0	0
Council Tax Requirement	165,814	0	165,814	165,814	0	0

Budget Variations allocated to portfolios in year consists of: £'000
 1) Carry forwards from 2014/15 (see note 3) 1,670
 2) Capital, Insurance & Pension Accounting Requirements (see note 2) Cr 13,360
 3) Allocations from the central contingency provision (see Appendix 3) Cr 147
Cr 11,837

1) **NOTES**

Portfolio Latest Approved Budgets analysed over Departments as follows:

	2015/16 Original Budget £'000	Budget Variations allocated in year #	2015/16 Final Approved Budget £'000	2015/16 Provisional Final Outturn £'000	Variation £'000	Variation previously reported to Executive £'000
Education Care & Health Services	130,780	2,163	132,943	128,611	Cr 4,332	Cr 3,244
Environmental & Community Services	54,013	Cr 12,297	41,716	40,418	Cr 1,298	Cr 469
Chief Executive's Department	24,610	Cr 1,703	22,907	21,375	Cr 1,532	Cr 660
	209,403	Cr 11,837	197,566	190,404	Cr 7,162	Cr 4,373

2) **Reversal of Net Capital Charges**

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

3) **Carry Forwards from 2014/15**

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

Comments from the Education, Care and Health Services Department

Care Portfolio

Overall the current outlook in the Care Services Portfolio is positive with a £4,354k controllable budget underspend predicted for the financial year. Costs of placements in Adult Social Care are being contained and the budget is benefitting from further underspends in learning disabilities and mental health services.

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

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

Children's Social Care continues to see pressures although overall these have been contained this year.

The Portfolio will continue to closely monitor its activities and look to future years where the funding will become an even greater challenge.

Education Portfolio

Although the travel training programme continues with success and has contributed to improved outcomes and helps address annual volume increases, SEN transport has overspend by £385k. A significant part of this relates to the cost of the new contracts which commenced on 01/09/2015 with a revised pricing framework which, with no provision for inflation over the life of the contracts, are assumed to have front-loaded inflationary increases.

The Youth Services full year savings of £506k for 2015/16 was not achievable due to the requirement to undertake a restructure of the service and consult with staff. The consultation is now complete and the new structure is in place, with a projected full year effect of £62k overspend in 2016/17. This projected overspend is as a result of unexpected loss of income. Management are working hard to identify new income streams for 2016/17 to address the shortfall.

There is also a projected overspend in the Youth Offending Team; as a consequence of the outcome of the recent HMIP inspection, it has been necessary to delay the planned restructure of the service and employ additional staff. In addition there have been in year savings made to the Youth Justice Grant by the Ministry of Justice. The review of the existing service and interim measures required to address immediate operational delivery requirements will result in an overspend of £95k. Every effort will be made to reduce the overspends.

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

Strategic Property Services has a net underspend of £348k for 2015/16. This is due to reduced expenditure on Investment and Non-Operational Property of £187k, additional net rental income of £60k and an underspend of £101k for the Strategic Property Division due to a number of vacant posts. The additional properties bought during 2015/16 have contributed to an increased income target for next financial year.

Renewal and Recreation Portfolio

Overall, the controllable budget for the Renewal and Recreation Portfolio is underspent by £361k, however after removing the carry forward items totalling £325k, this underspend reduces to £36k.

The overspend of £96k within Culture mainly relates to the additional running costs of the Priory Museum as closure was delayed until half way through the year. This together with a one-off payment required for disputed items at the Churchill Theatre is more than offset by the underspend of £101k on libraries due to strike action.

There are other net variations of Cr £31k across the rest of the Portfolio.

Comments from the Executive Director of Environment and Community Services**Environment Portfolio:**

Overall, the controllable budget for the Environment Portfolio is underspent by £1,049k. Excluding carry forward requests totalling £306k, the underspend is £743k.

Tree maintenance has overspent by £133k due to a number of works that had to be carried out relating to unpredictable emergency callouts, root pruning and post 2013/14 storm remedial works.

The improving performance by utility companies in the area of defect notices has resulted in lower charges being raised by the Council resulting in income being £397k below budget.

These overspends totalling of £560k are more than offset by underspends of £1,303k across other areas of the portfolio budget, which is mainly the result of an over achievement of income in Parking and Waste, along with staff vacancies and winter service.

It should be noted that £200k of the parking fee income is being used to offset the impact of the change in legislation around the use of CCTV for parking enforcement and £85k is being used to offset the shortfall of income from defect notices. Other underspends are the result of several budget options being delivered early.

Care Services Portfolio Budget Monitoring Summary

2014/15 Actuals £'000	Division Service Areas	2015/16 Original Budget £'000	2015/16 Final Approved £'000	2015/16 Provisional Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
EDUCATION CARE & HEALTH SERVICES DEPARTMENT								
Adult Social Care								
25,785	Assessment and Care Management	23,630	23,591	22,665	Cr 926	1	Cr 463	Cr 603
3,389	Direct Services	3,200	2,674	2,516	Cr 158	2	Cr 263	0
3,532	Learning Disabilities Care Management	3,879	3,655	3,657	2	3	Cr 19	198
1,949	Learning Disabilities Day and Short Breaks Service	1,953	982	838	Cr 144	4	Cr 72	0
1,326	Learning Disabilities Housing & Support	1,250	660	745	85	4	Cr 72	0
35,981		33,912	31,562	30,421	Cr 1,141		Cr 745	Cr 405
Operational Housing								
Cr 1	Enabling Activities	Cr 1	Cr 1	Cr 1	0		0	0
Cr 1,594	Housing Benefits	Cr 2,122	Cr 2,122	Cr 2,350	Cr 228		0	0
5,683	Housing Needs	5,638	6,315	6,358	43		50	55
	Housing funds held in contingency	0	0	0	0		0	Cr 55
4,088		3,515	4,192	4,007	Cr 185	5	50	0
Strategic and Business Support Service								
1,807	Strategic & Business Support	2,143	2,132	1,926	Cr 206	6	Cr 72	0
298	Learning & Development	305	271	242	Cr 29	6	Cr 40	0
2,105		2,448	2,403	2,168	Cr 235		Cr 112	0
Children's Social Care								
16,897	Care and Resources	17,358	17,206	16,747	Cr 459	7	Cr 128	Cr 37
1,783	Safeguarding and Quality Assurance	1,482	1,495	1,853	358		Cr 201	0
3,420	Safeguarding and Care Planning	5,520	5,616	5,682	66		Cr 47	0
3,583	Early Intervention and Family Support	1,149	1,164	1,113	Cr 51		Cr 20	0
2,101	Children's Disability Service	2,379	2,453	2,343	Cr 110		Cr 177	0
27,784		27,888	27,934	27,738	Cr 196		Cr 37	Cr 37
Commissioning								
3,101	Commissioning					8		
	- Net Expenditure	4,283	4,278	3,899	Cr 379		Cr 284	0
	- Recharge to Better Care Fund	Cr 1,535	Cr 1,535	Cr 1,301	234		Cr 183	0
1,199	Information & Early Intervention					9		
	- Net Expenditure	1,265	1,265	1,187	Cr 78		Cr 50	0
	- Recharge to Better Care Fund	Cr 1,265	Cr 1,265	Cr 1,187	78		Cr 50	0
24,054	Learning Disabilities	24,694	24,293	23,740	Cr 553	10	Cr 684	0
5,765	Mental Health Services	6,514	6,176	6,092	Cr 84	11	Cr 97	0
1,779	Supporting People	1,413	1,413	1,413	0	12	0	0
	Better Care Fund					13		
	- Expenditure	18,331	19,081	18,692	Cr 389		0	0
	- Income	Cr 18,482	Cr 19,232	Cr 18,851	381		0	0
	- Variation on Protection of Social Care	0	0	Cr 312	Cr 312		Cr 233	0
	NHS Support for Social Care					13		
	- Expenditure	0	614	266	Cr 348		0	0
Cr 11,078	- Income	0	Cr 614	Cr 266	348		0	0
35,217		35,218	34,474	33,372	Cr 1,102		Cr 1,115	0
Public Health								
12,238	Public Health	12,582	14,483	13,578	Cr 905	14	Cr 919	Cr 919
Cr 12,601	Public Health - Grant Income	Cr 12,954	Cr 14,855	Cr 13,936	919		Cr 919	919
Cr 363		Cr 372	Cr 372	Cr 358	14		0	0
	Savings achieved early in 2015/16 for 2016/17	0	430	Cr 1,079	Cr 1,509	15	Cr 1,687	Cr 2,192
104,812	TOTAL CONTROLLABLE ECHS DEPT	102,609	100,623	96,269	Cr 4,354		Cr 3,646	Cr 2,634
1,375	TOTAL NON CONTROLLABLE	378	2,593	2,593	0		82	0
10,398	TOTAL EXCLUDED RECHARGES	9,404	8,950	8,950	0		0	0
116,585	TOTAL ECHS DEPARTMENT	112,391	112,166	107,812	Cr 4,354		Cr 3,564	Cr 2,634
Environmental Services Dept - Housing								
169	Housing Improvement	185	185	189	4		0	0
169	TOTAL CONTROLLABLE FOR ENV SVCES DEPT	185	185	189	4		0	0
104	TOTAL NON CONTROLLABLE	Cr 600	407	407	0		0	0
364	TOTAL EXCLUDED RECHARGES	329	327	327	0		0	0
637	TOTAL FOR ENVIRONMENTAL SVCES DEPT	Cr 86	919	923	4		0	0
117,222	TOTAL CARE SERVICES PORTFOLIO	112,305	113,085	108,735	Cr 4,350		Cr 3,564	Cr 2,634

Reconciliation of Latest Approved Budget	£'000
2015/16 Original Budget	112,305
Carry forwards:	
Social Care funding via the CCG under s256 (Invest to Save)	
<i>Dementia:</i>	
- expenditure	122
- income	Cr 122
<i>Physical Disabilities:</i>	
- expenditure	87
- income	Cr 87
<i>Impact of Care Bill</i>	
- expenditure	105
- income	Cr 105
<i>Integration Fund - Better Care Fund</i>	
- expenditure	300
- income	Cr 300
<i>Welfare Reform Grant</i>	
- expenditure	65
- income	Cr 65
<i>Helping People Home Grant</i>	
- expenditure	28
- income	Cr 28
<i>Winter Resilience</i>	
- expenditure	15
- income	Cr 15
<i>Adoption Reform Grant</i>	
- expenditure	285
- income	Cr 285
<i>Tackling Troubled Families Grant</i>	
- expenditure	887
- income	Cr 887
Other:	
Housing Regulations Grant	
- expenditure	3
- income	Cr 3
Social Care Innovation Grant	
- expenditure	100
- income	Cr 100
Youth on Remand (LASPO) Reduction in Grant	
- expenditure	18
- income	18
Transfer of Housing Strategy from R&R	
	51
ASC Early Intervention Service restructure	
	Cr 10
Deprivation of Liberty Safeguards Grant	
- expenditure	127
- income	Cr 127
Independent Living Fund Grant	
- expenditure	526
- income	Cr 526
Public Health Grant - Transfer of 0 - 5 years (Health Visitors)	
- expenditure	1,901
- income	Cr 1,901
Increase in Cost of Homelessness/Impact of Welfare Reforms	
	649
LD Certitude pensions costs	
	33
Post transferred to Corporate Services	
	Cr 15
Care Act Government Funding	
	Cr 1,848
Care Act Better Care Funding	
	Cr 750
Deprivation of Liberty Safeguards partial return of growth	
	Cr 45
Merit Rewards	
	36
Passenger Transport Service Contract - Transfer SEN staff to ECS	
	Cr 53
Passenger Transport Service Contract - Adjustment with Education	
	32
Additional Liberata costs	
	Cr 7
	Cr 1,927
2015/16 Latest Approved Budget	110,378
Memorandum Items	
Capital Charges	Cr 47
Deferred Charges (REFCUS)	Cr 841
Impairment	422
Government Grants Deferred	2,003
Insurance	17
Rent Income	78
Repairs & Maintenance	Cr 99
IAS19 (FRS17)	1,689
Excluded Recharges	Cr 515
Reported Latest Approved Budget for 2015/16	113,085

REASONS FOR VARIATIONS

1. Assessment and Care Management - Cr £926k

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

		<u>Final</u> <u>Variation</u> £'000		<u>Previous</u> <u>Variation</u> £'000
<u>Physical Support / Sensory Support / Memory & Cognition</u>				
Services for 65 +	- Placements	Cr 767	Cr	725
	- Domiciliary Care / Direct Payments	Cr 165	Cr	35
Services for 18 - 64	- Placements	333		283
	- Domiciliary Care / Direct Payments	Cr 119		11
Extra Care Housing		54		103
Staffing		Cr 208	Cr	100
Other		Cr 54		0
		<u>Cr 926</u>	<u>Cr</u>	<u>463</u>

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

Services for 65+ - Cr £932k

Since the last report for December residential placements for the 65+ age group have continued to reduce, with a further reduction of 3 fye clients and a reduction in spend of £42k. Final client numbers are 22 below the budgeted numbers. Domiciliary care and direct payments expenditure has also reduced during this period, reducing overall projected spend by a further £130k. The overall final underspend for this age group for the year is £933k.

Services for 18 - 64 year olds - Dr £214k

Since the last report for December residential placements for the 18 -64 age group have reduced by 1 , however there has been an increase in the overspend of £50k to a final reported overspend of £333k. Final client numbers are 4 above the budgeted numbers. Domiciliary care and direct payments expenditure has reduced during this period, reducing overall projected spend by a further £130k. The overall final overspend for this age group for the year is £214k.

Extra Care Housing - Dr £54k

The 3 external extra care housing schemes have outturned with a reduced overspend of £54k, with some of the additional costs charged to the Better Care fund. With the closure of the in-house scheme at Lubbock House in July 2015 and the need to move residents to alternative extra care accommodation, units in the external schemes were being kept vacant in preparation for these transfers. These however incurred a weekly unbudgeted for void cost equivalent to the rental price of the unit and the core costs of care staff, which Bromley had to pay the provider for.

Staffing - Cr £208k

The final underspend has increased to £208k for staffing in the assessment and care management division. This has mainly been due to the level of vacancies in the Division and difficulties in recruiting staff to these posts.

Other - Cr £54k

There are other minor variations in the division, including Car allowances, Cr £17k and Day care costs ,Cr £29k.

Contract Savings

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

2. Direct Services - Cr £158k

Extra Care Housing - £0k

The final overspend in the in-house ECH service is analysed as a £460k overspend on staffing and £36k on other running costs, offset by £161k of additional income from service users. High levels of need amongst some service users has resulted in increased staffing requirements in the units and although these costs are chargeable to clients based on their individual assessments, the additional costs outweighed any additional income. Funding of £335k has been made available from the Better Care Fund to offset the cost pressure in the service for 2015/16.

Reablement - £0k

The in-house Reablement service underspent by £189k for the year. The service has been carrying a high number of vacancies and recruitment to these posts has been ongoing with varying degrees of success. As this service generates savings for the council by reducing or preventing the need for domiciliary care packages, it is vital that vacant posts can be recruited to. The service is partly recharged to the Better Care Fund so no variation is shown within this service.

Carelink - Dr £52k

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

Transport - Cr £209k

The in-house transport service was outsourced to GS Plus with effect from 1 December 2015 and the budgets for the new service were transferred to both Assessment and Care Management within the Adult Social Care Division and the Commissioning Division from that date. The final outturn for the service whilst it was in-house shows an underspend of £269k, analysed as £130k underspend on staffing and £139k underspend on transport related costs. £60k of this underspend has been removed as part of a savings exercise and is detailed separately in the narrative under paragraph 15.

3. Learning Disabilities Care Management - Dr £2k

Staffing costs in the LD care management teams overspent by £38k. This was as a result of a delay in the implementation of £100k savings in the 2015/16 budget, which has now been resolved.

The budget for staffing in the team that is responsible for the Shared Lives scheme underspent by £36k as a result of a post being vacant for the year.

4. Learning Disabilities Day , Short Breaks and Housing and Support services - Cr £59k

The LD In-house services moved to a private contractor wef 1 October 2015 and this should release a saving of £200k in 2016/17. For the period prior to this when it was provided in-house, a saving of £59k has been realised.

5. Operational Housing - Cr 185k

There is a projected overspend of £135k relating to increased furniture storage costs, partly offset by a £27k underspend relating to rent deposits.

Executive agreed a drawdown of £649k in December 2015 for the additional costs of Temporary Accommodation. Client numbers have increased on average by 10 a month in 2015/16, lower than the budgeted increase but unit costs are beginning to rise.

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

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

The full year effect of the projected overspend is currently anticipated to be a pressure of £55k in 2016/17. However, this only takes account of projected activity to the end of March 2016 and does not include any projected further growth in numbers beyond that point.

Across the Housing Operations area there is an overspend of 73k relating to staffing. The majority of this relates to the Housing Options and Assessments.

The Gypsy Site collected an extra £13k of income in 2015/16 than expected.

An additional £20k of expenditure was incurred for the adaptation to a wheel chair unit and software costs.

Housing Benefits has a variation of £228k credit for 2015/16 with the income received being higher than budgeted and expenditure slightly lower during the year.

6. Strategic and Business Support - Cr £235k

The underspend of £235k can be broken down as follows:

	£'000
Strategic and Business Support Services	Cr 206
Learning & Development	Cr 29
	<u>Cr 235</u>

The underspend on Strategic and Business Support Services relates mainly to salaries budgets (vacancies and delays in recruitment) and centrally controlled running expenses for the whole ECHS Department. This includes staff advertising and DBS checks.

7. Children's Social Care - Cr £196k

The final projected underspend in Children's Social Care is £196k, with the main areas of under / overspending being:

Care and Resources - Cr £459k

Placements - Cr £179k

The budget for children's placements outturned with an underspend of £429k this year. Residential placements were underspent by £679k, whilst Fostering and Adoption placements overspent by £250k. £250k of this underspend has been removed as part of a savings exercise and is detailed separately in the narrative under paragraph 15.

Leaving Care / Unaccompanied Asylum Seeking Children - Cr £191k

The budget for the cost of clients leaving care for 16 and 17 year olds underspent by £217k. For the 18 plus client group there continues to be differences between the amount being paid in rent and the amount reclaimable as housing benefit, mainly due to the welfare reforms. The overspend for this was £150k. Other costs overspent by £39k and income from UASC grant was £163k overachieved.

Staying Put - Cr £48k

Costs relating to children staying on in foster care placements is shown within the placements figure above. These costs have been offset by grant income of £72k

Virtual School - Cr £80k

The budget for the virtual school underspent by £155k this year. £75k of this underspend has been removed as part of a savings exercise and is detailed separately in the narrative under paragraph 15.

Staffing - Dr £60k

Staffing budgets for the service overspent by £60k, including additional costs relating to the Emergency Duty Team.

Other - Cr £21k

Various miscellaneous budgets underspent by £21k during the year

Safeguarding & Quality Assurance - Dr £358k

No Recourse to Public Funds - Cr £53k

The final cost to Bromley for people with no recourse to public funding has reduced from the last reported figure and is now showing an underspend. Additional budget was moved into this area for 2015/16 to deal with the full year effect of an increase in numbers in 2014/15, however during the year overall numbers have fallen from 66 to 48.

Bromley Children's Safeguarding Board - Dr £55k

A shortfall in funding for the board has resulted in an overspend of £55k on the budget. This was reported to member's in January.

Staffing - Dr £364k

The costs of the Recruitment and Retention allowances have been charged to the budget in 2015/16, resulting in an overspend. This is offset by underspends reported elsewhere in the Children's Social Care division.

Other - Cr £8k

Various miscellaneous budgets underspent by £8k during the year

Safeguarding & Care Planning - Dr £66k

Care Proceedings - Dr £284k

Cost's in relation to care proceedings were £284k above the budget provision of £539k. The main areas of overspend are in independent social worker assessments and parenting residential assessments which are largely outside the control of the council.

Staffing - Cr £77k

Staffing budgets for the service underspent by £77k due to vacancies.

Other costs - Cr £141k

Payments in relation to Day Nurseries, Playgroups and Childminding underspent by £66k, whilst those for preventative payments underspent by £74k.

Early Intervention and Family Support - Cr £51k

There were underspends of £11k on staffing budgets and £40k in relation to the Family Contact Centre.

Children's Disability Service - Cr £110k

The final outturn can be analysed as: (i) Staffing underspend £50k, (ii) Short Breaks service underspend £213k, (iii) direct payments overspend £33k. The service received funding from the Social Care Innovation Grant, which offset some of the staffing costs. £120k of this underspend has been removed as part of a savings exercise and is detailed separately in the narrative under paragraph 15.

8. Commissioning - Cr £379k

The net underspend of £379k comprises:

	Variation
	£'000
Staffing and related budgets (net)	Cr 100
Taxicard	Cr 30
Contracts	Cr 322
Other	Cr 32
Savings found early in 2015/16 relating to 2016/17	105
Net underspend	<u>Cr 379</u>

The underspend on Commissioning staffing and related budgets of £100k arises from a combination of savings arising from vacant posts partly offset by the use of agency staff. As part of the contract award for LD former direct care services, funding was set aside for a contract monitoring post and other potential Commissioning costs. There was a delay in appointing to the contract monitoring post and Commissioning costs have been contained where possible and this is reflected in the underspend.

The underspend of £30k on Taxicard arose from TfL data indicating that Bromley's take up would be lower than budgeted in 2015/16, resulting in a reduced charge to LBB. There is no information to suggest a variation to this. Commissioning contracts budgets were underspent by £322k and this relates to several different contracts. The Healthwatch contract is less than expected at the time the 2015/16 budget was prepared, efficiency savings have been achieved across a range of contracts and there is also a small underspend on the direct payments payroll contract. This contract varies according to volume and numbers are increasing so this element is a non-recurrent underspend. As the budget was underspent it resulted in a reduced charge to the Better Care Fund. The intention of this element of the Better Care Fund was to protect existing social care services so the amount of the underspend has been diverted to fund other costs within social care (see also ref 13 below).

Of the underspend on Commissioning, £105k relates to 2016/17 budget savings achieved early. This element has been removed and is detailed separately in the narrative under paragraph 15.

9. Information and Early Intervention - Cr & Dr £78k

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

The final outturn position was an underspend of £228k which is largely a continuation of the pattern of spend in 2014/15 but also reflects savings on the mental health community wellbeing and independent complaints advocacy contracts. The underspend figure is net of minor overspends where a contract ceased as a result of a 2015/16 budget saving but where, because of contractual obligations, only a part year saving was achieved in 2015/16.

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

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

10. Learning Disabilities - Cr £553k

The underspend on placements has reduced from the previously reported position. There are many reasons for this movement but it can be largely attributed to a combination of clients becoming the financial responsibility of Bromley under ordinary residence, new clients and previously unprojected costs associated with supported living schemes.

In addition, there are variations on the revised arrangements for delivering the former in-house LD supported living, day care and respite services. This includes underspends on the housing management arrangements for former in-house LD homes.

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

11. Mental Health - Cr £84k

The final underspend position on Mental Health care packages is £239k. Savings arising from contract efficiencies and associated inflation (£60k in relation to Mental Health) as well as savings on placements (£180k) have been shown separately at paragraph 15 and will be used to contribute to budget savings required in 2016/17.

There was a £45k saving on other mental health budgets and this has arisen from the new arrangements for the Community Wellbeing service and an underspend on the s75 agreement with Oxleas. Again, the recurrent element of this has been shown separately at paragraph 15 and will be used to contribute to budget savings required in 2016/17.

12. Supporting People - Cr £0k

Activity relating to additional limiting of inflationary increases and the effect of re-tendering / extending contracts at a reduced cost have resulted in an underspend of £79k. This has been identified as an early saving for 2016/17 and is shown separately in paragraph 15. There were savings of £304k built in to the 2015/16 Supporting People budget and the £79k underspend is in excess of this.

13. Better Care Fund - Variation on Amount Earmarked to Protect Social Care - Cr £312k

An amount of funding from the Better Care Fund was earmarked to protect social care. This contributed to a range of services across Adult Social Care and Commissioning Divisions. The amount allocated to Commissioning budgets underspent by £529k and this contributed to other existing budgets within Commissioning. Of this, £217k has been separately identified as advance achievement of 2016/17 savings in paragraph 15.

14. Public Health - Dr £14k

On the 4th June 2015 the Chancellor announced in year budget reductions for 2015/16 of £200m nationally that are to be made by the Department of Health targeted at Public Health budgets that are devolved to Local Authorities. The reduction for Bromley was £919k, and is ongoing for future years. This has been addressed by a combination of identified savings and management action, and the final outturn for the service was within budget. The variation of £14k is offset by a corresponding underspend of £14k in the non-controllable expenditure element of the budget.

15. Savings achieved early in 2015/16 for 2016/17 - Cr £1,509k

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

<u>Service Areas</u>	2015/16	2016/17
	£'000	FYE £'000
Adult Social Care / Commissioning - Contract negotiations resulting in lower contract costs than anticipated	Cr 430	Cr 430
Closure of Lubbock House ECH	0	Cr 70
Day Opportunities - invest to save	0	Cr 100
Transport Contract effective from December 2015	Cr 60	Cr 243
LD Direct Care Services contract effective from October 2015	0	Cr 200
Contract savings across Commissioning division	Cr 105	Cr 130
Mental Health - efficiencies with placements, planned moves and CCG	Cr 180	Cr 134
Supporting People - contract efficiencies obtained	Cr 79	Cr 164
Adult Learning Disabilities services	Cr 40	Cr 40
Additional recurring underspend - Commissioning	Cr 20	Cr 36
Early intervention and information- contract efficiencies obtained	Cr 150	Cr 200
Youth on Remand	Cr 250	Cr 250
Virtual School	Cr 75	Cr 75
Children with disabilities	Cr 120	Cr 120
Total	Cr 1,509	Cr 2,192

Waiver of Financial Regulations:

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

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

- (a) There were 2 contract waiver's agreed for contract's valued over £50k and 10 for over £100k.
- (b) There were 3 waiver's agreed for care placement's in adult services over £50k but less than £100k.

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" are included in financial monitoring reports to the Portfolio Holder. Since the last report, 2 virement's have been actioned; £32k for the transfer of funding from the ECHS Commissioning contracts budget to the ECHS Adult Social Care Division day centres budget (this is non-recurrent funding to support day opportunities transitional costs) ; and £7k to Corporate services to fund additional invoice processing costs.

2014/15 Actuals	Service Areas	2015/16 Original Budget	2015/16 Final Approved	2015/16 Provisional Outturn	Variation	Notes	Variation Last Reported	Full Year Effect
£'000		£'000	£'000	£'000	£'000		£'000	£'000
EDUCATION CARE & HEALTH SERVICES DEPARTMENT								
Education Division								
Cr 355	Adult Education Centres	Cr 602	Cr 219	Cr 233	Cr 14	1	4	0
202	Alternative Education and Welfare Service	264	266	231	Cr 35	2	Cr 2	0
296	Schools and Early Years Commissioning & QA	396	398	264	Cr 134	3	Cr 141	Cr 81
4,633	SEN and Inclusion	4,833	4,835	4,978	143	4	243	0
218	Strategic Place Planning	216	229	207	Cr 22		0	0
36	Workforce Development & Governor Services	4	4	Cr 15	Cr 19		0	0
Cr 2,419	Education Services Grant	Cr 2,128	Cr 1,650	Cr 1,650	0	5	0	75
Cr 1,493	Schools Budgets	Cr 1,509	Cr 1,509	Cr 1,395	114	6	0	0
139	Other Strategic Functions	133	133	94	Cr 39	7	19	0
1,257		1,607	2,487	2,481	Cr 6		123	Cr 6
Children's Social Care								
2,315	Bromley Youth Support Programme	1,473	1,554	1,757	203	8	274	62
2,303	Early Intervention Services	2,044	2,047	1,872	Cr 175	9	Cr 77	0
4,618		3,517	3,601	3,629	28		197	62
5,875	TOTAL CONTROLLABLE FOR EDUCATION - ECHS	5,124	6,088	6,110	22		320	56
11,852	Total Non-Controllable	9,278	11,061	11,061	0		0	0
3,493	Total Excluded Recharges	3,987	3,628	3,628	0		0	0
21,220	TOTAL EDUCATION PORTFOLIO - ECHS	18,389	20,777	20,799	22		320	56
Memorandum Item								
Sold Services								
	Education Psychology Service (RSG Funded)	Cr 21	Cr 20	Cr 62	Cr 42	} 10	0	0
	Education Welfare Service (RSG Funded)	Cr 39	Cr 39	Cr 43	Cr 4		0	0
	Workforce Development (DSG/RSG Funded)	Cr 14	Cr 14	Cr 33	Cr 19		0	0
	Governor Services (DSG/RSG Funded)	Cr 8	Cr 8	0	8		0	0
	Community Vision Nursery (RSG Funded)	0	0	Cr 66	Cr 66		Cr 41	Cr 66
	Blenheim Nursery (RSG Funded)	0	0	Cr 23	Cr 23		Cr 40	Cr 23
	Business Partnerships (RSG Funded)	0	0	0	0		0	0
	Total Sold Services	Cr 82	Cr 81	Cr 227	Cr 146		Cr 81	Cr 89

Reconciliation of Latest Approved Budget

£'000

Original Budget 2015/16

18,389

SEND Reform/Implementation Grants (Exec March 2015) - expenditure	456
SEND Reform/Implementation Grants (Exec March 2015) - income	Cr 456
YOT Service Strategic Review carry forward	76
Review of Place Planning carry forward	11
Early Years Grant carry forward - expenditure	19
Early Years Grant carry forward - income	Cr 19
SEN Preparation for Employment carry forward - expenditure	46
SEN Preparation for Employment carry forward - income	Cr 46
SEND Regional Lead (ex-Pathfinder) grant - expenditure	62
SEND Regional Lead (ex-Pathfinder) grant - income	Cr 62
Adult Education Supplementary Estimate	382
Allocation of Merit Awards 2015/16 (Exec June 2016)	10
Allocation of Tax and NI on Merit awards 2015/16 (Exec June 2016)	6
Passenger Transport Service Contract	Cr 32
Year End Drawdown Request for the Education Services Grant	478

Latest Approved Budget for 2015/16

19,320

Memorandum Items

Capital Charges	Cr 2,901
Deferred Charges (REFCUS)	Cr 7,869
Impairment	1,712
Government Grants Deferred	9,277
Insurance	Cr 62
Rent Income	0
Repairs & Maintenance	Cr 79
IAS19 (FRS17)	1,706
Excluded Recharges	Cr 327
Reported Latest Approved Budget for 2015/16	20,777

REASONS FOR VARIATIONS

1. Adult Education - Cr £14k

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

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

There is a minor net underspend of £14k for the service.

2. Alternative Education and Welfare Service - Cr £35k

A minor overspend has arisen in staffing costs, but this has been more than offset by an increase in Penalty Charge Notice income collection, resulting in a net £11k underspend.

An Underspend of £24k has occurred in the Behaviour Support - Head of Service cost centre due to a post not being filled.

	Variations
	£'000
Head of Service	Cr 24
Education Welfare Officers	Cr 11
	Cr 35

3. Schools and Early Years Commissioning and Quality Assurance - Cr £134k

The two in-house nurseries are projected to generate a total surplus of £89k. The trading accounts, set up in April 2013, are not on a full cost recovery basis, so this surplus doesn't cover the £209k recharges allocated. The service is currently undergoing a market testing exercise which might, depending on the level of rental income and concession fee agreed, result in a reduction of net income if delivered by an external provider.

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

There are also net underspends of £4k within the School Standards team, mainly as a result of staff vacancies.

	Variations
	£'000
Blenheim Nursery	Cr 23
Community Vision Nursery	Cr 66
Early Years	Cr 41
School Standards	Cr 4
	Cr 134

4. SEN and Inclusion - Dr £143k

To help authorities with the amount of work required to convert existing Statements of SEN to the new Education Health and Care (EHC) plans, and to implement the changes to working practices required, the Department for Education has created the SEN Implementation (New Burdens) Grant. LBB's allocation of this grant for 2015/16 is £177k, of which £148k was approved for drawdown by Executive in March 2015, in addition to the carry forward of £200k underspend from 2014/15.

The SEN Implementation and Preparation for Employment grants are expected to underspend by a total of £21k. Some of the expenditure planned against these grants is expected to occur in 2016/17, so these amounts will be requested and approved for carry forward.

Additionally there is a underspend of £43k in the Education Psychology Services Trading Account due to a higher than expected collection of income for their services. The extra income has mainly been invoiced to the Academies within Bromley.

The Head of Service post is now being covered part time, and at a lower grade whilst the previous post holder is working solely on the reforms. This, plus temporary vacancies, and staff working reduced hours, as well as a much reduced use of tribunal consultancy, has resulted in an underspend of £138k in the SEN assessment and monitoring team, and £40k on the Head of Service.

SEN Transport

Although the travel training programme continues with success and has contributed to improved outcomes and helps address annual volume increases, SEN transport has overspend by £385k. A significant part of this relates to the cost of the new contracts which commenced on 01/09/2015 with a revised pricing framework, which, with no provision for inflation over the life of the contracts, are assumed to have front-loaded inflationary increases.

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

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

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

The overspend of £385k is a decrease of £114k compared to the third quarter projection.

	Variations	
		£'000
SEN assessment & monitoring team	Cr	138
Head of Service	Cr	40
SEND Implementation Grant	Cr	11
SEND Preparation for Employment	Cr	5
SEND Pathfinder	Cr	5
Trading Account Education Psychology Services	Cr	43
SEN transport		385
		<u>143</u>

5. Education Services Grant - Cr £0k

The Education Services Grant (ESG) allocation is £478k less than budget. It is assumed that the shortfall will be drawn-down from contingency to cover this, so no variation is being reported.

6. Schools Budgets (Dr 114k)

There is an overall variance on the School Budgets this year on controllable expenditure. This is offset by an underspend in non-controllable expenditure due to lower overheads being charged to DSG related budgets. The overall bottom line will be balanced and the effect on the General Fund is zero.

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

The total overspend of £1.5m will therefore reduce the £9.9m carried forward from 2014/15. Along with the £3.5m distributed as one-off funding to schools and £3m for the Beacon House refurbishment, £2.5m has been agreed for growth in 2016/17 to balance the budget, so the underspend has now been fully spent/allocated.

The £1.5m costs for Beacon House relate to the refurbishment of the property following its purchase last year. The costs are expected to continue into 2016/17. A budget was approved in 2015/16 for these costs. Of the budget set aside for this project, there still £1.4m remaining.

SEN placements and support costs are overspent by a total of £523k, mainly due to a significant projected increase in pupil numbers in independent and out-borough placements, including pupils aged 20-25 with EHC plans who wouldn't previously have been supported. There has also been an increase in the average level of matrix support provided to schools.

In addition, a total of £729k increase in funding has been agreed for Special Schools and Units. In general these have only been agreed to reduce the need for even more costly independent / out-borough placements.

The SEN support costs budget for students in further education is underspent by £236k.

There is a total underspend of £112k in the Sensory Support Service and support in mainstream, mainly due to vacant posts and delays in recruitment, as well as specific posts linked to pupils for sensory support that are not currently required.

The Early Years SEN (Phoenix) and Specialist Support and Disability Services are currently projected to overspend by a total of £17k. An underspend on staffing costs has netted off a overspend on running costs with the Early Years SEN cost centres. There was a budget reduction in pre-school support in 2015/16 to help contain anticipated pressures in other areas of the Schools Budget.

The DSG funded element of SEN Transport is projected to underspend by £125k. The funding regulations do not permit this budget to be increased from the previous year, so it is kept at the current level in anticipation of further increased take up of lower cost in-borough placements in future years.

The underspends above are offset by a continued increase in the requirement for bulge classes, and for the first time, a need for them at secondary level, a year earlier than had been anticipated, resulting in an overspend of £1.3m on the £1.5m budget. This £1.5m included the additional £500k which was agreed to be added to the budget for two years, funded from the DSG carry forward. Schools Forum reviewed the future funding of bulge classes and decided not to make any changes for 2016/17, however this will be reviewed again for 2017/18, especially in light of the projected pressures across DSG as a whole. There is also a further £121k overspend projected relating to the rental of temporary modular classrooms for bulge classes.

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

Finally, underspends of £1.2k for Free Early Education funding, mainly due to a slowing of the increase in take-up seen in recent years.

	Variations	
	£'000	£'000
Balance Brought Forward	Cr	9,886
Budgeted use of Brought Forward Balance		4,739
Other Movements		
Beacon House		1,499
Bulge Classes		1,332
- Modular classroom rentals		121
Consultancy etc		94
MPAA,CLA etc licenses		70
Special Schools / Units		729
PSAG	Cr	4
Free Early Education - 2 year olds	Cr	593
Free Early Education - 3 & 4 year olds	Cr	663
SEN - Placements		523
SEN - Transport	Cr	125
SEN - Sensory support service	Cr	84
SEN - Support in FE colleges	Cr	236
SEN - Support in mainstream	Cr	27
SEN - Pre-school service		17
SEN - Home & Hospital		15
High Needs Top Up (Excluding Special Schools)	Cr	642
School Forum	Cr	24
Primary School Nursery Funding	Cr	180
Inclusions Team	Cr	4
Access & Admissions	Cr	30
Progression Courses	Cr	56
Behaviour and Attendance Partnership		9
DSG - In Year Adjustment to Allocation	Cr	277
		1,464
		Cr 3,683

There is an RSG underspend of £13k within the Schools Budget area. This related to the insurance income the council receives from Maintained Schools. In previous year the Insurance Income and expenditure has been allocated as a Non-controllable Overhead, and this is the first year it has been allocated to the Controllable figures in the accounts.

7. Other Strategic Functions - Cr £39k

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

The change from the reported third quarter position is due to the release of un-needed provisions written off during the year.

8. Youth Services - Dr £203k

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

There was also an overspend in the Youth Offending Team; as a consequence of the outcome of the 2015 HMIP inspection, it was necessary to delay the planned restructure of the service. The review of the existing service and interim measures required to address immediate operational delivery requirements resulted in an overspend of £95k. Additionally, there was an in-year reduction of £29k in the funding from the Youth Justice Board.

	Variations
	£'000
Youth Services	108
Youth Offending Team	95
	203

9. Early Intervention Services - Cr £175k

The underspend is primarily due to in year turnover savings and an underspend on Commissioning as cost efficiencies have been achieved to meet the 2015-16 savings target.

10. Sold Services (net budgets)

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

Waiver of Financial Regulations

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempted from the normal requirement to obtain competitive quotations, the Chief Officer has to obtain the agreement of the Director of Resources and Finance Director and (where over £100k) approval of the Portfolio Holder, and report use of this exemption to Audit Sub committee bi-annually. Since the last report to the Executive, 15 waivers have been approved.

- a) There were 10 waivers agreed for the contract value of under £50k
- b) There were 2 waivers agreed for the contract value of over £175k

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, 11 virements has been approved. Nine of the virement relate to changes in the grant allocation totalling £655k. Two virement related to post variations totalling £47k.

2014/15 Actuals £'000	Service Areas	2015/16 Original Budget £'000	2015/16 Final Approved £'000	2015/16 Provisional Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
77	Public Protection Emergency Planning	75	75	70	Cr 5	1	0	0
77		75	75	70	Cr 5		0	0
4,115	Street Scene & Green Space Area Management/Street Cleansing	4,048	4,037	3,976	Cr 61	2	Cr 50	0
2,429	Highways	2,542	2,512	2,622	110	3	128	0
Cr 42	Markets	Cr 2	Cr 2	Cr 52	Cr 50	4	Cr 43	Cr 40
5,745	Parks and Green Space	5,676	5,791	5,821	30	5	22	0
467	Street Regulation	513	515	501	Cr 14	6	Cr 2	0
17,613	Waste Services	17,853	18,087	17,905	Cr 182	7	Cr 158	Cr 270
30,327		30,630	30,940	30,773	Cr 167		Cr 103	Cr 310
545	Support Services Support Services	518	520	516	Cr 4	8	0	0
545		518	520	516	Cr 4		0	0
252	Transport & Highways Depots	275	275	296	21	9	0	0
6,921	Highways incl London Permit Scheme	6,794	7,219	7,447	228	10	335	145
Cr 6,496	Parking	Cr 6,696	Cr 6,451	Cr 7,455	Cr 1,004	11-16	Cr 345	Cr 85
176	Traffic & Road Safety	157	168	112	Cr 56	17	0	0
327	Transport Support Services	342	395	333	Cr 62	18	Cr 26	0
1,180		872	1,606	733	Cr 873		Cr 36	60
32,129	TOTAL CONTROLLABLE	32,095	33,141	32,092	Cr 1,049		Cr 139	Cr 250
6,238	TOTAL NON-CONTROLLABLE	5,332	8,074	8,074	0		Cr 33	0
2,221	TOTAL EXCLUDED RECHARGES	2,290	2,483	2,483	0		0	0
40,588	PORTFOLIO TOTAL	39,717	43,698	42,649	Cr 1,049		Cr 172	Cr 250

Reconciliation of Latest Approved Budget

£'000

Original Budget 2015/16

39,717

Repairs and Maintenance - carry-forward from 2014/15	33
Keston Ponds Dam - carry-forward from 2014/15	20
Countryside & Woodland works - carry-forward from 2014/15	40
Waste - 3 split-bodied vehicles - carry-forward from 2014/15	558
Increase in contract costs re TLG pension contributions	23
Lead Local Flood Authorities Grant	213
Return to contingency - Waste 3 split-bodied vehicles underspend	Cr 200
Parking CCTV Equipment	306
SEN Transport Client	53
Merit awards	24

Latest Approved Budget for 2015/16

40,787

Memorandum Items

Capital Charges 5802	Cr 175
Deferred Charges (REFCUS) 5804	413
Impairment 5806	2,704
Gov Grants Deferred 5807	Cr 404
Insurance	Cr 92
Rent Income	Cr 78
Repairs & Maintenance	
IAS19 (FRS17)	351
Excluded Recharges	192
Reported Latest Approved Budget for 2015/16	<u><u>43,698</u></u>

REASONS FOR VARIATIONS

1. Emergency Planning Cr £5k

Minor variations across the service total Cr £5k.

2. Area Management & Street Cleansing Cr £61k

Savings brought-forward as a result of the closure of public conveniences total £43k. The FPN contract has a net variation of Cr £5k for 2015/16. Other minor variations across the service total Cr £18k

Summary of overall variations within Area Management & Street Cleansing	£'000	
Savings as a result of closure of Public Conveniences	Cr	43
Other minor net variations	Cr	18
Total variation for Area Management & Street Cleansing	Cr	61

3. Highways SSGS Dr £110k

There is an underspend on salaries of £37k due to vacancies partly offset by the additional monitoring carried out by the contractor of Dr £29k.

Due to the mild winter the stock on supplies of salt etc. have not needed to be replenished resulting in an underspend of £22k on the Snow Friends budget.

The additional spend on potholes Dr £128k is as a result of the wet winter which like the cold weather causes defects and erosion on the carriageways. This has been covered by management action to achieve savings on other areas such as minor Improvements Cr £108k.

The additional spend on Safety Out of Hours Dr £32k is due to clearer reporting and is met from underspends on road markings and guard rails (Cr £31k).

There is an increase in income from Street traders licensing of £11k due to an increase in the number of license applications being received. Similarly income from Skip licenses is higher by Cr £3k due to an increase in requests. Other miscellaneous income Cr £2k.

Tree maintenance is overspent by £133k due to a number of works that have had to be carried out relating to unpredictable emergency callouts, root pruning health and safety works and post 2013/14 storm remedial works. This out turn is higher than last projected due to the increased number of remedial works recommended from condition surveys in the period December to March 16.

Other minor net variances across the service total Dr £2k.

Summary of overall variations within Highways SS&GS	£'000	
Employee costs	Cr	37
Agency/ Consultancy costs		29
Snow Friends	Cr	22
Potholes		128
Minor Improvements etc	Cr	108
Road Markings and guard rails	Cr	31
Safety Out of Hours		32
Tree maintenance		133
Income from Street Traders Licence and skip licence fees etc	Cr	16
Minor variations net		2
Total variation for Highways SS&GS		110

4. Markets - Cr £50k Variation

As a result of higher activity than budgeted, income was overachieved by £35K. In addition there was a net underspend of £15k across staffing and running expenses.

5. Park and Green Space Dr £30k

Post 2013/14 storm remedial works have been carried out on trees within parks and allotments, leading to an overspend of £30k within tree maintenance.

6. Street Regulation Cr £14k

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

7. Waste Services Cr £182k

Green garden waste disposal tonnages were 1,186 tonnes below budget mainly due to the weather during the year, resulting in an underspend of £53k. For information, the total tonnage of 14,634 tonnes for 2015/16 is 189 tonnes below the 2014/15 outturn.

Across the garden waste collection service, there was an underspend of £245k. This is a combination of a underspend of £58k within staffing and running expenses, the continuing sale of green garden waste stickers Cr £19k, and additional income for the garden waste subscription service of Cr £168k.

Disposal tonnages from increased trade waste delivered activity were 1,450 tonnes above budget resulting in an overspend of £207k.

As a direct consequence of the extra tonnage described above, additional income of £207k was received for trade waste delivered. This offsets the disposal overspend from Weighbridge tonnage.

For other residual tonnages, there is an overspend of £42k. This is mainly due to the expected additional tonnage relating to the extra day for the leap year. This is more than offset by a reduction in detritus tonnage resulting in an underspend of £99k.

Other overspends include Dr £87k relating to the purchase of bins / containers, largely for trade waste customers and depot refurbishment works.

Within paper recycling income, there is a deficit of £28k. This relates largely to an issue with 2015-16 paper tonnages that have been adversely affected by wet weather over recent months, and have not been able to be recycled in the usual way. Actual paper tonnage is 290 tonnes below budget and 936 tonnes below 2014/15 actual tonnage.

Within other income streams, there is a net surplus of Cr £43k income from trade waste collected income, textile collections and kitchen waste liners.

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

The actual implementation of the changes began at the end of June, a month later than expected. However actual costs were far less than anticipated and the resulting level of saving was £275k in 2015/16, which is £25k above the target saving.

An underspend on the Coney Hill contract costs Cr £36k has partly offset additional disposal costs of Dr £52k associated with the disposal of incinerator ash tonnage.

As a result of the introduction of the Safer Lorry Scheme, vehicles of more than 3.5 tonnes have to be fitted with sideguards to protect cyclists from being dragged under the wheels in the event of a collision, as well as special mirrors to provide a better view of cyclists and pedestrians. The costs of adapting the waste fleet was £34,500.

Tonnages for recycling and food waste have fallen over the last year while residual waste tonnages are increasing. To understand the reasons for this and to fully inform future potential tenderers for the new Waste contract, a waste audit survey was undertaken at a cost of £15k. This information will help to inform future waste strategies and operational changes.

The existing software had to be developed to include the waste and grounds maintenance contracts in order to improve the contract monitoring that will be carried out by the new contract support team within Street Scene and Green space. The development of the software will have the versatility to support the commissioning process providing an IT foundation for contract management beyond 2019 when the service contracts are due to be tendered, Dr £48k.

Other minor variances total Dr £12k

Summary of overall variations within Waste Services		£'000
Waste disposal tonnages - Green Garden Waste	Cr	53
Underspend from Green Garden Waste service	Cr	245
Waste disposal tonnages - Trade Waste Delivered		207
Trade waste delivered income	Cr	207
Waste disposal tonnages - other residual tonnage	Cr	57
Bins & weighbridge refurbishment		87
Paper recycling income		28
Trade waste collected and textile collection income	Cr	43
Impact of implementation of revised kerbside collection arrangements	Cr	25
Coney Hill and Incinerator ash		16
Side guard costs & kerbside residual waste survey		50
Contract monitoring software		48
Other minor variations across the waste service budget		12
Total variation for Waste Services	Cr	182

8. Support Services Cr 4k

Minor variations across the service total Cr £4k.

9. Depots - Dr £21k

This overspend is due to additional costs incurred for business rates and electricity at the depot.

10. Highways (incl London Permit Scheme) Dr 228k

Within NRSWA income, there is a projected net deficit of £397k. This is partly the result of improving performance by utility companies in the area of defect notices, which has resulted in lower charges raised by the Council, and appears to be an on-going trend.

Part year vacancies has resulted in an underspend of £38k against staffing.

The winter service budgets are £131k underspent, essentially due to the relatively mild winter and lack of snowfall. The table below gives a breakdown of winter service budgets, final expenditure, and subsequent variances: -

Winter Service	Budget £'000	Outturn £'000	Variance £'000
Salt, gritting & snow clearance	164	85 Cr	79
Met Office Costs	26	22 Cr	4
Vehicle / plant maintenance & repairs	111	95 Cr	16
Standby / training / overtime and other costs	106	74 Cr	32
Winter Service Totals	407	275 Cr	131
Summary of variations within Highways (incl London Permit Scheme)			£'000
NRSWA income			397
Staffing		Cr	38
Winter maintenance		Cr	131
Total variation for Highways			228

11. Bus Lane Contraventions Cr 657k

As a result of reinstating bus lane enforcement following completion of public realm works in Bromley North from March 2015, there is additional income of around £469k for 2015/16 and Cr £8k from previous years pcns. The Equipment budget is underspent by £180k due to the delay on the purchase and installation of the automated camera scheme because of order time and technical issues. This underspend is the subject of a carry forward request.

Summary of variations within Bus Lane Contraventions	£'000
PCNs Issued for Bus Lanes	Cr 477
Purchase of equipment	Cr 180
Total variations within Bus Lanes	Cr 657

12. Off Street Car Parking Cr 218k

Overall there is a surplus of £183k for off street parking income. Cr £149k extra is from Village Way and the Civic Centre multi-storey car parks which is offset by a deficit of around £100k at the Hill MSCP. There is also extra income of £61k from the Mitre Close surface car park. It should be noted that the average income at Mitre Close for April 2014 to February 2015 was £2k however in March 2015 this rose to £6k and has continued at this level for the rest of the year. This is because some spaces were being used by the Bromley North contractors during the period of works and therefore enforcement did not commence until March 2015. Other surface car parks show a net surplus of around £73k mainly in Beckenham and West Wickham.

Additionally there is an underspend of £10k due to a one-off business rates rebate which is offset by additional rent of Dr £23k due to a backdated rent increase. Indigo car parking contract costs are underspent by £50k. Other minor net variations across the service total Dr 2k.

Summary of variations within Off Street Car Parking	£'000
Business Rate rebate	Cr 10
Backdated rent increase	23
Third party payments- Indigo (formerly Vinci Park).	Cr 50
Off Street Car Parking income - multi-storey car parks	Cr 49
Off Street Car Parking income - other surface car parks	Cr 134
Minor variations	2
Total variations within Off Street Parking	Cr 218

13. On Street Parking Cr £100k

Due to the replacement of on street P&D machines with cashless parking there is a projected underspend on airway costs of £6k and other minor variations total Cr £11k.

There is additional on street parking fee income of £56k from various locations across the borough as well as Cr £27k income from bay suspensions.

Summary of variations within On Street Parking		£'000
P&D Airway costs	Cr	6
On Street Parking income	Cr	83
Other minor variations	Cr	11
Total variations within On Street Parking	Cr	100

14. Car Parking Enforcement Dr £75k

Salaries on CCTV staff are underspent by £43k, of which Cr £32k is due to a vacant post not filled and Cr £11k due to holiday/sickness cover not being required. Indigo contract payments are underspent by £49k.

Equipment costs are underspent by £167k mostly due to the automated camera scheme being delayed due to the longer order time and technical issues such as the connection of the encoders (Cr £126k). Other equipment is underspent as the planned purchase of equipment did not go ahead due to the proximity to award of the new parking contract (Cr £41k). The automated camera underspend is the subject of a carry forward request.

Other variations include an underspend of the computer equipment maintenance budget Cr £19k. The upgrade was not required as the new system for automated cameras was about to be introduced.

There is a net surplus of £286k from PCNs issued by Indigo Park (formerly known as Vinci Park) in the current year due to an increase in contraventions. Additional income of Cr £125k has been received over the year for contraventions that occurred prior to 1st April 2015. For information, the number of contraventions during the 9 months to December 2015 resulted in an average of 5,700 per month and this figure was used to project contraventions for the final 3 months of the year. The actual number of contraventions that occurred during the final quarter was 18,480. The average number of contraventions per month during this period was 6,160 compared to the 5,700 during the previous 9 months.

A net deficit of Dr £826k is for mobile and static cameras due to changes in legislation from April 2015. This is partly offset by additional income from old year tickets Cr £17k.

The revenue contribution to capital in 2014/15 for the CCTV control room was no longer required and was returned to the revenue account. This was because the technical enhancements were no longer required due to the change in legislation relating to the use of CCTV cameras.

Other minor variations across the service total Cr £15k.

Summary of variations within Car Parking Enforcement		£'000
CCTV Salary costs	Cr	43
Indigo contract costs	Cr	49
Equipment Costs - automated cameras.	Cr	126
Other equipment	Cr	41
Purchase of computer equipment	Cr	19
PCNs issued by CEOs	Cr	411
PCNs issued by mobile & static cameras		809
Return of Direct Revenue Financing from 2014/15 not required	Cr	30
Minor variations	Cr	15
Total variations within Car Parking Enforcement		75

15. Parking Shared Service Cr £43k

It is projected that the net variation on Parking Shared Service for Bromley 2015/16 will be Cr £43k, mainly due to vacant posts.

16. Permit and Disabled Parking Cr £61k

The increase in permit income of Cr £59k is mainly due to the withdrawal of the free visitor vouchers for the over 60's. Other minor variations total Dr £4k.

Minor net variations within the disabled parking service total Cr £6k.

Summary of variations within Permit and Disabled Parking		£'000
Permit Income	Cr	59
Permit parking minor net variations		4
Disabled Parking variations	Cr	6
Total variations	Cr	61

Summary of overall variations within Parking:

Bus Routes enforcement	Cr	477
Off Street Car Parking	Cr	218
On Street Car Parking	Cr	100
Parking Enforcement		201
Equipment costs for automatic cameras (bus lanes & parking around schools) (C/F Request)	Cr	306
Parking Shared Service	Cr	43
Permit & Disabled Parking	Cr	61
Total Variation for Parking	Cr	1,004

17. Traffic & Road Safety Cr£56k

There was an underspend of Cr £27k for staffing within TP Strategy mainly due to the TP Managers post remaining vacant for a number of months. Additional spend of Dr £19k was incurred on minor traffic management schemes which was more than offset by an overachievement of income from road closure charges (Cr £42k). Within Road Safety there was a Cr £18k underspend as a result of the 'refunded days' within the school crossing patrol contract. There was a net underachievement of income of Dr £12k from the Disabled Person's Parking Bays scheme as further consultation had to be undertaken to consider whether the scheme could be fully implemented or not.

Summary of variations within Traffic & Road Safety

		£'000
Staffing	Cr	27
Minor traffic schemes		19
Road closure income	Cr	42
School crossing patrol contract	Cr	18
Disabled Person parking Bay scheme		12
Total variations for Traffic & Road Safety	Cr	56

18. Transport Support Services Cr £62k

A reduction in the mail delivery service requirements across the Council has meant that there was an underspend on drivers and transport running costs of Cr £42k. The SEN Transport Client transferred to Environment from Care Services in the later part of 2015. This service was carrying staff vacancies which resulted in a £25k underspend. Other minor variations across the service total Dr £5k

Summary of variations within Transport Support Services

		£'000
Driver & transport costs for mail delivery service	Cr	42
Vacancies within SEN transport client	Cr	25
Other minor variations		5
Total variations for Transport Support Services	Cr	62

Waiver of Financial Regulations:

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

Virements Approved to date under Director's Delegated Powers

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

Public Protection & Safety Budget Monitoring Summary

2014/15 Actuals £'000	Service Areas	2015/16 Original Budget £'000	2015/16 Final Approved £'000	2015/16 Provisional Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
311	Public Protection Community Safety	256	246	219	Cr 27	1	Cr 30	0
341	Mortuary & Coroners Service	353	353	332	Cr 21	2	0	0
1,607	Public Protection	1,511	1,526	1,464	Cr 62	3	Cr 5	0
2,259	TOTAL CONTROLLABLE	2,120	2,125	2,015	Cr 110		Cr 35	0
92	TOTAL NON CONTROLLABLE	6	426	426	0		0	0
9	TOTAL EXCLUDED RECHARGES	151	Cr 24	Cr 24	0		0	0
2,360	PORTFOLIO TOTAL	2,277	2,527	2,417	Cr 110		Cr 35	0

Reconciliation of Latest Approved Budget

£'000

Original Budget 2015/16

2,277

Domestic Abuse - Grant Related Expenditure

26

Domestic Abuse - Grant Related Income

Cr 26

Merit Awards

5

Latest Approved Budget for 2015/16

2,282

Memorandum Items

Capital Charges 5802

Deferred Charges (REFCUS) 5804

241

Impairment 5806

Gov Grants Deferred 5807

Insurance

Rent Income

Repairs & Maintenance

IAS19 (FRS17)

179

Excluded Recharges

Cr 175

Reported Latest Approved Budget for 2015/16

2,527

REASONS FOR VARIATIONS

1. Community Safety Cr £27k

There is an underspend on salaries of £21k due to a combination of maternity leave and staff leaving earlier than budgeted as part of the savings options.

Bromley received a DCLG grant in 2014/15 and 2015/16 for £86,570 relating to the prevention of domestic abuse. The grant was awarded on the understanding that the project would be delivered by Bromley Women's Aid (BWA) during 2015/16 and 2016/17. On 9 September, Executive agreed to carry forward any residual balance of the grant into 2016/17 to enable BWA to deliver the project. A sum of £60,610 has been transferred to the grant contingency and a carry forward request will be submitted to the Executive.

Other net minor variations total Cr £6k.

Summary of variations within Community Safety:	£'000
Variations within employee costs	Cr 21
Net minor variations	Cr 6
DCLG Grant 2015/16 (£60,610)	Cr 61
DCLG Grant 2015/16 to reserves Request for carry forward to 2016/17 £60,610)	61
Total variation for Community Safety	Cr 27

2. Mortuary and Coroners Service Cr £21k

There is an underspend on Mortuary costs of £14k as the existing fixed rate contract was still in force until late in 2015/16. The new contract for the Mortuary at the Princess Royal University Hospital was finalised but the charging system remained the same because of issues with Kings NHS IT systems. There is also a minor underspend of £7k on the Coroners Service.

3. Public Protection Cr £62k

£19k is the result of underspends on Employee costs, due to vacancies and some staff leaving earlier than budgeted as part of the savings options.

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

Concreting works undertaken at Wagtail Way to deter fly tipping were carried out, but costs were significantly lower than estimated. A number of other initiatives for fly tipping also came in lower than estimated or had to be deferred. This has meant that the planned spend was £60k less than previously projected.

Other minor variations across the division total Dr £7k.

Summary of variations within Public Protection:	£'000
Variations within employee costs	Cr 19
Stray dogs kennelling contract	Cr 50
Other minor variations	7
Total variation for Public Protection	Cr 62

Waiver of Financial Regulations:

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

a) Cumulative value of £80k for the procurement of acoustic Equipment, annual amount £16k

Virements Approved to date under Director's Delegated Powers

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

Renewal and Recreation Budget Monitoring Summary

2014/15 Actuals £'000	Division Service Areas	2015/16 Original Budget £'000	2015/16 Final Approved £'000	2015/16 Provisional Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	R&R PORTFOLIO							
	Commissioning Fund							
13	Commissioning Fund - expenditure	86	86	86	0	1	0	0
Cr 13	Commissioning Fund - reserve income	Cr 86	Cr 86	Cr 86	0		0	0
0		0	0	0	0		0	0
	Planning							
Cr 27	Building Control	14	14	Cr 19	Cr 33	2	Cr 21	0
Cr 164	Land Charges	Cr 168	Cr 167	Cr 168	Cr 1	3	Cr 0	0
433	Planning	617	618	589	Cr 29	4	Cr 45	0
1,090	Renewal	1,825	1,830	1,574	Cr 256	5	Cr 143	0
1,332		2,288	2,295	1,976	Cr 319		Cr 209	0
	Recreation							
1,940	Culture	1,973	2,097	2,193	96	6	61	0
5,087	Libraries	4,734	4,711	4,610	Cr 101	7	Cr 61	0
255	Town Centre Management & Business Support	219	300	263	Cr 37	8	Cr 26	0
7,282		6,926	7,108	7,066	Cr 42		Cr 26	0
8,614	Total Controllable R&R Portfolio	9,214	9,403	9,042	Cr 361		Cr 235	0
11,630	TOTAL NON CONTROLLABLE	3,916	Cr 13,571	Cr 13,571	0		Cr 1	0
2,159	TOTAL EXCLUDED RECHARGES	2,469	2,281	2,281	0		0	0
22,403	PORTFOLIO TOTAL	15,599	Cr 1,887	Cr 2,248	Cr 361		Cr 236	0

Reconciliation of Latest Approved Budget

£'000

Original budget 2015/16

15,599

Repairs and Maintenance - carry-forward from 2014/15	112
Local Plan Implementation - carry-forward from 2014/15	60
Biggin Hill Air Noise Action Plan - carry-forward from 2014/15	40
Transfer of Housing budgets to Care Services Portfolio	Cr 44
Former Adventure Kingdom	Cr 55
Biggin Hill Memorial Museum	106
Performance Awards	8

Latest Approved Budget for 2015/16

15,826

Memorandum Items

Capital Charges	Cr 838
Deferred Charges (REFCUS)	Cr 398
Impairment	Cr 15,749
Gov Grants Deferred	Cr 973
Insurance	Cr 76
Rent Income	0
Repairs & Maintenance	Cr 41
IAS19 (FRS17)	476
Excluded Recharges	Cr 114
Reported Latest Approved Budget for 2015/16	<u>Cr 1,887</u>

REASONS FOR VARIATIONS

1) Commissioning Fund £0k

Within the commissioning fund there is a balanced budget. Expenditure of £31k on commissioning activities carried out during 2015-16, has been fully funded by a drawdown from the earmarked reserve.

2. Building Control Cr £33k

Within the chargeable account for Building Control, there is an income deficit of £114k. This was more than offset by an underspend within salaries of £143k arising from reduced hours being worked and vacancies. In addition a provision of 25k has been made for potential costs arising from a compensation claim. In accordance with Building Account Regulations, any net surplus / deficit is carried forward via the earmarked reserve for the Building Control Charging Account. The cumulative balance on that account remains unchanged at £130k.

Within the non-chargeable service there was an underspend of £33k, mainly as a result of delays in appointing to vacant posts, as well as other minor variations.

3. Land Charges Cr £1k

Minor variations across the service have resulted in a net surplus of Cr £1k.

4. Planning Cr £29k

Income from non-major planning applications was £172k above budget for 2015/16. For information, actual income received in 2015/16 is £110k higher than for the previous year, largely due to improving economic conditions.

For major applications, £323k was received in 2015/16 which was £23k above budget. Actual income was £78k less than that received for 2014/15.

A surplus of £38k income was achieved from pre-application meetings due to higher than budgeted activity levels. For information, this is £14k less than the income received in 2014/15.

Additional income of Cr £34k was achieved within the street naming & numbering service, which was £8k higher than that received in the previous year.

In addition there is a surplus of £24k from other miscellaneous income within Planning.

There was a net overspend within employee-related and running costs of £43k. This is mainly due to the recruitment of two additional temporary planning staff in order to assist with the current increase in volumes of planning applications.

As a direct result of losing planning appeals and a provision made for potential costs relating to a claim of compensation, there is an overspend of Dr £89k. In addition, Dr £130k has been incurred relating to the use of consultants to provide specialist advice and to undertake planning application work, particularly in the period before the division was fully staffed. Both of these additional costs are more than offset by surplus income.

Summary of variations within Planning:

	£'000
Surplus income from major applications	Cr 23
Surplus income from non-major applications	Cr 172
Surplus pre-application income	Cr 38
Surplus street naming & numbering income	Cr 34
Surplus on other planning income	Cr 24
Overspend within employee related costs	43
Costs re lost appeals	89
Use of consultants to provide specialist advice & plan app work	130
Total variation for planning	Cr 29

5. Renewal Cr £256k

There is a net underspend across Renewal salaries of £68k due to part-year vacancies within the Regeneration and Planning Strategy & Projects teams. £22k of this underspend relates to staffing funded by the New Homes Bonus top slice.

Of the £60k carried-forward from 2014/15 for the Local Plan Implementation, only £13k was spent, and therefore a further carry-forward request will be made at year-end so that the costs of the Examination in Public can be met in 2016/17.

There is an underspend of £182k against the New Homes Bonus Top Slice funding (this includes the £22k for staffing), and therefore a carry-forward request will be made at year-end in order to enable outstanding works to be completed in 2016/17.

During 2015/16 expenditure of £63k has been incurred for specialist consultancy work and Counsel advice relating to the Noise Action Plan for Biggin Hill Airport. This was partly funded by the £40k carried forward from 2014/15. Further consultancy work is required to be undertaken on the Noise Action Plan during 2016/17 and consequently a carry forward request will be made for £55k in order to complete this work.

Other minor net variations across the service total Cr £4k.

Summary of variations within Renewal:

	£'000
Underspend within employee related costs (excl NHB)	Cr 46
Local Plan Implementation (c/forward request to be made to June Exec)	Cr 47
Underspend related to NHB top slice funded work (incl £20k staff)	Cr 182
Spend relating to the noise action plan for Biggin Hill Airport	23
Other minor variations	Cr 4
	Cr 256

6. Culture Dr 96k

Although savings were built into the 2015/16 budget in anticipation of the closure of the Priory Museum, an overspend of £62k occurred. This was partly down to the museum being closed half way through the year resulting in both staffing and premises costs. In addition, extra temporary staff were employed for the remainder of the year in order to facilitate moves, preservation and storage of exhibits.

Additional costs of £8k have been incurred for security grills to secure the Priory building once empty and £10k has been spent on museum artefact conservation work including archiving, removal and relocation in advance of the new exhibitions. These costs were partly offset by minor net variations within the culture services of Cr £14k.

Following the completion of the tender process and the award of the contract to a new provider Qdos there have been issues raised from the outgoing provider ATG regarding the ownership of some of the items of equipment included in the lease and contract documentation. The view from the Legal Section regarding ownership of the disputed items is not conclusive and rather than go through a long and potentially expensive legal process it was agreed to try and reach a negotiated agreement between the Council, ATG, and Qdos that all parties would find acceptable. The initial valuation of the equipment was around £77k. Following lengthy discussions and negotiations the Council and ATG have agreed a sum of £30k to resolve the ownership of the disputed items. It is worth noting that whilst the change from the outgoing operator (ATG) to Qdos has produced some legal issues as highlighted above, the new 25 year arrangement with Qdos to manage and operate the Theatre provides a saving of £321k per year or around £8m over the 25 year life of the contract. Additionally the Council has transferred more maintenance responsibility within the new contract to Qdos which further reduces the Council's costs regarding the property.

Summary of variations within Culture:

	£'000
Priory Museum staffing & running costs	62
Security grills & museum artefact conservation work	18
Minor variations	Cr 14
Theatre equipment	30
	96

7. Libraries Cr £101k

Following a combination of strike action taken by a number of library staff during the year, as well as staff vacancies, there was an underspend on staffing of Cr £121k. £29k of this was re-invested within the IT budget to replace obsolete stock. Additional income of Cr £9k was generated during the year. The resulting net balance of £101k was used to offset the overspend within Culture.

Underspend within staffing (vacancies and impact of strike)	Cr 121
Replacement of obsolete IT stock	29
Additional income	Cr 9
	Cr 101

8. Town Centre management Cr £37k

There is an underspend of £42k relating to the two NHB top slice projects and a request will be submitted to the Executive to carry forward this amount in order to complete the specific projects which will be delivered over a period of two years. Other minor variations across the service total Dr £5k.

Waiver of Financial Regulations:

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

- Cumulative contract value of £491k for the procurement of regular cleaning services at the library sites, annual amount £84k
- Cumulative value of £75k for the procurement of Audio books at libraries, annual amount £15k
- Cumulative value of £206k for data connections at the library sites, annual amount £30k

Virements Approved to date under Director's Delegated Powers

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

Resources Portfolio Budget Monitoring Summary

2014/15 Actual £'000		2015/16 Original Budget £'000	2015/16 Final Approved £'000	2015/16 Provisional Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	CHIEF EXECUTIVE'S DEPARTMENT							
	FINANCIAL SERVICES DIVISION							
	Financial Services & Procurement							
191	Director of Finance & Other	202	202	200	Cr 2		0	0
6,507	Exchequer - Revenue & Benefits	6,389	6,400	6,339	Cr 61	1	Cr 2	0
495	Financial Accounting	495	657	602	Cr 55	2	Cr 4	0
1,179	Management Accounting	1,109	1,123	987	Cr 136	3	Cr 116	0
8,372	Total Financial Services Division	8,195	8,382	8,128	Cr 254		Cr 122	0
	CORPORATE SERVICES DIVISION							
4,386	Information Systems & Telephony	4,394	4,530	4,453	Cr 77	4	Cr 26	0
	Operational Property Services							
419	Operational Property	375	450	464	14	5	0	0
1,809	Repairs & Maintenance (All LBB)	1,920	2,319	2,018	Cr 301	6	Cr 195	0
945	Customer Services (inc. Bromley Knowledge)	923	937	1,027	90	7	71	36
	Legal Services & Democracy							
685	Electoral	312	312	323	11	8	44	0
1,450	Democratic Services	1,383	1,384	1,371	Cr 13	9	0	0
Cr 106	Registration of Births, Deaths & Marriages	Cr 94	Cr 94	Cr 104	Cr 10	10	6	0
1,447	Legal Services	1,548	1,581	1,564	Cr 17	11	32	0
1,613	Admin. Buildings	1,613	1,617	1,554	Cr 63	12	Cr 12	0
481	Facilities & Support	467	470	448	Cr 22	13	Cr 16	0
166	Management and Other (Corporate Services)	148	148	168	20	14	20	0
13,295	Total Corporate Services Division	12,989	13,654	13,286	Cr 368		Cr 76	36
	HR DIVISION							
1,481	Human Resources	1,543	1,548	1,501	Cr 47	15	Cr 64	0
1,481	Total HR Division	1,543	1,548	1,501	Cr 47		Cr 64	0
	CHIEF EXECUTIVE'S DIVISION							
770	Audit	733	733	733	0		Cr 4	0
379	Financial Systems	421	422	400	Cr 22	16	0	0
427	Procurement	446	447	354	Cr 93	17	Cr 1	0
1,726	Exchequer - Payments & Income	1,516	1,554	1,500	Cr 54	18	Cr 41	0
201	Comms	213	216	205	Cr 11	19	Cr 21	0
601	Management and Other (C. Exec)	786	786	710	Cr 76	20	Cr 38	0
141	Mayoral	144	144	122	Cr 22	21	Cr 9	0
4,245	Total Chief Executive's Division	4,259	4,302	4,024	Cr 278		Cr 114	0
	TRANSFORMATION & REGENERATION DIVISION							
	Strategic Property Services							
214	Investment & Non-Operational Property	390	390	203	Cr 187	22	Cr 138	Cr 90
550	Strategic Property Services	606	638	537	Cr 101	23	Cr 40	0
Cr 5,630	Investment Income	Cr 7,393	Cr 7,396	Cr 7,456	Cr 60	24	Cr 131	Cr 995
Cr 833	Other Rental Income - Other Portfolios	Cr 824	Cr 824	Cr 824	0		47	0
Cr 5,699	Total Transformation & Regeneration Division	Cr 7,221	Cr 7,192	Cr 7,540	Cr 348		Cr 262	Cr 1,085
21,694	Total Controllable Departmental Budgets	19,765	20,694	19,399	Cr 1,295		Cr 638	Cr 1,049
	CENTRAL ITEMS							
7,450	CDC & Non Distributed Costs (Past Deficit etc.)	7,542	7,542	7,526	Cr 16		0	0
10,425	Concessionary Fares	10,562	10,997	10,994	Cr 3		0	0
39,569	Total Controllable	37,869	39,233	37,919	Cr 1,314		Cr 638	Cr 1,049

2014/15 Actual £'000	Financial Summary	2015/16 Original Budget £'000	2015/16 Latest Approved £'000	2015/16 Projected Outturn £'000	Variation £'000	Notes	Variation £'000	Full Year Effect £'000
Cr 1,311	Total Non Controllable	3,367	Cr 781	Cr 781	0		0	0
Cr 19,609	Total Excluded Recharges	Cr 19,423	Cr 18,472	Cr 18,472	0		0	0
Cr 1,384	Less: R&M allocated across other Portfolios	Cr 1,522	Cr 1,439	Cr 1,439	0		0	0
833	Less: Rent allocated across other Portfolios	824	824	824	0		Cr 48	0
18,098	TOTAL CHIEF EXECUTIVE'S DEPARTMENT	21,115	19,365	18,051	Cr 1,314		Cr 686	Cr 1,049
18,098	TOTAL RESOURCES PORTFOLIO	21,115	19,365	18,051	Cr 1,314		Cr 686	Cr 1,049
	<u>Memorandum Item</u>							
	Sold Services							
31	Facilities (Caretaking) Schools Trading Account	12	20	42	22	25	34	0
Cr 6	Reactive Maintenance Schools Trading Account	0	0	Cr 9	Cr 9	25	1	0
25	Total Sold Services	12	20	33	13		35	0

Reconciliation of Final Budget **£'000**
Original budget 2015/16 **21,115**

Repairs and Maintenance carry forward from 2014-15 (delegated authority)	484
- Less R & M Cfwd allocated to ECS	Cr 145
Concessionary Fares	438
Liberata contract - Effect of updated Pension Contributions re HR, Finance, Fairer Charging / A & D	37
Adj. re Housing Strategy Service Excluded Recharges	Cr 7
Adj. re Adventure Kingdom Excluded Recharges	55
Adj. re Impower savings	10
Carry forwards from 2014-15	
- IER Grant - Related Expenditure	19
- IER Grant - Draw down from Grants Reserve	Cr 19
- Hardware for Disaster Recovery / Windows 7	122
- Legal Case Work system upgrade	30
- Transparency Agenda	29
Increase in credit/debit card charges (relating to £27m of transactions)	120
Individual Electoral Registration - Expenditure	97
Individual Electoral Registration - Grant Income	Cr 97
Smartphone Counter Fraud App - Expenditure	112
Smartphone Counter Fraud App - Grant Income	Cr 112
Post transferred from ECHS	15
Increase in Pension Contract	59
- Recharged to Pension Fund	Cr 59
Merit Award drawdown	23
Transfer between ASC/Corp r.e. Day Centre/Transport addtl costs to Liberata	7
Transfer of post	
Financial Accounting	7
Management Accounting and Systems	Cr 7

Memorandum Items

Capital Charges 5802	Cr 233
Deferred Charges (REFCUS) 5804	Cr 1,619
Impairment 5806	Cr 501
Insurance	Cr 50
Rent Income - Resources	Cr 60
Rent Income - All Portfolios	60
Repairs & Maintenance - Resources	Cr 83
Repairs & Maintenance - All Portfolios	301
IAS19 (FRS17)	226
Past Service Costs FRS17	Cr 1,971
Excluded Recharges	962
Latest Approved Budget for 2015/16	19,365

REASONS FOR VARIATIONS

FINANCIAL SERVICES DIVISION

1 Exchequer - Revenue & Benefits Cr £61k

Overall there was a variance of Cr £61k made up of the following: -

There was an underspend on staffing of Cr £61k due to vacancies and a member of staff reducing their hours.

The revenues and Benefits contract overspent by Dr £58k due to additional costs arising from the Council Tax support public consultation exercise. One-off costs of Dr £46k were incurred on business software, relating to the development of Resource Link and an NNDR income projection tool.

Liberata exceeded their collection targets and provision was made for the incentive payments of Dr £186k.

Additional grant income of Cr £131k was received to cover administration costs.

There was an underspend of Cr £100k on the discretionary hardship fund partly due to awaiting the outcome of a Judicial Review regarding payments at two other Councils.

Income from court costs was Cr £25k higher than anticipated and other minor variations across the service totalled Cr £34k.

Summary of variations for Exchequer (Revenue & Benefits)	£'000
Staffing	Cr 61
Revenues & benefits contract	58
One-off system software development costs	46
Incentive payments to Liberata	186
Grant income	Cr 131
Discretionary hardship fund	Cr 100
Income from Court costs	Cr 25
Other minor variances	Cr 34
Total variations for Exchequer (Revenue & Benefits)	<u>Cr 61</u>

2 Financial Accounting - £55k Cr

There was an underspend of Cr £55k for Financial Accounting. A request has been submitted to carry forward Cr £41k as it relates to professional fees on the MEARS agreement which will be completed during 2016/17. The remaining Cr £14k relates to minor variations across staffing and running expenses.

3 Management Accounting Cr £136k

The underspend of Cr £136k for Management accounting mainly relates to vacant posts as a result of early achievement of 2016/17 savings, plus additional income relating to management of the schools long term sickness scheme in 2014/15.

4 Information Systems & Telephony Cr £77k

Staff vacancies during the year have resulted in an underspend of Cr £57k and there were other minor variances across running expenses of Cr £20k. A carry forward request to fund additional transition costs relating to the BT contract during 2016/17 has been submitted.

5 Operational Property Services Dr £14k

This variance relates to the net deficit made on the two trading accounts with schools for reactive maintenance and caretaking.

6 Repairs & Maintenance (All LBB) Cr £301k

There was a net underspend of Cr £301k for the Repairs & Maintenance budgets across the Council. Underspends related to Anerley Town Hall Cr £60k and the Central Depot Cr £135k. Cyclical and water treatment works that were not fully completed by the end of March totalled Cr £106k.

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

7 Customer Services (inc. Bromley Knowledge) Dr £90k

Savings of £47k relating to the Channel Shift savings identified for 14-15 have not yet been achieved to date. There are annual maintenance costs of Dr £36k associated with the maintenance of the Customer Services portal. The first years maintenance cost was funded from the Invest to Save scheme, however the ongoing funding for this has not yet been identified. Other minor variations total Dr £7k.

8 Electoral Dr £11k

There is a net overspend of Dr £11k for Elections overall, mainly due to the introduction of Individual Electoral Registration and the requirement to send out an increased number of letters, forms and reminders.

9 Democratic Services Cr £13k

Minor net variations across the service total Cr £13k.

10 Registration of Births, Deaths & Marriages Cr £10k

There is a net underspend of Cr £10k mainly due to vacancies during the year.

11 Legal Services Cr £17k

An overspend of £31k on staffing is more than offset by additional fee income generated during the year of Cr £48k.

12 Admin. Buildings Cr £63k

Additional costs were incurred for agency staff employed to cover vacancies Dr £30k. This was more than offset by savings in premises costs.

Extra rental income was received for Yeoman House Cr £21k and there was a reduction in cleaning contract costs due to the temporary closure of some sites Cr £24k.

Gas consumption reduced due to the milder weather Cr £22k and NNDR charges were Cr £16k less than budgeted. Other minor variances across the service totalled Cr £10k.

Summary of variations for Admin Buildings	£'000
Agency staff	30
Rental income at Yeoman House	Cr 21
Cleaning contract costs	Cr 24
Gas	Cr 22
NNDR charges	Cr 16
Other minor variances	Cr 10
Total variations for Admin Buildings	Cr 63

13 Facilities & Support Cr £22k

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

14 Management and Other (Corporate Services) Dr £20k

An overspend of £20k relates to a saving included the 15-16 budget that has not yet been realised.

HUMAN RESOURCES DIVISION

15 HR Cr £47k

This underspend includes Cr £37k on staffing arising from vacancies and other minor variations on other budgets totalling Cr £10k.

CHIEF EXECUTIVE'S DIVISION

16 Financial Systems Cr £22k

This variation is mainly due to an underspend on Line of Business Software.

17 Procurement Cr £93k

Cr £73k relates to the renegotiated MFD Contract - Digital Print Strategy to MFD costs of lease purchases of software and hardware. Cr £15k relates to refund from O2 in respect of unused airtime and the remaining Cr £5k underspend relates minor variations in running expenses.

18 Exchequer Services - Payments & Income Cr £ 54k

Cr £28k relates to staffing from vacancies within the year and Cr £26k relates to income from service charges and minor variations within other running expenses.

19 Comms Cr £11k

Additional costs for printing and stationery and a contribution to BSCB of Dr £13k has more than been offset by an underspend of Cr £24k within staffing due to part year vacancies.

20 Management & Other (Chief. Exec.) Cr £76k

A refund was received for Cr £37k relating to the London Councils subscription. Cr £12k relates to a reduction in employers contribution to the Pension Fund as result of an employee opting out of the Pension Fund.

Savings of Cr £14k was made as no contributions were required to be made towards LLA Bills and Corporate Publications. Other minor variations totalled Cr £13k.

21 Mayoral Cr £22k

This variation mainly relates to an underspend on staffing as a result of a post being deleted.

TRANSFORMATION & REGENERATION DIVISION

22 Investment and Non-Operational Property (expenditure) Cr £187k

Overall the budget for Investment and Non Operational Property has an underspend of Cr £187k. This includes the following items:

The Exchequer House (Bromley Old Town Hall) is a listed building and is currently vacant awaiting the sale to go through in early 2016/17. Savings on premises and security costs total Cr £183k.

There was an overspend of Dr £41k for Surplus Properties. This relates to additional costs of Dr £27k for business rates and Dr £14k for other premises costs such as utilities.

Due to on-going negotiations on the Anerley Business Centre lease, the IT upgrade was not started this financial year. A request to carry forward the £30k has been made to enable the contribution to be passed to the Crystal Palace Trust.

Other minor variations within premises costs within the service total Cr £15k.

23 Strategic Property Services Cr £101k

The staffing and running expenses budget ended up being Cr £72k underspent mainly due to vacancies during the year.

Conditions surveys were carried out at a cost of Dr £27k to update CAD drawings to ensure compatibility with existing software. This was more than offset by additional fee income of Cr £31k generated from the sale of several properties such as Egerton Lodge, Snowdon Close and Penge Library.

More staff time was recharged to capital schemes as there was an increase in the number of projects being managed during the year, Cr £25k.

24 Investment Income Cr £ 60k

There was a net surplus of Cr £60k for Investment Income which was made up of the following variances:

a) There is an overall shortfall of income on Investment Fund Properties of Dr £17k.

For the past few years contribution have been made to reserves to create an Investment Fund and a substantial part of this Fund has been used to buy Investment Properties. The capital spend to date for the purchases of these properties is £62.7m of which £28.5m relates to properties in Bromley High Street.

The 2015-16 budget for the expected income from these properties was £3.025m. The actual income received to date was £3.008m, a deficit of Dr £17k. The full year income expected from these properties is £4.02m.

b) The intu Shopping Centre Rent Share is Dr £147k below budget. Accounts are supplied by intu quarterly in arrears and this outturn position is based on information sent on the 28th April 2016. It is difficult to provide precise forecasts as LBB income is determined by the rental income from the shops and the level of contributions to any minor works. For information, the budget for the shopping centre rent share is £2,026k.

c) Additional income at Yeoman House from the NHS CCG with regards to the section 75 agreement totals Cr £68k. It should be noted that this may not be on going beyond 2017-18.

Additional rental income of Cr £130k was received for the Civic Centre from Liberata and from CrossFit. Other minor variations totalled Cr £26k.

Summary of variations for Investment Income

	£'000
Income from Investment Fund Properties	17
Rent share from the intu shopping centre	147
Income from Yeoman House	Cr 68
Rental income from Civic Centre	Cr 130
Other minor variations	Cr 26
Total variations for Investment Income	Cr 60

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

25 Sold Services (Net Budgets)

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

Waiver of Financial Regulations:

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

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, 1 virement has been actioned - £20k for ISD Contract Transition Manager from within ISD budgets.

Allocation of Contingency Provision for 2015/16

Item	Original Contingency Provision	Allocations			Total Allocations/Projected for Year	Variation to Original Contingency Provision	Request to Carry Forward
		Previously Approved Items	New Items Requested this Cycle	Items Projected for Remainder of Year			
	£	£	£	£	£	£	
Environmental Services							
Street Environment contract	60,000				0	Cr 60,000	
Renewal and Recreation							
Planning Appeals - change in legislation	60,000				0	Cr 60,000	
Care Services							
Public Health							
Transfer of 0 - 5 years old Services (health visitors etc)	1,901,000	1,901,000			1,901,000	(6) 0	
Government Funding to meet cost of service	Cr 1,901,000	Cr 1,901,000			Cr 1,901,000	0	
Winter Resilience Funding (Bromley CCG)							
- expenditure					0	0	
- income					0	0	
Education							
Reduction in Education Services Grant	400,000		478,000		478,000	78,000	
General							
Provision for unallocated inflation	2,508,000	213,000			213,000	(2) Cr 2,295,000	
Provision for risk/uncertainty	2,193,000				0	Cr 2,193,000	
Provision for cost pressures arising from variables	2,000,000				0	Cr 2,000,000	
Provision for risk/uncertainty relating to volume and cost pressures	1,950,000				0	Cr 1,950,000	
Increase in Cost of Homelessness/Impact of Welfare Reforms	1,100,000	649,000			649,000	(6) Cr 451,000	
Changes in Parking Enforcement	1,000,000	306,000			306,000	(6) Cr 694,000	
Retained Welfare Fund	450,000				0	Cr 450,000	
Freedom Passes	326,000	438,300			438,300	(2)&(6) 112,300	
Deprivation of Liberty	314,000		Cr 45,000		Cr 45,000	Cr 359,000	
Growth for Waste Services	300,000				0	Cr 300,000	
Grants to Voluntary Organisations	275,000				0	Cr 275,000	
Disabled Facilities Grant RCCO	232,000				0	Cr 232,000	
Care Act - Revised Assessment Costs	2,876,000				0	Cr 2,876,000	
Care Act - Funding from Better Care Fund	Cr 750,000	Cr 750,000			Cr 750,000	(9) 0	
Care Act - Government Funding	Cr 1,848,000	Cr 1,848,000			Cr 1,848,000	(9) 0	
Other Provisions	341,000				0	Cr 341,000	
Civic Centre Development Strategy					0	(4) 0	
Pension Investment Proposal					0	(6) 0	
Residential Property Acquisition					0	(6) 0	
Biggin Hill Memorial Museum		106,000			106,000	(6) 106,000	
Adult Education Supplementary Estimate		382,000			382,000	(6) 382,000	
Contribution to Growth Fund		6,500,000			6,500,000	(10) 6,500,000	
Further Contribution to Growth Fund		6,000,000			6,000,000	(10) 6,000,000	
Crystal Palace Park Improvements		240,000			240,000	(8) 240,000	
One Off Expenditure in 2016/17 (including Facilities Mngt Contract)		461,000			461,000	(9) 461,000	
Contracts Register/Summaries Database					0	0	
Biggin Hill Memorial Museum					0	0	
Civic Centre Development Strategy Document Management					0	0	
	13,787,000	12,697,300	433,000	0	13,130,300	(11) Cr 656,700	
Grants included within Central Contingency Sum							
SEND Implementation Grant							
Grant related expenditure	176,819	148,343			148,343	(1) Cr 28,476	
Grant related income	Cr 176,819	Cr 148,343			Cr 148,343	Cr 28,476	
Regional Lead for the SEND Reforms							
Grant related expenditure	62,000	61,924			61,924	(5) Cr 76	
Grant related income	Cr 62,000	Cr 61,924			Cr 61,924	76	
Lead Local Flood Authorities							
Grant related expenditure	216,000	213,000			213,000	(2) Cr 3,000	
Adoption Reform							
Grant related expenditure	273,000				0	(12) Cr 273,000	
Grant related income	Cr 273,000				0	273,000	
Tackling Troubled Families Grant							
Grant related expenditure	426,000				0	Cr 426,000	
Grant related income	Cr 426,000				0	Cr 426,000	
Transformation Challenge Award							
Grant related expenditure	344,000	195,000			195,000	(7) Cr 149,000	
Grant related income	Cr 344,000	Cr 195,000			Cr 195,000	149,000	
Individual Electoral Registration Process							
Grant related expenditure	102,000	97,000			97,000	Cr 5,000	
Grant related income	Cr 102,000	Cr 97,000			Cr 97,000	5,000	
Domestic Abuse							
Grant related expenditure		60,000			60,000	(3) Cr 60,000	
Grant related income		Cr 60,000			Cr 60,000	Cr 60,000	
Deprivation of Liberty Safeguards							
Grant related expenditure		Cr 126,982			Cr 126,982	(5) Cr 126,982	
Grant related income		126,982			126,982	126,982	
Social Care innovation Grant							
Grant related expenditure		100,000			100,000	(2) Cr 100,000	
Grant related income		Cr 100,000			Cr 100,000	Cr 100,000	
Housing Regulations							
Grant related expenditure		3,000			3,000	(2) Cr 3,000	
Grant related income		Cr 3,000			Cr 3,000	Cr 3,000	
Independent Living Fund							
Grant related expenditure		526,049			526,049	(6) Cr 526,049	
Grant related income		Cr 526,049			Cr 526,049	Cr 526,049	
Helping People Home							
Grant related expenditure					0	0	
Grant related income					0	0	
Smartphone Counter Fraud App Grant							
Grant related expenditure		111,806			111,806	(6) Cr 111,806	
Grant related income		Cr 111,806			Cr 111,806	Cr 111,806	
Temporary Accommodation Pressures Funding							
Grant related expenditure					0	0	
Grant related income					0	0	
CTD Family Annexes							
Grant related expenditure		3,678			3,678	3,678	
Grant related income		Cr 3,678			Cr 3,678	Cr 3,678	
Total Grants	216,000	213,000	0	0	213,000	Cr 3,000	
TOTAL CARRIED FORWARD	14,003,000	12,910,300	433,000	0	13,343,300	Cr 659,700	

Notes:

- (1) Executive 25th March 2015
- (2) Executive 15th July 2015
- (3) Executive 9th September 2015
- (4) Executive 17th September 2015
- (5) Executive 14th October 2015
- (6) Executive 2nd December 2015
- (7) Executive 13th January 2016
- (8) Executive 22nd July 2014
- (9) Executive 23rd March 2016
- (10) Council 14th December 2015 & 11th April 2016
- (11) Executive 18th May 2016
- (12) Fallout of Grant (assumed to continue when original budget set)

Allocation of Contingency Provision for 2015/16 (continued)

Item	Carried Forward from 2014/15	Allocations				Variation to Original Contingency Provision	Request to Carry Forward
		Previously Approved Items	New Items Requested this Cycle	Items Projected for Remainder of Year	Total Allocations/ Projected for Year		
	£	£	£	£	£	£	£
TOTAL BROUGHT FORWARD	14,003,000	12,910,300	433,000	0	13,343,300	Cr 659,700	604,900
Items Carried Forward from 2014/15							
Care Services							
Social Care Funding via the CCG under S256 agreements							
Invest to Save - Dementia and PD							
- expenditure	208,790	208,790			208,790	(2)	0
- income	Cr 208,790	Cr 208,790			Cr 208,790		0
Impact of Care Bill							
- expenditure	104,750	104,750			104,750	(2)	0
- income	Cr 104,750	Cr 104,750			Cr 104,750		0
Integration Funding - Better Care Fund							
- expenditure	300,000	300,000			300,000	(2)	0
- income	Cr 300,000	Cr 300,000			Cr 300,000		0
Helping People Home							
- expenditure	27,930	27,930			27,930	(2)	0
- income	Cr 27,930	Cr 27,930			Cr 27,930		0
Adoption Reform							
- expenditure	417,737	285,414			285,414	(2)	Cr 132,323
- income	Cr 417,737	Cr 285,414			Cr 285,414		Cr 132,323
Tackling Troubled Families							
- expenditure	1,260,151	886,660			886,660	(2)&(9)	Cr 373,491
- income	Cr 1,260,151	Cr 886,660			Cr 886,660		Cr 373,491
Step Up to Social Work							
- expenditure	72,159				0	Cr	72,159
- income	Cr 72,159				0		Cr 72,159
Public Health							
- expenditure	140,909				0	Cr	140,909
- income	Cr 140,909				0		Cr 140,909
Welfare Reform Funding for Housing							
- expenditure	65,063	65,063			65,063	(2)	0
- income	Cr 65,063	Cr 65,063			Cr 65,063		0
Chief Executive's							
Individual Electoral Registration							
- expenditure	19,000	19,000			19,000	(5)	0
- income	Cr 19,000	Cr 19,000			Cr 19,000		0
Education							
Early Years Grant							
- expenditure	18,808	18,808			18,808	(6)	0
- income	Cr 18,808	Cr 18,808			Cr 18,808		0
SEND Reform/Implementation							
- expenditure	307,357	307,357			307,357	(1)	0
- income	Cr 307,357	Cr 307,357			Cr 307,357		0
SEN Preparation for Employment							
- expenditure	45,941	45,941			45,941	(6)	0
- income	Cr 45,941	Cr 45,941			Cr 45,941		0
Public Protection & Safety							
Domestic Abuse							
- expenditure	26,570	26,570			26,570	(4)	0
- income	Cr 26,570	Cr 26,570			Cr 26,570		0
General							
YOT Service Strategy Review	76,500	76,500			76,500	(6)	0
Review of Placing Planning	11,000	11,000			11,000	(6)	0
Waste - 3 split bodied vehicles	558,000	558,000			558,000	(3)	0
- underspend to be returned to contingency		Cr 200,000			Cr 200,000		Cr 200,000
Countryside & Woodland Improvement Works	40,000	40,000			40,000	(3)	0
Keston Ponds Dam	20,000	20,000			20,000	(3)	0
Local Plan Implementation	60,000	60,000			60,000	(7)	0
Biggin Hill Airport - Noise Action Plan	40,000	40,000			40,000	(7)	0
IT Purchase of Hardware for Disaster Recovery/Windows	122,000	122,000			122,000	(5)	0
Legal Case Work System Upgrade	29,900	29,900			29,900	(5)	0
Transparency Agenda	29,000	29,000			29,000	(5)	0
Staff Merit Awards (held in Contingency)	200,000		110,830		110,830		Cr 89,170
	1,186,400	786,400	110,830	0	897,230	Cr 289,170	89,170
Grants included within Central Contingency Sum							
Winter Resilience Funding (Bromley CCG)							
- expenditure	366,480	15,002			15,002	(8)	Cr 351,478
- income	Cr 366,480	Cr 15,002			Cr 15,002		Cr 351,478
Total Grants	0	0	0	0	0	0	0
Total Carried Forward	1,186,400	786,400	110,830	0	897,230	Cr 289,170	89,170
GRAND TOTAL	15,189,400	13,696,700	543,830	0	14,240,530	Cr 948,870	694,070

Notes:

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

Description	2015/16 Final Approved Budget £'000	Variation To 2015/16 Budget £'000	Potential Impact in 2016/17
Education Services Grant	Cr 1,650	0	The Education Services Grant (ESG) is allocated on the basis of pupil numbers, and grant reduces in-year as schools convert to academies. This has been dealt with by a draw down from contingency. The full year effect of the ESG grant reduction is £75k after this adjustment and is included in the financial forecast for the 2016/17 budget.
Adult Education	Cr 219	Cr 14	The current overspend for the Adult Education Service has continued from 2013/14, and is expected to continue into at least part of 2016/17. Some efficiency savings have been implemented to help contain this, however there is a total income shortfall of £518k, with only a net reduction of £136k on running costs to offset this. The consultation on the proposed restructure was released on 16/10/15, the outcome of which will be reported to members in due course. A supplementary estimate was approved for 2015/16, with the balance being returned to the contingency in future years for the impact of the restructure.
Blenheim & Community Vision Nurseries	0	Cr 81	An underspend of £81k is projected for 2015/16 on the nursery trading accounts, and this is currently expected to continue into 2016/17. The service is currently being market tested which could result in a future reduction in net income.
Youth Services	1,554	203	Pressure to achieve the 2015-16 savings will continue in to the following financial year with a full year effect of £62k overspend, with the main challenge being the achievement of the budgeted level of Letting Income. Once the new service structure has been running for a period of time the opportunities for the achievement of letting income will be clearer and the aim will be to review the budget to minimise any negative impact.
Housing Needs - Temporary Accommodation	6,315	43	Pressures in Temporary Accommodation (TA) (Bed and Breakfast) will continue into 2016/17. The full year effect of the pressures in 2016/17 is forecast to be £55k overspent, and it should be noted that further growth is expected in 2016/17. However there is funding set aside in the central contingency to cover this, and it is assumed that this will be drawn down to reduce the overspend to a net zero.
Assessment and Care Management - Care Placements	19,715	Cr 719	The current full year effect on client projections is estimated as Cr £603k. This figure includes the reduction in costs of £250k as a result of the management of demand at first point of contact that was included as part of the 2015/16 budget savings.
Learning Disabilities Care Management	2,641	0	The full year effect on client projections is estimated at Dr £198k in relation to Domiciliary Care and Direct Payments budgets.

Description	2015/16 Final Approved Budget £'000	Variation To 2015/16 Budget £'000	Potential Impact in 2016/17
Residential, Supported Living, Shared Lives - Learning Disabilities	24,293	Cr 577	Despite a significant 2015/16 underspend, the full year effect is estimated at a lower level of underspend at £40k. This is because clients placed in-year in 2015/16 will only have a part year cost in 2015/16 but a full year cost in 2016/17. In addition, the full year effect includes Cr £200k savings relating to the outsourcing of LD day care, supported living and short breaks services which has only a small part year effect in 2015/16. There are budget savings required in 2016/17 and this FYE underspend is advance achievement of this.
Residential, Supported Living, Flexible Support, Direct Payments - Mental Health	6,176	Cr 239	The full year impact of the current underspend is estimated at Cr £134k. As with LD above, this is lower than the 2015/16 underspend as clients placed towards the end of 2015/16 will only have a part year cost in 2015/16 but a full year cost in 2016/17.
Supporting People	1,413	Cr 79	The full year effect of the current year's underspend is Cr £164k. This has arisen from limiting inflationary increases paid to providers and re-tendering / extending contracts at a reduced cost.
Protection of Existing Social Care Services - Better Care Fund	4,250	Cr 529	There is a full year underspend of £267k on existing social care services protected by Better Care Funding. This relates to contracts in the Information and Early Intervention and Carers budgets.
Commissioning - Contracts	432	Cr 58	The full year effect underspend of savings on Commissioning-related contracts (e.g. Healthwatch, direct payments) is £99k and, again, is early achievement of 2016/17 budget savings.
Children's Social Care	27,934	Cr 196	The current full year effect for CSC is estimated at Cr £482k. This can be analysed as Cr £453k on placements, Cr £75k for the virtual school, Dr £166k on leaving care clients and Cr £120k on services for children with disabilities. Cr £445k of this relates to early achievement of 2016/17 budget savings.
Lubbock House	150	0	The current full year effect impact for the closure of Lubbock House is Cr £70k. Lubbock house closed in 2015/16 and this is the recovery of the remaining in year costs.
Day Opportunities	944	0	The current full year effect is Cr £100k. The invest to save reorganising Day Opportunities and operating on a new business model. Savings have been taken in previous years and this is the remaining amount.
Contract savings across Adult Social Care and Commissioning	48,490	Cr 430	The current full year effect is Cr £430k. Contracts have been challenged in terms of pricing and have been reorganised or prices increases kept to a minimum.
Transport	1,375	Cr 209	The current full year effect is Cr £243k due to the tendering of the service. Demand appears to have fallen for transport services and the contract is based on a cost per trip and therefore a further reduction of £100k above the original saving of £143k has been estimated in the budget.
Public Health	Cr 372	14	Although a sum of £151k was transferred to reserves at the end of the year, at this stage it is not expected that this would be recurring therefore a full year effect of £0k is now reported.

Description	2015/16 Final Approved Budget £'000	Variation To 2015/16 Budget £'000	Potential Impact in 2016/17
Customer Services	937	90	There are annual maintenance costs of £36k Dr associated with the maintenance of the Customer Services portal. The first years maintenance cost was funded from the Invest to Save scheme, however the ongoing funding for this has not yet been identified.
Investment & Non-Operational Property	390	Cr 187	An ongoing underspend of £90k Cr is projected for Exchequer House (Bromley Old Town Hall). This building is vacant and listed. The sale of this building is expected to be completed this financial year.
Investment Income	Cr 7,396	Cr 60	For the past few years, contributions have been made to reserves to create an Investment Fund and a substantial part of this Fund has been used to buy Investment Properties. The capital spend to date on the purchase of these properties is £62.7m of which £28.6m relates to properties in Bromley High Street. The full year income from these properties is projected at £4.02m. These income projections do not take into account any loss of interest earnings on general fund balances as a result of the capital spend.
Markets	Cr 2	Cr 50	The current year's surplus income of £35k due to higher than budgeted activity as well as £10k of the £15k underspends across running expenses are expected to continue into 2016/17.
Waste	18,087	Cr 182	The full year effect of Cr £270k largely relates to savings associated with revisions to the kerbside paper collection service, which took effect from June 2015.
Highways (incl London Permit Scheme)	7,219	228	There is an expected income deficit within NRSWA income of £145k for 2016/17, largely as a result of continuing improved performance from utility companies and therefore lower charges raised by the Council. Officers have found alternative savings to offset this deficit in future years, part of which is the additional parking income.
Parking	Cr 6,451	Cr 1,004	£200k of this on-going surplus is expected to be used to offset the deficit relating to the implementation of the changes as a result of the Deregulation Act on CCTV parking and bus lane enforcement as set out in the report to the Executive on 2 December 2015. £85k surplus parking income anticipated for 2016/17 will be used to contribute towards the Highways deficit as part of the budget setting process. A carry forward request for £306k of the underspend in 2015/16 has been submitted to meet the cost of the new automatic enforcement cameras in early 2016/17.

Carry Forwards from 2015/16 to 2016/17

WITHIN DELEGATED AUTHORITY		£	£
<u>RESOURCES PORTFOLIO</u>			
1	Repairs and Maintenance (All Departments) The Property & Finance Sub-Committee, in December 2001, agreed that a carry forward could be made at the end of each financial year of revenue underspends on landlord building maintenance on the basis that Property will continue to seek to contain total expenditure within approved annual budgets. The total of £301k to be carried forward relates to underspends in the following areas: Anerley Town Hall Subsidence Works (£60k) Water Treatment works (£50k) Reconstruction of Old Stable Block wall at Central Depot (£135k) Cyclical maintenance (£56k)		301,000
MEMBERS' APPROVAL REQUIRED			
<u>Grants with Explicit Right of Repayment</u>			
<u>CARE SERVICES PORTFOLIO</u>			
2	Social Care Funding via the CCG under s256 Agreements: Adult Social Care Invest to Save Schemes Between 2010/11 and 2012/13 the Department of Health allocated funds for social care services which also supported the NHS. This funding was transferred to Bromley from the PCT under s256 agreements. A number of investment plans were approved by the Executive and drawn down in to the ECHS budget. The remaining unspent funding is required to be carried forward to 2016/17 to fund the residual commitments of the schemes. If the funding is not spent on agreed priorities there is a right of repayment.	48,170	
	Integration Funding - Better Care Fund The 2014/15 funding transfer from NHS England included a £992k one-off integration payment which formed the first part of the Better Care Fund. The unspent balance of £300,000 is required in 2016/17 to support the development of integrated commissioning with the CCG.	300,000	
3	Better Care Fund 2015/16 has been the first full year of operation for the Better Care Fund (BCF). Some BCF allocations, including those for resilience and reablement, were not fully spent by 31st March 2016 and it is required that these are carried forward for spending on BCF activities in 2016/17. This funding will be allocated together with the new BCF funding for 2016/17 and be allocated to projects as agreed.	381,360	
4	Helping People Home Grant On 27th January 2015 LBB received notification from the DCLG that we would be receiving additional funding via a DOH section 31 grant in 2014/15 to "help address the current pressures on acute hospitals that serve your area because of delayed discharges to social care for your residents". The grant allocation was £120,000. Following on from this a further notification was received on the 25th March 2015 notifying us of an additional £40,000 for extension of the scheme. This amount was not utilised at the time and needs to be carried forward for possible repayment , or continuation of services with agreement from the DOH.	40,000	
5	Winter Resilience Funding 14/15 (Bromley CCG) As part of Winter Resilience planning in 2014/15 by Bromley CCG, a sum of £680,288 was allocated to LBB from the CCG for care packages and additional equipment over the period October 2014 to March 2015 to assist in discharges from hospital of which £313,808 was spent in that year, The balance of £366,480 remaining was carried forward into 2015/16 and £15,000 of this was spent. As winter resilience spending in 2015/16 was able to be contained within the allocated funding, this sum was not required this year. Bromley CCG have agreed that any underspends may be carried forward to be spent on continuation of the projects.	351,480	
6	Winter Resilience Funding 15/16 (Bromley CCG) As part of Winter Resilience planning by Bromley CCG, a further sum of £116,750 was allocated to LBB from the CCG for care packages for the month of April 2016 to assist in discharges from hospital. For 2015/16, expenditure was able to be contained by Winter Resilience funding which now comes from the Better Care Fund, so this sum was not required in year. Bromley CCG have agreed that any underspends may be carried forward to be spent on continuation of the projects already started.	116,750	
7	DCLG Preventing Homelessness Grant This grant was approved by DCLG and received by Bromley late in 2015/16. The grant is to be used to fund a pilot around early intensive intervention to increase homeless prevention and access to privately rented accommodation as part of the initiatives to reduce the current homelessness and temporary accommodation pressures. This pilot required the recruitment of staff to allow it to start and this was not possible until the early part of 2016/17. We intend to fully spend the grant during 2016/17, with reports back to Members through the regular performance monitoring reports for housing.	200,000	
Care Services Portfolio			1,437,760

RENEWAL & RECREATION PORTFOLIO

8	New Homes Bonus - Town Centre Management There is an underspend of £42k relating to the two NHB top slice projects within Orpington and Penge, and a request will be submitted to the Executive to carry forward this amount in order to complete the specific projects which will be delivered over a period of two years to 31 March 2017.	41,687
9	New Homes Bonus - Regeneration There are 4 NHB top slice revenue projects which secured funding agreed through LEP in 2015/16. These will be delivered over 2 years commencing in 2015/16. The 4 projects include: Penge town centre and Orpington town centre (a proportion of which was allocated to TCM and is included in a separate carry forward request), Biggin Hill Technology & Enterprise centre and Lagoon Rd industrial estate refurbishment. These projects will be delivered over 2 years commencing in 2015/16. At the end of 2015/16 £181,571 of budget had not yet been utilised and a carry forward has been requested so that the associated project work can be completed in 2016/17.	181,571
Renewal & Recreation Portfolio		223,258
Total Expenditure to be Carried Forward		1,661,018
Total Grant Income		-1,661,018

Grants with no Explicit Right of Repayment**RESOURCES PORTFOLIO**

10	Individual Electoral Registration (IER) Transition Grant A grant of £72,609 was received in March 2016 to support the changes required for the introduction of Individual Electoral Registration. Due to the late notification of this funding it was not possible to spend it in 2015/16 and it is therefore requested to carry forward this sum to 2016/17.	72,609
11	New Debt Management System Transformation grant of £344k was received during March 2016 and was set aside to fund new Debt Management System. £167k was spent during 2015/16 however the balance is needed to meet the costs of finalising the system during 2016/17. It is therefore requested to carry this sum forward to 2016/17.	177,000
Resources Portfolio		249,609

CARE SERVICES PORTFOLIO

12	Adoption Reform Grant This is the non ring-fenced element of the Adoption Reform grant. Bromley received £548k grant in 2013/14 of which £63k was spent with the balance of £485k carried forward to 2014/15. A further £273k of grant was received in 2014/15, bringing the total funding available to £758k in 2014/15. Expenditure of £341k was incurred during the year and £285k in 2015-16. This leaves a balance of £132k. The balance of grant is requested to be carried forward to support work to the develop the increased supply of adopters with the aim of reducing the backlog of children waiting adoption particularly those children who traditionally have to wait longer than average.	132,323
13	Tackling Troubled Families Grant This grant is to fund the development of an ongoing programme to support families who have multi faceted problems including involvement in crime and anti social behaviour with children not in education, training or employment. This support is delivered through a number of work streams cross cutting across council departments and agencies. Funding of £1,260k was approved for carry forward from 2014/15 of which £749k was spent leaving £511k available for carry forward (£373k in the contingency and £138k in portfolio budgets). In addition, a further £661k was received in 2015/16 providing total funding to be carried forward of £1,172k.	1,172,184
14	Step Up to Social Work In December 2011 the Executive approved the release of the Step up to Social Care funding into the CYP Budget, to run the Step Up to Social Work Programme in partnership with the London Boroughs of Bexley and Lewisham. The programme is designed to attract high calibre professionals into children's social work. In 2012/13 a request was made to carry forward funding of £171k to be spent in 2013/14. Additional funding was also received in 2013/14 which meant that the full carry forward was not required in that year. A request is now being made to carry forward to 2016/17 the remainder of the unspent 2012/13 amount of £72k to continue the programme.	72,159
15	Public Health Grant The Public Health Grant underspent by £141k in 2014/15 and by £152k in 2015/16. The balance is requested to be carried forward to fund public health initiatives as per the terms of the grant.	292,700
16	Implementing Welfare Reform Changes The funds provided were to meet the cost of implementing welfare reform. There has been a time lag between implementation of the legislation and impact being seen and this is still the case. In addition, there are plans to reduce the benefit cap to a maximum of £23,000 a year if you live in London and £20,000 if you live elsewhere in the UK. This could potentially mean our caseload will double, possibly triple. For some families that we have assisted through budgeting the current benefit cap, will no longer be able to afford to meet their rent payments. This funding will need to be drawn down during the following year to help mitigate the impact and potential increase in homelessness resulting from these changes. In addition there have been delays in implementing Universal Credit nationally. Roll out for the Bromley area commenced in January 2016. The funding will therefore be needed to cover the costs of local implementation.	56,640
Care Services Portfolio		1,726,006

EDUCATION PORTFOLIO

17	SEN Reform / Implementation Grants Carry Forward request already Approved in Executive Budget Monitoring Report 23rd March 2016 (para 3.3.2)	28,476
18	SEN Reform / Implementation Grants Carry Forward request already Approved in Executive Budget Monitoring Report 23rd March 2016 (para 3.3.2)	80,000
19	London SEND Regional Lead Grant Carry Forward request already Approved in Executive Budget Monitoring Report 23rd March 2016 (para 3.3.2)	15,000
20	Early Years Grant - Supporting early education of disadvantaged children It has taken longer than expected to work through the IT related agreements to purchase one piece of software and we will need more time going in to 16-17 to purchase and implement further IT solutions. To support this there will be a need to use the grant funding to fund additional hours for a member of staff to steer this activity through to completion, which the conditions of the grant allow.	14,800
Education Portfolio		138,276

ENVIRONMENT PORTFOLIO

21	Drainage/Lead Flood Grant Bromley received grant funding from Defra in April 2015 to help support the role of Lead Local Flood Authorities (LLFAs) as statutory consultees for the planning application process. The total value of one-off funding received was £69,481.73 and was to help LLFAs prepare to undertake their new role. The funding was not ring-fenced, but the Government did expect authorities to use sufficient of the funding to build capacity within the organisation and to develop standing advice that could be provided on surface water drainage proposals in major development planning applications as efficiently and cost-effectively as possible. A carry forward request will be submitted to the Executive to carry forward this funding to 2016/17 to ensure that the advice could be prepared. A report will be brought to the next Executive to seek approval to use the grant and will provide details of the activities that will be funded by it.	69,482
22	WEEE Grant Bromley was awarded a grant of £27,000 during 2015/16 for the Waste Electrical & Electronic Equipment (WEEE) collection projects from the Distributor Take Back Scheme Phase III. The Project aimed to take WEEE recycling closer to the residents, by placing attractive, sensibly sized modular collection banks at points within schools where pupils, parents and teachers can easily access them. It is hoped that this project will further increase the collection of WEEE material. The project was to run through to 2016/17 and the remaining balance of £13,090 is needed to meet the costs of the project during the next financial year. A carry forward request will be submitted to the Executive to ensure the project can continue to be run during the next financial year.	13,090
Environment Portfolio		82,572

PUBLIC PROTECTION & SAFETY PORTFOLIO

23	Domestic Abuse Grant Bromley received a DCLG grant in 2014/15 and 2015/16 for £86,570 relating to the prevention of domestic abuse. The grant was awarded on the understanding that the project would be delivered by Bromley Women's Aid (BWA) during 2015/16 and 2016/17. On 9 September, Executive agreed to carry forward any residual balance of the grant into 2016/17 to enable BWA to deliver the project. A sum of £60,610 has been transferred to the grant contingency and a carry forward request will be submitted to the Executive.	60,610
Public Protection & Safety Portfolio		60,610
Total Expenditure to be Carried Forward		2,257,073
Total Grant Income		-2,257,073

Other Carry Forward Requests**CARE SERVICES PORTFOLIO**

24	YOS Service Strategic Review The service is in the process of being restructured in order to meet budget requirements and to cover the reduction in government grant for the YOS. This is balanced for 2017/18. However, the proposed establishment cannot be achieved in 2016/17 due to the additional costs of employing an Interim Head of Service, the additional half year costs of seconding a manager from the YJB and two additional unqualified posts necessary for this interim period. This amounts to £97k.	97,000
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EDUCATION PORTFOLIO

- 25 Consultancy support to improve the information held by the Council on place planning and future demand for school places** **40,000**
- The funding is to provide consultancy support to improve the information held by the Council on place planning and future demand for school places. The first part of this works has been completed with regards the detailed analysis of the school census, live births and GLA projections. However, further work is required to provide:
- data 'heat' maps that show areas of pressure in the borough
 - analysis of GP data to improve understanding of what happens to children between birth and arriving at school
 - provide analysis of new data sets for live births and the new school census
 - Map admissions information
- This information is key in informing Members about the need for school places in the context of rising demand for school places. The work of the consultant has enable us to provide information about demand down to ward and super optu area level that was previously not available. Without the funding we would be unable to meet the demand from Members for detailed information about the demand for school places.

ENVIRONMENT PORTFOLIO

- 26 Parking - Automated Cameras - Bus Lanes** **180,000**
- On 2nd December 2015 the Executive agreed a sum of £306k be released from the Central Contingency (set aside for Parking Enforcement) for the purchase and installation of ten automated cameras to undertake Bus Lane enforcement and five automated cameras for enforcement at schools via a Framework run by Waltham Forest. The £180k for Bus Lanes was not spent in 2015/16 due to the longer ordering time of this specialist equipment and some technical issues such as the connection of the encoders. A carry forward request will be submitted to the Executive to meet the costs of the equipment and installation in 2016/17.
- 27 Parking - Automated Cameras - Non Bus Lanes** **126,000**
- As part of the £306k released from the Central Contingency outlined above, the supply and installation of the automated cameras around schools £126k was not spent in 2015/16 also due to the longer ordering time of this specialist equipment and technical issues. A carry forward request will be submitted to the Executive to complete this purchase and installation.

RENEWAL & RECREATION PORTFOLIO

- 28 Local Plan Implementation** **47,322**
- Of the £60k carried-forward from 2014/15 for the Local Plan Implementation, only £13k was spent, and therefore a further carry-forward request will be made at year-end so that the costs of the Examination in Public can be met in 2016/17 and to undertake any further evidence work required.
- 29 Biggin Hill Airport Noise Action Plan** **54,870**
- During 2015/16 expenditure of £63k has been incurred for specialist consultancy work and Counsel advice relating to the Noise Action Plan for Biggin Hill Airport. This was partly funded by the £40k carried forward from 2014/15. Further consultancy work is required to be undertaken on the Noise Action Plan during 2016/17 and consequently a carry forward request of the R & R Portfolio underspend will be made for £55k in order to complete this contracted consultancy work. It should be noted that the cumulative contract value for the Noise Action Plan work totals £100k.
- 30 Biggin Hill Memorial Museum** **47,400**
- A carry forward request is being submitted to seek approval to allocate a sum of £47,400 from the 2015/16 underspend in the Central Contingency to be used as match funding for the development work involved with the preparation of the first round grant application to the HLF for the Biggin Hill Memorial Museum.

RESOURCES PORTFOLIO

- 31 IT - BT Transition costs** **77,000**
- A request to carry forward the underspend of £77k within Information Systems & Telephony is being submitted to meet the additional transition costs of BT and to continue to fund a transition manager post as approved by Executive on 17 September 2015.
- 32 IT upgrade at Anerley Business Centre** **30,000**
- On 14 October 2015, Executive approved funding of £30k payable to the Crystal Palace Community Development Trust, as a contribution towards the upgrade of IT in Anerley Business Centre. The work is planned to go ahead during 2016/17 and it is requested that the amount is carried forward to 2016/17 in order to pass the contribution to the Trust when the works commence.
- 33 Transparency Agenda** **14,000**
- A carry forward of £14k is requested from underspends on the Strategic Property budget to fund a post which is required to continue the work of updating and verification of property ownership records in accordance with the Transparency Agenda during 2016/17.
- 34 Merit Rewards (in contingency)** **89,170**
- As part of introduction of Localised Pay, Members agreed a merited reward for exceptional performers, and a provision of £200k was included in the Central Contingency. This was to reward the performance of employees during 2014/15. £111k was awarded in 2015/16 and a balance of £89k remains to be paid out during 2016/17. This amount is therefore requested to be carried forward to 2016/17.

35 Residential Property Acquisitions (SPV) - Legal, Professional and Accounting Advice	291,000
On 2nd December 2015, Executive approved funding of up to £50k for specialist legal advice with regard to a proposal to acquire housing stock as temporary accommodation for homeless families. Additional funding of £200k was also agreed to meet specialist legal and actuarial fees with regard to the potential 'gifting' of a significant asset to the Council's pension fund. £49k was set aside in departmental revenue budgets to specifically meet the cost of specialist accounting advice and only £8k has been required to date. Due to the nature and timing of these proposals it is requested that the remaining funds be carried forward into 2016/17 to meet the specialist advice that will be required to finalise arrangements.	
36 Civic Centre Development Strategy (in contingency)	257,500
On 17 th September 2015 Executive agreed to set aside funding of £57.5k for additional consultancy services for the development of the Civic Centre site from the Central Contingency. In addition to this funding, on 18 May 2016, Executive agreed to allocate a sum of £200k from the general underspends in 2015/16 to meet the cost of document management for the Civic Centre. The Executive is requested to agree the carry forward of £257.5k for the Civic Centre development.	
37 Contracts Register/Summaries Database	50,000
The proposal is to build a database that holds all the information currently held on the Councils Contract Register along with additional information such as waivers approved, gate reports, audit issues, risks etc. The new system will RAG status contracts automatically when the contracts are due to end (currently officers do this manually which takes up quite a lot of officer time) and the database will link into the Councils finance system for the latest approved budget and projected expenditure so avoid many of the manual processes which are currently undertaken. Some of this work can be undertaken within existing resources but a one off sum of £50k is required to fully develop the database and automate the manual processes. If agreed it is anticipated this work will be completed within the next 6 months	
Total Other	<u>1,401,262</u>
Net Total Requiring Approval	1,401,262
TOTAL CARRY FORWARD TO 2016/17	<u><u>1,702,262</u></u>

EARMARKED GENERAL FUND BALANCES - 2015/16

Description	Balance at 01/04/2015	Expend- iture	Income		Balance at 31/03/2016
			Contribs.	Interest	
	£'000	£'000	£'000	£'000	£'000
EARMARKED BALANCES					
LPSA Reward Grant	231	110			121
Technology Fund	1,825			28	1,853
LAA Pump Priming Grant	750				750
Town Centre Improvement Fund (LABGI)	66	11			55
Transformation Fund	4,463	1,450			3,013
Investment to Community	624	46			578
R & R Redundancy Reserve	116				116
Works to Property	100				100
Building Control Charging Account	131	131	131		131
Government Grants	2,373	1,554	1,438		2,257
Invest to Save	13,343	1,640	1,678		13,381
Bromley Welcare	29				29
One off Member Initiatives	1,039	223	750		1,566
Infrastructure Investment Fund	2,000				2,000
Commissioning Authority Programme	86	31			55
Health & Social Care 'Promise Programme'	5,953				5,953
Housing Strategy Account	14	14	25		25
Community Right to Bid & Challenge	46				46
Glades Refurbishment	97	90			7
Investment Fund	33,670	34,442	4,541		3,769
Winter Pressures	1,542				1,542
Refurbishment of War Memorials	16	3			13
Key Health & Social Care Initiatives	1,700				1,700
Integration of Health & Social Care Initiatives	1,709	95			1,614
Collection Fund Surplus Set Aside	2,964	2,964			0
Healthy Bromley Fund	3,815				3,815
Glaxo Wellcome Endowment	179	7		3	175
Cheyne Woods and Cyphers Gate	187	14			173
Public Halls Fund	7				7
Future Repairs of 145, High Street	7		12		19
Parallel Fund	2,866	57			2,809
Growth Fund	10,000	41	12,500		22,459
Health & Social Care Integrated Commissioning Fund	4,550				4,550
Bromley Youth Music Trust	77	77			0
Financial Planning & Risk Reserve	5,000				5,000
Bromley Welfare Fund	970				970
Payment in Lieu Reserve for Temporary Accommodation	23		28		51
Business Rates Risk Reserve	1,200		3,000		4,200
New Reserves Set Up in 2015/16					
One Off Expenditure in 2016/17 (inc. TFM Contract)			461		461
Crystal Palace Park Improvements		2	240		238
Various Joint Schemes and Pump Priming Investments			3,100		3,100
Subject to Approval by Executive 15th June 2016					
Growth Fund			7,024		7,024
Sub-Total	103,768	43,002	34,928	31	95,725
Schools	4,544	2,555	2,028		4,017
Insurance Fund	2,888	716	854	73	3,099
TOTAL	111,200	46,273	37,810	104	102,841

Note

Members should note that the balance at 31/3/2016 represents the "cash" balance and in some cases the monies shown will already be committed for future years on various schemes.

SECTION 106 RECEIPTS

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

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

31 March 2015 £000	Service	Income £000	Expenditure £000	Transfers to/(from) Capital £000	Actual as at 31 Mar 2016 £000
<u>Revenue</u>					<u>Revenue</u>
680	Highway Improvement Works		11	(295)	374
0	CCTV				-
45	Road Safety Schemes				45
121	Local Economy & Town Centres	82	77		126
53	Parking	23			76
847	Healthcare Services	356	35		1,168
11	Community Facilities (to be transferred to capital)		1		10
10	Other	300			310
<u>1,767</u>		<u>761</u>	<u>124</u>	<u>(295)</u>	<u>2,109</u>
<u>Capital</u>					<u>Capital</u>
0	Local Economy & Town Centres				-
1,591	Education	1,210			2,801
4,856	Housing	934	609		5,181
0	Highway Improvement Works		214	295	81
0	Community Facilities				-
<u>6,447</u>		<u>2,144</u>	<u>823</u>	<u>295</u>	<u>8,063</u>
<u>8,214</u>		<u>2,905</u>	<u>947</u>	<u>0</u>	<u>10,172</u>

SCHOOLS' DELEGATED BUDGETS

Consistent Financial Report (CFR) is a framework of income and expenditure items and balances, which provides schools with a benchmark facility to allow them to promote self-management and value for money. A CFR return has been produced by all schools maintained by the LA as at 31 March 2016.

The CFR framework details five balances, which provide an overall picture of the resources available to the school from one year to the next, and give information about any carried forward balances. The balances are categorised as follows:

- B01: Committed Revenue Balances
- B02: Uncommitted Revenue Balances
- B03: Devolved Formula Capital Balances
- B05: Other Capital Balances
- B06: Community Focussed Extended Schools Balances

N.B. B04 Other Standards Fund Capital Balances has now been removed as Standards Funds no longer exist.

The following table shows schools' reserves as at 31 March 2016, the end of the 2015/16 financial year. The table below shows an overall decrease in balances of £527k (decrease from £4,544k to £4,017k. This decrease can be seen to be across both revenue and capital balances and across each of the school sectors as detailed below.

	Nos	Accrued Balances at 1 April 2015	Under/ Over (-) Expenditure in 2015/16	Accrued Balances at 31 March 2016	Analysis of Balances as at 31 March 2016					
					Committed Revenue	Uncommitted Revenue	Devolved Formula Capital	Other Capital	Community Focussed Extended Services	Total Balances
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Primary Schools	19	3,492	-727	2,765	254	2,404	28	69	10	2,765
Secondary Schools	1	451	10	461	0	461	0	0	0	461
Special Schools	3	601	190	791	86	588	0	42	75	791
Total	23	4,544	-527	4,017	340	3,453	28	111	85	4,017

THE SCHOOLS BUDGET

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

There is a total in year overspend of £1,464k on DSG funded services as outlined below. This on top of the £4,739k budget use of the 2014/15 carry forward has reduced the carry forward from £9,886k to £3,683k in 2015/16. As agreed by the Portfolio Holder for Education following the meeting of the Education Sub-Committee on 6th January 2015, £3.5m was distributed as a one-off payment to schools in 2015/16, £3m will be set aside for the refurbishment of Beacon House (that is now partly used), and £2m used to contain growth in 2015/16 and 2016/17.

An analysis of the main variations is provided below:

	£000 Outturn Variance
Beacon House Refurbishment	1,499
Bulge Classes (inc Modular classroom rentals)	1,453
SEN - Placements	523
SEN - Transport	Cr 125
SEN - Other Variations	Cr 315
Free Early Education	Cr 1,256
High Needs Top Up (Excluding Special Schools)	Cr 642
Special Schools / Units	729
MPAA,CLA etc licenses	70
Primary School Nursery Funding	Cr 180
DSG Allocation Adjustments	Cr 277
Other Variations	Cr 15
Final Outturn	1,464

The most significant variations above are:-

a) The £1.499k costs for Beacon House relate to the refurbishment of the property following its purchase last year. The costs are expected to continue into 2016/17. A budget was approved in 2015/16 for these costs. Of the budget set aside for this project, there still £1.550k remaining.

b) There is a continued increase in the requirement for bulge classes, and for the first time, a need for them at secondary level, a year earlier than had been anticipated, resulting in an overspend of £1.453m on the £1.5m budget. This £1.5m included the additional £500k which was agreed to be added to the budget for two years, funded from the DSG carry forward. Schools Forum reviewed the future funding of bulge classes and decided not to make any changes for 2016/17, however this will be reviewed again for 2017/18, especially in light of the projected pressures across DSG as a whole. This includes a £121k overspend relating to the rental of temporary modular classrooms for bulge classes.

c) SEN placements and support costs are overspent by a total of £523k, mainly due to a significant projected increase in pupil numbers in independent and out-borough placements, including pupils aged 20-25 with EHC plans who wouldn't previously have been supported. There has also been an increase in the average level of matrix support provided to schools.

d) The DSG funded element of SEN Transport is projected to underspend by £125k. The funding regulations do not permit this budget to be increased from the previous year, so it is kept at the current level in anticipation of further increased take up of lower cost in-borough placements in future years.

INVEST TO SAVE FUND

This earmarked reserve was set up with a sum of £14m, as approved by Council in October 2011, to enable "loans" to be provided for Invest to Save initiatives. Advances are to be repaid within a "reasonable" period with schemes providing on-going revenue savings to contribute towards reducing the budget gap. In February 2013, Executive agreed that the one-off Council Tax Freeze grant in 2012/13 be added to the Fund, bringing the total contributions up to £17,304k.

Five schemes have been approved to date and, as at 31st March 2016, the actual balance on the Fund stood at £13,381k as detailed in the table below:

Scheme	Approval date (Council/Exec)	Contrib- utions £'000	To 31st March 2016			
			Approved "loans" £'000	Advanced from Fund £'000	Repaid to Fund £'000	Net "loan" 31/03/16 £'000
Approved funding						
Initial Funding allocation	Oct-11	14,000				
Council Tax Freeze grant	Feb-13	3,304				
Approved schemes						
Green waste/textile collection service	Dec-11		220	220	220	0
Replace street lighting columns	Nov-12		8507	8435	4791	3644
Bellegrove - refurbishment	Jan-13		400	508	508	0
Stamented pupils - travel training	Apr 13 & Jul 14		460	217	197	20
Transfer CSC to Liberata	Sep-13		330	322	63	259
			17,304	9,917	9,702	3,923
Actual Fund balance 31/03/16						13,381

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Report No.
FSD16036

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Executive

Date: 15th June 2016

Decision Type: Non-Urgent Executive Non-Key

Title: CAPITAL PROGRAMME OUTTURN 2015/16

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

Chief Officer: Director of Finance

Ward: All

1. Reason for report

1.1 This report sets out the final outturn on capital expenditure and receipts for 2015/16. Capital expenditure in the year was £76.2m, compared to the final approved budget of £81.3m, agreed in February 2016 (adjusted for the further £3.7m property acquisitions approved in March 2016), resulting in a total net variation of Cr £5.1m. For funding purposes, £2.5m slippage was assumed in Quarter 3 capital monitoring report, so there was an overall variation of Cr £2.6m in the use of capital receipts and external and revenue contributions.

2. **RECOMMENDATION(S)**

2.1 **The Executive is requested to:**

- (a) note the report; and
- (b) approve the carry forward of the unspent capital budget (£8k) on the block provision for emergency works to surplus sites, as detailed in paragraphs 3.10 and 3.11.

Corporate Policy

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

Financial

1. Cost of proposal: Not Applicable: No additional cost.
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £81.3m in 2015/16
 5. Source of funding: Capital receipts, external grants/contributions & revenue contributions
-

Staff

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

Legal

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

Customer Impact

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

Ward Councillor Views

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

3. COMMENTARY

Capital Programme Outturn 2015/16

- 3.1 The final capital outturn for the year was £76.2m, compared to the revised budget of £81.3m approved by Executive in February 2016 (adjusted for the £3.7m further property acquisitions approved by Executive in March 2016). The total net variation of Cr £5.1m is mainly due to slippages which will be re-phased into 2016/17 as shown in Appendix 2. The main variations are Cr £1.2m relating to the Glebe expansion works, a note on which is included in paragraph 3.4, and Cr £1.6m relating to the various TfL schemes. The remaining net variation of Cr £2.3m is mainly due to delays in commencing projects. The variations detailed in paragraphs 3.4 to 3.9 have all arisen since the 3rd quarter capital monitoring report.
- 3.2 As set out in the Capital Programme Monitoring (quarter 3) report to Executive on 10th February 2016, further slippage of £2.5m was assumed for financing purposes, so the net variation in the overall use of capital receipts, external grants/contributions and revenue contributions is Cr £2.6m.
- 3.3 Appendices 1 and 2 provide a breakdown of the overall capital expenditure in 2015/16 analysed between Portfolios and schemes. Appendix 3 provides a breakdown of the Original Capital Programme for 2015/16 and changes agreed during 2015/16 to arrive at the Latest Approved Capital Programme.

Education Portfolio

- 3.4 There was total slippage of £2.2m on schemes in the Education Portfolio compared to a total Portfolio budget of £31.9m. This was mainly due to £1.2m slippage on the Glebe expansion works. The works at Glebe School were due to complete in April, but are now due to complete in August 2016. There are a number of factors that have contributed to the delays by the contractor, and the responsible officer is monitoring the progress closely and ensuring that the Council is applying any actions available to it under the terms of the contract to minimise any further delays. The remaining £1.0m comprised a number of small variations on various schemes including £0.3m on Capital Maintenance in Schools, £0.2m on Seed Challenge Funding, £0.2m on Basic Needs, and £0.1m on Access Initiatives. All of these variations will be re-phased into 2016/17.

Care Services Portfolio

- 3.5 There was an overall slippage of £0.9m on schemes in the Care Services Portfolio compared to a total Portfolio budget of £4.0m. This comprised a number of small variations including £0.3m Social Care Grant, £0.2m Mental Health Care Grant, and £0.2m on Star Lane Traveller Site. There were minor delays on the Star Lane Traveller Site due to investigation on the internal pipes within the site to ensure that it was compliant with Thames Water requirements. The Social Care Grant and Mental Health Care Grant are allocated each year to local authorities to support the reconfiguration and modernisation of social care services. The expenditure in 2015/16 was slightly lower than anticipated in the 3rd quarter monitoring as projects are only identified in year in order to maximise the benefit of the grants for one off expenditure.

Environment Portfolio

- 3.6 There was an overall net variation of Cr £1.3m on schemes in the Environment Portfolio compared to a total Portfolio budget of £7.8m. This was mainly due to slippage of £1.4m on Highway & Traffic schemes fully funded by Transport for London (against a budget of £5.5m). This was partly offset by overspends on other schemes, primarily the Beckenham Town Centre Improvements scheme, for which the available budget in 2016/17 will be reduced accordingly. Grant allocations from TfL change frequently, often due to changes in project specification, and

any variations are reported in the subsequent capital monitoring reports. Since the 3rd quarter capital monitoring report, there has been a reduction of £0.2m to the 2015/16 grant from TfL, mainly due to various schemes that were re-phased into 2016/17.

Public Protection & Safety Portfolio

- 3.7 There was slippage of £0.1m on the only scheme in the Public Protection & Safety Portfolio (total budget £0.3m). There were minor delays on the CCTV control room refurbishment scheme due slight changes on the specification, as one of the lower cost options was adopted. Once all the outstanding works have been completed, the residual balance will be removed from the programme as part of the quarterly capital monitoring during 2016/17.

Renewal & Recreation Portfolio

- 3.8 There was an overall slippage of £0.4m on schemes in the Renewal & Recreation Portfolio compared to a total Portfolio budget of £1.9m. This comprised a number of small variations including £0.1m on Bromley North Village Public Realm Improvement scheme.

Resources Portfolio

- 3.9 There was an overall variation of Cr £0.2m on schemes in the Resources Portfolio compared to a total Portfolio budget of £35.4m. This is due to £0.1m lower associated cost (mainly legal fees) on property acquisitions (against a budget of £33.9m), and £0.1m slippage on the SharePoint Productivity Platform upgrade scheme.

Block Capital Provisions

- 3.10 There was a net underspend of £87k in respect of block capital provisions for 2015/16, which is broken down in the table below:-

	Estimate 2015/16 £'000	Actual 2015/16 £'000	Variation 2015/16 £'000
Renewal & Recreation			
Emergency Work on Surplus Sites	8	0 Cr	8
Education & Care Services			
Disabled Facilities Grants (DFG)	1,000	1,030	30
Disabled Facilities Grants - Loan Repayments	0 Cr	109 Cr	109
	1,000	921 Cr	79
TOTAL	1,008	921 Cr	87

- 3.11 The number of surplus sites/properties being held by the Property Division has increased in recent years, with a consequent increase in management and health and safety costs being incurred prior to disposal. The Executive is asked to approve the carry forward of the underspend of £8k relating to emergency works on surplus sites. A carry-forward is not requested in respect of the net DFG underspend of £79k. The unapplied portion of the DFG capital grant received to 31st March 2016 (a total of £69k) will be available to fund expenditure in 2016/17.

Financing of the Capital Programme

- 3.12 The financing of 2015/16 capital expenditure is compared below with the latest estimates reported in February capital monitoring (adjusted for the subsequent variation approved by Executive in March).

Source of Finance	Estimate £m	Actual £m	Variation £m
Approved Qtr. 3 Capital Programme (Executive 10/02/16)	77.6		
Further property acquisitions (Executive 23/03/16)	3.7		
Total Approved Capital Programme	81.3		
Less: assumed slippage for financing purposes	Cr 2.5		
Total Capital Expenditure (net of slippage)	78.8	76.2	Cr 2.6
Financed By			
Usable Receipts	4.4	3.4	Cr 1.0
Revenue Contributions	37.3	38.6	1.3
Government Grants	29.4	28.5	Cr 0.9
Other Contributions	7.7	5.7	Cr 2.0
Total	78.8	76.2	Cr 2.6

3.13 During 2015/16, capital monitoring reports have been considered by the Executive on a quarterly basis, in July 2015, December 2015 and February 2016, and reported changes have been incorporated in revised approved Capital Programmes. These have similarly been reported quarterly to the individual PDS Committees. For information, Appendix 3 provides a comparison between the latest approved budget and the original approved budget for the year (agreed in February 2015).

Capital Receipts

3.13 Under the “prudential” capital system in operation from 1st April 2004, most capital receipts are “usable” and may be applied to finance capital expenditure. The final outturn in 2015/16 for new capital receipts from asset disposals was £3.8m, matching the estimated figure reported to the Executive in February 2016. In addition, other capital receipts (mainly loan repayments and Right to Buy (RTB) receipts from Affinity Sutton Housing Association) totalling £3.6m were received during the year.

3.15 The table below provides a breakdown of the unapplied capital receipts totalling £32.8m that will be carried forward to finance expenditure in 2016/17 and later years. Only £3.4m was applied during 2015/16 as the total revenue contributions and external contributions were almost sufficient to cover total capital expenditure. As has been the case for the last twelve years, no contribution from the General Fund was required in 2015/16. To date, £16.2m of capital receipts has been earmarked to supplement the Investment Fund for the purchase of investment properties, so a total of £16.6m remains available to finance capital expenditure in future years.

	Usable Receipts £'000
Unapplied Balance b/f April 2015	28,850
Total receipts during 2015/16	7,361
Receipts applied to finance expenditure	Cr 3,412
Unapplied Balance c/f at 31 March 2016	32,799
Receipts earmarked for Investment Properties	Cr 16,216
Balance available to fund future expenditure	16,583

Section 106 Receipts

3.16 In addition to capital receipts, the Council is holding a significant sum in respect of Section 106 capital contributions received from developers in recent years. These are made to the Council as a result of the granting of planning permission and are restricted to being spent on capital works

in accordance with the terms of agreements reached between the Council and the developers. Section 106 receipts are held as a receipt in advance on the Council's balance sheet, the balance of which increased from £6,447k as at 31st March 2015 to £8,063k as at 31st March 2016, as new receipts in the year exceeded those that were used to finance actual capital expenditure. The remaining balance will be used to finance capital expenditure from 2016/17 onwards. Balances and in-year movements are shown in the following table.

Agreed Service Area	Balance	Income	Expenditure	Balance
	b/f			c/f
	01/04/15			31/03/16
	£'000	£'000	£'000	£'000
Housing Provision	4,856	934	609	5,181
Education	1,591	1,210	0	2,801
Highways	0	295	214	81
	6,447	2,439	823	8,063

Investment and Growth Funds

- 3.17 To help support the achievement of sustainable savings and income, the Council has set aside funding in the Investment Fund earmarked reserve (formerly known as the Economic Development and Investment Fund) to contribute towards the Council's economic development and investment opportunities. In November 2014, £10m was set aside in a new reserve (The Growth Fund) to support growth initiatives in Biggin Hill, the Cray Valley and Bromley Town Centre. Council approved an additional allocation of £6.5m in December 2015 and £6m in April 2016 to the Growth Fund.
- 3.18 Appendix 4 provides a detailed analysis of the Funds dating back to their inception in September 2011. A total of £67.2m has been spent to date, and schemes totalling £78.5m have been approved (£68.5m on Investment Fund, and £10m on Growth Fund). The Provisional Final Accounts 2015/16 report elsewhere on the agenda recommends that a further sum of £7m to be added to the Growth Fund. If this is approved, the uncommitted balance as at 31st March 2016 will be £18.6m for the Investment Fund and £19.5m for the Growth Fund. This includes the £16.2m total funding from capital receipts that has been approved to date.
- 3.19 On 22nd February 2016, Council approved additional £7.4m funding from New Homes Bonus for the Investment Fund as part of 2016/17 budget. In addition, on 18th May 2016, in considering the Growth Fund Review report, Executive approved £180k expenditure from the Growth Fund to carry out a feasibility study for an enterprise centre in Bromley and a strategic assessment of potential growth sites.

4. POLICY IMPLICATIONS

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

5. FINANCIAL IMPLICATIONS

- 5.1 There was no requirement for a General Fund contribution to finance capital expenditure in 2015/16, although there was an earmarked revenue contribution of £38.6m towards the cost of

specific capital schemes. This comprised contributions in respect of a number of capital schemes, including £33.8m from the Investment Fund for property acquisitions, and £1.6m from the Invest to Save Fund for the street lighting replacement programme. Capital receipts totalling £32.8m were available as at 31st March 2016 to finance future capital spending priorities compared to an estimate of £28.3m in February. This is mainly due to the RTB capital receipts from Affinity Sutton Housing Association. The provisional revenue outturn is reported elsewhere on the agenda.

- 5.2 Post-completion reports on capital schemes have been (and will continue to be) submitted to PDS Committees within 12 months of completion. A revised Capital Programme and capital financing statement will be included in the next quarterly monitoring report to be considered at the July meeting of the Executive.

Non-Applicable Sections:	Legal & Personnel Implications
Background Documents: (Access via Contact Officer)	Approved Capital Programme (Executive 10/02/16). Acquisition of Investment Property (Executive 23/03/16)

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CAPITAL PROGRAMME OUTTURN 2015/16 - SUMMARY OF VARIATIONS

Portfolio	Latest Approved Budget 2015/16 £m	Final Outturn 2015/16 £m	Variation 2015/16 £m
Expenditure			
Education Portfolio	31.9	29.7	Cr 2.2
Care Services Portfolio	4.0	3.1	Cr 0.9
Environment Portfolio	7.8	6.5	Cr 1.3
Public Protection & Safety Portfolio	0.3	0.2	Cr 0.1
Renewal & Recreation Portfolio	1.9	1.5	Cr 0.4
Resources Portfolio	35.4	35.2	Cr 0.2
Latest approved Capital Programme	81.3	76.2	Cr 5.1
Less: further slippage assumed for financing purposes	Cr 2.5		2.5
	78.8	76.2	Cr 2.6
Financing			
Usable capital receipts	4.4	3.4	Cr 1.0
Government grants	29.4	28.5	Cr 0.9
Other external contributions	7.7	5.7	Cr 2.0
Revenue contributions	37.3	38.6	1.3
General Fund	0.0	0.0	0.0
	78.8	76.2	Cr 2.6

CAPITAL PROGRAMME OUTTURN 2015/16 - ANALYSIS OF MAIN VARIATIONS

Portfolio / Scheme	Final Approved Budget	Final Outturn	Under- spend	Re- phased into 2016/17	Comments
	£m	£m	£m	£m	
Education Portfolio					
Seed Challenge Funding	0.3	0.1 Cr	0.2 Cr	0.2	Slippage due to scheme delays (works are managed by Schools)
Capital Maintenance in Schools	1.6	1.3 Cr	0.3 Cr	0.3	Slippage due to scheme delays
Glebe expansion works	2.3	1.1 Cr	1.2 Cr	1.2	Slippage due to delays by the contractor
Access Initiatives	0.2	0.1 Cr	0.1 Cr	0.1	Slippage due to scheme delays
Basic Needs	24.0	23.8 Cr	0.2 Cr	0.2	Slippage due to scheme delays
Other schemes	3.5	3.3 Cr	0.2 Cr	0.2	No significant variations
	31.9	29.7 Cr	2.2 Cr	2.2	
Care Services Portfolio					
Star Lane Traveller Site	0.2	0.0 Cr	0.2 Cr	0.2	Slippage due to scheme delays
Social Care Grant (Department of Health)	0.6	0.3 Cr	0.3 Cr	0.3	Slippage due to scheme delays
Mental Health Grant (Department of Health)	0.2	0.0 Cr	0.2 Cr	0.2	Slippage due to scheme delays
Manorfields - Temporary Accommodation	0.9	0.7 Cr	0.2 Cr	0.2	Slippage due to scheme delays
Other schemes	2.1	2.1	0.0	0.0	
	4.0	3.1 Cr	0.9 Cr	0.9	
Environment Portfolio					
Beckenham Town Centre Improvements	0.1	0.6	0.5	0.5	Overspend reducing available budget in 2016/17
TfL funded Highway & Traffic schemes	5.5	3.9 Cr	1.6 Cr	1.4	Slippage due to delays on various TfL schemes. £0.2m reduction on 15/16 TfL Grant as it has been re-phased into 16/17
Other schemes	2.2	2.0 Cr	0.2 Cr	0.2	No significant variations
	7.8	6.5 Cr	1.3 Cr	1.1	
Public Protection & Safety Portfolio					
CCTV control room refurbishment	0.3	0.2 Cr	0.1 Cr	0.1	Slippage due to scheme delays
	0.3	0.2 Cr	0.1 Cr	0.1	
Renewal & Recreation Portfolio					
Bromley North Village Public Realm Improvements	0.2	0.1 Cr	0.1 Cr	0.1	Slippage due to scheme delays
Other schemes	1.7	1.4 Cr	0.3 Cr	0.3	No significant variations
	1.9	1.5 Cr	0.4 Cr	0.4	
Resources Portfolio					
Property Acquisitions - Investment Fund	33.9	33.8 Cr	0.1	0.0	The associated cost on property acquisitions was lower than expected
SharePoint Productivity Platform upgrade/replacement	0.2	0.1 Cr	0.1 Cr	0.1	Slippage due to scheme delays
Other schemes	1.3	1.3	0.0	0.0	No significant variations
	35.4	35.2 Cr	0.2 Cr	0.1	
TOTAL VARIATION	81.3	76.2 Cr	5.1 Cr	4.8	

CHANGES TO CAPITAL PROGRAMME DURING 2015/16

	2015/16 £'000
Approved Capital Programme - 11th February 2015	64,215
Glebe School expansion (Executive 11/02/15)	88
Capital Maintenance Grant (Executive 24/03/15)	1,452
Further property acquisitions (Executive 24/03/15)	8,739
Civic Centre for the Future (Executive 24/03/15)	50
Penge Town Centre (Executive 24/03/15)	300
Orpington Town Centre - Walnut Centre & New Market infrastructure (Executive 24/03/15)	285
Crystal Palace park - Alternative Management Options (Executive 24/03/15)	272
Block Provisions c/f from 2014/15 into 2015/16	18
Relocation of Exhibitions - Bromley Musuem (Executive 10/06/15)	395
Housing Zone Bid (Site G) (Executive 24/03/15) (Full Council 19/10/15)	5,900
Re-phasing from 2014/15 to 2015/16	2,123
	<hr/> 83,837
 Bromley Mytime Fund - additional funding	 638
Gosshill Road - Private Street Works	289
Orpington Railway Station	130
Revised TfL funding for Highways & Traffic schemes	Cr 220
Section 106 receipts from developers	2,760
Rephasing from 2015/16 to 2016/17	Cr 9,049
Other variations	19
	<hr/> 78,404
July 2015 Budget Monitoring	
Further property acquisitions (Executive 15/07/15)	12,196
Further property acquisitions (Executive 07/08/15)	6,270
Phoenix Centre - reinstatement of scheme	200
Manorfields - Temporary Accommodation - additional funding	450
Revised TfL funding for Highways & Traffic schemes	710
Empty Homes Property - additional funding	170
Section 106 receipts from developers	1,328
Property Investment Fund - reduction in associated costs	Cr 122
Re-phasing from 2015/16 to 2016/17 and 2017/18	Cr 19,680
Other variations	Cr 1
	<hr/> 79,925
December 2015 Budget Monitoring	
Biggin Hill Memorial Museum (Executive 02/12/15)	40
Further property acquisitions (Executive 15/12/15)	9,411
Revised TfL funding for Highways & Traffic schemes	79
Reduction in Property Investment Fund	Cr 6,347
Re-phasing from 2015/16 to 2016/17	Cr 5,456
Other variations	Cr 13
	<hr/> 77,639
February 2016 Budget Monitoring	
Further property acquisitions (Executive 23/03/16)	3,666
	<hr/> 81,305
Latest Approved Budget for 2015/16	<hr/> 81,305

INVESTMENT FUND & GROWTH FUND

<u>Investment Fund</u>	£'000
<u>Revenue Funding:</u>	
Approved by Executive 7th September 2011	10,000
Approved by Council 27th February 2013	16,320
Approved by Council 1st July 2013	20,978
Approved by Executive 10th June 2014	13,792
Approved by Executive 15th October 2014	90
Approved by Executive 26th November 2014 (Transfer to Growth Fund)	Cr 10,000
New Home Bonus (2014/15)	5,040
Approved by Executive 11th February 2015 (New Homes Bonus)	4,400
Approved by Executive 10th June 2015	10,165
Approved by Executive 2nd December 2015 (New Homes Bonus)	141
	<hr/> 70,926
<u>Capital Funding*:</u>	
Approved by Executive 11th February 2015 (general capital receipts)	15,000
Approved by Executive 10th February 2016 (sale of Egerton Lodge)	1,216
	<hr/> 16,216
Total Funding Approved:	<hr/> 87,142
Total spend to 31st March 2016	Cr 67,157
<u>Schemes Approved, but not spent</u>	
Approved by Executive 12th June 2013 (Growth & Delivery Plans)	Cr 85
Approved by Executive 20th November 2013 (Queens's Garden)	Cr 435
Approved by Executive 16th October 2013 (Crystal Palace Park exclusivity agreement)	Cr 163
Approved by Executive 15th January 2014 (Bromley BID Project)	Cr 7
Approved by Executive 26th November 2014 (BCT Development Strategy)	Cr 93
Approved by Executive 2nd December 2015 (Bromley Centre Town)	Cr 270
Approved by Executive 12th February 2014 (147 - 153 High St)	Cr 38
Approved by Executive 23rd March 2016 (British Gas Training Centre)	Cr 4
Valuation for Biggin Hill and Westmoreland Rd	Cr 5
Strategic Property cost	Cr 258
Total further spending approvals	Cr 1,358
Uncommitted Balance on Investment Fund	18,627
On 22nd Feb 2016, Council approved an additional £7,402k of funding for the Investment Fund as part of 2016/17 budget, which will increase the uncommitted balance to £26,029k	
*Executive have approved the use of specific and general capital receipts to supplement the Investment Fund	
<u>Growth Fund:</u>	
£'000	
<u>Funding:</u>	
Approved by Executive 26th November 2014 (Transfer from Investment Fund)	10,000
Approved by Executive 2nd December 2015	6,500
Approved by Executive 23rd March 2016	6,000
Subject to approval by Executive 12th June 2016	7,024
Total funding approved	<hr/> 29,524
Total spend to 31st March 2016	Cr 41
<u>Schemes Approved, but not spent</u>	
Approved by Executive 24th March 2015 (Housing Zone Bid (Site G))	Cr 2,700
Approved by Executive 24th March 2015 ((Site G) - Specialist)	Cr 200
Renewal Team Cost	Cr 269
Total further spending approvals	Cr 3,169
<u>Schemes Approved, but not committed</u>	
Approved by Executive 26th November 2014 (for Biggin Hill and Cray Valley)	Cr 6,790
Uncommitted Balance on Growth Fund	19,524
On 18th May 2016, Executive approved £180k for Growth Fund Review, which will reduce the uncommitted balance to £19,244k	

Report No.
DRR16/057

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Executive

Date: 15th June 2016

Decision Type: Non-Urgent Executive Key

Title: **BIGGIN HILL AIRPORT LIMITED'S (BHAL) - PROPOSAL TO VARY THE OPERATING HOURS**

Contact Officer: Marc Hume, Director of Regeneration and Transformation
Tel: 020 8313 4441 E-mail: marc.hume@bromley.gov.uk
Mark Bowen, Director of Corporate Services
Tel: 020 8313 4355 E-mail: mark.bowen@bromley.gov.uk

Chief Officer: Marc Hume, Director of Regeneration & Transformation
Mark Bowen, Director of Corporate Services

Ward: (All Wards);

1. Reason for report

- 1.1 This report informs Members of BHAL's response to the various conditions that the Council has stipulated must be agreed before the Council would be prepared to vary the operating hours at the Airport and recommends that the extension to operating hours is granted.
-

2. **RECOMMENDATIONS**

2.1 **The Executive is asked to:**

- (i) **Confirm that BHAL has satisfactorily met all the Council's conditions.**
- (ii) **Agree that a Deed of Variation to the lease is entered into in the form appended to this report.**
- (iii) **Agree that any sum received to reimburse the Council its reasonable costs incurred, will be ring-fenced for any potential future costs for the increased monitoring that will be needed for the revised operating hours of the Airport.**

Corporate Policy

1. Policy Status: Existing Policy:
 2. BBB Priority: Quality Environment Vibrant, Thriving Town Centres:
-

Financial

1. Cost of proposal: Not Applicable: Estimated costs are up to £160k to end of March 2017, excluding officer time
 2. Ongoing costs: BHAL has agreed to pay the Council's reasonable and proper costs incurred in relation to the application.
 3. Budget head/performance centre: Biggin Hill Airport
 4. Total current budget for this head: Cr £200k plus carry forward sum of £55k
 5. Source of funding: Existing revenue budget 2016/17.
-

Staff

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

Legal

1. Legal Requirement: Statutory Requirement Non-Statutory - Government Guidance None: Further Details The relationship between the Council and the Airport is regulated by the lease dated 6th May 1994.
 2. Call-in: Applicable:
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Currently up to 125,000 movements p.a. allowed.
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Councillor comments are sought and will be appended to the report to the Executive Committee.
2. Summary of Ward Councillors comments:

3. COMMENTARY

Background

3.1 At a special meeting on 25th November 2015, and following a meeting of Full Council the same evening, the Executive considered the application from Biggin Hill Airport Limited (BHAL) to vary the operating hours at the Airport.

3.2 The Executive resolved that:

“The recommendations from Full Council to approve BHAL’s proposal be agreed subject to the concessions, conditions and obligations as set out in the report and as amended.”

In addition to the conditions specified in the 25th November report, Members resolved that a further six conditions would also need to be met; namely:

(i) The level of fines be based on a multiple of five times the standard landing fee applicable to the aircraft type concerned.

(ii) No more than 50,000 movements per annum will be permitted without triggering a review of the Noise Action Plan and in these circumstances the Council reserve the right to suspend the extended hours, if it considered it appropriate to do so.

(iii) Further reviews of the Noise Action Plan will not permit an increase in noise above the new proposed 50% of UDP noise levels.

(iv) The Airport will be required to use the most noise efficient routing for helicopters, which would include rising to 1,000 feet or another specified height in appropriate circumstances before leaving the boundary of the Airport.

(v) In the event of a successful challenge, and if the Noise Action Plan fails for any reason, the Airport to revert to the original hours (pre-application).

(vi) The Airport provides appropriate indemnities to the Council against any additional cost/loss incurred as a consequence of this decision.

3.3 Following the Executive meeting on 25th November, the Council’s expert noise consultant, Cole Jarman Associates, were reappointed to provide continuing advice to the Council in respect of introducing the Noise Action Plan (NAP) and the revised operating hours proposal. The cost of this advice is estimated at £32,520, with further monies allocated for contingency. It was agreed to waive the Council’s financial regulations and appoint Cole Jarman without other quotes in light of their expertise and knowledge of Biggin Hill Airport and their previous expert advice to the Council on the hours proposal.

Council officers supported by Cole Jarman, met with representatives of BHAL to discuss the Council’s conditions and BHAL’s response.

These discussions have focussed on three documents:

- the Noise Action Plan (NAP), attached as Appendix 1, which details BHAL’s proposals. The NAP has not been altered since it was last referred to the Executive.
- a Management Information Letter (MIL), which sets out how BHAL will implement and manage the NAP and includes where appropriate BHAL’s response to the Council’s conditions including the six additional conditions agreed by the Executive on 25th November, and

- a Deed of Variation, which subject to the agreement of the Council/BHAL will incorporate the approved changes to the operating hours into the lease.

3.4 Management Information Letter

Council officers and Cole Jarman are satisfied that all the Council's conditions (including the six additional conditions at 3.2) have been agreed by BHAL, as set out in the MIL. The anticipated time frame for each action is highlighted in the right-hand column along with any additional comments or limitations. Where items are already completed/complied with this is also noted.

3.5 Deed of Variation

Council and BHAL lawyers have agreed a draft Deed of Variation which reflects the proposed changes and, subject to Members' approval, will be completed in order to vary the lease. It should be noted that both the NAP and MIL will be appended to the Deed of Variation, and as such will be enforceable under the terms of the lease.

3.6 Judicial Review Application

The Council received notice from the High Court in Manchester that proceedings in connection with the application had been issued. In light of this, the Council took legal advice, with the costs of this counsel advice and other preparation work being approximately £6,500. It is not now considered that these High Court proceedings will continue but Members will be updated as appropriate.

3.7 Monitoring the Agreement

In light of the revised operating hours increased monitoring will be needed, at least initially, to ensure that both the Council and local residents have confidence that the changes are being properly implemented by BHAL. It is therefore proposed that a member of staff will be employed on a temporary contract to assist with monitoring, with costs for this and other related costs, such as expert advice, being met from ring-fencing the monies BHAL pay to the Council for their application costs.

4. **POLICY IMPLICATIONS**

- 4.1 Consideration of requests to alter the operation hours is subject to Clause 2.11 of the lease.

5. **FINANCIAL IMPLICATIONS**

- 5.1 The 2016/17 Budget assumes estimated income of £208.6k from Biggin Hill Airport and estimated noise monitoring costs of £8k.
- 5.2 Counsel advice is clear that it would be considered unreasonable for the Council to seek an improved financial offer (more than currently allowed under the lease) either as a condition of consent or by delaying its decision in order to negotiate.
- 5.3 However, it was deemed reasonable for the Council to seek to prevent a commercial detriment through granting consent. In accordance with this principle, BHAL have agreed to pay all the costs associated with the implementation of the Noise Action Plan, estimated to cost £3.1m over the next 15 years.
- 5.4 In addition to this, BHAL has agreed, and are contractually committed under the lease, to meet the Council's reasonable costs associated with this application. This should include any future costs of the additional monitoring that may be needed.

5.5 As at the end of March 2016, a sum of £102.3k has been spent, £30.3k on consultation with the public and £72k on consultants and Counsel advice for work undertaken on the Noise Action Plan. This figure excludes the cost of staff time involved in this application. It is estimated that the Council may have to spend a further £55k during 2016/17 and a request has been submitted to the Executive to carry forward this sum from the under spend within the 2015/16 budget for the Renewal and Recreation Portfolio.

5.6 It is recommended that any sums reimbursed by the Airport are ring-fenced to meet any future costs for the additional monitoring that may be required over the initial period of 2-3 years. The Noise Action Plan is due to be reviewed every five years and therefore the level of additional monitoring may change.

6. LEGAL IMPLICATIONS

6.1 Key legal implications are set out in the previous reports which were considered on 25th March 2015 and 25th November 2015.

6.2 The key point for Members is that the Council does not have a “free hand” in determining the application as the relationship between the Council and BHAL is regulated by the lease dated 6th May 1994. The lease does enable the Airport to seek variations or amendments to the operating criteria which includes hours of operation and the Council cannot unreasonably withhold agreement

6.3 If consent is refused then the Airport can refer the matter to arbitration and the arbitrator will then decide whether or not the Council has acted unreasonably. The key principles around this are set out in the earlier reports.

Non-Applicable Sections:	
Background Documents: (Access via Contact Officer)	Reports and appendices to previous Council and Executive meetings.

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London Biggin Hill Airport Noise Action Plan



LONDON
BIGGIN HILL
AIRPORT

BUSINESS | TRAVEL | COMMUNITY

28 August 2015 - Final

Contents

1.0	Introduction	5
2.0	Current Noise Levels	8
3.0	Future Noise	12
4.0	Noise Action Measures	17

Tables

Table 2.1	Summary of current annual aircraft movements (2014)	8
Table 2.2	Noise Contour Areas (2014)	9
Table 3.1	Summary of 2020 forecast annual aircraft movements	13
Table 3.2	2020 Noise Contour Areas for operations of the airport	14
Table 3.3	Population Estimates for 2020 Noise Contours	15

Appendices

Appendix 1	Noise Action Plan Contours	
NAP1	Current Summer Daytime noise contours compared to Currently Adopted UDP noise contour (07:00 - 23:00)	
NAP2	Current Summer Early Morning noise contours (06:30 - 07:00)	
NAP3	2020 Forecast Summer Daytime noise contours compared to Currently Adopted UDP contour and New Maximum Limit (07:00 - 23:00)	
NAP4	2020 Forecast Summer Early Morning noise contours (06:30 - 07:00)	
NAP5	2020 Forecast Summer Late Evening noise contours (22:00 - 23:00)	
NAP6	90 dB(A) SEL footprints of Typical Arriving Business Jets from North	
NAP7A/7B	90 dB(A) SEL footprints of Typical Departing Business Jet to North and South	
Appendix 2	Summary of Noise Action Plan Measures	
Appendix 3	Residential Sound Insulation Scheme	

1.0 Introduction

- 1.1 London Biggin Hill Airport (LBHA) lies within the London Borough of Bromley (LBB) some five miles south of Bromley town centre and 12 miles from central London. The airport has direct access to the A233 which connects to the M25 motorway and the national road network. Frequent fast (16 minute) rail services operate from nearby Orpington and Bromley South stations into central London providing a total journey time of approximately 35 minutes.
- 1.2 Biggin Hill was opened in 1917 as an RAF station and went on to play a major role in the Battle of Britain as a front line Second World War fighter station. Civil flights started to replace noisy military jets in 1960 and they grew steadily to over 200,000 flights per annum in the 1980's, mostly light aircraft. This was however, insufficient to make the airfield economically sustainable and new management in 1988, new policies in 1991 and new investment from 1994 have since encouraged more commercial activity and a wider range of aircraft types.
- 1.3 The airfield is set on high ground and is predominantly surrounded by rural areas although there are generally small linear developments of residential properties nearby, Biggin Hill village is mainly to the side of the arrival and departure routes whilst the more developed areas of South East London lie several miles to the north east.
- 1.4 In 1994 LBHA acquired the business of the airport and entered into a 125 year lease from the freeholder, LBB.
- 1.5 LBHA are the relevant airport operator and the authority responsible for this Noise Action Plan (NAP).
- 1.6 The operational area of the airport covers a total of 195 hectares and includes a main Runway 1808 metres long and a shorter cross-wind Runway predominantly for light aircraft use. Biggin Hill provides a wide-range of international connections. It was calculated recently that Biggin Hill connected to over 760 different destinations over a 12 month period; three times more than can be reached by scheduled airlines from all of the other London airports.
- 1.7 LBHA is the only London airport within the M25 dedicated to meeting the needs of the General Aviation sector - that means that it does not have scheduled airline services or high numbers of passengers passing through. Aeroplanes operating in the Business and General Aviation sector are typically much smaller than scheduled airliners and are generally much quieter with new generation types being designed to meet the most stringent of environmental criteria. The General Aviation sector encompasses a wide range of aircraft types and uses, each being operated on an 'on demand' basis, and therefore the owners and commercial operators need the optimum flexibility to use their aircraft and assets when required.
- 1.8 The commercial role of the airport is to provide the flexibility, facilities and ease of operation needed by three types of customer by acting as:

- an important Gateway to and from London supporting its role as a World City, it provides ease of access for users of the business and general aviation sectors;
- the home base for a large number of corporate, commercial and privately owned aircraft;
- a provider of suitable hangars, offices and workshops for many of the world's aircraft manufacturers, their agencies and the independent operators who maintain, overhaul, redesign, supply and support the wide range of aircraft in the sector.

1.9 In order to invest and develop this role, LBHA needs to improve access and flexibility for customers by altering the existing hours set out in the Operating Criteria Schedule of its lease. The current airport operating hours were introduced by LBB, in its capacity as Landlord, 20 years ago and have been unchanged since; although prior to the lease, in 1991, the Council had approved weekend and Bank Holiday hours of 0800 - 2100hrs (i.e. two hours longer than currently permitted).

1.10 The current and rather simplistic controls on noise set out in the Third Schedule of the airport lease require that aircraft using the airport must comply with the Council's approved noise criteria which followed the then stringent ICAO Chapter 3 industry standards for modern turbo jets and turbo fans. The ICAO Chapter 3 criteria used industry noise measurement limits at locations known as Side line, Fly over and Approach. A list of older and specifically approved aircraft was also adopted and included at that time and the Operating Criteria included a limit on annual aircraft movements of 125,000 and an obligation on LBHA 'to maximise Gross Turnover consistent with the provisions of the lease unless the Tenant has good commercial reasons for acting otherwise'.

1.11 As part of the strategic review of its business and in consideration for longer opening hours LBHA has prepared this Noise Action Plan (NAP).

1.12 This NAP provides information regarding how the airport proposes to continue its efforts to develop and maintain standards of best industry practice relating to noise controls as the business grows and as its economic performance improves. In preparing the NAP, LBHA has drawn on experience from other airports which have prepared Noise Action Plans (NAPs) and from the regulations and national guidance relating to their preparation contained in:

- a The Environmental Noise (England) Regulations 2006 (as amended) which transposed the EU Environmental Noise Directive 2002/49/EC known as END into UK Legislation;
- b The Aerodromes (Noise Restrictions) (Rules and Procedures) Regulations 2002;
- c Aviation Policy Framework March 2013; and
- d The National Planning Policy Framework, March 2012

1.13 There is no statutory requirement for LBHA to prepare a NAP as this only extends to major civil airports with over 50,000 annual aircraft movements, excluding movements purely for training purposes using light aircraft. This

does not currently apply to LBHA. Despite this, LBHA believes that an NAP provides the appropriate format in which to address noise mitigation and community interests. LBHA has therefore prepared, on a voluntary basis, this NAP with the purpose of ensuring the airport operates as quietly as possible and with minimal effect on its neighbours.

- 1.14 A requirement exists for major civil airport operators to draw up or update NAPs every five years or whenever a major development occurs that affects the existing noise situation. Following adoption of this NAP, LBHA will formally review its NAP every five years.
- 1.15 Providing long-term reliable forecasts of General and Business Aviation is problematic given the large range of market variables and uncertainties. The shorter the forecast horizon the greater the reliability of the forecast and of the predicted noise contour. This approach has therefore been adopted by LBHA in this NAP.
- 1.16 Noise Action Plans are complex technical documents and in order to ensure it is comprehensible to a wider audience, LBHA will produce and make widely available a simplified and easily understood leaflet explaining its approach to managing noise at the airport.
- 1.17 In preparing this document extensive public consultation has already taken place as part of wider changes to the operating conditions. The NAP has also been the subject of detailed consideration and input by LBB's appointed acousticians, Cole Jarman along with the relevant LBB officers.
- 1.18 This NAP is organised as follows:
- Section 2.0 addresses existing noise levels at the airport,
 - Section 3.0 discusses future noise including the first five year forecast and associated contour
 - Section 4.0 sets out a comprehensive set of noise control measures drawing on existing and new controls which aim to reduce the number of people affected by aircraft noise.

2.0

Current Noise Levels

2.1

The current noise levels can be quantified by both production of airport noise contours and consideration of community responses as demonstrated by the comments received by the Airport. The latter are regularly evaluated by a specialist sub-committee of the Airport Consultative Committee (ACC). After their evaluation and the actions taken by the Airport, a report is given by the Chairman of the Noise and Safety sub-committee to the ACC. The ACC meets four times each year and minutes of the meetings are subsequently published on the LBHA website.

2.2

Over recent years the total number of flights at the airport has declined, reflecting the economy and disposable income available for discretionary spend in the UK and worldwide, combined with growing competition from more airports focusing on this sector of aviation, both in the UK and Europe. In 2014, the total annual aircraft movements were about 46,600. An aircraft movement is defined as either a take-off or a landing.

2.3

To assist with noise and local planning, the Currently Adopted Unitary Development Plan (UDP) included a contour representing predicted noise from anticipated future airport activity and showed the possible area exposed to the highest noise levels, thereby avoiding future development conflicts due to noise from airport operations. The contour was produced on behalf of LBB by its noise consultant using an estimation of the likely growth of the business at the airport pursuant to the terms of the airport lease.

2.4

The basis for the current (2014) noise contours are actual aircraft movements at the airport during the calendar year which are summarised in Table 2.1. The airport movement data contains details of aircraft type, operation, Runway in use and the time of day and this information has been processed for input into suitable noise computation software; in this case the FAA's Integrated Noise Model (INM). For the summer contours, the actual level of summer traffic was used. This comprised 31% of the annual traffic, with no significant changes in aircraft mix. In common with noise contouring at other airports, military aircraft movements, which are very infrequent at Biggin Hill and mainly associated with the summer air show season, have been excluded.

Table 2.1 Summary of current annual aircraft movements (2014)

Aircraft Category	2014 Annual Movements
Business Aviation	11,500
Light Aviation	35,100
Total	46,600

2.5

The noise metric and values used for the contouring provided in this NAP are based on current Government policy. The Future of Air Transport White Paper in December 2003 included policy advice on aircraft noise measurement and mapping. It advised that, based on research, the Government has used 57 dB

$L_{Aeq,16h}$ contour as marking the approximate onset of significant community annoyance. The current Aviation Policy Framework (APF) published in March 2013, confirmed policy support for retained use of the 57 dB $L_{Aeq,16h}$ criterion.

- 2.6 The APF also includes Government expectations in relation to noise mitigation and compensation. Specifically the Government expects airport operators to offer households exposed to levels of noise of 69 dB $L_{Aeq,16h}$ or more, assistance with the costs of moving house or with financial assistance towards the cost of acoustic insulation to residential properties exposed to levels of noise of 63 dB $L_{Aeq,16h}$ or more.
- 2.7 The following noise contours were therefore produced in respect of Biggin Hill Airport:
- Summer Daytime $L_{Aeq,16h}$ noise contours, based on movements in the standard daytime period 07:00 to 23:00, at 57, 63 and 69 dB, see **NAP1**
 - Summer Early Morning $L_{Aeq,30m}$ noise contours, based on movements in the weekday early morning period 06:30 to 07:00, at 57, 63 and 69 dB, see **NAP2**
- 2.8 These contours have been produced using a version of the INM software (version 7.0d), with the effects of local terrain included in the model. The areas of the contours are given in Table 2.2.

Table 2.2 Noise Contour Areas (2014)

Contour Level	Area of Air Noise Contours (km ²)	
	Summer Daytime (07:00-23:00) $L_{Aeq,16h}$	Summer Early Morning (06:30-07:00) $L_{Aeq,30m}$
>57 dB $L_{Aeq,T}$	2.1	0.6
>63 dB $L_{Aeq,T}$	0.8	0.3
>69 dB $L_{Aeq,T}$	0.3	0.1

- 2.9 The current noise impact area is shown in **NAP1**, in terms of the standard 92 day summer daytime 57, 63 and 69 dB $L_{Aeq,16h}$ contours referred to in the APF.
- 2.10 Adopting the usual assessment criteria relating to aviation noise impact, the current noise impact at LBHA shows that the daytime contour representing high levels of annoyance, 69 dB $L_{Aeq,16h}$ is completely contained within the operational boundaries of the airport except at the southern end of the main Runway where it extends to the busy A233 highway but does not impinge on any residential properties. The daytime contour representing moderate levels of annoyance, 63 dB $L_{Aeq,16h}$, is also largely contained within the airport site although it does extend to the south across the A233. Some properties on the A233 abut this contour.
- 2.11 The daytime contour representing the onset of low community annoyance, 57 dB $L_{Aeq,16h}$, extends to east of Holwood Farm, (south of Shire Lane) to the north of the airport. To the south-west of the airport it extends to the fields north of Norheads Farm. In doing so, it includes a number of properties most of which are located in Biggin Hill village. Inspection of the contours indicates that there

are no non-residential noise sensitive premises such as hospitals and schools that lie within the noise impacted areas.

- 2.12 Although it is not standard U.K. assessment for airport noise, contours have also been produced for activity in the weekday summer early morning period, 06:30 – 07:00 hours. **NAP2** indicates the approximate extent of the noise impacted area using the 57 dB $L_{Aeq,30m}$ contour as illustrative of possible risk of noise impact. It indicates no properties currently exposed to such risk.
- 2.13 Activity in the period prior to 07:00 hours is presently unrestricted for departures from the Airport for aircraft described as being ‘normally based’ at the Airport. It is restricted for arrivals and departures for aircraft not ‘normally based’ at the airport. However no restriction on the number of movements or their combined noise effect is currently in place.
- 2.14 The relatively small size of the 2014 contours and their location over largely uninhabited areas, as shown on **NAP1**, is compatible with the low level of public reaction to the airport’s activities. In 2014 the airport received 44 comments relating to its activities. In that year there were about 46,600 movements. This rate of response is about 0.9 comments per thousand movements indicating a small response to Airport activity. To put this in context, at Farnborough Airport, Hampshire, which like Biggin Hill, specialises in business aviation and has Farnborough town close to its boundary, there were 265 complaints in 2014 against annual movements of 25,984. This equates to 10.1 complaints per thousand movements, approximately 10 times the level of complaints per aircraft movement received by LBHA.
- 2.15 LBHA acknowledges that at any airport some noise intrusion occurs, particularly close to the airfield but also under arrival and departure routes. Following consideration of the comments received from local residents it appears that the majority of the noise impact close to the airport relates to aero club and private light aircraft movements, especially at the weekends and additionally from occasional noise events involving either an unusual aircraft design or an older business jet type, as well as from the unguided Runway 03 arrival procedure that is currently in use when the wind blows from the north or east. On these days, aircraft approach the airport from the north east, using the Runway 21 instrument landing system (ILS), and then depart from the ILS trajectory, break to the west and carry out a visual circuit to the west of the airport, circling to the south west before turning north to land on Runway 03. Pilots following this procedure are not following any navigation guidance system, but are operating by visual reference relative to the airport and therefore height and track of the prevailing aircraft will vary to some extent and may be affected by the pilots’ experience of Biggin Hill Airport, by the performance or characteristics of the aircraft type in question and by the prevailing weather conditions. This procedure is known to give rise to occasional noise intrusion in Keston, Tatsfield and Warlingham, in particular because aircraft are operating at relatively low level and medium or higher power settings as they manoeuvre to position for landing on Runway 03, the reciprocal of the more commonly used and south westerly oriented Runway 21.

- 2.16 A new dedicated Runway 03 approach guidance system is currently being developed, following a formal consultation procedure set down by the CAA, in the form of an Airspace Change Proposal (ACP). The proposed new Runway 03 approach is scheduled to be installed during the course of summer 2016 for implementation in the autumn of 2016. The proposed new approach procedure, when implemented, will significantly reduce traffic using the Runway 21 ILS approach. It is anticipated that all air traffic using the Runway 03 approach will no longer overfly residential areas situated the north and north east of the aerodrome (Petts Wood, Crofton and Farnborough) as part of its inbound routing potentially providing significant periods of respite in these areas when the prevailing wind is in the north or north east or east.
- 2.17 **NAP1** shows the currently adopted UDP noise contour and the corresponding current (2014) contour at 57 dB $L_{Aeq,16h}$ the contour which is used to represent the onset of significant community annoyance. The much smaller size of the current contour indicates the airport operates well within the acceptable level of noise considered in the currently adopted UDP.
- 2.18 The existing framework for noise management at LBHA was set out over 20 years ago and did not include any provision for noise monitoring, or any regular noise impact assessment using noise contours. As part of the NAP, LBHA will introduce a range of best industry practices to better address noise control at and around the airport.

3.0 Future Noise

- 3.1 In line with Department for Transport (DfT) guidance on NAPs, airport operators are required to describe the likely future development of their airport and in doing so reference should be made to how any consequential noise impact will be managed.
- 3.2 Future development at LBHA will be influenced by both internal and external factors such as government aviation policy, by the London and European economy, by runway capacity available at other airports in the London area, and by the global growth of the business aviation sector and the prosperity of its users. Many of these factors are obviously outside the control of LBHA. Legal obligations set down in both the Airport Head Lease and the many subleases granted to companies resident on the airport must also be observed. Many subleases predate the 1994 airport lease between LBHA and LBB and were granted by LBB or its appointed airport operator and all subleases have been granted with LBB's consent. Care must be taken to ensure that new limitations are not applied unreasonably, retrospectively or unlawfully to businesses that have already invested in facilities at the airport and whose interests may be adversely affected by any unreasonable measures.
- 3.3 Despite the many macro-economic uncertainties that are likely to influence the outcome of any business plan, LBHA is confident that its proposed focus on the Business and General Aviation sector will result in a significant reduction to the contour area previously forecast to be affected by aircraft noise.
- 3.4 Providing reliable long-term forecasts for air traffic movement levels at a Business Aviation and General Aviation airport is notoriously difficult due to market uncertainties and other variables, many of which lie outside LBHA's control. Because the reliability of long-term forecasts is questionable, LBHA does not believe it is appropriate to commit to long-term forecasts. Rather, LBHA prefers a more reliable and more consistent approach to generating predicted noise contours and to managing future aircraft noise levels. LBHA will therefore adopt protocols as follows:
- a a five year forecast of future operations has been prepared which includes a projection of aircraft movements during the daytime (07h00 to 23h00) and additionally and separately during the early morning period (06h30 to 07h00) and the late evening period (22:00-23:00) on weekdays;
 - b noise contours have been prepared based on these five year forecasts;
 - c LBHA will use reasonable endeavours to manage the operation of the airport in such a way as to ensure that the five year forecast contours are not exceeded (and for these purposes it will not be reasonable for LBHA to do anything that would put it in breach of any sub-lease at the airport or other contractual commitment to which LBB has consented) without a further review of the NAP;
 - d LBHA will install and operate a new Noise Monitoring and Track Keeping System (NMTKS) in order to ensure that the noise levels are accurately

recorded and contours are generated in order monitor the actual noise levels resulting from aircraft operations at LBHA so that they can be compared with the forecast values and contours. The results of this comparison will be reported to LBB on an annual basis. This annual advice to LBB will include annual contours.

- e in subsequent five yearly reviews LBHA will review procedures in order to minimise noise for the upcoming 5 year period but in any event the total area of the 57 dB $L_{Aeq,16h}$ noise contour generated by the airport in any calendar year up until and including 2030 (excluding military aircraft movements but otherwise based on actual aircraft movements and noise levels recorded by the new NMTKS) will not exceed 50% of the total area of the currently adopted UDP noise contour. This represents a new and reduced maximum noise limit.
- f LBHA does not anticipate that it will exceed the 2010 level of aircraft movements (50,000 per annum) for some time. A movement is defined as being either a take-off or a landing. In the event that this level of 50,000 per annum appears likely to be breached the NAP will automatically be reviewed to see what further improvements can be made to the noise abatement measures.

3.5 Forecast of the activity at LBHA in 2020 have been prepared and are summarised in Table 3.1. The forecasts assume that RAF Northolt remains open, there is no new runway capacity and no airport closures in the south-east, the European economy remains depressed, LBHA introduces the proposed runway 03 approach facilities, and LBHA obtains the extended opening hours sought. On this basis growth of 7% per annum is forecast for business aviation, comprising 4% underlying global market growth and 3% resulting from an increased market share. A continued gradual reduction is forecast in respect of light aviation movements.

Table 3.1 Summary of 2020 forecast annual aircraft movements

Aircraft Category	2020 Forecast Annual Movements
Business Aviation	19,750
Light Aviation	29,750
Total	49,500

3.6 The forecast noise contours for 2020, with areas given in Table 3.2, are shown on the following figures:

- 2020 Forecast Summer Daytime $L_{Aeq,16h}$ noise contours, based on movements in the standard daytime period 07:00 to 23:00, at 57, 63 and 69 dB, see **NAP3**
- 2020 Forecast Summer Early Morning $L_{Aeq,30m}$ noise contours, based on the aircraft movements in the weekday early morning period 06:30 to 07:00, at 57, 63 and 69 dB, see **NAP4**

- 2020 Forecast Summer Late Evening $L_{Aeq,1h}$ noise contours, based on the aircraft movements in the weekday late evening period 22:00 to 23:00, at 57, 63 and 69 dB, see **NAP5**

Table 3.2 2020 Noise Contour Areas for operations of the airport

Contour Level	Area of 2020 Noise Contours (km ²)		
	Summer Daytime (07:00-23:00) $L_{Aeq,16h}$	Summer Early Morning (06:30-07:00) $L_{Aeq,30m}$	Summer Late Evening (22:00-23:00) $L_{Aeq,1h}$
57 dB $L_{Aeq,T}$	2.9	2.2	1.3
63 dB $L_{Aeq,T}$	1.0	0.8	0.6
69 dB $L_{Aeq,T}$	0.4	0.4	0.3

- 3.7 In **NAP3** the 2020 forecast summer daytime contour at 57 dB $L_{Aeq,16h}$ is compared with the corresponding contour from the currently adopted UDP, and the new maximum noise footprint. The 2020 contour, with an area of 2.9 km², is significantly less in area than the new maximum noise footprint, and by definition also the currently adopted UDP contour which is some 8.7 km² in area.
- 3.8 The 2020 forecast summer daytime contour representing high levels of annoyance, 69 dB $L_{Aeq,16h}$, is contained within the operational boundaries of the airport except at the southern end of the main runway near the A233, no population exposure is estimated, see **NAP3**.
- 3.9 The 2020 forecast summer daytime contour representing moderate levels of annoyance, 63 dB $L_{Aeq,16h}$, is also largely contained within the airport site although it extends into a residential area south of the A233, population exposure estimated as 20.
- 3.10 The 2020 forecast summer daytime contour representing the onset of significant community impact, the low annoyance indicator, 57 dB $L_{Aeq,16h}$, extends to the country areas near the junction of Shire Lane and Farthing Street and south almost to Mollards Wood. It is estimated that the future population within the contour would be approximately 380.
- 3.11 Inspection of the contours indicates there are no non-residential noise sensitive premises such as hospitals and schools within the noise impacted area.
- 3.12 Table 3.3 contains estimates of the future population within the 2020 noise contours for the daytime, early morning, and late evening periods.

Table 3.3 Population Estimates for 2020 Noise Contours

Population Estimates (Current / 2020)				
Noise dB	Annoyance Rating	Summer Daytime (07:00-23:00) L _{Aeq,16h}	Summer Early Morning (06:30- 07:00) L _{Aeq,30m}	Summer Late Evening (22:00-23:00) L _{Aeq,1h}
57 dB	Low	186 / 380	0 / 320	0 / 25
63 dB	Medium	19 / 20	0 / 20	0 / 0
69 dB	High	0 / 0	0 / 0	0 / 0

- 3.13 **NAP4** indicates the area exposed to significant aircraft noise in the early morning half hour. The proposal is to restrict both the maximum number of movements in this period to eight on any day, and to restrict the average noise over the summer period such that the noise impacted area is no greater than shown in **NAP4**.
- 3.14 **NAP4** shows contours at the same values as for the daytime period. The early morning contours have a similar shape, with the exception that the cross runway is not expected to be used, and are smaller. Consequently the properties they contain are similar to those of the daytime contours, see Table 3.3.
- 3.15 **NAP5** indicates the area exposed to significant aircraft noise in the late evening hour between 22:00 and 23:00. The proposal is to restrict both the maximum number of movements in this period to eight on any day, and to restrict the average noise over the summer period such that the noise impacted area is no greater than shown in **NAP5**. In practice, it is not expected that there will be anywhere near eight movements daily, but that on rare occasions there may be up to eight movements in the period 22:00 - 23:00.
- 3.16 **NAP5** shows contours at the same values as for the daytime period. The late evening contours have a similar shape, with the exception that the cross runway is not expected to be used, and are noticeably smaller. Consequently they contain a reduced number of properties compared to the daytime contours.
- 3.17 The noise from single movements can be described by SEL noise footprints. These represent the total noise produced by a single movement and are often used when noise at night is being considered. **NAP6** shows the 90 dB(A) SEL noise footprints of current typical business jets arriving at LBHA from the north east, the common direction. No residential properties are contained within the footprints.
- 3.18 **NAP7A/7B** shows the 90 dB(A) SEL noise footprints for a current typical business jet departing LBHA from the main runway to the north east (Dep R03), and separately also to the south east (Dep R21). Compared to the arrival footprints, those for the departures are significantly larger. This is incompatible with the current restrictions which allow unlimited departure movements by based aircraft, but not any arrivals in the early morning period.

3.19

The combined extent of the departure footprints is not dissimilar to that of the currently adopted UDP contour, so they are limited to the area where aircraft noise is expected. For the departure to the north east (Dep R03) a small number of residential properties are contained within the footprint. For the departure to the south east (Dep R21) a number of residential properties are contained within the footprint generally located in north-west Biggin Hill. Such activity for based aircraft is currently allowed without any restriction on the number of occurrences.

4.0 **Noise Action Measures**

- 4.1 Noise abatement procedures presently contained in the airport lease Operating Criteria will remain in place and will be further supplemented by enhanced noise abatement measures and improved noise preferential routings (NPRs) in order to manage noise levels surrounding the airport. Output from the NMTKS will be used to assist in optimising NPRs and further to assist in ensuring that flight crew adhere to the published NPRs.
- 4.2 Many additional noise control measures can be introduced in the short-term following adoption of this NAP. Others will require further investigation and the support of external stakeholders such as National Air Traffic Services (NATS) or the UK Civil Aviation Authority (CAA). LBHA will continue to work closely with these parties with a view to implementing any reasonable measures or provisions to improve noise mitigation or controls. The principal measures anticipated by LBHA are described below. LBB will be consulted on details of the measures in order for implementation to be made on an agreed basis.
- 4.3 The table in **Appendix 2** provides a summary of the measures which will be adopted by LBHA and this list will be published in a community leaflet and on the airport website.

Noise Monitoring and Track Keeping

- 4.4 LBHA will acquire, install and maintain a continuous Noise Monitoring Track Keeping system (NMTK) that will provide the community with improved visibility of noise levels and track keeping performance of flights using the airport. This will utilise two fixed monitoring locations along with a mobile unit at the commencement of the scheme. Both the system and the location of the fixed noise monitors will be agreed with LBB and its specialist advisors. Once sufficient data has been acquired the performance of the NMTKS will be assessed and a review of its efficacy will be conducted and any improvements or enhancements will be identified.
- 4.5 The NMTKS will operate using radar information supplied by the London Heathrow radar head and supported by information from aircraft transponders in order to provide highly accurate height and track keeping data relating to aircraft using LBHA. The system will also record and display data belonging to aircraft overflying the Biggin Hill area whilst en-route to other London airports such as Heathrow, Gatwick or London City.
- 4.6 All the acquisition, installation and running costs of the NMTKS will be met by LBHA from levies raised from aircraft using the airport.

Noise Envelope and Maximum Permitted Noise Levels

- 4.7 LBHA has prepared a noise envelope based on a five year forecast of air traffic movements. This noise envelope covers the daytime period (07h00 to 23h00), the early morning period (06h30 to 07h00), and the late evening period (22h00 to 23h00) along with an associated noise contours. Future revisions to the air

traffic forecast and contours will take place at five yearly intervals. Notwithstanding this commitment, LBHA undertakes to remain within a noise envelope equivalent to fifty per cent of the currently adopted UDP contour area as show on **NAP3**. Whilst no absolute noise limit currently exists (the currently adopted UDP contour was simply an expression of the expected noise footprint and not a representation of the maximum permissible footprint), this latter noise envelope will in effect be the longer-term new maximum limit for the airport offering local residents a tangible assurance of future control over noise generated by airport activity.

- 4.8 Using industry standard methodologies, LBHA will produce noise contours based on actual aircraft movement activity and upon actual noise data recordings and will provide LBB with an annual Performance Monitoring Report (PMR) which will contain a description of the contouring methodology used, the inputs to the computations, the contours and the resulting areas.

Controls of Operating Hours

- 4.9 LBHA will clearly publish its opening hours (subject to Landlords consent) in aeronautical publications such that they are clearly understood by aircraft operators worldwide. Detailed restrictions, such as flying training times and no fly zones, will be set out in industry information circulars and other publications provided by the CAA, such as the Air Information Pilot (AIP).

- 4.10 LBHA opening hours will be:

- **Weekdays**

06:30 - 23:00 with a cap on movements each weekday (see below) in the first half hour and last hour of the day

- **Weekends and Public Holidays**

08:00 - 22:00

- 4.11 The following additional restrictions will apply to flights:

- **Monday to Friday**

- i A cap of 8 aircraft movements between 06:30 and 07:00 on any one day
- ii A cap of 8 aircraft movements between 22:00 and 23:00 on any one day

- **Saturday, Sunday and Public Holidays**

- i Circuit training will not be permitted before 09:00 or after 17:00 during British Summer Time

- 4.12 The Airport will continue to observe the Chapter 3 noise level requirement for aircraft as set out in the Operating Criteria.

Controls on Activity in the early morning

- 4.13 For new based and non-based aircraft operations in the period before 07:00 only those aircraft types that meet the ICAO Chapter 4 standard will be permitted.
- 4.14 LBHA will also use reasonable endeavours to ensure that these Chapter 4 aircraft operate within a maximum noise level set by the noise characteristics of the Learjet 35 or a comparable aircraft.

Residential Sound Insulation Scheme (RSIS)

- 4.15 LBHA will put in place a sound insulation scheme for certain residential properties in order to mitigate the effects of aircraft noise during the period 06:30 to 07:00 (the Early Morning Period). A financial contribution towards double-glazing of bedrooms within properties within an area affected by noise will be available where it can be demonstrated that there is an annual exceedance of a defined noise level. LBHA will maintain an annual budget of £15,000 for the RSIS. That will allow grants of up to £1,500 to be made to owners of residential properties for noise insulation works to mitigate effects of flying operations in the period 06:30 to 07:00. The details of the grants scheme will be in line with U.K. practice and agreed with LBB prior to implementation. Further information is provided in Appendix 3.
- 4.16 Following the first full year of NMTKS operation, LBHA will process all recorded noise data relating to the Early Morning Period and will accurately determine the geographical area that is regularly exposed to 90 dB(A) SEL contour during the early morning period. LBHA will determine the resulting area and adopt to determine properties meeting the eligibility threshold; after discussion with LBB on prioritisation RSIS implementation will proceed.

Control on Types of Aircraft Permitted to Use the Airport

- 4.17 Following adoption of the NAP, LBHA will limit use of the airport to those aircraft types that meet the ICAO Chapter 3 standard.
- 4.18 LBHA will continue to observe its Good Neighbour obligations as defined in the airport lease and will refuse access to aircraft demonstrated to be excessively noisy or to be in persistent breach of the procedures and protocols set out below.

Controls on Flying Training

- 4.19 The airport will work with operators of light training aircraft to incentivize the installation of exhaust noise suppression equipment, such as silencers and/or improved propellers in order to ensure that light aircraft using Biggin Hill Airport are operating as quietly as may be possible. Where possible and economically viable, operators will be encouraged to replace their aircraft with new technology aircraft types.
- 4.20 LBHA will not permit flying training circuits (the process of repeatedly taking-off and then landing for training purposes known as Circuit Training) before 09:00

hours and after 17:00 hours on Saturdays, Sundays and Bank Holidays during British Summer Time (BST).

Working with Existing Operators to Reduce Noise Levels

- 4.21 LBHA will formalise its established light aircraft "no fly zones". In future, these areas will be "policed" by the new NMTKS which will automatically record and sanction those pilots failing to observe the established protocols in order to better protect local settlements from aircraft noise. It must be acknowledged that many settlements and residences have been constructed under established airport flight paths and at peak times or when wider safety concerns require it, it may still be necessary for air traffic control to instruct light aircraft to adopt a route which takes them over some residential areas. However this will be minimised and will be within established aviation practices as today.
- 4.22 LBHA will continue its regular liaison with aircraft operators in order to promote adherence to existing and future operational procedures and to enforce compliance with those procedures via the NMTKS.
- 4.23 LBHA will continue to review the Standard Operating Procedures (SOPs) for all aircraft operations and where it believes that new SOPs would produce a significant benefit to residents without compromising safety in any way, the existing SOPs will be modified accordingly.

Introducing Global Positioning System (GPS) Based Runway Guidance System

- 4.24 The airport will work with NATS and the CAA to introduce improved GPS based aircraft guidance procedures for all arriving and departing aircraft, on both Runway 03 and 21.

Raising the Height of Arriving and Departing Aircraft

- 4.25 Wherever practicable and safe and subject to approval by NATS, LBHA will adopt appropriate operational procedures to raise the operating levels of jet or turbo-prop aircraft arriving at and departing from LBHA in order to secure any available reduction in noise on the ground surrounding the airport and under its flight paths. In order to ensure that the local community benefits from this initiative, LBHA will work with NATS and the Airport Consultative Committee (ACC), within the framework of the London Airspace Management Plan (LAMP) in order to deliver improved airspace arrangements for LBHA air traffic always with particular regard to raising the heights of arriving and departing aircraft whenever it is safe and practicable to do so.

Changing the "03-Instrument Approach"

- 4.26 LBHA will continue its ongoing investment in the installation of a new GPS based Instrument Approach Procedure (IAP) for Runway 03, together with the necessary changes to runway environment and approach lighting systems.

- 4.27 LBHA will work with NATS with a view to implementing the new IAP as soon as practicably possible. Implementation is currently forecast for late summer 2016. The new Runway 03 IAP will replace the existing visual 'circle to land' procedure that gives rise to varied aircraft ground tracks and extended low level circling operations by arriving aircraft when the northerly oriented runway (Runway 03) is in use.
- 4.28 The installation of a new Runway 03 IAP is expected to reduce the noise generated by aircraft arriving from the north east. The new Runway 03 arrival procedure will be the subject of a full Stakeholder Consultation expected to take place during the autumn of 2015. Full details of the proposed Runway 03 IAP and its associated flight paths, which have already been considered by focus groups formed of various stakeholders, will be provided at that time.

Supporting the Removal of the Biggin Hill VOR Beacon

- 4.29 LBHA lies beneath one of four holding patterns or 'stacks' used by aircraft seeking to land at London Heathrow Airport. National Air Traffic Services (NATS) operates a radio navigation beacon, known as a VOR (an air navigation radio aid) located centrally on the LBHA site. It is this beacon which provides the focal point of the 'hold' or stack. Aircraft enter this area as high as 17,000 feet but then descend, often to as low as 7,000 feet and sometimes lower before leaving the stack to begin an approach to land at London Heathrow Airport. Aircraft are held vertically above each other and as the lowest aircraft leaves the stack to land, so the other aircraft are each instructed to reduce their height sequentially. At any one time many large commercial passenger aircraft might be circling over the Borough of Bromley in the stack and thereby collectively contribute to the ambient noise in the area surrounding LBHA. It is important to note, however, that this noise is not in any way created by the LBHA or its operations, but rather by London Heathrow bound commercial air traffic. Noise associated with the Heathrow holding procedure is often wrongly attributed to aircraft using LBHA. The effect of the stack is particularly noticeable in the early morning period (typically between 05:00 and 07:00 daily). Once aircraft leave the stack they descend further and often overfly the Borough of Bromley a further time, routing east, before turning back to the west for a 'final approach' to London Heathrow Airport.
- 4.30 During the LAMP phase 1 consultation process NATS revealed plans to relocate the Biggin Hill holding stack to the coast. They propose to introduce continuous descent angle (CDA) approach procedures for all aircraft. The proposed changes are currently tabled for 2019, after which the Biggin Hill stack will cease operation. However, Heathrow air traffic may still cross the Biggin Hill area, both on arrival and departure, but it is anticipated that the peak and cumulative noise in the area, particularly early morning noise, will be reduced to some extent since CDA procedures require less engine thrust than level flight and are designed to provide benefit to those on the ground by keeping aircraft higher for longer thereby offering noise reduction benefits. LBHA will continue to work with NATs and other parties in order to secure the earliest possible removal of the holding stack at Biggin Hill.

Reporting

4.31 The airport will report ongoing progress of NAP actions to the Airport Consultative Committee (ACC), which meets quarterly, in the normal manner via the Noise and Safety Sub-Committee.

4.32 Following formal adoption of the NAP, LBHA, in association with LBB, will review the NAP every five years or whenever it is considered that a major event or material change has the potential to create wider noise implications for local residents. Such an event might, for example, be unforeseen changes to the air traffic forecast or a change in wider government airport related policy. In contrast to the manner in which the airport lease currently operates whereby no material changes in airport operating criteria have taken place for 20 years, regular reviews will allow the benefits of emerging technology to be evaluated and incorporated in the NAP if thought to be beneficial.

4.33 During each five year review the airport will assess performance with respect to the previously forecast noise envelope, based on the latest five year forecasts of air traffic movements along with an assessment of the effectiveness of the various measures within the NAP and by reference to the number of people and dwellings affected.

4.34 Each review will compare noise over the preceding 5 years against the forecast of that period and will use that experience to revise the air traffic forecast for the five year period immediately following that review. This process will identify the need for any changes in procedures which may help to further reduce noise disturbance. It will also monitor noise management practices at other comparable airports and investigate whether any innovations being employed elsewhere could usefully be applied at LBHA, thereby ensuring industry best practice is being employed at LBHA.

4.35 **On a quarterly basis LBHA will provide the Airport Consultative Committee (ACC) with:**

- A report on compliance with procedures given in the UK Aeronautical Information Publication (AIP) to minimize noise, i.e. EGKB AD 2.21 Noise Abatement Procedures (as revised from time to time).
- Report the number of departures and arrivals on each Runway
- Report the movements in the early morning and late evening periods
- Investigate, log, record and report on the output of the NMTKS and provide the ACC with copies of its responses to all noise complaints received from members of the public.

On an annual basis LBHA will:

- Issue a Performance Monitoring Report (PMR) on the actual summer contours which will contain a description of the contouring methodology used, the inputs to the computations, the contours and the resulting areas expressed in square kilometres. This report will go to the LBB and the Noise and Safety sub-committee of the Airport Consultative Committee. On a five yearly basis the report will also include forecast summer contours for five years ahead.

- 4.36 Where complaints are received from members of the public, community visits to investigate complaints may be conducted and the mobile NMTKS monitor may be used to record, authenticate and evaluate any such complaint.

Sanctions for Non-Compliance with Noise Abatement Measures

- 4.37 LBHA will introduce a system of fines and controls for aircraft that fail to comply with the published Noise Abatement Procedures (NAPrs) or which fail to adhere to the published Noise Preferential Routings (NPRs). The scheme of sanctions will be determined by LBHA and agreed by LBB following the installation of the NMTKS and will operate as follows:
- a preferential routes will be defined and Track Violation Limits (TVLs) set in the programming of the NMTKS;
 - b maximum Permissible Noise Levels (MPNLs) will also be set;
 - c the NMTKS will automatically identify and record details of any and all aircraft in breach of either a TVL and/or an MPNL;
 - d LBHA will issue an initial Notice of Violation (NOV) to any aircraft operator identified as having violated a TVL or MPNL, seeking an explanation for the violation within a set time period of 14 days;
 - e violation reports along with the relevant operator explanation and/or mitigation will be presented monthly to the airport Safety And Noise Abatement Review Board (SANARB) for consideration.
 - f As a result and if there exists no reasonable excuse for the reported violation(s), the SANARB may, at its sole discretion, elect to levy a fine on the flight crew or aircraft operator concerned. Should the flight crew or aircraft operator choose not to pay the requested fine, that flight crew or aircraft operator may be excluded from using Biggin Hill Airport until the fine is paid;
 - g where continuous breaches occur (i.e. more than three breaches), the SANARB may elect to permanently exclude that flight crew or aircraft operator from using LBHA in perpetuity;
 - h revenues received from fines will be used to fund the installation, implementation, upkeep and operation of the NMTKS and to operate the RSIS;
 - i sanctions will not apply where deviations or exceptions are caused by, or result from, issues of safety such as ATC traffic separation instructions, TCAS alerts, weather avoidance measures or other airborne emergencies.

Ground Noise

- 4.38 Ground noise at LBHA emanates from engine testing, mandatory pre-departure checks by aircraft, the use of Auxiliary Power Units (APUs) and aircraft taxiing on the aerodrome surface. LBHA has sought to minimise ground noise impact through the construction of noise bunds where seen to be appropriate and beneficial, the judicious siting of new hangars (ie Rizon and Terminal hangars) and other noise management and abatement measures.

- 4.39 Whilst ground noise is not normally considered as part of an airport NAP, LBHA will nevertheless draw up a Ground Noise Management Plan with the aim of minimising noise impact resulting from aircraft operations which may significantly affect noise sensitive residential locations. Such measures might, for instance, include the appropriate siting and construction of a facility for engine ground run testing, potentially incorporating a noise attenuating pen or earth bund.
- 4.40 LBHA has recently introduced a policy discouraging the use of aircraft reverse thrust on landing except where its use is required for safety reasons and this policy will be reinforced with aircraft operators.
- 4.41 LBHA will use reasonable endeavours to publish and adopt this Ground Noise Management Plan within 12 months of adoption of this NAP.

Restricting Noise Sensitive Development Close to the Airport

- 4.42 There is evidence that residential and other noise sensitive developments are being developed close to airports throughout Great Britain. This unnecessarily and avoidably exposes such development and its residential population to airport related noise and can give rise to future objections to airport operations. LBHA believes the best way to minimise noise exposure is to ensure that development does not take place at locations identified as being subject to current and predicted airport noise. LBHA will maintain its PSZ and its statutory role in airport safeguarding and will work with LBB to discourage residential and other noise sensitive development close to the airport boundaries or in areas likely to be affected by aircraft noise now or in the future. LBHA will work with LBB to ensure awareness of present and future aircraft operations in making land use allocations in the preparation and review of its local plan.

Appendix 1 Noise Action Plan Contours

- **NAP1** Current Summer Daytime noise contours compared to Currently Adopted UDP contour (07:00 - 23:00)
- **NAP2** Current Summer Early Morning noise contours (06:30 - 07:00)
- **NAP3** 2020 Forecast Summer Daytime noise contours compared to Currently Adopted UDP contour and New Maximum Limit (07:00 - 23:00)
- **NAP4** 2020 Forecast Summer Early Morning noise contours (06:30 - 07:00)
- **NAP5** 2020 Forecast Summer Late Evening noise contours (22:00 - 23:00)
- **NAP6** 90 dB(A) SEL footprints of Typical Arriving Business Jets from North
- **NAP7A/7B** 90 dB(A) SEL footprints of Typical Departing Business Jet to North and South

Appendix 2 Summary of Noise Action Plan Measures

Table B1: Action - Monitor and Manage

NO.	ACTION	TIMING
	MONITOR AND MANAGE	
1	Operate and maintain a noise and track-keeping system to (NMTK) monitor aircraft operations.	2015 - Ongoing
2	Produce noise contours, based on five year forecast of air traffic.	Ongoing
3	Undertake regular reviews of procedures to minimize noise disturbance with BHACC.	Ongoing
4	Undertake community noise surveys using NMTK.	2015 - On-going
5	Investigate, log and respond to all complaints relating to London Biggin Hill Airport, reporting details to BHACC on a quarterly basis.	Ongoing
6	Calibrate NMTK on an annual basis.	2015 - Ongoing
7	Monitor the track-keeping and maximum noise level compliance and takes actions as necessary.	2015 - Ongoing
8a	Implement a scheme to incentivize operators of light and training aircraft to install noise suppression equipment or to replace noisy aircraft.	2015 - Ongoing
8b	Implement a scheme to restrict circuit training to certain operating hours.	2015
9	Monitor the aircraft movements comprising details of movement numbers in each hour each day, and Runway use.	Ongoing
10a	Implement introduction of a Global Positioning System (GPS) based Runway guidance system.	2016 - Ongoing
10b	Implement altered 03 - Instrument approach procedures.	2017
10c	Work with NATS and others to secure the early removal of the VOR beacon at Biggin Hill.	2015 - Ongoing
11	Operate controls on requested aircraft operations to contain movements to those aircraft meeting the Biggin Hill noise limits.	Ongoing

NO.	ACTION	TIMING
	MONITOR AND MANAGE	
12	Limit airport operating hours to 06.30-23.00 on weekdays, and on Saturdays, Sundays and Public Holidays limit operating hours to 08.00-22.00.	Ongoing
13a	Operate the Airport to ensure that the resultant noise, expressed in the form of Summer Daytime noise contour area does not exceed that specified, namely 4.3 km ² at 57 dB L _{Aeq,16h} .	2015 - Ongoing
13b	Operate the Airport using reasonable endeavours to achieve actual noise contours for daytime, early morning, and late evening less than the 2020 forecast noise contours.	2015 - 2020
14a	From 1 January 2016 operate a ban on fixed wing aircraft which are not fully compliant with ICAO Chapter 3 or above noise certification numerical standards.	2016 - Ongoing
14b	Operate a ban on fixed wing aircraft that do not meet the ICAO Chapter 4 noise certification numerical standards between 06:30 and 07:00 (except for existing based aircraft)	2016 - Ongoing
14c	Operate the airport using reasonable endeavours to ensure that these Chapter 4 aircraft operate within a maximum noise level set by the noise characteristics of the Learjet 35 or a comparable aircraft	2016 - Ongoing
15	Manage compliance with the preferred noise routes and tolerance limits using the NMTK system.	2016 - Ongoing
16	Operate the Airport in accordance with the noise abatement procedures delineated in the UK AIP.	2015 - Ongoing
17	Discourage the use of aircraft reverse thrust except where its use is required for safety reasons	2015 - Ongoing
18	The airport will put in place a sound insulation scheme for residential properties (RSIS) relating to exposure to noise in the early morning	2016 - Ongoing
19	Provide information and services to the London Biggin Hill Airport Consultative Committee (BHACC).	2003 - Ongoing
20	Monitor and report progress against Noise Action Plan actions to BHACC, provide statistics in the Performance Monitoring Report.	2016 - Ongoing
21	Engage with local planning authorities to ensure awareness of aircraft operations is considered in land use development, for instance with LBB over future work on the local plan.	2015 - Ongoing

NO.	ACTION	TIMING
	MONITOR AND MANAGE	
22	Provide an information pack to local Estate Agents, and to those seeking information on local conditions prior to relocating to near the Airport or its departure and arrival tracks.	2016

Table B2: Action - Research and Reporting

NO.	RESEARCH AND REPORTING	TIMING
i	Carry out a review of arrival and departure routes, based on the results trial any new procedure with the aim of reducing further the over flight of residential areas.	2015 - Ongoing
ii	Use reasonable endeavours to promote and support airspace changes in order to benefit local residents through the creation of greater amount of controlled airspace.	2016
iii	Prepare and issue a quarterly complaints report.	Ongoing
iv	Prepare and issue Integrated Noise Monitoring (INM) report when contours are prepared.	Ongoing
v	Prepare and issue five yearly Performance Monitoring Report.	Ongoing
vi	Investigate the potential and benefit that might arise from introducing a departure noise preferential route track performance target, with penalties for recurrent failures to meet target.	2016
vii	Investigate the potential and benefit that might arise from introducing a Biggin Hill specific Code of Practice for Arriving Aircraft.	2017
viii	Investigate the potential and benefit that might arise from introducing a Biggin Hill specific Code of Practice for Departing Aircraft.	2017
ix	Dependant on the related work with NATS investigate the potential and benefit that might arise from introducing continuous descent arrival (CDA) and continuous climb departure (CCD) performance at London Biggin Hill.	2017
x	Work with operators, NATS, and other stakeholders to introduce new technologies which can reduce noise impact.	Ongoing
xi	Review communication material, and the Airports' website with respect to noise/noise management.	2017

Appendix 3 Residential Sound Insulation Scheme

The Scheme provides a grant for noise insulation works to residential buildings that meet the residential eligibility criteria. The residential eligibility criteria are as detailed below.

Airborne Aircraft Noise

Any habitable rooms which are used as bedrooms at dwellings where the airborne aircraft noise level in excess of 90 dB SEL occurs at an annual average frequency of once or greater during the night-time (23.00 to 07.00). This will be determined on an annual basis.

The Scheme will provide a grant of up to the value of £1,500.00 Index Linked per property, in order that noise insulation can be provided to bedrooms.

The Scheme Grant can only be used for works that will improve the internal noise climate within the residential property. The primary method of improving sound insulation is the installation of secondary glazing. Secondary glazing units provide an additional layer of glass inside the existing external windows. The style of secondary glazing units fitted will be dependent on the existing external window. The design will be such that both sides of the secondary glazing and the inside of the existing window can be cleaned from inside the habitable room.

The Grant may also be used to assist in installation of High-Specification Double Glazed replacement windows, with a glazing specification of 10/12/6.4 acoustic laminate or similar.

Where glazing works are undertaken it will be necessary to install sound attenuated ventilation units. These will provide background ventilation and would normally be fitted to external walls.

The works can also include installation of loft insulation.

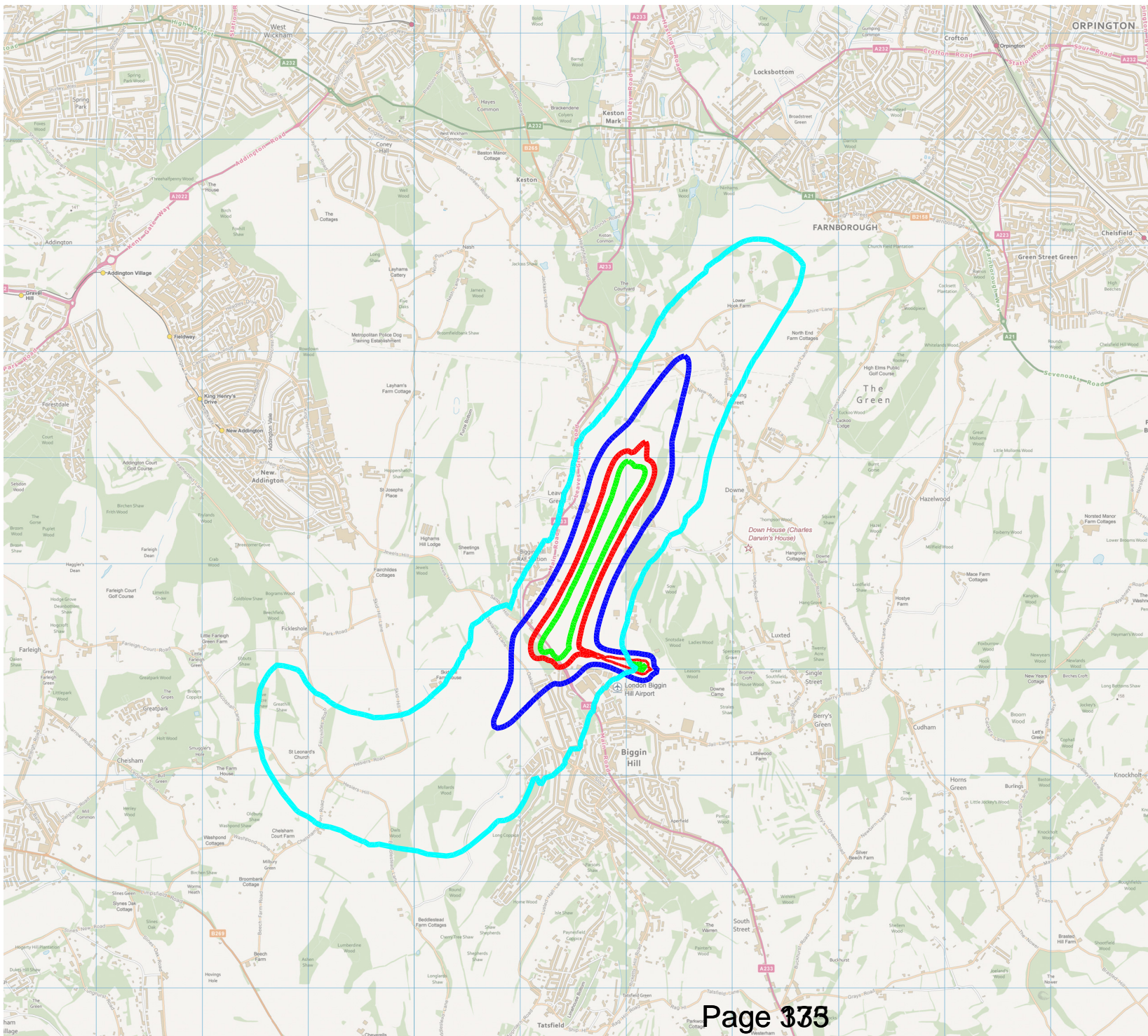
Where treated habitable rooms have an external door, the works can provide improved sound insulating external doors.

Excluded from this Scheme are residential properties built after the date of the grant of the lease variation.

Once properties have received a grant they will no longer be eligible.

The Scheme will be advertised on the Airport's website. The advertisement will describe the Scheme, and clarify that eligible property owners will be approached, and so application to the Airport will not be required.

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L_{Avg,16h} Noise Contours

- 57 dB Current
- 63 dB Current
- 69 dB Current
- 57 dB Currently Adopted UDP

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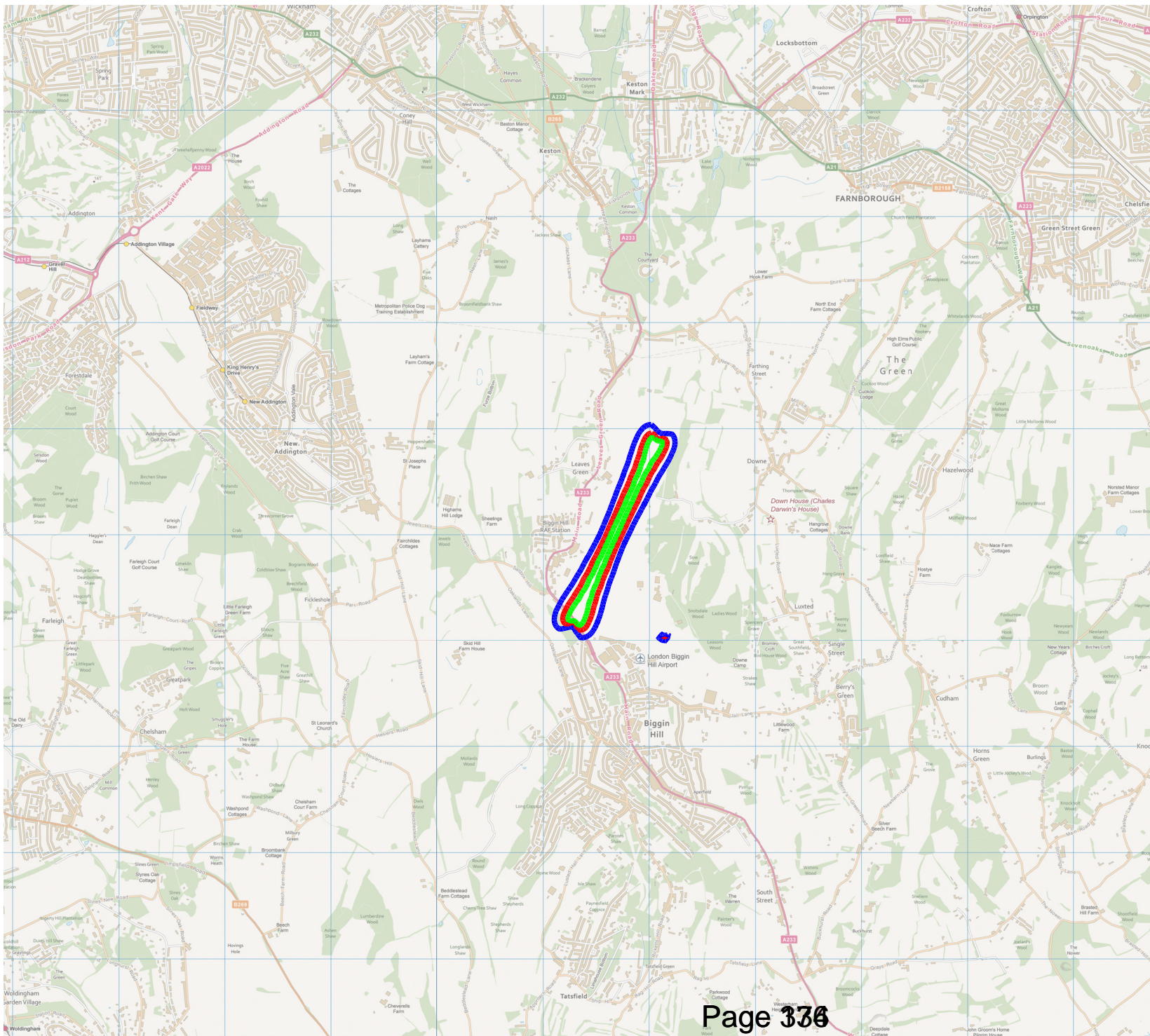
**Biggin Hill Airport
Noise Action Plan**

**Airborne Aircraft Noise Contours
Current Summer Daytime & Currently
Adopted UDP (07:00-23:00)**

DRAWN: DR CHECKED: DC

DATE: August 2015 SCALE: 1:50000@A4

FIGURE No:



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L_{Aeq,30m} Noise Contours

- 57 dB Current
- 63 dB Current
- 69 dB Current

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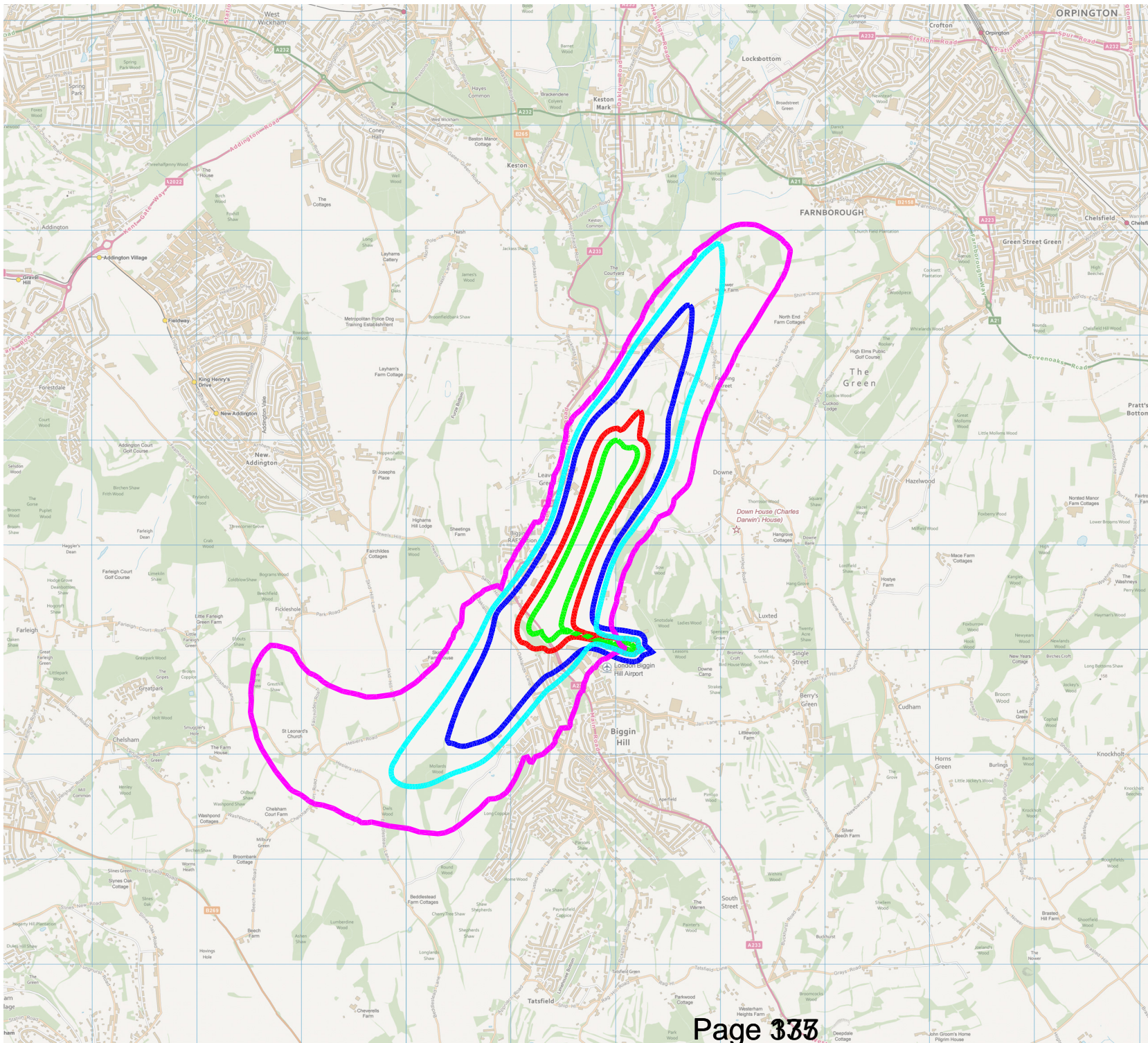
**Biggin Hill Airport
Noise Action Plan**

**Airborne Aircraft Noise Contours
Current Summer Early Morning
(06:30-07:00)**

DRAWN: DR CHECKED: DC

DATE: August 2015 SCALE: 1:50000@A4

FIGURE No:



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Leq,16h Noise Contours

- 57 dB Currently Adopted UDP
- 57 dB New Maximum Limit
- 57 dB 2020 Forecast
- 63 dB 2020 Forecast
- 69 dB 2020 Forecast

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T: 0207 625 4411
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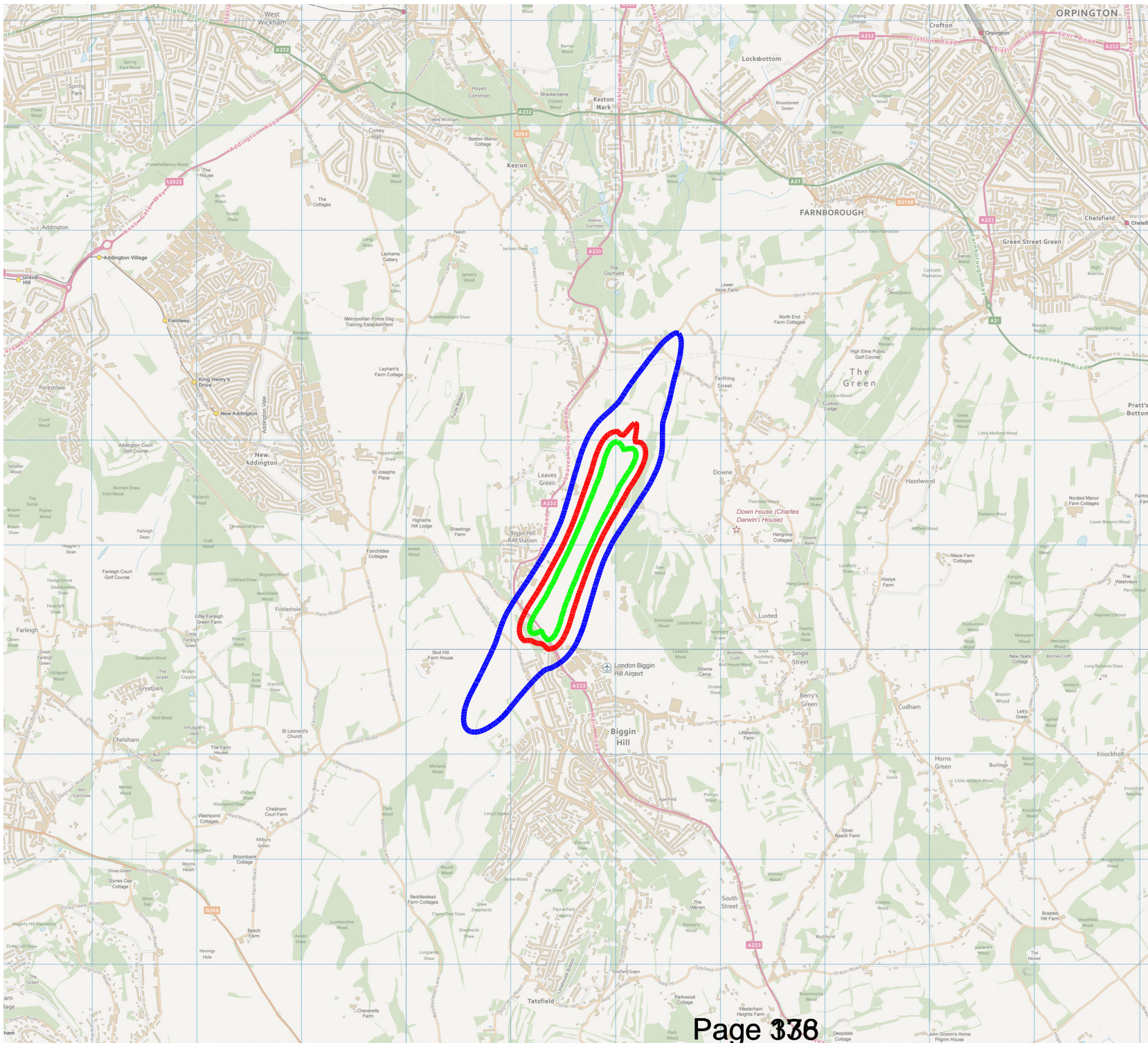
**Biggin Hill Airport
Planning For Change**

Airborne Aircraft Noise Contours
Comparison of 2020 Forecast Summer Day
Currently Adopted UDP and New Maximum

DRAWN: DR CHECKED: DC

DATE: August 2015 SCALE: 1:50000@A4

FIGURE No:



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LAeq,30m Noise Contours

- 57 dB 2020 Forecast
- 63 dB 2020 Forecast
- 69 dB 2020 Forecast

REVISIONS

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Technology

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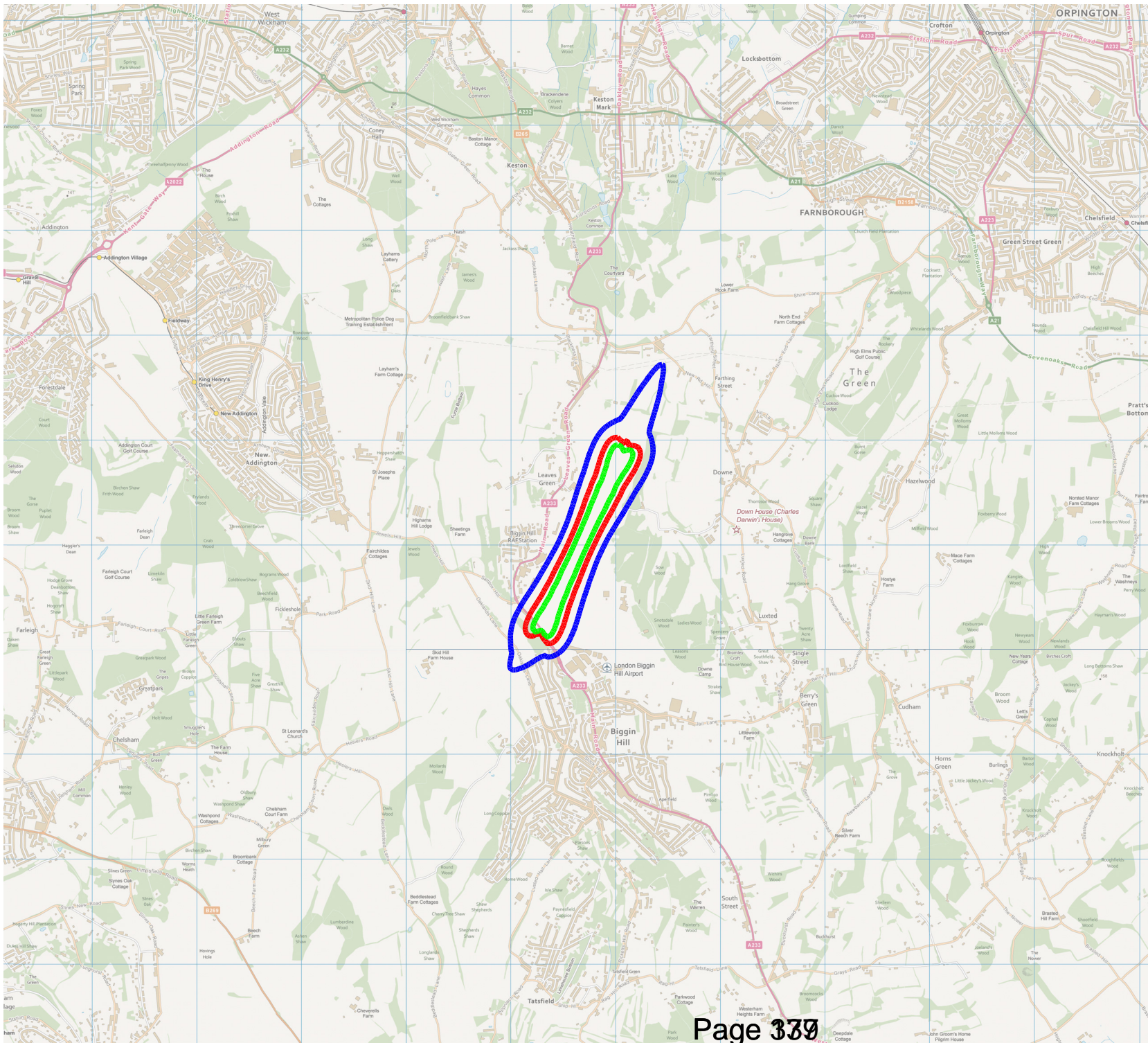
**Biggin Hill Airport
Planning For Change**

**Airborne Aircraft Noise Contours
2020 Forecast Summer
Early Morning (06:30-07:00)**

DRAWN: DR CHECKED: DC

DATE: August 2015 SCALE: 1:25000@A4

FIGURE No:



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L_{Aeq,1h} Noise Contours

- 57 dB 2020 Forecast
- 63 dB 2020 Forecast
- 69 dB 2020 Forecast

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**Biggin Hill Airport
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**Airborne Aircraft Noise Contours
2020 Forecast Summer
Late Evening (22:00-23:00)**

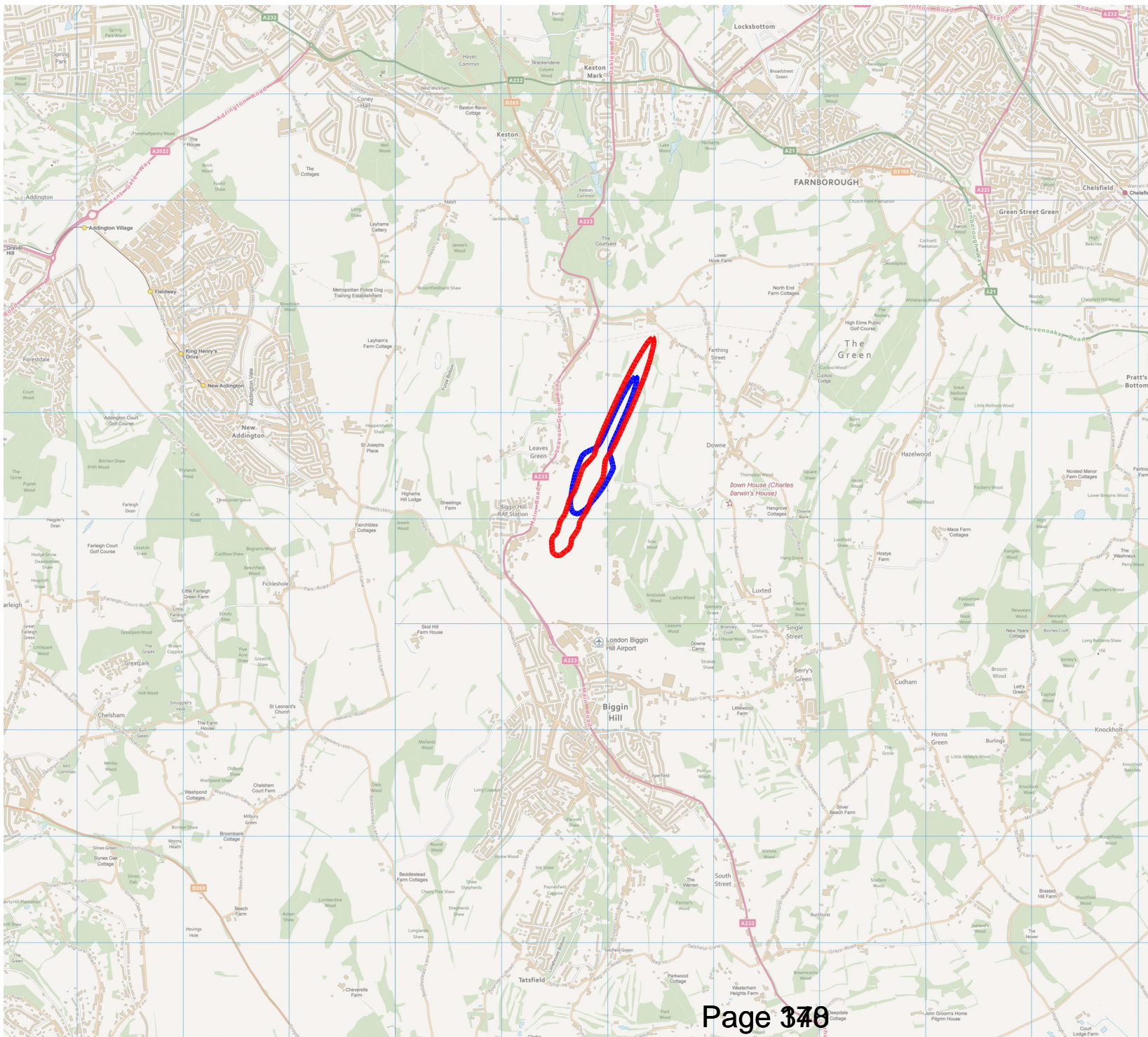
DRAWN: DR

CHECKED: DC

DATE: August 2015

SCALE: 1:25000@A4

FIGURE No:



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90 dB(A) SEL Footprints

- LEAR35 Arr R21
- CNA560XL Arr R21

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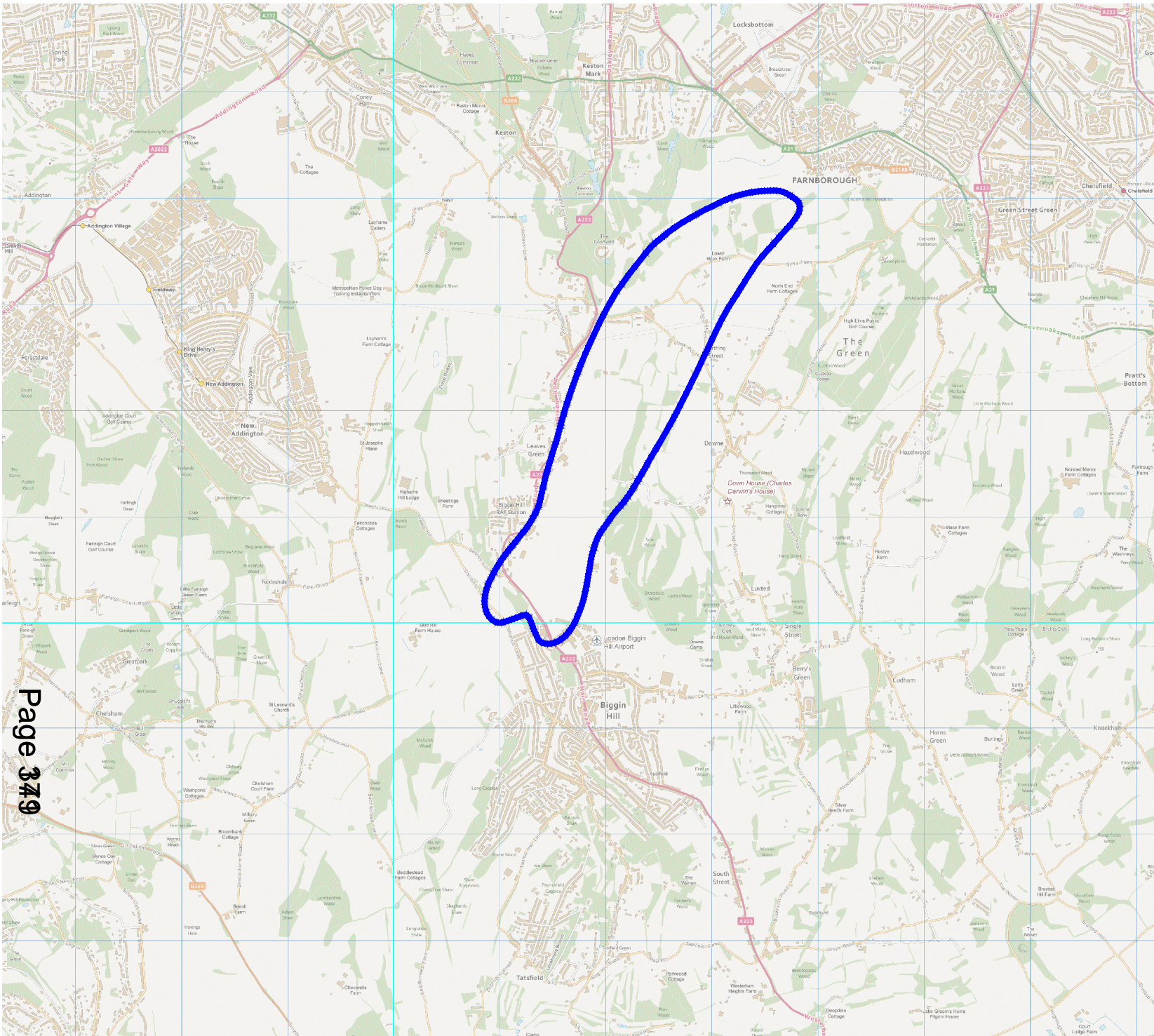
**Biggin Hill Airport
Noise Action Plan**

**90 dB(A) SEL Footprints
Typical Arriving Business Jets
from North**

DRAWN: DR CHECKED: DC

DATE: August 2015 SCALE: 1:50000@A4

FIGURE No:



Page 379

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90 dB(A) SEL Footprints

— LEAR35 Dep R03

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**Biggin Hill Airport
Noise Action Plan**

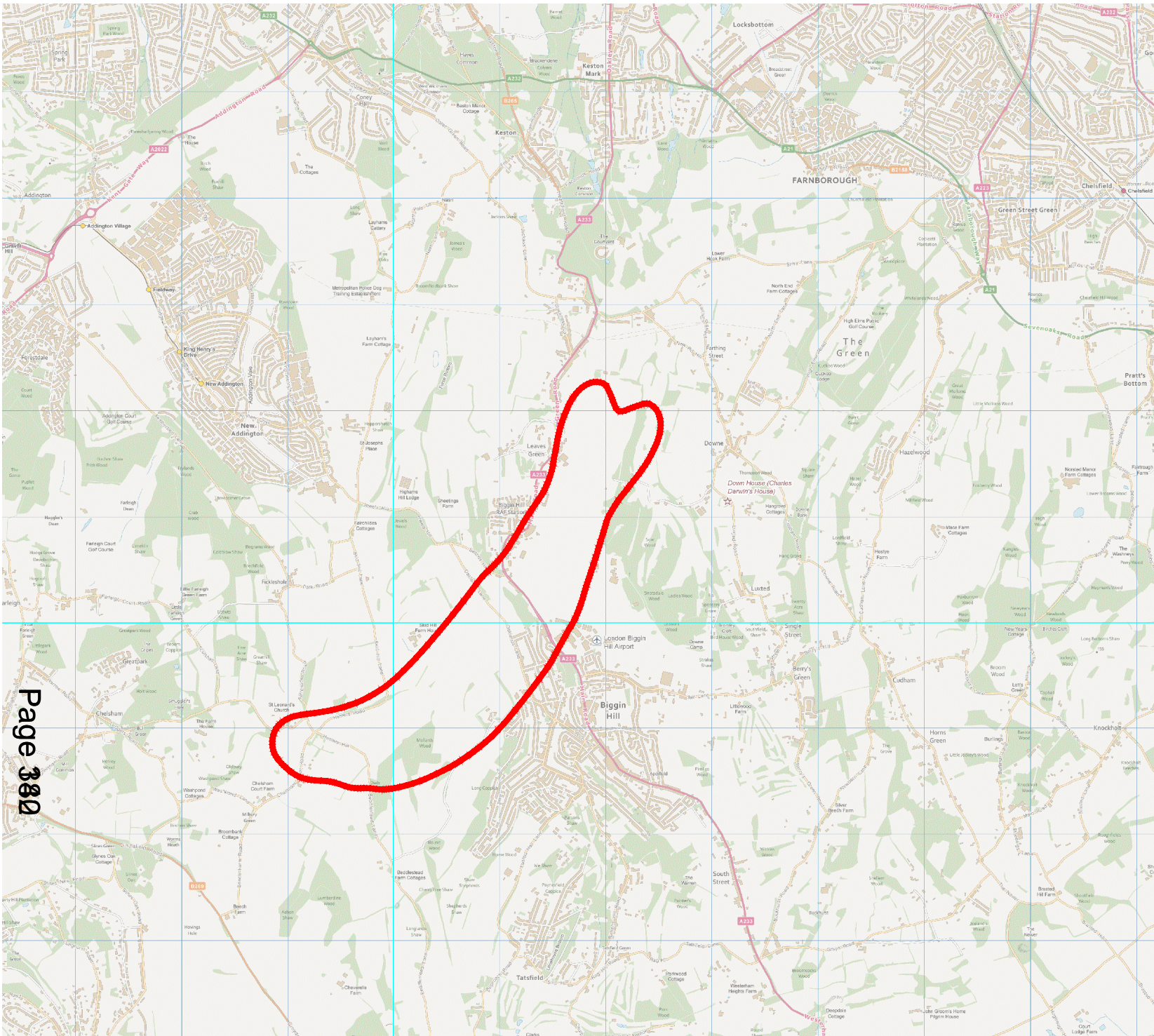
90 dB(A) SEL Footprints
 Typical Departing Business Jet
 to North

DRAWN: DR CHECKED: DC

DATE: August 2015 SCALE: 1:50000@A4

FIGURE No:

NAP7a



Page 380

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90 dB(A) SEL Footprints

— LEAR35 Dep R21

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**Biggin Hill Airport
Noise Action Plan**

90 dB(A) SEL Footprints
Typical Departing Business Jet
to South

DRAWN: DR

CHECKED: DC

DATE: August 2015

SCALE: 1:50000@A4

FIGURE No:

NAP7b



**LONDON
BIGGIN HILL
AIRPORT**

BUSINESS | TRAVEL | COMMUNITY

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Marc Hume
Director of Regeneration
London Borough of Bromley
Bromley Civic Centre
Stockwell Close
Bromley BR1 1UH

19th May 2016

Dear Marc,

Management Information Letter (MIL)

Whilst the London Biggin Hill Airport (LBHA) Noise Action Plan (NAP - Aug 2015 & enclosed) sets out what LBHA will do to mitigate and control noise emanating from airport operations, this MIL sets out how LBHA will implement the NAP.

Some actions will necessarily occur before the new airport operating hours are adopted and some will necessarily occur within an anticipated time frame set out in this MIL. Where items are fully complied with or completed this is duly noted.

The anticipated time frame for each action is highlighted in the right hand column along with any additional comments or limitations.

For the avoidance of doubt, whilst LBHA does not currently anticipate making any further applications for the Council's agreement to vary the opening hours in the foreseeable future (and almost certainly not before 2030), nothing in this letter or the NAP shall prejudice LBHA's ability to make further applications to vary the Operating Criteria in accordance with the lease.

Attached to this letter are Appendices

- 1. Biggin Hill Residential Sound Insulation Scheme (RSIS) referred to in para 6 of this letter.**
- 2. Light Aircraft Silencer Incentive Scheme.**
- 3. Biggin Hill Noise Sensitive areas – Code of Conduct for aircraft and helicopters.**
- 4. Constitution of the SANARB**

Cont/...



Items to be addressed:

Item	Time Frame & Comment
<p>1. Current (2014) Noise Levels LBHA to produce and agree with the Council a set of noise contours that reflect the baseline conditions.</p> <p>A detailed assessment of the actual aircraft operations in 2014 has been generated and appears as NAP1 in the NAP</p> <p><i>Further details are set out in the NAP at Section 2 and at Figure NAP1</i></p>	<p>Completed as per the NAP</p>
<p>2. Future 2030 Noise Levels LBHA to establish and agree with the Council the limits on noise within which the Airport must operate.</p> <p>The year 2020 has been accepted as an appropriate year for which aircraft operations can reasonably be forecast and this appears as NAP3.</p> <p><i>Further details are set out in the NAP paras 4.7 and 4.8</i></p>	<p>Completed as per the NAP</p>
<p>3. Operating Hours Agree to a slightly modified variation to operating hours as follows:</p> <p>Weekday (as requested): 06h30 to 23h00, Saturday (2.5 hours shorter than requested): 0800 to 22h00. Sundays and Bank Holidays (1 hour shorter than requested): 08h00 to 22h00.</p> <p>The hours requested by LBHA were not approved by the Executive and restrictions were applied beyond those recommended by the Council’s noise consultant.</p> <p>In practice LBHA resolved, for practical and operational reasons, not to utilise the period 2200 to 2300 hrs authorised on Saturdays so as to publish the same hours of operation on Saturdays, Sundays and Bank holidays. Dependent upon future market demand, LBHA may seek approval in the future to use the Saturday period from 2200 to 2300hrs.</p> <p><i>The details of the hours LBHA will operate are set out at NAP para 4.10</i></p>	<p>Completed as per the NAP</p>

<p>4. Noise Envelopes</p> <p>Operations at the Airport shall be controlled such that the 57dB L_{Aeq} contours submitted by Bickerdike Allen Partners (BAP) for the daytime, early morning and evening periods are treated as noise envelopes and the total areas they encompass shall not be exceeded.</p> <p>A forecast of the noise footprint in 2020 has been compared with 2014 for the period 0700-2300 and LBHA has undertaken to use reasonable endeavours not to exceed that, or to exceed the noise envelope between 0630 and 0700 and from 2200 to 2300.</p> <p><i>Further details are set out at NAP para 4.7 and the noise contours can be seen at NAP Appendices 3.4 and 5.</i></p>	<p>Completed as per the NAP</p>
<p>5. Early Morning Departures and Arrivals</p> <p>No aircraft departing the Airport between the hours of 06h30 and 07h00 shall generate higher noise levels or give rise to a larger 90dBA SEL footprint than those submitted by BAP for the relevant departure and arrival modes.</p> <p>LBHA will require aircraft using this period to hold an ICAO Chapter 4 noise certificate or to meet noise criteria equivalent to or better than ICAO Chapter 4 and to operate within a maximum noise level set by the noise characteristics of the Learjet 35 or a comparable aircraft. No aircraft type shall use the early morning period unless it either holds at least an ICAO Chapter 4 Noise Certificate or has been demonstrated by actual noise measurements taken during daytime operations to fall within the above noise limitations.</p> <p>All movements will be monitored by the Noise Monitoring and Track Keeping System which will measure actual noise in order to ensure compliance and to demonstrate that the noise footprints shown in NAP 6, 7a and 7b are not being exceeded.</p> <p><i>Further details are set out at NAP 4.11, 4.12, 4.13, 4.14 & Figures NAP7A/7B</i></p>	<p>Completed as per the NAP</p>

<p>6. Early Morning Departures and Arrivals</p> <p>A grant for sound insulation enhancement to bedroom windows shall be made to those residences at which a noise level in excess of 90 dB SEL occurs at an annual average frequency of once or greater during the early morning period of (06h30 to 07h00).</p> <p>In the event that the prescribed noise limit is exceeded on an annual average frequency of once per day, LBHA will advise the owners of any properties affected that subject to the terms and limitations of the Residential Sound Insulation Scheme (RSIS) (which is set at Appendix 1 to this document), provide a grant of up to £1,800 towards the cost of the installation of sound insulation to the bedrooms at those properties. Noise levels will be determined using data derived from the Noise Monitoring system. Details of the scheme and how to apply will be published on the LBHA website.</p> <p>As part of the annual Performance Monitoring Report (PMR), identified in para. 4.35 of the NAP, forecasts of noise contours for the coming year will be produced. If the forecasts indicate that 90 dB(A) SEL at an annual average frequency of once per day or greater is at risk of being exceed at any residence(s), occupants of those residences will be informed so that appropriate action under the RSIS scheme can be taken.</p> <p><i>The details of the Residential Sound Insulation Scheme are found at NAP 4.15 & 4.16 and appended to this document as Appendix 1.</i></p> <p><i>LBHA accepted the decision of the Executive that the level of grant should be increased from £1,500 to £1,800 per household and the annual cap from £15,000 to £18,000 and have drafted its RSIS accordingly.</i></p>	<p>Now in place</p>
<p>7. Limit on Annual Movements</p> <p>A cap of 50,000 annual movements to be applied.</p> <p>As advised by the Council’s noise consultant, Cole Jarman, the primary noise control mechanism is now secured through the introduction of the noise envelopes that apply to the daytime, early morning and evening periods. These noise footprints will be reviewed on a regular basis using data from the installed Noise and Track Keeping system. Notwithstanding, in the event that a level of 50,000 movements per annum appears likely to be breached in the first five years of the NAP, it will automatically be reviewed and the Council will have the right to suspend the extended hours pending the completion of that review if it is considered appropriate to do so.</p>	<p>A review mechanism is now in place.</p>

For further information the review mechanism can be seen at para 20 of this letter and in paras 3.4f, 4.32 – 4.34 of the NAP, together with Appendices NAP 3, 4 and 5.

8. Control on types of aircraft permitted to use the airport.

Noise limits to be agreed with LBB that reflect the maximum noise levels likely to be generated by the aircraft mix forecast to operate in the future. All aircraft will be monitored against these limits and appropriate sanctions employed in the event of the limits being exceeded.

All aircraft that use the airport must hold an ICAO Chapter 3 Noise Certificate or better (ICAO Chapter 4 or better during the early morning period). *

The actual noise of aircraft will be measured by the new Noise and Track Keeping system and will be incorporated into the noise footprints for the appropriate time of day. In the event of an aircraft exceeding the agreed levels steps will be taken to ensure it does not happen again, without good reason. The existing lease terms continue to apply, allowing for excessively noisy aircraft to be banned.

To ensure noise targets delineated in the agreed Noise Action Plan for aircraft noise are met, and that adequate reporting is in place to allow all to see that this is the case, the following programme will be adopted:

- (1) Receive LBB Approval for Lease Variation
- (2) During the following 3 month period (Quarter 1)
 - Collect and report movement statistics;
 - Order, and obtain and install specialist noise monitoring equipment.
- (3) During subsequent 3 month period (Quarter 2)
 - Collect and report movement statistics;
 - Collect and report noise monitor results;
 - Obtain sign off on new noise monitoring set up and adopt new hours as soon as possible after that.
- (4) For the first 6 month period of operation of new hours, Quarters 1 and 2, produce:
 - Noise contours for the 6 months following sign off of NMTKS set up and calibration. Contours will be based on noise monitor recorded output results;
 - Six month movement statistics;
 - If analysis indicates actual noise contours, and actual business aviation movements are less than 75% of the five year projections in the Noise Action Plan, continue by reporting movement statistics and noise monitor

Noise limits agreed and in the NAP and current lease
When the new hours are approved LBHA will ensure that the noise limits will be published in the UK AIP and pilots using the airport must comply.

results for Quarters 3 and 4.

(5) At the end of the second 6 month period, produce:

- “Annual” noise contours with validation based upon Quarters 2 to 4 noise monitor results;
- Annual movement statistics.

(6) If analysis still indicates actual noise contours, and actual business aviation movements are less than 75% of the five year projections in the Noise Action Plan, continue reporting on a quarterly basis movement statistics and noise monitor results. Produce on an annual basis actual contours based on the ever expanding database of noise monitoring results.

(7) If analysis indicates actual noise contours, and actual business aviation movements are at least 75% of the five year projections in the Noise Action Plan, then noise contours will be produced on a quarterly basis. Reporting on a quarterly basis of movement statistics and noise monitor results will continue unless noise contours in two consecutive quarters are shown to have fall below 75% of the forecast area (as might, for instance, be the case following a significant economic downturn leading to a dramatic decrease in air traffic movements).

** For further information the requirement to meet ICAO Chapter 3 and Chapter 4 noise limits will be published in the UK AIP and thereby promulgated to all operators worldwide via the AIRAC cycle which promulgates all air navigation and relevant airfield data to aircraft operators worldwide and ensures that all flight guides and flight planning materials include all relevant data. This international process crosses all ICAO contracting states and is in accordance with procedures adopted at airports worldwide in respect of aerodrome data and information.*

LBHA operates pursuant to “Prior Permission Required” (PPR) regulations such that aircraft operators must seek approval for a flight to or from LBHA. With the exception of emergency diversions, this allows LBHA to verify that the aircraft in question meets the aerodrome noise limitations before the flight in question commences.

Where LBHA has doubts regarding the noise certification of any aircraft it will request a copy of the Aircraft Noise Certificate in order to verify compliance prior to authorising the flight concerned. For the avoidance of doubt, LBHA will refuse consent for operation of any aircraft that cannot prove compliance with the relevant noise limits, except in the event of an in-flight emergency.

<p>9. Controls on Flying Training</p> <p>LBHA to agree with LBB details of the scheme that will incentivise operators of light and training aircraft to install noise suppression equipment or to replace noisy aircraft. They will also submit details of the new permitted operating hours for flying training flights on circuits.</p> <p>A 25% discount on landing fees is offered to light aircraft that fit exhaust silencers. Full details of the scheme is set out in Appendix 2 to this MIL and will also be published in the UK AIP and the Airport Fees and charges.</p> <p><i>For further information controls on Flying Training are set out in NAP 4.19 & 4.20</i></p> <p><i>The proposals prohibit circuit training (but for the avoidance of doubt, not any other flight training activities) before 0900 and after 1700 on Saturday, Sunday and Bank Holidays during British Summer Time.</i></p> <p><i>LBHA has undertaken to introduce and publish a policy designed to encourage operators of light single engine aircraft to install exhaust silencer equipment on their aircraft.</i></p> <p><i>The policy is set out in the attached document “Light Aircraft Silencer Incentive Scheme” which will be made available to all Biggin Hill based light aircraft owners by circulation. It will also be publicised at monthly airport users meetings and its existence noted in the LBHA schedule of fees and charges.</i></p> <p><i>The attached document sets out the steps that aircraft operators must follow in order to qualify for the 25% discount. It is expected that this scheme will appeal to flight training organisations, which by their volume of use, will derive the most benefit.</i></p>	<p>Completed and ready to be published in the AIP once Council approval granted</p>
<p>10. Working with existing operators to reduce noise</p> <p>LBHA to agree with LBB the proposed code of practice to minimise noise impacts from all operations and to formalise no fly zones.</p> <p>Aircraft arrival and departure routes are determined by the runway direction in use and are published in aeronautical journals, websites and other media. Adherence to the routes and heights will be monitored by the new Noise and Track Keeping system and variances will be investigated, together with reports from members of the public.</p> <p>There is an established Committee that reviews opportunities to improve safety and minimise noise – the Safety and Noise</p>	<p>This is an established management process already in place, that draws information from many sources and is considered monthly by the airport’s Tenants and Users meetings and quarterly by the Noise and Safety Subcommittee of the airport Consultative Committee.</p>

Abatement Review Board (SANARB), that is comprised of pilots, air traffic controllers and the airport. There is also a sub-committee of the Airport Consultative Committee, which is formed of the EHO from the Council, the Airport Noise consultant (currently Bickerdike Allen Partners), a former CAA employee, and is Chaired by a senior Councillor from Kent County Council. The group reviews all public comments on a quarterly basis, to ensure that complaints have been handled appropriately and, wherever possible, measures taken to avoid a repetition. Their report is discussed at the full Consultative Committee meeting and the minutes of those meetings published on the airport website.

Measures to minimise noise include the publication of Noise Sensitive Areas and a Code of Conduct for Light Aircraft and Helicopters and advisory notices to pilots to avoid these areas. (See Appendix 3 to this MIL).

For further information LBHA currently publishes Noise Preferential Routings (NPRs) for jet and turboprop aircraft using the airport and operating pursuant to Instrument Flight Rules (IFR). These routes are set out in the UK AIP which is required pre-flight reading for all flight crew and operators using Biggin Hill Airport. The routes are defined by Standard Departure Routs (SDRs) that are included in all IFR flight guides relating to LBHA. SDRs are followed by flight crew operating under IFR and are used by air traffic controllers to insert aircraft into the busy London Terminal Area – the regulated airspace above the South East of England used by traffic from all major London airports.

Light aircraft and helicopter operators do not normally follow jet aircraft routes and predominantly operate pursuant to Visual Flight Rules (VFR) on a “see and avoid” principle and are generally responsible for their own terrain separation and for their own separation from other traffic. Navigation in the 3 mile radius around the airport is under the direction of Biggin Hill Air Traffic Control but beyond that distance navigation is generally by reference to ground features although GPS is now widely used.

A policy of continual improvement will be applied with Standard Operating Procedures (SOPS) and NPRs being improved where evidence suggests that a change will be both safe and beneficial to the majority.

Regular liaison with airport users will take place via the monthly Tenants and Users meetings and via Managing Director’s Notices, Notices to Airmen (NOTAMS), ATC operational notices (OPNOTS) and other established means of internal and airfield wide communication.

<p>11. Introduction of a GPS based runway guidance system</p> <p>LBHA shall continue to update LBB on the progress of, and timescale for, implementation of the scheme to improve the accuracy with which aircraft can be tracked and routed into and out of the Airport.</p> <p>The new runway 03 instrument approach procedure (IAP) has passed through the stakeholder consultation stage and is now under formal consideration by the UK CAA. Subject to CAA timelines, it is expected that the new approach will be operational in the autumn of 2016. Once implemented, the new runway 03 instrument approach will reduce the number of aircraft using the 21 Instrument Landing System (ILS) approach by between 30% and 40%. Consequently, overflying of the Petts Wood, Farnborough and Crofton area will be a lower proportion of future BH flights than before. In future, traffic using the new runway 03 approach will not overfly the built up areas of the borough but will remain at higher level until southwest of LBHA before making a straight in approach for runway 03.</p> <p><i>For further information see NAP para 4.26 – 4.28 and more information regarding the proposals can be found at www.bigginhillairport.com/acp</i></p> <p><i>The runway 03 IAP is the subject of an Airspace Change Proposal (ACP) a formal process required by government to facilitate changes to airspace and airspace procedures in the UK</i></p> <p><i>System hardware requirements are confined to runway approach lighting as all other equipment is aircraft based or already installed at the airport (IE DME). All aircraft currently using Biggin Hill Airport carry the required aircraft equipment allowing them use of the new runway 03 GPS based IAP.</i></p> <p><i>It should be noted that the grant of approval to use the new runway 03 GPS IAP lies with the UK CAA. If the position regarding implementation changes materially then LBHA will write to LBB setting out the reasons for any delay in implementation and LBB will be expected to accept such explanation provided that the cause of any delay is outside the direct and reasonable control of LBHA.</i></p>	<p>Implementation Expected Autumn 2016 assuming CAA approval has been received by then</p>
<p>12. Changing the height of arriving and departing aircraft</p> <p>LBHA shall continue to update LBB on the progress of, and timescale for, implementation of the scheme to adopt operating procedures that raise the height of all aircraft arriving at and departing from the Airport.</p>	<p>With LAMP phase 2, changes are already taking place and will continue to occur as the CAA and NATS make changes to the</p>

<p>National Air Traffic Services is running a long term project to redesign all aircraft arrival and departure routes for London airports. The project is called the London Airspace Management Program (LAMP). Phase 1 of LAMP, which is now in the implementation phase, deals with new arrival routes and includes the removal of the existing holding stacks at Biggin Hill, Lambourne, Ockham and Bovingdon out to the coast. LBHA has taken part in the process of LAMP and is confident that LAMP will ultimately deliver a reduction in the noise from overflights for residents of Bromley.</p> <p><i>For further information - The London Airspace Management Program (LAMP) is a two stage government led process designed to provide air traffic with more expeditious and fuel efficient routings. LBHA is an active stakeholder but the ultimate decisions are made by NATS/CAA.</i></p> <p><i>The primary objective of this is to allow departing aircraft to climb to altitude sooner after departure than is presently the case and additionally to prevent the need for landing aircraft to fly a holding pattern at low level.. Departing aircraft are presently baulked in ability to climb by arriving aircraft that may be holding at four key points around the M25 preventing initial climb after departure. LAMP phase 1 moves these holds out to the coast whilst LAMP phase 2 redraws all the departure routes and in particular the vertical profiles. Biggin Hill Airport lies under one of four holding patterns that serve London Heathrow Airport, these being located on radio beacons at Biggin Hill, Ockham, Bovingdon and Lambourne. From 2019 these holds are to be relocated and it is expected that by 2025, LAMP phase 2 will be complete. LBHA expects that, as a result of these changes, Aircraft departing the airfield will be able to climb higher and more quickly, thereby further reducing noise.</i></p>	<p>London airspace over the course of the next few years</p>
<p>13. Changing the “03 instrument approach”</p> <p>LBHA to update LBB on the progress of, and timescale for, implementation of the scheme that confines aircraft to much more tightly defined routes at specified heights when arriving from the north and routing onto a runway 03 landing.</p> <p>The new runway 03 instrument approach procedure has now passed through the stakeholder consultation stage and is now under formal consideration by the UK CAA. Subject to CAA timelines, it is expected that the new approach will be operational in the autumn of 2016. Once implemented, the new runway 03 instrument approach will reduce the number of aircraft using the 21 approach by between 30% and 40%. Consequently, overflying of the Petts Wood, Farnborough and Crofton area will be a lower proportion of future BH flights than before. In future, traffic using the new runway 03 approach will not overfly the built up areas of the borough but</p>	<p>As explained in Item 11 above and approval and change expected from Autumn 2016</p>

<p>will remain at higher level until southwest of LBHA before making a straight in approach for runway 03.</p> <p><i>For further information see the Biggin Hill Airport website – www.bigginhillairport.com/acp where the new route is explained, together with a short film, illustrating the route and height.</i></p>	
<p>14. Controls on the new shoulder period</p> <p>LBHA to agree with LBB details of the measures that will be implemented to ensure that the numbers and type of aircraft operating during the early morning period between 06h30 and 07h00 and also during the late evening period between 21h00 and 23h00 on weekdays and 20h00 and 23h00 on weekends and bank holidays give rise to noise levels that do not breach the relevant limits.</p> <p>Under the agreed terms, there is a very tight maximum cap of only 8 flights that may operate in the periods 0630 to 0700 and likewise in the late evenings during the week from 2200 to 2300hrs. There is a maximum noise footprint for the early morning period 0630 to 0700 with an associated compensation scheme (RSIS) and also a 30 minute Laeq noise contour that applies for the early morning period. There is also a late evening contour for the period 2200-2300 on weekdays and early morning and late evening noise envelopes. All movements will be monitored by the Noise Monitoring and Track Keeping System (NMTKS) which will measure actual noise in order to ensure that the total noise measured remains within the agreed noise footprints. Should any breaches occur LBHA may elect to prohibit use of the airport by individual aircraft, or types. Contours will be published annually using data from the noise monitoring system.</p> <p><i>For further information controls on types of air traffic and movement numbers are set out at NAP 4.10, 4.11, 4.13, 4.14 & 4.17</i></p> <p><i>All limitations will be set out in full in the UK AIP (which automatically confers inclusion in all IFR and VFR flight guides) such that operators understand the noise abatement measures applicable to LBHA.</i></p> <p><i>If an aircraft that is known not to comply with published noise limits attempts to use the airport, Biggin Hill ATC will prohibit that aircraft landing unless an emergency situation exists</i></p>	<p>Alteration to the opening hours will be published, when the new NMTKS has been installed and calibrated.</p> <p>The NMTKS will monitor compliance and a system is in place (SANARB) to deal with breaches</p>

15. Sanctions for non-compliance with noise abatement procedures

LBHA to agree with LBB detailed procedures for the setting of appropriate noise limits for all aircraft, how they are to be monitored and reported and the form of sanction that will apply.

The existing Biggin Hill Airport Safety and Noise Abatement Review Board (SANARB) is constituted to assess noise and /or safety breaches as well as deviations from prescribed flight corridors. The SANARB is facilitated by LBHA but is formed by pilots from all disciplines (helicopters, flight training, business aviation) that regularly use the airport. It is a peer group with the expertise and knowledge required to assess a breach of procedures in an objective and knowledgeable manner. The SANARB is already well established and has already applied sanctions including barring one individual from using the airport.

If a complaint is received or the Noise Monitoring and Track Keeping System generates a Non-Compliance Notice (NCN) then the SANARB will decide whether or not a sanction is applicable. Sanctions will be collected and once collected will be distributed by a panel overseen by LBB.

For further information the protocol to be followed in the event of any non-compliance with procedures is set out at NAP 4.37 and in Appendix 4 to this letter.

The existence of the NMTKS and the potential for fines will be promulgated via the AIP in the case of the NMTKS and via LBHA terms and Conditions of Business in the case of fines

LBHA will not be liable to pay any sum to LBB until it has been collected by LBHA. If, having used all reasonable endeavours to recover such surcharge, it cannot be recovered, it may be necessary to wait for the next visit of an aircraft or operator in order to recover the amount due.

The SANARB will not apply a penalty where a flight crew has deviated from an SOP or NPR for reasons of safety such as following technical malfunction or to avoid other aircraft or bird activity. The crew concerned will need to provide evidence of such reasoning, but aviation best practice requires an open reporting culture and a just approach to such matters. Details of penalties applied will be presented to the Noise and Safety Sub-Committee (NSSC) of the Airport Consultative Committee during the long established NSSC meeting, held quarterly, to review all noise and safety reports and to make its report the ACC. Output of that meeting, including the penalties that have

Details Submitted and process agreed. The Airport already has a review mechanism (SANARB) to monitor non-compliance with regulations and community comments. A system of fines is in place, as at other airports

<p><i>been applied in each case will be published with the minutes of the ACC quarterly meeting in the normal course of business and as is the case today. Penalties applied by the SANARB will fall in line with the current penalties applied at other London Airports. Fines will not exceed the lesser of (a) a sum five times the landing fee or (b) the level of appropriate penalty from time to time applicable in respect of noise and track violation at other London airports (currently between £500 and £1,000) and applied in accordance with ICAO document 9082, Policies on Charges for Airports and Air Navigation Services.</i></p> <p><i>The approach taken by LBHA in relation to levying of penalties will be in line with that recommended by the regulatory authorities and industry best practice. LBB are to advise on their preferred approach for establishing a body, such as a Grants Panel, to oversee the distribution of the funds.</i></p>	
<p>16. Relocating the VOR beacon LBHA to report to LBB on the progress of, and timescale for, implementation of the scheme to relocate the Biggin Hill VOR.</p> <p>LBHA is informed by National Air traffic Services that the Biggin Hill VOR beacon will be decommissioned in 2019. It is expected that the holding stack that uses the beacon will be relocated to the coast at some point prior to decommissioning as part of LAMP Phase 1.</p> <p><i>Further information is set out in NAP 4.29 & 4.30</i></p>	<p>Complied with</p> <p>This beacon belongs to the CAA and is expected to be withdrawn in 2019 when the present system of ‘stack’ is replaced by continuous descent procedures into Heathrow and Gatwick</p>
<p>17. Noise Monitoring and Track Keeping System LBHA to take responsibility for installing and running a suitable noise monitoring system. The system shall be suitable for accurately recording the individual flyover noise levels associated to each aircraft operation and for deriving the long term average aircraft noise levels for the purpose of validating the noise contours.</p> <p>LBHA has chosen a Bruel and Kjaer ANOMS Noise Desk system for installation at Biggin Hill Airport. This is a state of the art system which is in use at many hundreds of airports worldwide and in the UK at all major airports including Heathrow, Gatwick, Luton, Stansted, City, Southend & Farnborough. The system analyses and records all aircraft movements and provides data on noise profile and adherence to prescribed noise preferential flight corridors. Non-compliance generates a report that is automatically routed for further action. Noise complaints are dealt with similarly. There will be public internet based portal that will allow interested parties to access the system, to monitor aircraft movements (including</p>	<p>Actions agreed.</p> <p>This new equipment will be installed once all Landlord/tenant matters have been signed off. There will be a period of installation and testing before the new hours come into effect</p>

those overflying but not actually using Biggin Hill Airport) and to register and then track a complaint if they believe that a particular aircraft has transgressed published procedures.

The system, which uses extremely accurate radar data from the London Air traffic Management system, will remove all subjectivity from the issues surrounding the airport and will ensure that airport operations are both transparent and well managed.

For further information see NAP paras 4.4 – 4.6

The chosen system monitors all flights using a combination of ATC radar data and information derived from two independent noise monitoring stations. A third mobile monitor will be provided to be used as required and at the discretion of LBHA in consultation with LBB.

Its operation will be in accordance with current best practice and as at other London Airports. The use of this system at other airports has demonstrably led to improved understanding of airport operations in the surrounding community and better airport community relations.

The NMTKS uses data from London Air Traffic Control Centre (LATCC) radar heads and is therefore using the same information used by LATCC to separate aircraft. It is very accurate in both horizontal and vertical calibration and the information derived from it has high integrity.

Installation and calibration of the NMTKS will be as per BRUEL & KJAER recommendations and installation and commissioning of the NMTKS will be completed before the new airport operating hours are adopted by LBHA.

The system will not be ordered until a lease variation has been agreed and executed by LBB. It is expected that delivery will take place 2 to 3 months after a lease variation is executed.

Once the system has been delivered and installed (using semi-permanent main monitor locations initially) there will follow a period of 3 months during which LBHA will work with LBB and if applicable, local landowners, to agree upon the permanent location of the two main monitors and then calibrate them to suitable noise thresholds.

A mobile monitor will be available for temporary location at strategic points, initially to assist in determining suitable locations of permanent monitors and afterwards to assist in resolving complaints and reassuring the community. The mobile monitor may be used strategically to gather additional noise data, for instance to assist in determining the best vertical

climb profiles and or operational practices. The mobile noise monitor may from time to time also be used to assist in optimising ground noise emissions.

Track limits will be based upon current NPRs and track limits will be set by reference to standard practice at other airports with similar aircraft operations. It is expected that the system supplier, B&K, will advise as to suitable track violation limits and other matters of best practice. Cole Jarman, on behalf of LBB, will review proposals and agree suitable limits.

Output from the system will be available to LBB officers on terms to be agreed and notice of any violation will be automatically and electronically forwarded to LBB officers in accordance with a communication protocol which will be agreed between LBHA and LBB.

The ANOMS system fully automates the handling of all aircraft related complaints and can therefore be expected to significantly reduce the LBB officer workload required to monitor compliance with covenants and limits when compared to the present regime.

For Members and Officers

In the event that they receive noise complaints, then they will be able to direct residents to the new ANOMS Noise Desk system and/or LBHA, as before.

For Members of the Public

The system will provide them with:-

- a. A portal so that they can see for themselves the aircraft reference, the height and track followed.*
- b. An automatic response system to confirm/deny that it was a breach.*
- c. Confirmation, if it were a breach, that it has been recorded and will be reviewed.*
- d. A follow through process that shows the action taken by the SANARB.*

In the event that other comments arise, these will be answered by LBHA via the Comments Line/website enquiries, as has worked very satisfactorily in the past and should not impact on Council Officers or their time.

Once the system has been installed, calibrated and trialled, LBHA will announce its implementation in the local press and other media. The LBHA website will contain a link to the B&K system, a link to the NAP and a general overview of the noise abatement initiatives in place.

Reports will be prepared by Bickerdike Allen Partners (or such other specialist noise consultant as LBHA may from time to time

<p><i>notify to LBB) and all contours and reports will be submitted to the LBHA ACC and published in the LBHA website.</i></p>	
<p>18. Airport charges</p> <p>Any variation of hours are conditional on LBB seeking an increase in the amount payable by BHAL to reflect the increased level of business activity at the airport, including an element to reflect the increased level of noise generated during unsocial hours and to take into account any public purse expenditure required as a result of the increased business at the airport. The ‘unsocial hours’ additional charges shall be consistent with those that are levied at other, comparable airports in order not to place an unreasonable burden on BHAL.</p> <p>No further action.</p>	
<p>19. Level of fines</p> <p>The level of fines to be based on a multiple of five times (rather than three times as is currently proposed) the standard landing fee applicable to the aircraft type concerned.</p> <p>LBHA has accepted the demand of the Landlord that the maximum level of fine shall be 5 times the appropriate landing fee for the aircraft in question. The terms are set in Appendix 4 to this MIL and the maximum fine per violation event is to be the lesser of either (a) 5 x the landing fee of the applicants aircraft, or (b) the level of appropriate penalty from time to time applicable in respect of noise and track violation at other London airports, (currently between £500 and £1,000), and applied in accordance with ICAO Document 9082 – Policies on Charges for Airports and Air Navigation Services.</p> <p>The existence of the NMTKS and associated fines applicable will be published in UK AIP with levels of fines applicable being promulgated in the LBHA Scheme of Charges and further noted in LBHA Terms and Conditions of Use.</p>	<p>Actions Agreed and Executive request incorporated.</p> <p>The airport SANARB will publish the fines for breaches of the noise procedure and consider each event. The findings of the SANARB will be reported to the Quarterly Consultative Committee</p>
<p>20. NAP Review</p> <p>No more than 50,000 movements per annum will be permitted without triggering a review of the Noise Action Plan and in these circumstances the Council reserve the right to suspend the extended hours if it considered it appropriate to do so.</p> <p>Future reviews of the Noise Action Plan will not permit an increase in noise above the new proposed 50% of UDP noise limits.</p> <p>Whilst the number of flights authorised in the 1994 Lease with</p>	<p>Actions agreed.</p> <p>A procedure for reviewing the NAP has been established, at 5 yearly intervals and opportunities to minimise the environmental impact of airport activities will be considered at each review</p>

<p>the airport has not been changed, LBHA does not anticipate that, following the adoption of the NAP, it will exceed the level of 50,000 flight movements for some time, and certainly not for the first five years. Therefore, the Council may suspend the extended hours if the number of movements exceeds 50,000 per annum during this period.</p> <p>Thereafter, when LBHA anticipates that the airport will become busier than 50,000 annual flights, it will review the NAP with LBB to see what further improvements can be made to the noise abatement measures (see section 7). The NAP will also be reviewed every five years.</p> <p>Pending completion of any such review, the previous agreed version of the NAP will remain in place and LBHA will not exceed the forecast noise contours in NAP3-5.</p> <p>LBHA has also undertaken not to exceed the maximum noise footprint shown in NAP3, and representing 50% of the former UDP contour.</p> <hr/> <p><i>Further information is set out at NAP para 3.4</i></p> <p><i>LBHA provides the Airport Consultative Committee (ACC) with a quarterly report on the number of aircraft movements in the preceding quarter. Where the annual calendar total is found to have exceeded 50,000 or LBHA believes that, despite it using all reasonable endeavours, it will be unable to contain movements below 50,000 per calendar year, LBHA will review the NAP in consultation with LBB.</i></p> <p><i>Prior to any NAP review, LBHA will prepare actual measured noise contours to be compared with predicted noise contours. Where the actual noise contour falls within the agreed forecast noise contour, no further action will be required. Where it appears that the measured noise contour has been exceeded or is likely to be exceeded measures to reduce noise will be considered.</i></p>	
<p>21. Helicopters</p> <p>The Airport will be required to use the most noise efficient routing for helicopters, which would include rising to 1,000 feet or another specified height in appropriate circumstances before leaving the boundary of the Airport.</p> <p>Helicopters normally follow light aircraft routes and the noise preferential routings allocated to light aircraft. Upon adoption of the NAP, a Code of Conduct (appended to this document)</p>	<p>Actions agreed.</p> <p>Helicopters are subject to the same noise regulations and operate under the same VFR/IFR rules as other aircraft using the airport</p>

<p>will be applied. It will be communicated to all operators based at LBHA and will be included in the UK AIP and other flight briefing material such that all operators of light aircraft and helicopters will take it into account whilst flight planning. Where safe to do so, ATC will allocate best routings dependent upon time of day and weather conditions. If conditions permit it and aircraft performance is not a critical factor, helicopters will be expected to climb to the highest practical altitude within the airport boundary before setting course. Where possible and without prejudice to safe operation and air traffic separation, helicopters will be expected to remain over open countryside whilst in transit to or from Biggin Hill Airport.</p> <p><i>For further information Helicopters may be operated pursuant to IFR or VFR. The vast majority of helicopters operate under VFR and are therefore treated as light aircraft and will follow light aircraft routes.</i></p> <p><i>Helicopters will therefore be subject to all the restrictions placed upon light aircraft operating under VFR as well as to the general noise limits imposed by the NAP on aircraft operations at the airport. Provided helicopters remain within prescribed noise limits and abide by the procedures applicable to their chosen flight rules (IFR/VFR) they should be permitted equal access to the airport and its facilities.</i></p> <p><i>A Code of Conduct for light aircraft operators is attached to this document and will apply to helicopter operators. It has been consulted on and accepted by Biggin Hill based helicopter operators and procedures will be promulgated and circulated to all light aircraft and helicopter operators on adoption of the NAP. It should be noted that such procedures have been in place for many years and will continue to be modified where safe and beneficial to do so on the principle of continuous improvement. In most cases, ATC will specify the departure route to be used having regard to weather conditions, time of day, the air traffic environment and other factors, but at all times ATC will endeavour to specify a route least likely to result in noise nuisance as is already the established procedure.</i></p>	
<p>22 Nap Challenge or Failure</p> <p>In the event of a successful challenge and if the Noise Action Plan falls for any reason, the airport to revert to the original hours (pre application).</p> <p>If the Council's decision to agree the extended hours is overturned at judicial review then LBHA accepts that the NAP will not be implemented and the operating hours will remain those in the lease, subject to any further applications made by LBHA or agreements given by the Council.</p>	

<p>23. Indemnities</p> <p>The airport provides appropriate indemnities to the Council against any additional cost/loss incurred as a consequence of this decision.</p> <p>On completion of an appropriate deed of agreement to vary the Operating Criteria in the lease, LBHA agrees to pay the Council's reasonable and proper costs incurred in relation to LBHA's application for the Council's agreement to extend the operating hours in accordance with clause 5.10 of the lease.</p>	
<p>24. Ground Running</p> <p>There shall be no ground running before 06.30 on weekdays or before 08.00 at weekends, which would be consistent with the current position in the Lease.</p> <p>The present condition in the Lease will remain in place, with only the actual hours changed, viz:</p> <p>"...Limit the operating hours of the Airport (including the ground running of aircraft) from between 0630 and 2300 hours on weekdays and 0800 and 2200 on Saturday, Sundays and Public Holidays..."</p>	<p>Already dealt with in the current lease</p>

Will Curtis
Managing Director

BH Monthly Lttrs 16/3/16

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Appendix 1 - Management Information Letter dated 2nd May 2016

Biggin Hill Airport Residential Sound Insulation Scheme (RSIS)

Residential properties affected by airport related noise will qualify for inclusion in the RSIS where the airborne noise level created by aircraft using LBHA is in excess of 90 dB SEL at an annualised daily average frequency of once or greater during the night-time period (2300 to 0700 local time).

Data collected from the NMTKS noise monitor positions will be compiled and processed annually in order to identify qualifying properties, if any. The scheme will be advertised on the LBHA website.

The Owner of a residential property that is found to qualify for a grant pursuant to the RSIS will be advised in writing by LBHA that it qualifies for a grant and may apply to LBHA for payment of a grant.

Owners of property may qualify for a grant on the following basis:

1. A grant of up to £1,800 (one thousand eight hundred pounds) per residence may be made available to the owner of a property qualifying under this RSIS (subject to the annual limits set out in 4 below). The grant is provided to contribute to the cost of the installation of improvements designed to reduce internal noise as set out in paragraph 5 below.
2. Any grant will not apply to newly constructed properties in respect of which planning permission was first granted after the 1st June 2016, nor will it apply to any new extensions to existing properties in respect of which planning permission was first granted after 1st June 2016.
3. A grant can only be used to assist in the installation of High Specification Double Glazed replacement windows and acoustic ventilation. The primary method of improving sound insulation is the installation of secondary glazing to bedroom windows. Works may also include the installation of loft sound insulation or sound insulation to external doors. LBHA will, from time to time, publish a list of approved sound insulation suppliers. Property owners wishing to apply for grant will need to obtain a scope of works and a quotation from one of the approved suppliers and submit this with their initial application.
4. Properties that have received a grant will not be eligible for future grants.
5. Grants will be entirely funded by LBHA.

6. LBHA will make available a maximum of £18,000 (eighteen thousand pounds) per calendar year which will be distributed to qualifying parties on a “first come first served” basis with valid applications being processed in the order in which they are received.
7. In the event that the demand exceeds the funds made available in any calendar year, LBHA shall submit all requests for a grant to the LBB Environmental Officer who will decide the order of priority of applicants. Those applicants who have qualified for a grant but are awaiting a grant that cannot be funded in the year of qualification due to annual funding limits will be considered before new applicants in any subsequent year.
8. The above sums will be index linked to RPI from 1st January 2017 and will be increased annually on the 1st of January each calendar year in line with RPI.

APPENDIX 2 TO MIL

Biggin Hill Airport

Light Aircraft Exhaust Silencer Incentive Scheme (LASIS)

Light aircraft owners normally based at LBHA may opt to install one of a number of EASA Certified systems designed to muffle exhaust output noise and thereby reduce noise nuisance. The scheme is available to all light aircraft operators, but due to the inherent cost of such systems, it is likely that this scheme (the LASIS) will be taken up most readily by the most frequent users, such as flying schools. However, this is of benefit because the LASIS provides an incentive to the most frequent fliers thereby maximising the benefits of the proposal. The scheme will be published by Managing Director's Notice to all light aircraft owners and operators based at Biggin Hill Airport and will be included in LBHA's published fees and charges. Because the scheme does not apply to aircraft not based at London Biggin Hill Airport it will not be included in the UK AIP or other flight briefing materials.

Pursuant to the LASIS, LBHA will offer a 25% discount on published landing fees to owners and operators of light single engine aircraft who elect to fit an EASA or FAA approved exhaust silencer system that can be demonstrated to reduce aircraft noise output by 5dB or more.

The following terms will apply:

1. In order to qualify, the Maximum Authorised Take-Off Mass (MATOM) of the aircraft shall be 2,300kgs or less.
2. Before purchase or installation of any proposed noise reduction system, the owner or operator of the aircraft for which a discount is sought should make a technical presentation to LBHA setting out the noise reduction benefits (as measured during system certification) and showing that the expected noise reduction is likely to be 5dB or more. If LBHA believes that the proposed system meets the terms of the LASIS, LBHA will then confirm in writing its acceptance of the proposed STC (Supplementary Type Certificate) as meeting the requirements of the LASIS.
3. The exhaust system concerned must remain installed on the aircraft concerned and must remain in a fully serviceable condition.
4. The agreed discount may be withdrawn at the sole discretion of LBHA if it has reasonable grounds to believe that the agreed STC system is no longer installed on the aircraft concerned or is not performing as per manufacturer specifications (for instance due to insufficient maintenance).
5. The discount will apply only once proof (provided to LBHA by way of aircraft maintenance records and visual inspection) that the agreed STC has been installed on the aircraft concerned and a copy of the STC and OEM data sheet has been lodged with LBHA. Once installation has been verified, LBHA will issue a certificate of compliance for discount in respect of the aircraft concerned.

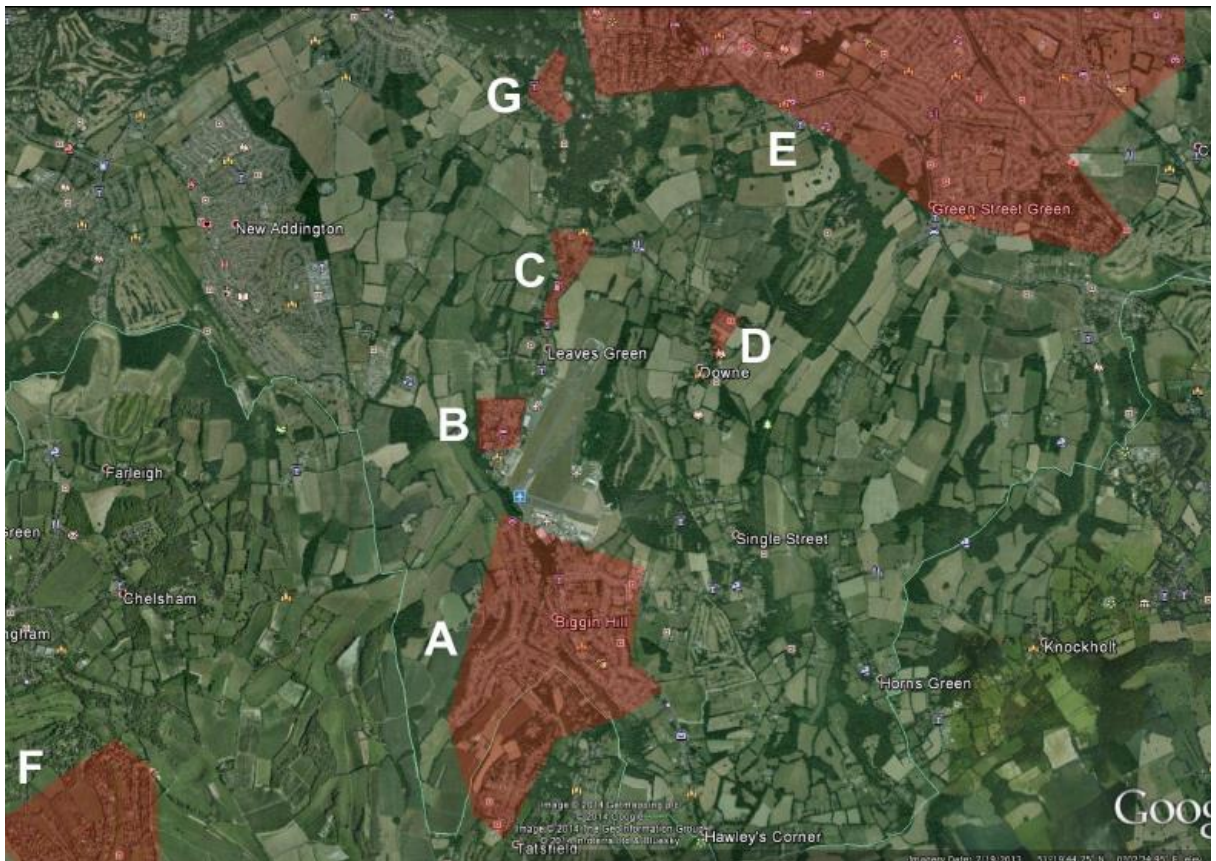
BH Monthly Lttrs/10/3/16

APPENDIX 3 TO MIL

Biggin Hill Airport Noise Sensitive Areas

Code of Conduct to be followed by

Aircraft and Helicopter commanders operating under Visual Flight Rules VFR



Key:

- A Biggin Hill and Tatsfield
- B Leavesden Estate
- C Leaves Green
- D Downe Village
- E Orpington, Farnborough, Crofton Locksbottom
- F Warlingham and Woldingham
- G Keston Village

- In general all built up areas should be avoided by aircraft where safety considerations permit. Noise sensitive areas should not be overflown below 2,000 ft unless pursuant to an ATC restriction or instruction.
- Aircraft commanders should operate their aircraft at all times in order to minimise noise on the ground to the greatest extent possible.
- Non-essential flight should be avoided in the early morning period 0630 – 0700 and aircraft commanders are encouraged to consider a departure in this period only where no alternative course of action exists. In any event, prior permission will be required for all aircraft operations at Biggin Hill and special noise provisions will apply during this period.
- Low flight (below 2,000ft AMSL) should be avoided where possible.
- Propeller pitch/rpm should be reduced as soon as possible after take-off and increased again only once required for safe flight.
- Operations should be conducted so as to avoid unnecessary or gratuitous noise nuisance.
- Areas marked in red above should be overflown only when required pursuant to a direct ATC instruction (IE extend downwind, report before turning base)
- Where safe and weather conditions permit, helicopters transiting in and out of the airport should use the highest practical altitude and should organise their flight profile so as to minimise noise on the ground and make use of the highest safe altitude when transiting to or from Biggin Hill Airport area. If possible, helicopters should rise to 1,000 ft before crossing the airport boundary.
- Aircraft commanders should carefully consider the likely impact of their flight operations on those on the ground, having regard to the time of day and the prevailing weather conditions at the time of flight.

Noise sensitive areas are based on past experience of noise complaints based on the assumption that those experiencing disturbance are most likely to complain.

Please note that for reasons of safety for their aircraft and passengers on board, the aircraft commander retains the ultimate decision about the performance of the flight.

BH Monthly Ltrrs/10/3/16

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Appendix 4 to MIL

Safety and Noise Review Board

Terms of Reference and Scope of Competence

1. General

The London Biggin Hill Airport (“LBHA”) Safety and Noise Review Board (the “SANARB”) will look at every BHAL Centrik Safety Management System report along with each noise complaint received and/or Track Violation and Noise Violation recorded by the Noise Monitoring and Track Keeping System that involves an aircraft using London Biggin Hill Airport. The SANARB will assess the causes of the reported occurrence and will decide upon a remedy using the LBHA Just Culture flow chart (see Appendix A of this document).

Acting through officers of LBHA

, the SANARB will have powers to recommend suitable sanctions to be applied:

2. Primary Purpose

The primary purposes of the SANARB are to:

- i) maintain a high standard of airmanship and consideration for neighbours on the part of operators using LBHA;
- ii) ensure that all aircraft operators using LBHA act in a manner consistent with good relations with the local community by correctly and fully complying with published noise abatement procedures;
- iii) ensure that aircraft operators follow best practice at all times including all published airport security and Health and Safety measures as may be from time to time notified by LBHA;
- iv) ensure that all safety reports are fully investigated and that findings are disseminated via LBHA Safety Newsletter in order to prevent recurrences.
- v) ensure that all aircraft operators based at London Biggin Hill Airport have the perception that failure to act in a reasonable, airman-like and considerate manner when operating from Biggin Hill Airport will result in some kind of follow up action by SANARB/LBHA.

3. Membership of SANARB

The membership of SANARB will consist of three employees of LBHAL including the Accountable Manager, the Safety Officer and a representative from LBHAL Air Traffic Control (“LBHAL Officers”) along with a minimum of four Biggin Hill based independent pilots who shall not be employees or agents of LBHAL, (“Independent Members”).

4. Frequency of Meetings

The SANARB will meet monthly on dates to be notified.

5. Quorum

A minimum of two LBHAL Officers and four Independent Members must be present for a meeting to take place.

6. Chair of Meetings

Meetings will be chaired by the LBHAL Accountable Manager or in his absence the LBHAL Safety Manager

7. Minutes to be taken

LBHAL will appoint (at its own cost) a secretary to the SANARB who will take minutes of meetings and will circulate the minutes to all LBHAL Officers and all Independent Pilots (whether or not present at the meeting concerned) within 7 days of the date of the meeting.

8. Duties of SANARB

The SANARB will:

- i) review all noise complaints received by LBHAL;
- ii) review all SMS reports involving an aircraft or airside occurrence;
- iii) identify the cause(s) by investigation;
- iv) using the Just Culture flow chart at Appendix A of this document classify the occurrence;
- v) make recommendations to LBHAL regarding action that may apply using the guide at Appendix B of this document.

9. Powers to Sanction

The SANARB has no power to collect sanctions against offending aircraft operators as, in its sole discretion, it may find appropriate. If the SANARB allocates LBHAL Officers will require those operators subject to a sanction and who wish to continue to use Biggin Hill Airport to be bound by the decisions of the SANARB. Those failing to comply with any requirement made by SANARB may be excluded from using London Biggin Hill Airport until the requirements of the SANARB have been met in full.

A list of possible sanctions can be found at Appendix B to this document.

10. Requirement to Attend

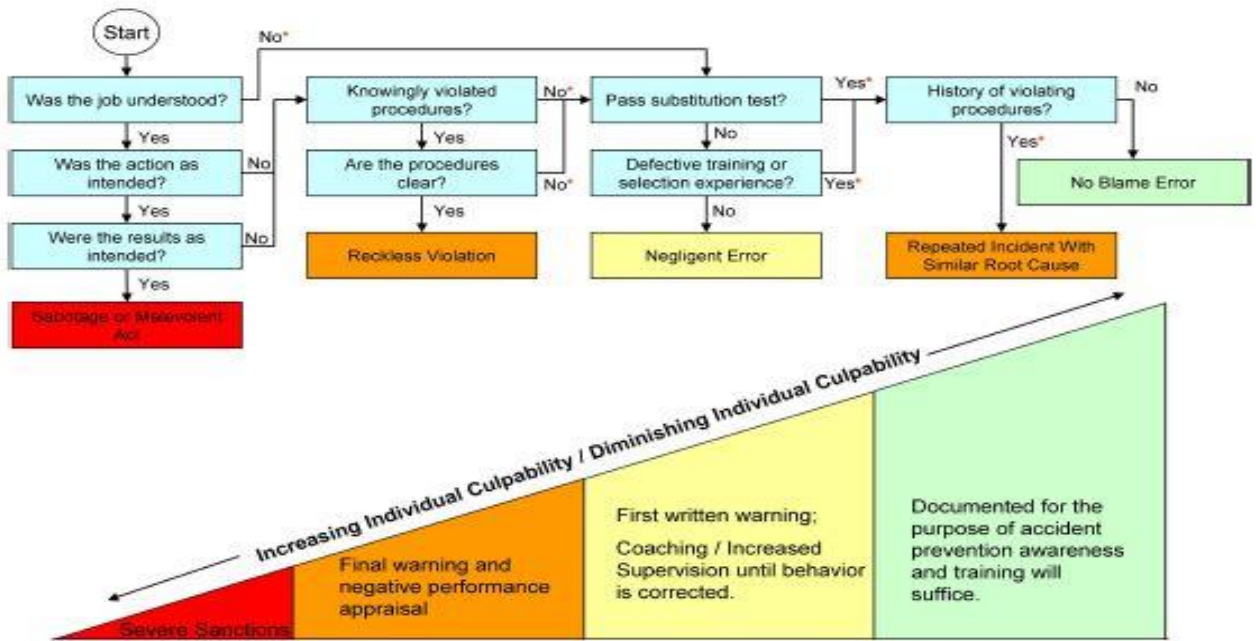
In some extreme cases, the SANARB may request an offending aircraft operator to attend a meeting of SANARB to explain their conduct or to agree remedial action. An aircraft operator who fails to attend without reasonable excuse may be excluded from using London Biggin Hill Airport until the situation has been remedied.

11. Right of Appeal

The decision of the SANARB will be final and LBHAL will recognise no right of appeal against the decision of the SANARB except in manifest error of fact.

Appendix A

Just Culture Flow Chart



* Indicates a 'System' induced error. Manager/supervisor must evaluate what part of the system failed and what corrective and preventative action is required. Corrective and preventative action shall be documented for management review.

Appendix B

Sanctions available to SANARB

- a) A warning, written or verbal, following an error by an aircraft operator, which should include a clear recommendation as to how to avoid such error in the future;
- b) An order requiring an aircraft operator to take a specific action such as to undergo additional or remedial flight training before using London Biggin Hill Airport again and/or within a specified time frame;
- c) In circumstances where an operator negligently or wilfully commits or repeats an error or offence, the SANARB may apply a fine of up to either £500 or 5 times the normal landing fee for the aircraft type concerned, whichever is the lesser.
- d) In the case of a Noise Violation or a Track Violation a maximum fine not to exceed the lesser of up to £500 or 5 times the normal landing fee for the aircraft type concerned.
- e) The SANARB, acting in its sole discretion, will decide upon the level of fine applicable having regard to all the circumstances and any mitigating circumstances.
- f) In very serious cases where the SANARB, acting in its sole discretion, believes that an aircraft operator represents a clear and present danger to safety or to other airport users or to persons on the ground, either by reason of its actions or by its failure to comply with any previous requests of SANARB/LBHAL, the SANARB may issue a request to LBHAL to exclude that aircraft operator from using London Biggin Hill Airport for a specified period or in perpetuity. In such cases consideration should also be given to making a report to the UK CAA regarding the actions of the aircraft operator concerned.
- g) Where an aircraft operator refuses to pay any fine levied, the SANARB/LBHAL may elect to exclude that aircraft or aircraft operator from using the airport.
- h) LBHAL will use reasonable endeavours to collect all fines levied from aircraft operators and owners but for the avoidance of doubt it is the aircraft operator and not the airport operator against whom the fines are levied.

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DATED

2016

**THE MAYOR AND BURGESSES OF
THE LONDON BOROUGH OF BROMLEY**

AND

BIGGIN HILL AIRPORT LIMITED

DRAFT

**DEED OF VARIATION
OF OPERATING CRITERIA**

Relating to a lease of
Biggin Hill Airport
Main Road
Biggin Hill

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

Ref: L2/
(draft dated 06/05/2016)

**THIS DEED made the
BETWEEN**

2016

- 1 THE MAYOR AND BURGESSES OF THE LONDON BOROUGH OF BROMLEY of Civic Centre Stockwell Close Bromley BR1 3UH (“the Landlord”) and
- 2 BIGGIN HILL AIRPORT LIMITED (Company Registration No 2891822) whose registered office is at 5th Floor 6 St Andrew Street London EC4A 4AE (“the Tenant”)

Background

- (A) This deed is supplemental and collateral to the Lease
- (B) Clause 2.11 of the Lease provides that the Operating Criteria may be varied from time to time as agreed by the Landlord (such agreement not to be unreasonably withheld)
- (C) The Tenant has applied for the Landlord's agreement pursuant to the Lease to vary the Operating Criteria
- (D) The Landlord and the Tenant have agreed to vary the Operating Criteria on the terms set out in this deed to include new operating hours and the NAP
- (E) The Landlord is entitled to the immediate reversion to the Lease
- (F) The residue of the term granted by the Lease is vested in the Tenant
- (G) The Tenant has provided and the Landlord has agreed the MIL setting out how the Tenant will implement the NAP

Agreed Terms

1 Definitions and Interpretation

In this deed the following words have the meanings given:

- 1.1 **Lease** means a lease of the Property dated 6 May 1994 and made between the Landlord (1) and the Tenant (2)
- 1.2 **Property** means Biggin Hill Airport Main Road Biggin Hill as demised by the Lease
- 1.3 **Conditions** means the conditions set out in the Schedule
- 1.4 **Effective Date** means the date on which the Landlord's Director of Transformation and Regeneration agrees (or, if the Landlord has no current Director of Transformation and Regeneration, or if he or she becomes incapable of acting, then the nearest equivalent official undertaking a similar role and responsibilities for the Landlord from time to time which shall forthwith be notified by the Landlord to the Tenant) that the Tenant has reasonably implemented the Conditions (such agreement not to be unreasonably withheld or delayed)
- 1.5 **Schedule** means a schedule to this deed unless otherwise stated
- 1.6 **NAP** means the agreed Noise Action Plan included in the Appendix to

this Deed

- 1.7 **Operating Criteria** means those matters set out in the Third Schedule to the Lease
- 1.8 **MIL** means the management information letter dated 8 April 2016 provided by the Tenant and agreed by the Landlord which is included in the Appendix to this Deed setting out how the Tenant will implement the NAP
- 1.9 Any headings used in this deed shall not be taken into account in its construction or interpretation
- 1.10 References to the **Landlord** include a reference to the person entitled for the time being to the immediate reversion to the Lease. References to the **Tenant** include a reference to its respective successors in title and assigns
- 1.11 A reference to the Lease includes any deed licence consent approval or other instrument supplemental to it
- 1.12 A reference to a statute or statutory provision is a reference to it as amended extended or re-enacted from time to time and shall include all subordinate legislation made from time to time under that statutory or statutory provision
- 1.13 A person includes a natural person corporate body or unincorporated body (whether or not having a separate legal personality)
- 1.14 Except to the extent that they are inconsistent with the definitions and interpretations in this clause 1 the definitions and interpretation in clauses 1 and 2 of the Lease shall apply to this Deed

2 Variation

- 2.1 The Landlord and the Tenant agree and declare that the Operating Criteria shall be varied with effect from the Effective Date by:
 - 2.1.1 deleting that part of paragraph (c) of the Third Schedule to the Lease from the opening words "Limit the operating hours ..." up to and including at the end of sub-paragraph (i) ".... on weekdays only" and replacing it with the following:

"(c) Limit the operating hours of the Airport (including the ground-running of aircraft) to between 06.30 to 23.00 on weekdays and 08.00 to 22.00 on Saturdays Sundays and Public Holidays Provided That:-

- (i)
 - (1) On weekdays there shall be
 - (A) a maximum of 8 movements between 06.30 and 07.00; and
 - (B) a maximum of 8 movements between 22.00 and 23.00;

- (2) On Saturdays, Sundays and Public Holidays there shall be no circuit training permitted before 09.00 or after 17.00 during British Summer Time

2.1.2 adding a new sub-paragraph (k) as follows:

"(k) comply with the London Biggin Hill Airport Noise Action Plan dated 28 August 2015 a copy of which is appended to this lease (including, for the avoidance of doubt, any revisions to the NAP pursuant to its terms)"; and

2.1.3 appending a copy of the NAP to the Lease.

2.2 In the event of a successful legal challenge to the Landlord's decision to grant the variation contained in this Deed then this Deed shall forthwith become void and Schedule Three of the Lease shall revert to its original wording prior to the implementation of this Deed. For the avoidance of doubt, the NAP (and all of the Tenant's obligations therein) shall then cease to apply.

2.3 If the Effective Date has not occurred by 12 months after the date of this Deed (unless a request for agreement under clause 1.4 of this Deed has been made but not decided or such agreement has been unreasonably withheld or delayed) then this Deed shall forthwith become void and shall not take effect.

2.4 The parties agree and declare that except for this present variation of the Operating Criteria the Lease shall continue in full force and effect

2.5 The Landlord and the Tenant agree to be bound by the terms of the MIL for so long as the NAP forms part of the Operating Criteria

3 Costs

3.1 The Tenant shall pay the costs of the Council due pursuant to clause 5.10.1 of the Lease Provided That if the costs have not been agreed within 3 months of the date of this Deed either party may refer the matter to arbitration in accordance with the provisions of clause 3.13 of the Lease to determine the amount of such costs

3.2 The Tenant shall in addition reimburse the Landlord the additional costs properly and reasonably incurred by the Landlord in monitoring the Tenant's compliance with paragraph 1 of the Conditions prior to the Effective Date.

4 Registration of Variation against Tenant's Title

The Tenant agrees to apply to the Registrar for entry of notice of the agreement in clause 2 against Title Number SGL[]

5 Third Party Rights

Unless expressly stated nothing in this Deed will create rights pursuant to the Contracts (Rights of Third Parties) Act 1999 in favour of anyone other than the parties hereto

SCHEDULE THE CONDITIONS

1. Acquiring installing and bringing into operation of a continuous Noise Monitoring Track Keeping System (NMTK), in accordance with paragraph 4.4 of the NAP.
2. Formalising the Tenant's established "no fly zones", in accordance with paragraph 4.21 of the NAP.
3. Introducing a system of fines and controls for aircraft that fail to comply with the published Noise Abatement Procedures (NAPrs) or which fail to adhere to the published Noise Preferential Routings (NPRs), in accordance with paragraph 4.37 of the NAP.
4. Drawing up a Ground Noise Management Plan, in accordance with paragraph 4.39 of the NAP.

EXECUTED as a deed by affixing)
THE COMMON SEAL OF THE)
MAYOR AND BURGESSES)
OF THE LONDON BOROUGH)
OF BROMLEY hereunto in the)
presence of:-)

Mayor/Councillor

Director of Corporate
Services/Senior Solicitor

EXECUTED AS A DEED BY)
BIGGIN HILL AIRPORT)
LIMITED acting by:)

APPENDIX

1. NOISE ACTION PLAN (NAP)

2. MANAGEMENT INFORMATION LETTER (MIL)

Report No.
ES16032

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **Executive**

For Pre-Decision Scrutiny by the Environment PDS Committee on

Date: **7th June 2016**

Decision Type: Non-Urgent Executive Non-Key

Title: **FLOODING AND WATER MANAGEMENT ACT**

Contact Officer: Garry Warner, Head of Highways
Tel: 020 8313 4929 E-mail: garry.warner@bromley.gov.uk

Chief Officer: Nigel Davies, Executive Director of Environment & Community Services

Ward: All

1. Reason for report

1.1 Updates Members on the Council's role as the Lead Local Flood Authority.

1.2 Seeks agreement from the Executive to release dedicated Central Contingency funding to ensure the Council meets its statutory duties as the Lead Local Flood Authority.

2. **RECOMMENDATIONS**

That the Executive:

2.1 **Agrees to release a sum of £213k from the 2016/17 Central Contingency budget to implement the proposals detailed in this report, and include a sum of £213k in future budgets.**

2.2 **Agrees to release the DEFRA grant of £69,482 to meet the costs of providing technical advice on surface water drainage proposals through planning process as well as the maintenance and improvements of surface water drainage assets.**

2.3 **Approves the LLFA future works programme.**

Corporate Policy

1. Policy Status: Existing Policy
 2. BBB Priority: Quality Environment
-

Financial

1. Cost of proposal: £282.482k
 2. Ongoing costs: Recurring Cost
 3. Budget head/performance centre: Central Contingency
 4. Total current budget for this head: £213k and £69.482k
 5. Source of funding: Grants included in Central Contingency
-

Staff

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

Legal

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

Customer Impact

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

Ward Councillor Views

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

3. COMMENTARY

Background

- 3.1 The Flooding and Water Management Act (FWMA) 2010 requires the London Borough of Bromley, as the Lead Local Flood Authority (LLFA), to develop, maintain, apply and monitor a strategy for local flood risk management in its area.
- 3.2 The LLFA has a duty to identify the causes of surface water flooding, including groundwater, and determine those organisations or authorities that have a role in mitigating the flood risk. Having identified those parties provide a forum where such parties can be brought together to produce a considered and coordinated response.
- 3.3 This report reviews the Council's progress in the role of LLFA, and considers its responsibilities and activities for the coming year.

Progress

- 3.4 During the last year good progress has been made on implementing the FWMA. In the 12 months since the last report, the following has been undertaken: -
 - Ongoing catchment based cooperation with the Environment Agency, and neighbouring boroughs,
 - Multiple highway drainage schemes by infiltration that augment local sw drainage systems,
 - Partnership working with the Chislehurst Commons Conservators,
 - Undertaken Ordinary Watercourse condition surveys and improvements,
 - Proactively engaged with developers to promote sustainable drainage,
 - Published the Local Flood Risk Strategy and associated Action Plan.

South East London Flood Risk Partnership

- 3.5 As a LLFA LB Bromley has been part of the South East London Flood Risk Group (SELFRG), working in partnership with the boroughs of Bexley, Lewisham and Greenwich. The SELFRG provides a forum at which officers and elected Members from each authority come together to exchange information, share experiences and identify opportunities for partnership working. Representatives from the Environment Agency and Thames Water Utilities regularly attend quarterly meetings, together with any other authority or organisation that has an interest in flood risk within its catchment area. The Partnership has met regularly throughout the year.

Future Responsibilities and Work Streams

- 3.6 Complete the review and update LBB Strategic Flood Risk Assessment - £20k
- 3.7 Ongoing Surface water flooding improvement initiatives, including surveys to establish condition of Ordinary Watercourses - £120k
- 3.8 Review of impounded water bodies - The FWMA introduced new standards for the management of reservoirs, and the Council is required to assess the risk associated with failure of the reservoir structure. There are 18 sites within the borough that may require regular statutory inspections under the FWMA, half of which are within Council-owned land - £20k

- 3.9 Working with the Environment Agency to investigate and improve main rivers, which are a vital part of surface water drainage across the borough's catchments – match funding - £48k.
- 3.10 During the last three years local residents have been encouraged to retro-fit sustainable rainwater drainage to existing residential properties, through the installation of subsidised water butts. This initiative will be continued - £5k.
- 3.11 In 2015 DEFRA awarded one-off grants to all Lead Local Flood Authorities to help support their role as statutory consultees for the planning application process. It is proposed that the grant received by LBB of £69,482 is used to fund technical advice on surface water drainage proposals through planning applications during 2016/17, particularly providing advice on surface water drainage proposals in major development, with any residual funding being used to supplement the maintenance and improvements of surface water drainage assets.

4. POLICY IMPLICATIONS

4.1 The draft Environment Portfolio Plan 2016/17 includes the following Aim and Objectives:

Aim	To improve the boroughs resilience to the risk of flooding
In 2016/17 we will:	
4.1.1: Increase flood risk awareness and develop resilience through our Lead Local Flood Authority role	
4.1.2: Continue to ensure surface water drainage is properly considered in the development process and that suitable plans exist to maintain sustainable drainage assets into the future	
4.1.3: Deliver the Action Plan set out in the Local Flood Risk Strategy	

4.2 In order for the Council to fulfil its statutory requirements under the FWMA, the Director of Environment and Community Services has been given delegated responsibility for co-ordinating the tasks with other Council departments. It is proposed that this arrangement continues.

5. FINANCIAL IMPLICATIONS

- 5.1 In previous years the Council has received funding through a combination of the Settlement Funding Assessment (SFA) as well a support grant from DEFRA to carry out its new responsibilities under the FWMA.
- 5.2 As an LLFA, Bromley has been allocated at total of £213k for local flood risk management during 2016/17, which has also been built into the grant settlement for the next four years.
- 5.3 This sum has been set aside in the Council's 2016/17 Central Contingency budget. It is proposed that £213k is now drawn down from this Contingency on a permanent basis to fund on-going maintenance and improvements of surface water drainage assets as set out in the table below.
- 5.4 It should be noted that within four years the Council's SFA will reduce by 52.2% and therefore the £213k budget will be reduced by at least £111k by 2019/20.

- 5.5 An additional one-off DEFRA grant of £69,482, which is not ring-fenced, has also been awarded to help support the role of Lead Local Flood Authorities as statutory consultees for the planning application process. Approval is also sought to release this sum from the Central Contingency.
- 5.6 The proposed budget for implementing the requirements of the FWMA is shown below for the next two years:

Activity	2016/17 £'000	2017/18 £'000
Review and update LBB Strategic Flood Risk Assessment - (carried over from last year)	20	0
Maintenance & improvement of surface water drainage assets, including surveys to SW drainage assets	120	160
Impounded water body review - (carried over from last year)	20	0
Contribution to Environment Agency Flood catchment initiatives/internal surface water flood risk management works & other internal surface water/flood management projects	48	48
Contribution to retro-fitted SUDS to existing residential properties (water butts)	5	5
Provision of advice for surface water drainage proposals in major developments	69	69
	282	282

6. LEGAL IMPLICATIONS

- 6.1 The London Borough of Bromley has a statutory duty under the Flooding and Water Management Act 2010, as the Lead Local Flood Authority, to develop, maintain, apply and monitor a strategy for local flood risk management within the borough.

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

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Report No.
ES16035

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Executive

For Pre-decision scrutiny by:
Environment PDS Committee on 7th June 2016 and
Executive and Resources PDS Committee on 8th June 2016

Date: 15th June 2016

Decision Type: Non-Urgent Executive Non-Key

Title: CHISLEHURST RECREATION GROUND – PAVILION LEASE

Contact Officer: Dan Jones, Assistant Director for Street Scene and Greenspace
Tel: 020 8313 4211 E-mail: dan.jones@bromley.gov.uk

Paul Cahalan, Strategic Property
Tel: 020 8313 4308 E-mail: paul.cahalan@bromley.gov.uk

Chief Officer: Nigel Davies, Executive Director of Environment & Community Services
Marc Hume, Director of Regeneration & Transformation

Ward: Chislehurst

1. Reason for report

This report seeks consent to grant a 25 year lease to FC Elmstead of part of Chislehurst Recreation Ground. The report also asks Members to agree on the approach for accepting a grant from the Football Foundation to enable the construction of a new pavilion building at this location, as well as agreeing to accept the conditions associated with this grant.

2. **RECOMMENDATION(S)**

2.1 **The Executive is asked to agree to Option 2 in this report and approve:**

2.1.1 **The granting of a 25 year lease to FC Elmstead for part of Chislehurst Recreation Ground, on terms to be agreed by Strategic Property;**

2.1.2 **The acceptance of a grant from the Football Foundation to be solely awarded to FC Elmstead to assist in funding the construction of the new pavilion at this location.**

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

Corporate Policy

1. Policy Status: Existing Policy.
 2. BBB Priority: Quality Environment.
-

Financial

1. Cost of proposal: No Cost
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: N/A
 4. Total current budget for this head: N/A
 5. Source of funding: N/A
-

Staff

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

Legal

1. Legal Requirement: Non-Statutory - Government Guidance. Section 123 Local Government Act 1972 (section 123 LGA)
 2. Call-in: Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Members of FC Elmstead, Friends of Chislehurst Recreation Ground, café users, and other associated park users – estimated at in excess of 10,000 visits per year.
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments: Ward Councillors are supportive

3. COMMENTARY

- 3.1 FC Elmstead (the club), one of the Council's Delegated Sports Managers for parks and open spaces, is seeking to enhance sporting facilities at Chislehurst Recreation Ground.
- 3.2 The club was established in the late 1950's and now has 300 members and a Football Association (FA) Charter Standard.
- 3.3 The FA has previously indicated to the club that they would be supportive of improvements to the pitches and clubhouse at Chislehurst Recreation Ground. The club currently has a Delegated Management Agreement (DMA) from the Council to use these facilities.
- 3.4 In 2015, following ground levelling and pitch drainage works carried out with the support of £47,000 grant funding from the Premier League & The FA Facilities Fund (delivered by the Football Foundation), together with additional funding from the Council and the Chislehurst Playing Fields Association (CPFA), the newly restored pitches were launched.
- 3.5 In order to retain and grow the club's activities (as per its Football Development Plan), a new modern clubhouse is also required that complies with current FA standards. The existing pavilion is in a poor condition and not fit for purpose, and so it is proposed that a new clubhouse is built. This will comprise two changing facilities with showers and toilets, a club room (which will be used/hired for activities and meetings by associated users of the park), a café space (which the club wishes to have the option to sub-let, subject to variation of their existing planning permission) with associated male and female accessible toilets, and storage which will also be used by the local Friends Group. The club secured planning permission for the redevelopment (reference 14/04436/FULL1) in March 2015.
- 3.6 The club has estimated that the total cost of the improvement works will be in excess of £360,000 including contingency, professional fees and VAT. It has been successful in securing a number of external grants from a variety of partners to realise this vision, as well as contributing some of its own funds, as below:

Source of funding	Amount
Football Foundation	£258,865
Chislehurst Playing Fields Association	£50,000
Chislehurst Society	£20,000
London Marathon Charitable Trust	£19,999
FC Elmstead	£15,000
Total	£363,864

Terms and Conditions of the Football Foundation Grant of £258,865

- 3.7 The grant of £258,865 secured from the Premier League & The FA Facilities Fund (paid via the Football Foundation) has a number of conditions attached to acceptance of the monies. One of which requires recipients to have sufficient tenure of the land where the Football Development Plan is to be delivered. The DMA currently held by the club for the grass pitches does not satisfy this condition, i.e. the Council could, in theory, stop the club using the pitches in future, thereby significantly reducing the effectiveness of the pavilion as a hub for sporting activities.
- 3.8 In view of this, the Football Foundation has advised that there are two possible ways of accepting the grant and enabling the pavilion to be built. Option 1 involves the Council, as owners of the Recreation Ground, being a joint applicant with FC Elmstead (who would have a

lease of the pavilion land and a licence for the pitches), whilst Option 2 involves FC Elmstead being a sole applicant and taking a lease of the pavilion land which would include a right to use the sports pitches.

Option 1 - Joint Delivery

- 3.9 If the Council becomes a joint applicant with FC Elmstead, the funder's requirements for security of tenure would be met. In this scenario, the club would be granted a 25 year full-repairing lease of the land where the new pavilion would be built (see Plan 1) and a separate 25 year licence for the sports pitches (see Plan 2).
- 3.10 As joint applicants, the club and the Council would both be jointly and severally responsible for meeting the Terms and Conditions of the grant throughout the Clawback Period of 21 years (from the date of acceptance of the grant). If the specified terms and conditions could not be adhered to, there is a risk that the club and Council may need to pay back a proportionate amount of the grant awarded, based upon the amount of time that has elapsed since the money was awarded. Members should note that, the Council has already signed up to these terms and conditions regarding the on-site pitch improvement project, in 2013, which also had a Clawback Period of 21 years.
- 3.11 In this scenario, the club would carry out procurement of the build themselves, with grant monies going in directly into the club's own bank account in phased stages as the work progresses.

Risks

- 3.12 Strategic Property has reviewed the contract specification drawn up for the club by their appointed Chartered Surveyor and, when comparing to usual Council specifications, has identified a number of potential risks if the project was jointly awarded, and therefore the Council would be jointly liable for the build. These include:
- The Council has not seen a full Project Budget build-up for this scheme and is unable to comment whether the allocation of costs are fair and reasonable.
 - This project is at a stage where the Building Contractor is ready to be appointed. The Council has not been party to the procurement of the consultants or contractors, and would therefore inherit any problems that arise from mistakes made on site.
 - The presence of variables within the contract specification, which could ultimately result in the potential for tenders not being returned and analysed on a like-for-like basis.
 - Risks on allocated Contract Sums – provisional sums may be inadequate. Question mark over who would fund any balance, bearing in mind that there is a limited contingency and no additional funds available from current funders/Club.
 - The potential for the specification to change as the build proceeds, due to the lack of a full traditional specification and drawings.
 - A Construction Contingency sum of £15k has been set aside. Typically Cost Consultants advise on 10% which would be £26k
 - It is unclear whether an over-arching Project Contingency has been allowed for. This is normally set aside to expend on matters outside the construction contract e.g. surveys or investigations not currently identified. Typically Project Managers would set aside 10% of the budget for this.

- Within the existing Tender documentation an allocation of £1m has been given to 'Contractors Insurance (injury to person or property)'. The Council would usually advise a minimum of £5m on a scheme of this value.
- The need for inclusion of several site-based surveys to identify any potential risks to delivery - Asbestos Refurbishment and Demolition survey; Unexploded Ordnance Survey (desktop study); Bat survey; Contaminated Land survey; Soil Sampling survey (borehole) for Foundation Design, costing in total circa £5k
- The fact that the build design does not meet the quality of the Council's usual build specification, e.g. no references to British Standards.
- The club still has a number of conditions to discharge from a Planning perspective e.g. soakaways and screening (whilst the Specification states this is the responsibility of the contractor to discharge, it is not clear if they have understood this and made suitable allowances within their tender).
- The need to ensure the Chartered Surveyor engaged by the club has an appropriate level of Professional Indemnity insurance in place.
- No clear direction or understanding on who would be the client under CDM 2015 Regulations.
- The fact that if there was failure with the building over the 21 year Clawback period, the club and the Council would be jointly responsible.

3.13 From a construction perspective, on the basis that the Council had not been involved in the generation of the design and contract specification (Stage 4 RIBA has already been completed by the Chartered Surveyor engaged) and that, in part, it does not meet existing London Borough of Bromley specification guidelines, officers would favour the club being a sole recipient of the grant, delivering the project on its own, and being responsible for any associated risks. Members will note past experience associated with the Castlecombe Children and Family Centre project that opted for the use of an external consultant who designed and managed the scheme from inception to completion. Full responsibility was delegated to this company with no input from the Local Authority. Poor quality workmanship during the build process led to significant inherited building defects within a 5 year period. As a consequence, the Council has now been forced to fund the rebuild of this facility at significant cost. A legal dispute is on-going with the consultant.

Mitigation

3.14 If Option 1 was selected, a number of measures would need to be put in place to attempt to mitigate some of the risks identified:

Project Manager: Whilst the club would employ a Project Manager from the professional fees available within the grant, the Funder has advised they will not be able to also act on behalf of the Council. Therefore, the Council may wish to employ their own Project Manager for the duration of the build, costing around £9k. However, the Project Manager would have no remit to advise or alter the build, unless the Council was named as a joint developer on the contract.

Ground Surveys: As above, officers have advised that a number of surveys should be carried out to identify any potential risks to the construction the pavilion in terms of timescales and budget. These may potentially be able to come from the professional fees within the grant application, but if this was not possible, they would need to be funded by the Council at a cost of c£5k.

Insurance: Officers are currently seeking advice from the Council's Insurance Team regarding any cover that could be potentially taken out to indemnify the Council against any risks.

- 3.15 A sub-agreement between the club and the Council would be necessary to ensure that each party is aware of its responsibilities within the grant delivery and Clawback Period. The Council would also seek an indemnity from the club in respect of any liability which is outside of its control. However, Members should be aware that the terms and the conditions of the grant (the fact that the Council will be jointly and severally liable for these) will override this and that if the Council did need to pursue any losses against the club, it may not be sufficiently solvent to cover any such losses, particularly if the club is registered as a limited company as is currently proposed (rather than operating through four named individuals as trustees on the lease), so recovering any monies the Council has to pay out, may not be possible.
- 3.16 Members should note that whilst the above measures would seek to reduce some of the highlighted risks, they would not completely eliminate them, due to the fact that the specifications for the proposed works has already been agreed and the procurement process already started, leaving little room for change.
- 3.17 As well as the risks outlined above, Members should note the Terms and Conditions also outlined in 3.25 would still apply in both Options.

Option 2 – Sole Delivery

- 3.18 Alternatively, the Football Foundation have indicated that their requirements for security of tenure could be met if a 25 year full-repairing lease to the club for the new pavilion was granted (as per Plan 1) and that this included a right to use the pitches for the duration of the term (area shown on Plan 2), together with a right to access the land from the public highway. The lease would retain a right of access for the public at all times when the club is not playing matches or training. The lease would also contain all of the relevant clauses around the maintenance and use of the pitches, as would normally be contained within a licence, which would no longer be needed. The grant could then be issued solely to the club.
- 3.19 Under this option, the club would be solely responsible for fulfilling the terms and conditions of the grant and therefore be solely liable for the any risks associated with the construction of the pavilion and its on-going use etc.

Risks

- 3.20 Option 2 reduces the Council's flexibility for its future use of the Recreation Ground as there would be no break clause in the 25 year lease, which would include a right to use the sports pitches (as opposed to the 25 year licence mentioned in Option 1).
- 3.21 As a sole applicant, if the club/their contractor do not finish building the pavilion, Council officers will need to evaluate the position and work with the club and the Football Foundation to ascertain a way of completing the project. Members would also be kept informed during this time.

Mitigation

- 3.22 If this option was selected by Members, a number of measures would be put in place to mitigate against some of the risks identified:

Ground Surveys: Officers would still recommend that appropriate surveys as outlined in 3.12 are carried out by the club to help them reduce risk to the delivery of their project.

Performance Bond: Officers would recommend that the club take out a performance bond to the value of 10% of the works which would provide some insurance indemnity against contractor failure.

Project Manager : As the club would be the sole grant recipient, officers recommend that separate Project Manager is not employed by the Council, in addition to the club's, but the building is, in effect, signed off via the Building Control process. However, The Landscape Group, as providers of the Council's wholly managed and commissioned parks service, will continue to work with the club throughout the project to ensure that the club are delivering as per the project plan timescales and are liaising with the Funder (including submitting grant claims) at the appropriate intervals.

Construction Period: If compatible with the terms of the grant it is expected that the Club would construct the pavilion under the terms of an agreement for lease containing appropriate conditions to safeguard the Council's position, prior to the grant of the lease. However, if the grant conditions require the lease to be granted before any funding is released the lease will contain provisions and requirements relating to the construction period to safeguard the Council's position as much as possible.

Sole Delivery: If there is any failure with the building during the 25 year term of the lease, the club would be solely responsible for dealing with the issue.

Insurance: Officers are currently seeking advice from the Council's Insurance Team regarding any cover that could be potentially taken out to indemnify the Council against any risks.

3.23 As well as the risks outlined above, Members should note the Terms and Conditions also outlined in 3.25 which would still apply in Option 2

3.24 In light of the risks highlighted in 3.12, officers would, on balance, recommend Members to agree Option 2, where the club is the sole applicant and recipient of the grant, and responsible for delivering the project themselves. Members should note however, that even if the club is the sole recipient of the grant, the Council, as landowner, will still have to comply with some of the terms and conditions of the grant as listed in 3.25 below.

3.25 Council Members can view the Terms and Conditions related to acceptance of the grant from the Football Foundation at Appendix 1. In particular, Members should note the following key conditions which apply to both Options outlined above, even if the club is a sole applicant, as the Council ultimately remains the landowner:

- (i) Charge and Restriction - A charge will be registered at the Land Registry against the club's leasehold title of the pavilion, and a restriction against the Council's freehold title of the pitches. This will mean that the land cannot be sold, subject to a change of use, or mortgaged without the consent of the Football Foundation throughout the 21 year term of the grant agreement.
- (ii) Alienation clause - The Football Foundation requires the alienation clause within the lease to allow the club to be able transfer (or sell) the lease to another club with consent of the Council. The clause must also allow the club to charge the leasehold interest in the property to a funder.
- (iii) Mortgagee protection clause - The Football Foundation require the lease to include a 'mortgagee protection clause' which would enable the Foundation to step in and remedy any breach by the club, and so prevent the Council from otherwise forfeiting the lease.

- (iv) Disposal, Lease, or Change of Use of Facilities - During the Clawback period, the club and Council will also require the Foundation's prior written consent if they wish to transfer, lease, licence or otherwise dispose of all or any part of the facility; grant any charge or cease to use the facility for the purposes previously approved by the Foundation. Failure to obtain consent or to comply with any conditions imposed, shall entitle the Foundation to terminate the grant agreement and to receive repayment from the club and Council of the sum equivalent to the Grant.
- (v) Publicity and record-keeping - The club and the Council will need to work with the Foundation in respect of publicity, monitoring and evaluation for the grant throughout the Clawback Period.

3.26 In both scenarios, any lease issued will be held in the name of a company currently being formed by the club. The ground rent will be peppercorn. The club will be responsible for all repairs to the new building. The proposed lease length is currently 25 years and, because the area to be leased is part of a public open space, the Council has already gone through the public notice requirements of s123 of the Local Government Act 1972, advertising its intention to grant a 25 year lease (see paragraph 6.2 below). However the club has requested a term of 50 years (as has been granted to the Chislehurst Invicta Scout Group of part of the Recreation Ground). This would give the club greater long term security, but lessen the Council's flexibility for its future use of the Recreation Ground. In view of this, the fact that the grant from the Football Foundation has a 21 year clawback period, and because a longer lease would require re-advertising the Council's intentions, it is recommended that Members agree a 25 year lease.

3.27 The club wants the ability to be able to sub-let the cafe to a third party (subject to a successful variation on their existing Planning Permission). The Football Foundation has no objection to this as long as it is done via a Service Level Agreement or Management Agreement, rather than an underlease. The Council has proposed that the lease for the pavilion is worded such that if the gross turnover of the café exceeds a certain threshold, the club will pay a percentage share of this money by way of rent each year.

3.28 During the construction of the pavilion, it is envisaged that the Council will grant a licence to the club's contractor to enable it to occupy an area within the Recreation Ground for storage of building materials, equipment etc. This will be located so as to cause minimum inconvenience to other park users. The licence will require the area to be fully reinstated upon completion of the project.

3.29 The pavilion will need to be connected up to local utility services. The details of the routes to be followed by any cabling or pipe-work have yet to be established, but will require the prior consent of the Assistant Director for Streetscene and Greenspace, and Strategic Property.

4. POLICY IMPLICATIONS

4.1 The proposals in this report are within existing policy. In the Quality Environment section of the Building a Better Bromley 2020 Vision one of the stated issues is: "Maintaining public satisfaction in the quality of our parks and open spaces, and facilitate new leisure opportunities for the whole community". In addition, the draft Environment Portfolio Plan 2016/19 includes the key aim of 'Working in partnership with volunteers, stakeholders (allotment holders and sports providers) and Friends of Parks groups to ensure local priorities are identified and delivered.' .

4.2 The proposals also support Pro-Active Bromley's Strategic Framework 2011-2016 through "Increasing adult participation in sport and physical activity, engaging more children and young people in sport and physical activity, and creating better sport and physical activity pathways

and infrastructure”.

5. FINANCIAL IMPLICATIONS

- 5.1 As set out in 3.6 above, FC Elmstead have been successful in securing funding of £365k to redevelop the pavilion. £258,865 of this funding was secured from the Football Foundation, and has a number of conditions attached to the acceptance of the monies. The report considers two potential options available to the Council for meeting the grant conditions.
- 5.2 In both of the potential options detailed in this report, the club will be holding the Football Foundation grant monies, carrying out procurement and the build themselves. The club are currently assessing tender returns for the capital works.
- 5.3 Although the total project budget cannot be finalised until the tender has been awarded, the final project costs should include the capital works, contingency, professional fees, VAT and the Community Infrastructure Levy payment. There are specific timescales around when the club needs to make its grant claims to the Foundation.
- 5.4 Given that there are a number of risks associated with Option 1 and that the Council may have to incur £14k to ensure that a number of measures are in place to mitigate some, but not all, of the risks, Members are advised to agree Option 2, that the club be solely responsible for the grant monies including procurement and delivery of the project.
- 5.5 In Option 2, the Football Foundation have agreed to accept the proposal from the Council that the 25 year lease for the area of the pavilion be amended to include a right to use the pitches, rather than granting a separate lease. This Option significantly reduces the risks to the Council, in that FC Elmstead would be the sole recipient of the grant and therefore solely responsible for the building over the 25 year term of their full repairing lease.
- 5.6 To mitigate the risks further, officers would still recommend that;
- the club undertake the surveys outlined in 3.12;
 - the club take out a Performance Bond to the value of 10% of the works
 - appropriate conditions relating to the construction period are included in the agreement for lease or lease (as appropriate) to protect the Council's interest during that period
 - the building works are signed off via the Building Control process
 - a 25 year full repairing and insuring lease be issued to ensure the club is responsible for all repairs to the new building during the term
 - The Landscape Group continue to work with the club throughout the project
- 5.7 The lease for the pavilion will include wording around the potential sub-letting of the café to a third party, in that should the gross turnover of the café exceed a certain threshold, the club will pay a percentage share of this money by way of an annual rental sum.
- 5.8 Members should note that the land cannot be sold, subject to a change of use, be transferred through a new lease or mortgaged without the consent of the Football Foundation throughout the 21 year term of the grant agreement. Failure to comply with these conditions shall entitle the Foundation to terminate the grant agreement and to receive repayment from the club and Council of the sum equivalent to the proportion of the grant remaining at that time.

6. LEGAL IMPLICATIONS

- 6.1 Section 123 of the Local Government Act 1972 requires a local authority to secure the best consideration reasonably obtainable when it disposes of land (other than on a lease of 7 years

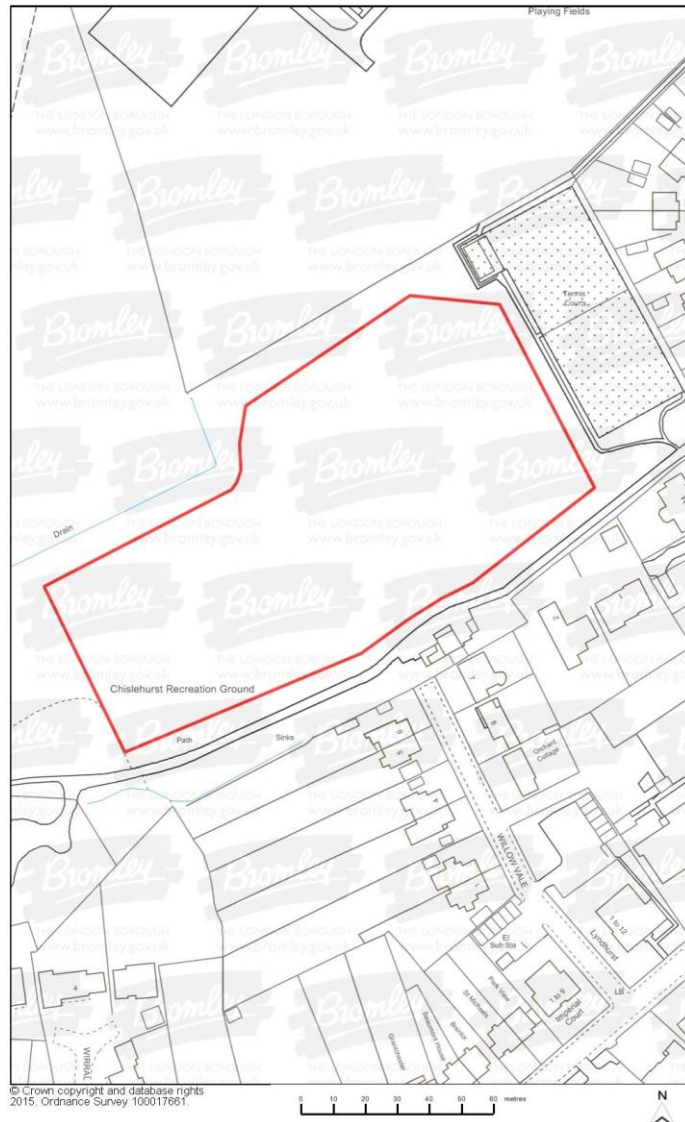
or less) unless it has the benefit of express or general consent of the Secretary of State. However, the General Disposal Consent (England) 2003 does permit a local authority to dispose of land at an undervalue if the amount of undervalue is less than £2m and the authority considers that the purpose for which the land will be used will contribute to the promotion or improvement of economic, social or environmental well-being in the whole or any part of its area, or of all or any persons in the whole or any part of its area. If Members are satisfied that this purpose is met, they could therefore agree to the proposal for the letting of the relevant area of the recreation ground to the Club provided that the amount of any undervalue in capital receipt (or the capital receipt foregone) will be less than £2m.

- 6.2 The proposal to take the area where it is proposed the new pavilion will be built out of the public domain for a period of 25 years (as per the lease) has been advertised in the local press as required by Section 123 of the Local Government Act 1972. One objection was received from an adjoining owner on the grounds that the proposed use would have an adverse effect on their private amenity, but their concerns were dealt with at the planning stage.
- 6.3 A condition of the grant is that a restriction upon the Council's freehold title of the pitches, and a legal charge upon the club's leasehold title of the pavilion, is registered in favour of the Football Foundation at the Land Registry.

Non-Applicable Sections:	Personnel Implications
Background Documents: (Access via Contact Officer)	Appendix 1 - The Football Foundation PL/FA: FF Grants, General Terms and Conditions of Grant October 2009 Appendix 2 - Grant offer letter available upon request



Plan 1



Plan 2

Football Foundation

PL/FA:FF Grants

General Terms and Conditions of Grant

Table of contents

1. Definitions
2. Use of Grant (All grants)
3. Construction of Facilities (Capital)
4. Construction/Development of Facilities (Capital)
5. Management & Use of Project and Facilities (Capital)
6. Management of the Project (Revenue)
7. Payment
8. Claiming Capital Funding
9. Claiming Revenue Funding
10. Project Publicity
11. Project Monitoring
12. Accounts and Records
13. Mortgage, Disposal, Lease or Change of Use of Facilities (Capital)
14. Cessation or Suspension of Grant and Termination
15. New Application
16. Further Conditions
17. Duration
18. Warranties
19. Multiple Organisations receiving the Grant
20. Exclusion of Liability/Indemnity
21. Security (Capital)
22. Law and Jurisdiction
23. Rights of Third Parties
24. Funders

1. Definitions

1.1 For the purposes of the Grant and the Grant Agreement (as defined below) the following expressions shall have the meanings respectively ascribed to them:

“Organisation Application”	means the application submitted by or for the Organisation for a Grant in respect of the Project and shall include all written and oral representations made by the Organisation to the Foundation regarding the Organisation, the Project and the Facilities
“Business Plan”	means a plan prepared by the Organisation relating to the financial and operational management and marketing of the Project and the Facilities
“Capital Funding”	means the Grant (or part of Grant) referred to in the Grant Offer Letter that relates to funding which is to be used for the purchase, construction or development of Facilities and/or Grant Assets
“Clawback Period”	means the period of 21 years from the date of acceptance of the Grant
“Facilities”	means any facility, capital equipment (including Grant Assets), buildings (including fixtures and fittings) and/or land in respect of which the Grant is made as specified in the Grant Agreement and shall include, without limitation, any facility, equipment, buildings and/or land proposed to be acquired or improved as a result of the Grant
“Football Development Plan”	means a plan prepared by the Organisation setting out the aims, objectives, responsibility and timescales relating to the development of football in the area in which the Facilities are situated
“Foundation”	means the Football Foundation (registered company number 3876305; registered charity number 1079309) whose registered office is at 30 Gloucester Place, London W1V 8FF and references to the Foundation shall include the Foundation, its staff and any other person representing the Foundation
“Funders”	means the Big Lottery Fund, the Exchequer, Sport England, the Football Association Limited and the Football Association Premier League Limited, as applicable
“General Terms and Conditions”	means these terms and conditions

“Grant”	means the sum referred to in the Grant Offer Letter awarded to assist in financing the Project which may consist of Capital Funding and/or Revenue Funding
“Grant Assets”	means any property (i) whose acquisition, creation or improvement is funded in total or in part by the Grant; and (ii) that has an acquisition cost or value (whichever is higher) of £1,000 or above; and (iii) that has an economic life of three years or more (based on normal accounting practice)
“Grant Agreement”	means the agreement entered into between the Organisation and the Football Foundation in the form of a Grant Offer Letter, which incorporates these General Terms and Conditions
“Grant Offer Letter”	means the grant offer letter sent to the Organisation confirming the Grant
“Organisation”	means the organisation or organisations to which the Grant is made
“Practical Completion”	means, where the Facilities are land or buildings to be constructed or improved as a result of the Grant, the date specified in any certificate issued by the supervising architect, surveyor, engineer or other competent professional as the date on which work on the Facilities was practically completed under the terms of the relevant building contract
“Project”	means the project or projects described in the Application, the Football Development Plan and/or the Grant Offer Letter
“Project Specification”	means the most recent specification for the Project supplied by the Organisation and approved by the Foundation
“Revenue Funding”	means the Grant (or part of Grant) referred to in the Grant Offer letter that relates to funding which is to be used for management or development of projects and/or the purchase of equipment that does not constitute Grant Assets
“Sign Contractor”	means the person named in the Grant Agreement as the Foundation’s authorised supplier of signs, or such other person as may from time to time be notified by the Foundation to the Organisation; and
“Sport England”	means The English Sports Council.

- 1.2 References in the Grant Agreement to any clause, sub-clause or Schedule without further designation shall be construed as a reference to the clause, sub-clause or Schedule to the Grant Agreement so numbered.

2. Use of Grant (All Grants)

- 2.1 The Grant will be used solely towards the Project in accordance with the Grant Agreement, and only by the Organisation, and under no circumstances shall it be used for any other purpose.
- 2.2 The Organisation will use its best endeavours to deliver the aims and objectives detailed in the Football Development Plan and in accordance with the Business Plan.
- 2.3 Delivery of the Project will comply with any Project Specifications agreed with the Foundation.

3. Construction of Facilities (Capital Funding Only)

Where land or buildings are to be acquired, constructed or improved as a result of the Grant: -

- 3.1 the highest standard of Facilities must be aimed for;
- 3.2 the Organisation must have security of tenure of the Facilities and/or the land on which the Facilities are built for the Clawback Period by means of a freehold or uninterruptible leasehold. A copy of any relevant lease must be sent to the Foundation on request;
- 3.3 the construction, improvement and/or development of the Facilities must be supervised throughout by a qualified architect, surveyor or engineer or other competent professional;
- 3.4 the Organisation must take into account and make appropriate provision for use and enjoyment of the Facilities by people with disabilities; and
- 3.5 the Organisation will notify the Foundation immediately following Practical Completion.

4. Construction/Development of the Facilities (Capital Funding Only)

In respect of the costs of construction and/or development of the Facilities:

- 4.1 at least three competitive tenders for the provision of the Facilities shall be obtained by the Organisation in accordance with normal tender and contract procedures;
- 4.2 an explanation of the tender accepted shall be submitted to the Foundation prior to works being commenced. The explanation must be satisfactory to the Foundation, failing which the Grant may be withdrawn by the Foundation at its sole discretion and any Grant monies already paid shall immediately become repayable to the Foundation;

- 4.3 a copy of the original “form of tender” from the appointed contractor for the construction works shall be submitted, together with a list of the unsuccessful tenders. On Facilities where a “tender report” is prepared by a consultant quantity surveyor, architect, or other professional, a copy of this report shall also be submitted; and
- 4.4 the Organisation shall ensure that the Foundation has the right, in its absolute discretion, to inspect and copy the relevant documents and records of all persons from whom tenders have been obtained in relation to the Project.

5. Management & Use of Project and Facilities (Capital Funding Only)

- 5.1 The purpose of the Project, the arrangements for management and community use of the Facilities and the purpose for which the Facilities are used shall be as set out in the Application and the Grant Agreement and shall not be changed throughout the Clawback Period without the prior written consent of the Foundation.
- 5.2 The Organisation undertakes, warrants and agrees to use its best endeavours to manage and operate the Project and the Facilities in accordance with the aims, objectives, targets, and timescales set out in the Football Development Plan and the Business Plan.
- 5.3 The Organisation shall at all times throughout the Project and the development of the Facilities and until the expiry of the Clawback Period:
- 5.3.1 ensure that, unless the Foundation has given its prior written consent, the fees and charges for use of the Project and the Facilities by members of the public do not increase beyond any increase in the Retail Price Index from the date on which the Application was approved by the board of the Foundation;
 - 5.3.2 keep the Facilities, and all facilities, fittings or equipment used in connection with them in good repair and condition and undertake all things as may be necessary to ensure their proper maintenance;
 - 5.3.3 decorate all internal and external parts of the Facilities following their construction as often as may be necessary in the opinion of the Foundation;
 - 5.3.4 take out and keep in force a comprehensive policy of insurance with reputable insurers to cover the Project, the Facilities, the Grant Assets, their use and any activities carried out thereon against and in respect of all usual risks (including third party, public, employee and occupier’s liability) to their full replacement value (where relevant), and a copy of the current policy and evidence of premium payment shall be provided to the Foundation upon request;
 - 5.3.5 make and operate satisfactory arrangements for the storage and safekeeping of any equipment, or Grant Assets, acquired or improved as a result of the Grant. If any such equipment is lost or

otherwise unavailable for use the Organisation shall replace it as soon as reasonably practicable at no cost to the Foundation;

- 5.3.6 take into account and make appropriate provision for use and enjoyment of the Project and the Facilities by people with disabilities;
 - 5.3.7 ensure that no-one will be denied access to use the Project or the Facilities on grounds of disability, race, creed, colour, sex, occupation, sexual orientation, religion or political persuasion;
 - 5.3.8 comply with all statutory requirements and other laws and regulations relating to the Project and the Facilities and the development and operation thereof, including without limitation employers' liability insurance, the national minimum wage, the "Working Time" Directive, health and safety, child protection, data protection, intellectual property, and religious, political, race, sex and disability discrimination requirements, laws and regulations.
- 5.4 The Organisation must inform the Foundation in writing of anything that materially threatens, makes unlikely, or delays the completion or success of the Project and the Facilities.

6. Management of the Project (Revenue Funding Only)

- 6.1 The purpose and the duration of the Project shall be as set out in the Application and the Grant Agreement and shall not be changed without the prior written consent of the Foundation.
- 6.2 The Organisation undertakes, warrants and agrees to use its best endeavours to manage and operate the Project in accordance with the Football Development Plan and the Business Plan.
- 6.3 The Organisation shall at all times throughout the Project:
 - 6.3.1 ensure that, unless the Foundation has given its prior written consent, the fees and charges for the use or participation in the Project by members of the public do not increase beyond any increase in the Retail Price Index from the date on which the Application was approved by the board of the Foundation;
 - 6.3.2 take out and keep in force a comprehensive policy of insurance with reputable insurers to cover the Project in respect of all the usual risks and provide a copy of the current policy and evidence of premium payment to the Foundation upon request; and
 - 6.3.3 comply with the provisions of 5.3.5 to 5.3.8 and 5.4 in relation to the Revenue Funding.
- 6.4 Where Revenue Funding is to be used for the employment of staff or consultants the Organisation shall:

- 6.4.1 advertise for the post and supply details of the post, the recruitment process and any recruitment advertisements to the Foundation; and
- 6.4.2 obtain the prior written consent of the Foundation to the matters in clause 6.4.1; and
- 6.4.3 throughout the selection, recruitment and appointment process apply equal opportunity policies; and
- 6.4.4 supply to the Foundation details of the terms of employment if requested by the Foundation.

7. Payment

- 7.1 Payments of Grant will only be paid into an ordinary business bank account in the name of the Organisation. Cheques from the account must be signed by at least two individuals.
- 7.2 The Organisation shall not deposit any part of the Grant outside ordinary business accounts within the clearing bank system, without the prior written consent of the Foundation.
- 7.3 The Foundation reserves the right to call for proof of payment.
- 7.5 No Grant will be paid until the Foundation is satisfied (acting reasonably) that such payment will be in relation to proper expenditure for the Project.
- 7.6 The Organisation must promptly repay to the Foundation any Grant incorrectly paid to it as a result of any administrative error. This includes (without limitation) situations where either an incorrect value of Grant has been released or where Grant has been released in error before all applicable General Terms and Conditions of Grant have been complied with by the Organisation.
- 7.7 The Organisation must request the first payment of Grant within six (6) months of the date of the Grant Offer Letter, unless otherwise agreed in writing by the Foundation. If this date cannot be met, the Organisation must promptly send the Foundation a written explanation as to the reasons for the delay in requesting payment. If the first payment of Grant is not requested by the Organisation within six (6) months of the date of the Grant Offer Letter, the Grant will automatically lapse without the Foundation providing any additional warning or other form of notification to the Organisation. Thereafter, the Foundation will not be liable for making any future Grant payments and the Grant Agreement shall terminate immediately provided always that termination of the Grant Agreement for whatever cause shall not prejudice or affect the rights of one party against the other in respect of any breach of the Grant Agreement.
- 7.8 The Organisation must request the last payment of the Grant within twelve (12) months of the date that the first claim is paid by the Foundation, unless otherwise agreed in writing by the Foundation. If not requested within such

twelve (12) month period the Foundation will have no obligation to make any further payment(s) pursuant to the Grant Agreement.

8. Claiming Capital Funding

8.1 Capital Funding to purchase, construct or develop Facilities shall be paid as follows:

8.1.1 on compliance with any pre-construction conditions and pre-claim capital conditions set out in paragraph 1.1 of the Offer Letter and on receipt of appropriately completed claim forms and accompanying invoices the Foundation will pay claims at the same percentage rate that the Grant bears to the Project cost as set out in the Grant Offer Letter. This will continue until 95% of the Capital Funding has been released. The remaining 5% of the Capital Funding will only be paid:-

- (a) on receipt of an independent auditors certificate (or, where previously agreed with the Foundation, a statement confirming the relevant accounts have been independently examined);
- (b) on receipt of a certificate of practical completion;
- (c) on receipt of a certificate confirming all relevant Building Control Regulations have been complied with and any mechanical and electrical test certificates;
- (d) on receipt of written confirmation from the planning department confirming the discharge of any conditions attached to the planning approval; and
- (e) on completion of a site visit by the Foundation or its agent; and
- (f) on satisfaction any other condition that remains outstanding specified in the Grant Offer Letter.

8.1.2 the Organisation must ensure that sufficient funds are retained to meet the balance of any costs and to cover the period between the penultimate payment and completion of the work to be funded by the Capital Funding; and

8.1.3 claim forms will be provided by the Foundation and should be completed and returned as the work progresses. Each form must include a completed statement of expenditure and details of the net value of the work completed at each claim stage (excluding voluntary labour, other contributions in kind, contractual retention fees and other non-allowable costs). The form must be counter-signed by an appropriately qualified and authorised person and must be accompanied by appropriate supporting documentation.

9. Claiming Revenue Funding

- 9.1 On compliance with the pre-claim revenue conditions set out in paragraph 1.1 of the Offer Letter and on receipt of satisfactory completed revenue claim form and relevant supporting documents, the Foundation will pay claims six monthly in arrears in accordance with and at the same percentage rate detailed in Schedule One to the Grant Offer Letter.
- 9.2 Where Capital Funding is being provided then notwithstanding clause 9.1, no Revenue Funding will be paid unless the first claim under the Capital Funding element has been paid.

10. Project publicity

- 10.1 Where Capital Funding has been received:
- 10.1.1 throughout the Project and during the Clawback Period the Organisation will be asked to erect at the site of the Project and/or at the Facilities such internal and/or external signs reflecting the Grant as may be supplied to it by the Sign Contractor on behalf of the Foundation;
 - 10.1.2 the Organisation shall be responsible for obtaining all approvals or consents for installation of the sign as may be required by statute, contract, landlord permission or otherwise;
 - 10.1.3 on delivery of any sign to the Organisation the sign will become the property of the Organisation, which will maintain all signs to a satisfactory and safe condition. The Organisation will notify the Foundation and the Sign Contractor immediately if there are any defects in the sign or its installation;
 - 10.1.4 the Organisation shall for the Clawback Period officially acknowledge the support of the Foundation in all materials which refer to the Project, and all spoken public presentations about the Project; and shall include (where appropriate or where requested by the Foundation) the Foundation's logo and, if asked by the Foundation, the names and/or logos of such of the Funders as the Foundation shall specify, provided always that the Foundation's logo may only be used with the prior written consent of the Foundation.;
 - 10.1.5 the Organisation will co-operate with the Foundation in respect of publicity for the Grant. The Foundation will co-ordinate media activity in respect of the Grant. The Organisation shall not issue any public release nor hold any press conference about the Grant or the Facilities without the prior written consent of the Foundation; and
 - 10.1.6 the Organisation shall arrange an official opening ceremony for the Project and/or the Facilities (in the latter case within a reasonable period after completion of the Facilities), which the Foundation may

attend. The Organisation shall liaise with the Foundation to agree a date of and the arrangements for the opening ceremony.

- 10.2 The Organisation will keep the Foundation informed of any sponsorship relating to an event, programme or facility wholly or substantially funded by the Grant, will use its best endeavours to include in any such sponsorship agreement(s) entered into after the date of this Agreement a clause prohibiting the sponsor ambushing the Foundation's Grant or by taking credit due to the Foundation or its Funders for that funding and will use all reasonable endeavours to prevent ambush marketing tactics by the sponsor and ensure the Foundation and its Funders receive appropriate credit proportionate to the amount of funding it has contributed. For the avoidance of doubt, this clause shall not prevent a sponsor taking full credit for its own funding.
- 10.3 Where Revenue Funding has been received the Organisation will give appropriate recognition for the financial contribution provided by the Foundation for the duration of the Project.
- 10.4 For all Grants the Foundation shall have the right to promote its association with the Organisation, the Project and Facilities publicly and the Organisation shall grant the Foundation a licence without charge to use the name and image of the Organisation without restriction for this purpose.

11. Project monitoring

- 11.1 The Project and the Facilities shall be closely monitored by the Foundation throughout the Clawback Period to ensure that the aims and objectives specified in the Application, Football Development Plan, Business Plan and Project Specification are being met, that the Grant Agreement is adhered to and that the Project and the Facilities represent good value for money.
- 11.2 Wherever it requires during the Clawback Period (including without limitation at any time both during the development and/or construction phases of the Project and the Facilities and after completion of the Project and the Facilities), the Foundation and any person authorised by the Foundation may make unannounced visits (including without limitation site visits, site audits and compliance visits) and may request meetings, for the purposes of monitoring the Project and the Facilities and monitoring compliance with the Grant Agreement. The Organisation will facilitate and co-operate in the arrangement and conduct of such visits and meetings, and shall allow the Foundation and any person authorised by the Foundation access to inspect the Project and/or the Facilities at any time.
- 11.3 The Organisation will promptly provide to the Foundation any information and/or reports (including without limitation regular progress reports) requested by the Foundation in connection with the Project, the Facilities or the Organisation and its activities. The Organisation will complete any questionnaires requested by and respond promptly to any questions raised by the Foundation.

- 11.4 The Organisation shall evaluate and monitor the Project and, where Capital Funding has been provided, the Facilities, their use and success, and shall cooperate with and provide all the assistance required by the Foundation to allow the Foundation to evaluate and monitor the Project and the Facilities and their use and success. In particular, but without limitation, the Organisation shall keep records of the number of jobs created by the Project and Facilities, the number of users and other beneficiaries of the Project and the Facilities, and such other information as the Foundation shall require from time to time.
- 11.5 The Organisation will provide a final report on the Project, in such form as is required by the Foundation, which confirms that the Project has been properly completed.
- 11.6 The Foundation may call for the views of any appropriate organisation or person on the progress of the Project.
- 11.7 The Organisation shall on request provide the Foundation with contact details of an individual who shall liaise with Sport England to provide the contact details of users of the Project to allow Sport England to monitor and evaluate use of the Project. In providing this information to both the Foundation and Sport England, the Organisation shall comply with all relevant data protection legislation.

12. Accounts and Records

- 12.1 If all or any part of the Grant is awarded for the purchase of Grant Assets the Organisation shall maintain a detailed register of the Grant Assets throughout the Clawback Period and shall supply the Foundation with a copy of this annually, or when new assets are acquired or disposed of (whichever is the sooner).
- 12.2 The Organisation shall keep separate, full, proper and up-to-date accounts and records regarding the development, purchase, financial trading and use of the Project and the Facilities. Any person or persons authorised by the Foundation shall be given access, at the Foundation's request, to these accounts and financial records and the Foundation shall have the right to take copies of such accounts and records.
- 12.3 The Organisation must have its accounts externally audited (or independently evaluated, where appropriate) and if requested by the Foundation must provide a copy of the audit (or evaluation) report and the annual accounts to the Foundation.
- 12.4 The Organisation must meet any relevant statutory requirements as regards accounts, audit or examination of accounts, annual reports and annual returns.
- 12.5 The Grant must be shown in the Organisation's accounts as a restricted fund and not be included under general funds.

13. Mortgage, Disposal, Lease, or Change of Use of Facilities (Capital Funding Only)

13.1 During the Clawback Period, subject to the terms of any charge or charges to which the Foundation shall previously have consented, the Organisation shall not without the prior written consent of the Foundation's Chief Executive:

13.1.1 transfer, sell, lease, licence or otherwise dispose of all or any part of the Facility;

13.1.2 grant any charge, mortgage or other form of security or encumbrance over all or any part of the Facility; or

13.1.3 cease to use the Facility for the purposes previously approved by the Foundation.

The Organisation shall give written notice to the Foundation a reasonable period before it proposes to take any action that requires consent under this clause.

13.2 The Foundation may give consent in accordance with clause 13.1 subject to any or all of the following conditions:

13.2.1 the sale, lease, licence or other disposal is made at full market value as determined and evidenced by an independent professional valuation by an appropriately qualified expert approved in writing by the Foundation;

13.2.2 prior to the completion of the transfer, lease, licence, sale or other disposal the proposed new owner of the Facility enters into a deed of novation with the Foundation to ensure that the new owner is obliged to comply with the terms of the Grant Agreement in place of the Organisation;

13.2.3 the Organisation repays to the Foundation a sum equivalent to the Grant or at the discretion of the Foundation a sum equivalent to the Grant increased in line with inflation as determined by the Retail Price Index or such other sum as the Foundation at its discretion deems appropriate;

13.2.4 termination of the Grant Agreement;

13.3 failure to obtain consent as required by clause 13.1 or failure to comply with any conditions imposed in accordance with clause 13.2 shall entitle the Foundation to terminate the Grant Agreement and to receive repayment from the Organisation of a sum equivalent to the Grant or at the discretion of the Foundation a sum equivalent to the Grant increased in line with inflation as determined by the Retail Price Index or such other sum as the Foundation at its discretion deems appropriate.

14. Cessation or Suspension of Grant and Termination (all Grants)

- 14.1 Without prejudice to the Foundation's other rights and remedies, (a) the Foundation's obligation to make any payments of Grant shall forthwith cease; (b) the Foundation may make all further payments of Grant subject to such conditions as it may specify; (c) the Foundation may require the full amount of Grant released to the Organisation (or such other sum as the Foundation may require) to be repaid to the Foundation on demand and (d) the Foundation shall have the right at any time during the Clawback Period to terminate this Agreement forthwith or suspend all or any of its obligations hereunder upon such terms and for such period as the Foundation shall at its absolute discretion determine; if:
- 14.1.1 the Organisation ceases to operate for any reason, or it passes a resolution (or the Court makes an order) that it be wound up (other than for the purpose of a bona fide reconstruction or amalgamation), or, if it was a charity at the time that the Application was made, it ceases to be a charity;
 - 14.1.2 the Organisation becomes insolvent, or it is declared bankrupt, or it is placed into receivership, administration or liquidation, or a petition has been presented for its winding up, or it enters into any arrangement or composition for the benefit of its creditors, or any of its members are surcharged or a manager is appointed on behalf of a creditor in respect of its business or a part thereof, or it is unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 as amended;
 - 14.1.3 within the Clawback Period the Organisation fails to comply with any of the General Terms and Conditions of the Grant Agreement;
 - 14.1.4 in the reasonable opinion of the Foundation or any of the Funders the Organisation fails to apply any part of the Grant for the intended purpose;
 - 14.1.5 in the reasonable opinion of the Foundation or any of the Funders the Organisation fails to complete the works to be carried out in executing the Project in accordance with the terms of and to the standard indicated in the Application (unless any variation has been previously approved in writing by the Foundation);
 - 14.1.6 any of the circumstances described in clause 15.1 occur without the Foundation's prior approval of a new application as required by that clause;
 - 14.1.7 the Organisation fails to complete the Project on time or within a reasonable period (when no time is specified) or it appears that the Project is unlikely to be completed on time or within such period;

- 14.1.8 after considering the purpose of the Grant, in the Foundation's opinion further payment of the Grant would not constitute good value for money. (However, the Foundation shall, subject to the other terms of this Agreement, continue to pay the Grant to the extent that the Organisation has, with the prior written consent of the Foundation, contracted for goods and services and it is not practically possible to cancel such arrangements.);
- 14.1.9 there is evidence of financial mismanagement, breakdown of budgetary control or any other irregularity, within the Organisation;
- 14.1.10 in the reasonable opinion of the Foundation or any of the Funders, any of the assurances given or representations or information contained in the Application or other documents submitted by the Organisation to the Foundation were fraudulent, incorrect or misleading, or if the Organisation acts fraudulently. Any attempts to defraud the Foundation by any means will be pursued rigorously: a report will be submitted to the appropriate body and any other necessary action taken;
- 14.1.11 any assurance, representation, release of information or statement made regarding the Application or the Project has changed in a manner that has a materially adverse effect on the Project and the Organisation has not informed the Foundation of the change;
- 14.1.12 the Organisation, any member of the governing body, volunteer or member of staff of the Organisation, any person acting under the control or authority of the Organisation or any partner or partnership organisation connected in any way with the Application, the Project or the Facilities have acted fraudulently or negligently at any time or in a manner which might have a detrimental effect on the Project, or the completion, development or management of the Facilities;
- 14.1.13 the Organisation, any member of the governing body, volunteer or member of staff of the Organisation, any person acting under the control or authority of the Organisation, or any partner or partnership organisation connected in any way with the Application, the Project or the Facilities does anything which may bring the Foundation into disrepute;
- 14.1.14 the Organisation is offered for public subscription to flotation on the stock market; or
- 14.1.15 any of the following circumstances occur without the Organisation first notifying the Foundation and obtaining its prior written consent and the Foundation reasonably considers such circumstances to be materially detrimental to the Project: -
- (a) a transfer of assets from the Organisation to a third party;

- (b) merger or amalgamation by Organisation with another body (including a company established by the Organisation);
 - (c) except where the Organisation is a local authority or parish council any change to the composition, structure or key personnel of the Organisation; or
 - (d) except where the Organisation is a local authority or parish council, any change to the Organisation's constitution, in particular but without limitation as regards its purposes, payment to members and members of its governing body, distribution of assets (whether on dissolution or not) or admissions of members (where it has a membership).
- 14.2 Without prejudice to sub-clause 14.1 the Foundation may suspend all or any of its obligations under the Grant Agreement while investigations are carried out into any matter referred to in sub-clause 14.1.
- 14.3 If the Foundation chooses to suspend this Agreement pursuant to this clause and the Organisation remains in default of any of the provisions of sub-clause 14.1, or indicates its intention to remain in default of any such provision, the Foundation may terminate the Grant Agreement immediately upon notice in writing to the Organisation.

15. New Application

- 15.1 Without prejudice to clause 14, a new application must be submitted to the Foundation if prior to full payment of the Grant:
- 15.1.1 the Organisation proposes to change or vary the Application, the Project, its implementation, the works carried out or to be carried out in the execution of the Project, the Facilities or the purpose of the Facilities;
 - 15.1.2 the Organisation proposes to dispose of the whole or any part of the Facilities;
 - 15.1.3 there is a change to the ownership of the Facilities;
 - 15.1.4 the legal structure or ownership of the Organisation changes;
 - 15.1.5 it is proposed that the legal identity of the Organisation should change; or
 - 15.1.6 there is a material change in the financial circumstances of the Organisation.
- 15.2 While the new application is being considered, no payments of the Grant shall be made and any payments made or liabilities incurred by the Organisation in respect of the Facility shall be at their sole risk and expense. In the event of the Grant being rescinded, the Foundation shall, at its sole discretion, be

entitled to demand a full or partial refund of any payments of Grant already made.

16. Further conditions

- 16.1 The Organisation agrees and accepts that payments of Grant can only be assured to the extent that the Foundation has available funds.
- 16.2 The Foundation may on giving prior written notice to the Organisation assign or transmit the benefit and burden of the Grant Agreement established by virtue of these General Terms and Conditions to any successor body of the Foundation.
- 16.3 The Organisation acknowledges that the Grant and the Grant Agreement are personal to it and not transferable.
- 16.4 Unless otherwise agreed by the Foundation in writing, the Organisation must notify the Foundation in writing of any legal actions, claims or proceedings made or threatened against it (including any actions, claims or proceedings made or threatened against members of its governing body or staff) during the Clawback Period. Such notification shall be made as soon as practicable and in writing.
- 16.5 If the Organisation is not registered for VAT, this may be considered as part of the eligible project cost. Should the Organisation subsequently become registered for VAT, and be able to reclaim that element of expenditure, the reclaimed tax will be repaid to the Foundation. The Foundation will not increase the amount of the Grant if VAT is or becomes payable and/or unrecoverable. The Organisation is advised to seek its own advice on its own and the Project's status as regards VAT.
- 16.6 The Foundation shall have the right in its absolute discretion to disclose and make available for inspection and copying any information, documents, accounts and/or records relating to or concerning the Project, the Facilities and the Organisation to third parties including, without limitation, the Funders, the National Audit Office and any person authorised by any of them. The Foundation will be sensitive to situations where it is aware that confidentiality is a significant matter, but the Organisation acknowledges that the Foundation is obliged under the terms of agreements with the Funders to disclose certain information, documents, accounts and/or records relating to or concerning the Project, the Facilities and the Organisation to third parties.
- 16.7 Any failure, relaxation, forbearance, delay or indulgence by the Foundation in enforcing any of the terms or conditions of the Grant Agreement shall not be deemed a waiver of future enforcement of that or any other provision, and nor shall the granting of any time by the Foundation prejudice or affect or restrict any of its rights arising under the Grant Agreement or be deemed a waiver by the Foundation of any breach or subsequent or continuing breach.

17. Duration

Except where otherwise specified, the General Terms and Conditions of the Grant Agreement will apply from the date on which they are accepted by the Organisation until the later of:

- 17.1 the period of one year following payment of the last instalment of Grant;
- 17.2 so long as any Grant monies remain unspent by the Organisation;
- 17.3 where Capital Funding has been received for the duration of the Clawback Period; and
- 17.4 so long as any General Terms and Conditions of the Grant Agreement remain unperformed, or any event referred to in clause 14 has occurred and is continuing.

18. Warranties

The Organisation warrants, undertakes and agrees that:

- 18.1 it has all necessary resources and expertise to carry out the Project;
- 18.2 it has and will keep in place adequate procedures for dealing with any conflicts of interest;
- 18.3 it has and will keep in place systems to deal with the prevention of fraud;
- 18.4 all financial and other information concerning the Organisation comprised in the Application or otherwise disclosed to the Foundation is to the best of its knowledge and belief, true and fair;
- 18.5 it is not under any contractual or other restriction within its own or any other organisation's rules, regulations or otherwise which may prevent or materially impede meeting its obligations in connection with the Grant;
- 18.6 it is not aware of anything in its own affairs, which it has not disclosed to the Foundation or any of its advisers, which might reasonably have influenced the decision of the Foundation in making the Grant on the terms contained in the Grant Agreement;
- 18.7 since the date of the last accounts there has been no change in the financial position or prospects of the Organisation.

19. Multiple Organisations receiving the Grant

Where there is more than one organisation receiving the Grant and/or delivering the Project: -

- 19.1 where any standard, obligation, representation or warranty under this Agreement is expressed to be undertaken or adhered to by the Organisation, each organisation shall be jointly and severally responsible for it;

- 19.2 the Foundation may release or compromise the liability of any of the organisations acting as the Organisation under this Agreement or grant any time or other indulgence without affecting the liability of any of the other organisations; and
- 19.3 any consent or authority given by the Organisation under or in connection with this Agreement shall bind all the organisations.

20. Exclusion of Liability/Indemnity

- 20.1 The Foundation, its employees, agents, officers or sub-contractors will not at any time be liable to any person for anything in connection with the development, planning, construction, operation, management and/or administration of the Facilities or the Project. In particular but without limitation, it shall not be liable to the Organisation for any loss or damage arising directly or indirectly as a result of the compliance by the Organisation with the General Terms and Conditions of this Grant Agreement.
- 20.2 The Organisation will indemnify and hold harmless the Foundation, its employees, agents, officers or sub-contractors with respect to all claims of, and liability to, third persons for injury, death, loss or damage of any type arising out of or in connection with the Facilities, the Project and any activities carried out thereon except where such injury, death, loss or damage have resulted from the negligent act or omission of the Foundation or its employees or agents. In this latter case, the Organisation shall provide prompt notice to the Foundation of any such claim, and the Foundation shall have the sole right to control the defence of any such claim.
- 20.3 The Foundation has no liability for losses or costs arising from failure to make any payment of the Grant on any agreed date.

21. Security (Capital Funding)

- 21.1 With regard to Capital Funding only, in the event that the construction or development of the Facility or purchase of land for the Facility exceeds £100,000 in value the Foundation may require that the Organisation shall at its own cost, if the Foundation so requires:
- 21.1.1 enter a restriction in such form as the Foundation may require on the registered title of the relevant property ; and/or
 - 21.1.2 grant or cause to be granted to the Foundation a legal charge over the relevant property in such form as the Foundation may require; and
 - 21.1.3 in either case the Organisation shall execute such further documents and provide such assistance as the Foundation may reasonably require in order to effect either of the foregoing and the Organisation shall make the necessary registrations at Companies House and/or the Land Registry and supply the Foundation's solicitors with evidence of such registrations.

- 21.1.4 in the case of a charity and the giving of a legal charge comply with the provisions of s.38 of the Charities Act 1993 (as amended).
- 21.2 The Organisation shall provide in the case of a legal charge a solicitor's certificate of title confirming good and marketable title in respect of the relevant property in such form as the Foundation may require.
- 21.3 The Organisation shall provide a solicitors' undertaking to be responsible for the Foundation's solicitor's fees in connection with the grant of a legal charge or the entry of a restriction on the registered title or in the case of unregistered land a caution against first registration and the completion of a deed of dedication.

22. Law and Jurisdiction

The construction, validity and performance of the Grant Agreement shall be governed in all respect by English law and be subject to the non-exclusive jurisdiction of the English Courts. The parties undertake to each other to use their best endeavours wherever possible to resolve any dispute, which may arise under the Grant Agreement amicably.

23. Rights of Third Parties

Subject to clause 24 below, a person who is not party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Grant Agreement.

24. Funders

- 24.1 The Foundation has been appointed by Sport England to enter into agreements with Organisations for the purpose of distributing Lottery and government funds to Organisations.
- 24.2 The Foundation enters into the Grant Agreement as principal for itself and as agent for and on behalf of Sport England.
- 24.3 The Organisation acknowledges that copies of the Grant Agreement and any other information, documents, accounts and/or records may be disclosed and made available to the Funders, the National Audit Office and any person authorised by them, and their respective representatives.
- 24.4 The Funders have a right to enforce any of the Foundation's rights under the Grant Agreement. Such rights may not be altered or extinguished without the consent of the Funders.
- 24.5 The Funders shall have all rights conferred on the Foundation by the Grant Agreement including without limitation all rights to information, inspection, disclosure, access and clawback.

- 24.6 In the event of any of the events listed in clause 14 of these General Terms and Conditions occurring, the Funders have a right to have the Grant Agreement novated to the Funders or any successor of the Funders to allow them to take the place of the Foundation in relation to this Grant Agreement.
- 24.7 The Funders may disclose any information concerning the Organisation, the Project or the Facilities to any persons.
- 24.8 In the event of any termination of the Foundation's agreement with any Funder:
- 24.8.1 the Organisation will return to the relevant Funder all the documentation relating to the Grant and specified by the Funder at a date to be agreed between the Funder and the Foundation; and
 - 24.8.2 the Organisation shall return to the relevant Funder any part of the Grant provided to the Foundation by such Funder which is unspent on the date that the Funder or the Foundation notified its desire to terminate the agreement between the Funder and the Foundation, subject to the agreed terms of termination.
- 24.9 Any of the Funders may assign all or any of its rights under this Agreement to any successor or such other body as the relevant Funder shall determine.

Report No.
CSD16085

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Executive

Date: 15th June 2015

Decision Type: Non-Urgent Executive Non-Key

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

Contact Officer: Marion Paine, Lawyer
Tel: 020 8461 7647 E-mail: Marion.Paine@bromley.gov.uk

Chief Officer: Director of Corporate Services

Ward: Bromley Town

1. Reason for report

The Development Control Committee of 9th February 2016 considered a report relating to the third party application to register the Land as a new Town or Village Green. The report, which is produced here as Annex A, recommended that, as the application failed to meet the legal criteria for a third party registration, it should be rejected. The Committee were minded to register the land and advised that this could be achieved by way of an application for voluntary registration by the Council in its capacity as owner of the land. This report is for the Executive as the relevant decision maker to consider whether to follow this course of action.

2. **RECOMMENDATION(S)**

The decision of the Executive as landowner is sought on whether it is minded to have the Land registered as a new Town or Village Green, or not. If it is, then the Director of Renewal and Recreation is given delegated authority to submit an application for voluntary registration to the Council as Registration Authority.

Corporate Policy

1. Policy Status: Not Applicable:
 2. BBB Priority: Quality Environment:
-

Financial

1. Cost of proposal: If the registration takes place, it is not anticipated that this will involve any cost additional to the routine maintenance currently being carried out.
 2. Ongoing costs: as per 1 above
 3. Budget head/performance centre:
 4. Total current budget for this head:
 5. Source of funding:
-

Staff

1. Number of staff (current and additional): No additional staff required
 2. If from existing staff resources, number of staff hours: It will be necessary for an officer to complete and submit the application in the event of it being decided to proceed to registration, and another officer will be required to process that application and report to Development Control Committee.
-

Legal

1. Legal Requirement: The Council as Registration Authority has a statutory duty to process any application by the Council as landowner.
 2. Call-in: Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Actual numbers are hard to estimate, but the application form submitted indicated a significant number of inhabitants in the locality of the Land use and would continue to use it.
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Councillors will be notified and any comments submitted to the committee.
2. Summary of Ward Councillors comments:

3. COMMENTARY

3.1 Reference is made to Annex A, which sets out the detailed legal implications and considerations which are to be applied when considering an application by any party other than the owner of land for the registration of that land as a new Town or Village Green.

3.2 An application was received by the Council, in its capacity as Registration Authority for the purposes of the Commons Act 2006, from Donald Alastair Scott, who advised that he was representing the Friends of Havelock Recreation Ground, seeking the registration of the Land as a new Town or Village Green.

3.3 As Registration Authority, the Council processed this application, publicised it and sought comments within a consultation period in excess of the minimum required in the legislation. The Applicant was also asked if she wished to submit supporting evidence in excess of that provided with the application.

3.4 The only representation received in the consultation period, was a response from the Council as landowner. As landowner, it was stated that the Council did not consider that the land fulfilled any of the legal criteria for the registration to proceed, and that it was held and maintained for recreation purposes. As such the Council allows members of the public to use the Land *by right* as opposed to *as of right* stipulated by the legislation, which means that it fails to fulfil one of the major legal tests. A summary of the response, including the Applicant's reply to the Council objection, is set out in the report to the Development Control Committee contained in Annex A.

3.5 The Report to Development Control Committee recommended that the application be refused as it clearly failed to meet any of the legal criteria for registration. Members are requested to read Annex A to familiarise themselves with the background and legal considerations, including the importance of the distinction between use *as of right* and *by right*.

3.6 When the Development Control Committee considered the report to them, they were minded, despite the failure of the application to meet the legal criteria, to register the Land. That Committee was advised that It was possible for a land owner on a voluntary basis to dedicate land as a Town Green but this would be a separate matter for the Executive to deliberate upon

3.7 The Commons Act 2006 provides at S15 (8) that *"The owner of any land may apply to the commons registration authority to register the land as a town or village green"*. If such an application is made, then the Council as Registration Authority must grant the application if it is satisfied that the applicant is the owner of the land and that any consents required (eg charge holders, leaseholders) have been obtained. Such an application does not need to satisfy any of the other tests required when a non-owner makes such an application.

3.8 The Draft Minute of the Development Control Committee is produced here as Annex B in order that members may be aware of the reason for their requesting this report.

3.9 The application for registration of the Land as a new town or village green which was submitted by Donald Alastair Scott fails to satisfy the legal tests required for the registration to proceed. If however, the Council as land owner wishes the registration to take place, then the way to proceed with this should be by making an application for voluntary registration.

4. LEGAL IMPLICATIONS - Addressed in the body of the report and Annex A.

Non-Applicable Sections:	Policy, Financial and Personnel
Background Documents: (Access via Contact Officer)	The relevant file is available by contacting the report writer

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Decision Maker: DEVELOPMENT CONTROL COMMITTEE

Date: Tuesday 9 February 2016

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

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

Contact Officer: Marion Paine, Lawyer
Tel: 020 8461 7647 E-mail: Marion.Paine@bromley.gov.uk

Chief Officer: Director of Corporate Services

Ward: Bromley Town;

1. Reason for report

The Council is the Registration Authority for town and village greens within its area. Section 15 of the Commons Act 2006 provides that land can become a new green if a significant number of the inhabitants of any locality or any neighbourhood within a locality have indulged as of right in lawful sports and pastimes on the land for a period of at least 20 years. They must continue to do so at the time of the application or meet the alternative qualifying period specified in section 15. The Council received an application dated 27th March 2015 to register land comprising the Havelock Recreation Ground, Bromley on the basis that it has become a Town Green. After completion of the statutory requirements, it is the duty of the Council as registration authority to decide whether or not the area should be registered as a new Town or Village Green, or whether to cause a public inquiry to be held for an Inspector to make a recommendation in this respect. The purpose of the report is to set out the legal position and the evidence for members to make that decision.

2. **RECOMMENDATION(S)**

To decline to register the land as a new town or village green for the reasons set out in the report.

Corporate Policy

1. Policy Status: Existing Policy:
 2. BBB Priority: Quality Environment:
-

Financial

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

Staff

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

Legal

1. Legal Requirement: Statutory Requirement:
 2. Call-in: Not Applicable: This report does not involve an executive decision.
-

Customer Impact

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

Ward Councillor Views

1. Have Ward Councillors been asked for comments? This report is being copied to Ward Councillors, whose comments will be reported verbally
2. Summary of Ward Councillors comments:

3. COMMENTARY

Land, once registered as a Town or Village Green, will remain available for continued enjoyment by the inhabitants for recreational use. Registration does not in itself confer any recreational rights that did not exist prior to registration. The practical effect of registration is only to confirm the existence of such rights. Consequently, a registered Village Green is held in the same way as any other land and, although nothing should be done which would interfere with the lawful recreational activities of the local inhabitants, the owner is not required to maintain it in a suitable state for such activities. A significant consequence of registration is that the land cannot be developed in such a way as would make it impossible to exercise those rights

There is a legal framework which must be applied to any application for such a registration.

3(1) Requirements of S15 of the Commons Act 2006

The application was made by Donald Alastair Scott in terms of S15(2), which states:

15 Registration of greens

(1) Any person may apply to the commons registration authority to register land to which this Part applies as a town or village green in a case where subsection (2), (3) or (4) applies.

(2) This subsection applies where—

(a) a significant number of the inhabitants of any locality, or of any neighbourhood within a locality, have indulged as of right in lawful sports and pastimes on the land for a period of at least 20 years; and

(b) they continue to do so at the time of the application.

The burden of proof lies on the applicant to establish to the civil standard of balance of probabilities. Thus, in order to fulfil this requirement, the applicant must prove the various elements of the requirements, namely:

a) “A significant number...”

This does not necessarily mean substantial, but should be sufficient to indicate that their use of the land signifies that it is in general use by the local community for informal recreation, rather than occasional use by individuals as trespassers. Provided that a significant number of the inhabitants of the claimed locality or neighbourhood are among the users, it does not matter that many come from elsewhere. The requirement is to establish a clear link between the locality or neighbourhood and the proposed town or village green.

b) “... of the inhabitants of any locality...”

A “locality” cannot be created by drawing a line on a map. It must be some division of the county known to law, such as a borough, parish or manor.

c) “...or of any neighbourhood within a locality...”

Where a locality is relied on, for instance a town, it can be a relevant locality even if it is not (or is no longer) a recognisable local government unit.

d) “... have indulged as of right...”

As of right means that it is not use by force, stealth or with the licence of the owner. This does not turn upon the subjective belief of the users. The use must be judged objectively, from the standpoint of a reasonable owner.

e) "... in lawful pastimes..."

This is a composite expression which includes informal recreation such as walking, with or without dogs, and childrens play. Use that is more in the nature of a right of way, a cut-through or a shortcut will not fall to be considered as a lawful sport or pastime

f) "...on the land..."

"Land" is defined as including land covered by water, but is generally accepted as excluding buildings.

g) "...for a period of at least 20 years..."

The relevant use must generally continue throughout the whole of the 20 year period.

h) "...and they continue to do so at the time of the application."

In order to satisfy the criteria in S15(2) the qualifying use must continue at the date of the application.

3(2) The application and supporting evidence

The application may be made by any person, and should be done by completion and service of the Form 44, which contains an affidavit in support of the application and a map showing the location of the land in question.

Donald Alastair Scott, an individual who advised that he was representing the Friends of Havelock Recreation Ground, the constitution of which was also submitted to the Council, made the application.

A map was submitted showing the area in question, and the applicant identified the "locality or neighbourhood" as the eastern portion of Bromley Town Ward and southwestern portion of Bickley ward, as illustrated on an accompanying map.

A statutory declaration , accompanied by a detailed analysis of why the applicant felt that the area should be declared as a new Town Green were submitted by the applicant, together with extensive questionnaire and survey information from users of the area, with a comprehensive analysis of that information.

The application fulfilled the basic requirements and was accepted by the Council as Registration Authority. The Registration Authority therefore proceeded with publicising the application and requesting comment from the public.

3(3) Opposing submission

The London Borough Bromley in its capacity as landowner was advised of the application.

They responded within the consultation period summarised as follows:-

1. The application includes the nursery situated on the land in a building which was formerly a pavilion but has been leased as a nursery since at least 1996 and fenced off from the remainder of the land. As such it has not been used by the public and should be removed from the application as it does not meet the statutory requirements, and
2. As the applicants have pointed out, the remainder of the land is and has since the 1950's been maintained and used for recreation purposes and is designated as Urban Open Space (it is included in the parks and recreation ground byelaws under the Open Spaces

Act 1906) and the Council is therefore effectively inviting the public to use it, making their use of the land *by right* and not *as of right* as is necessary to meet the statutory requirements for registration as a town or village green.

3(4) The applicant's response

Having received the above mentioned objection, a copy was sent to the applicant, who was invited to make any further submissions in respect of these comments and who responded with the following points in summary:-

1. In respect of the nursery area, it was acceptable to the applicant that this is removed from the application
2. The purpose of the application is to formalise the protection of the land from development and other forms of detrimental activity for the benefit of the Council and local residents.
3. The status of Town Green would give the Council a robust defence against pressure of increased housing density and declining recreational space. Pointing out that legislation generally makes it an offence to interrupt or encroach on such a designated area.
4. Surveys conducted by the applicant's group and by councillors, together with the lack of objections received, demonstrate the depth and unanimity of feeling of local residents in the face of any threat to the preservation of the recreation ground as it is now.
5. The recreation ground was created over a period of 10 years in the last century by the Council on behalf of residents, doubtless partially funded by them through their rates. Whether its use is now *by right* or *as of right* is surely of very little consequence; what we are seeking is the protection of the land in terms of the Commons Act which affords it greater protection than other legislation of Inclosure Acts and Open Spaces Acts.

3(5) Analysis

Having made a valid application, it is for the applicant to show, on the balance of probabilities, that the application land fulfils all the criteria for registration.

The tests mentioned in part 1 of this document should therefore be applied.

a) – c) "A significant number of the inhabitants of any locality or of any neighbourhood or locality..."

The applicant has carried out detailed research by way of surveys and questionnaires and their evidence appears to show that the recreation ground has been and still is well used by local residents for recreational purposes.

d) "... have indulged as of right..."

This is a crucial statutory test which must be applied to the application. The applicant has agreed throughout that the area was created by the Council as a recreational facility, with the

public using it by virtue of the Council permitting them to do so, openly and without fear of challenge. Whilst the applicant considers that whether its use is by right or as of right is surely of very little consequence, this is not the case. It is in fact a crucial statutory test which has been the subject of significant court decisions.

As a recreational facility covered by Council byelaws, and managed by them for recreational purposes, the right to access the area would be “by right” (ie in exercise of a legal right to do so, as opposed to “as of right”.(ie without permission, by force or secrecy).The public is entitled indulge in lawful sports and pastimes there.

In a recent case [*R(Barkas) v North Yorkshire County Council*], the Supreme Court decided that “...where the owner of the land is a local authority which has lawfully allocated land for public use (whether for a limited period or for an indefinite period), it is impossible to see how, at least in the absence of unusual additional facts, it could be appropriate to infer that members of the public have been using the land “as of right”, simply because the authority has not objected to their using the land. It seems very unlikely that, in such a case, the legislature could have intended that such land would become a village green after the public had used it for 20 years. It would not merely be understandable why the local authority had not objected to the public use; it would be positively inconsistent with their allocation decision if they had done so. The position is very different from that of a private landowner, with no legal duty and no statutory power to allocate land for public use, with no ability to allocate land as a village green, and who would be expected to protect his or her legal rights.”

This would therefore appear to preclude the registration in terms of the application.

This decision was clarified by the other recent decision of *R(Goodman) v Secretary of State for the Environment, Food and Rural Affairs*, in relation to the implied appropriation of land for recreational use. In the Goodman case there was a challenge to the finding that land had been appropriated from employment to recreational use by implication. This challenge was upheld due to a lack of evidence that the Council had intended to appropriate the land to its new purpose.

In the current application, the land is clearly held and managed for recreation purposes, so the *Goodman* point does not arise.

e) “...in lawful pastimes...”

This must be more than use that is in the nature of a right of way, but can include walking, football or bird watching for example. The applicant has indicated in their survey analysis that activities have taken place which would constitute “lawful pastimes”.

f) “...on the land...”

If the other elements of the application were fulfilled, the plan would require to be amended to exclude the nursery.

g) & h) “...for a period of 20 years and they continue to do so at the time of the application”

The uses indicated by the applicant’s analysis would appear to fulfil the time requirement.

3(6) Conclusions

As may be seen from the analysis above, it is not considered that the application can succeed.

Whilst it is not considered relevant by the applicant, the *by right* versus *as of right* distinction is fundamental to the application, and in this case the application fails to fulfil this requirement.

3(7) Options

The Council as Registration Authority may decide to register or decline to register the land as a new Town or Village Green on the basis of the application and the evidence before them.

Alternatively, the Council may wish to cause a Public Inquiry to be held before a suitably qualified Inspector. If an inquiry is held, the Inspector would consider the application and evidence, hear witnesses, and apply the law to the facts and then report to the Council with a recommendation as to whether or not to register the land as a new Town or Village Green.

If the applicant or landowner is not satisfied with the outcome of the application, the remedy open to them is to seek a judicial review of the decision of the Council as Registration Authority.

If the Council is of the view that the application fails to meet the statutory requirement for registration, but wished to register the area as a town green in any case, they have the option of voluntarily registering it.

This would mean refusing the current application and proceeding to use their powers as the owner of the land in terms of S15(8) of the Commons Act which states that “*The owner of any land may apply to the commons registration authority to register the land as a town or village green*”. If such an application is made then the Council as Registration Authority must grant the application if it is satisfied that the applicant is the owner of the land and that any consents required (eg charge or lease holders) have been obtained. Such an application does not need to satisfy any of the other tests required when a non owner third party makes such an application.

4. FINANCIAL IMPLICATIONS

If a Public Inquiry is to be held, the cost could amount to £15 – 20,000.

5. LEGAL IMPLICATIONS

Addressed in the body of the report.

6. PERSONNEL IMPLICATIONS

If there is to be a Public Inquiry, then one member of staff would be required to act on behalf of the Council as Registration Authority and one on behalf of the Council as landowner, together with any staff required as witnesses.

Non-Applicable Sections:	Policy Implications
Background Documents: (Access via Contact Officer)	The file containing the application and other documents referred to in this report may be obtained from the writer and will be available to members prior to the committee.

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Extract from the published minutes of the Development Control Committee meeting held on 9th February 2016

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

Report CSD16029

Members considered the legal position and evidence submitted in relation to an application to register land at Havelock Recreation Ground, Bromley, as a Town or Village Green. After completion of the statutory requirements, it was the duty of the Council as registration authority, to decide if the area should be registered, or whether a public inquiry should be held for an Inspector to make a recommendation in this respect.

It was reported that Ward Members for Bromley Town, Councillors Rutherford, Dykes and Harmer, strongly supported the application to recognise Havelock Recreation Ground as a town green. As demonstrated in the report, the application met the basic standards and the analysis showed that the application had all the characteristics of a town green – the land was used by a significant number of people for lawful pastimes and had been for a long time.

The argument appeared to come down to whether access to the ground was "as of right". The Ward Members believed that this condition was also met. Havelock Recreation Ground was left to the children of Raglan Road School as a facility for the community. Bromley Council was looking after the land on behalf residents who were using it as of right.

The Chairman reported Havelock Recreation Ground was already designated for community use. However, the Council as land owners, were at liberty to recommend to the Executive that the land be registered as a town or village green as it was within the Council's gift to do so.

Being familiar with the site, Councillor Michael considered it to be the only piece of land available for recreational purposes within an area of high density housing and should, therefore, be safeguarded as public amenity use. Councillor Michael moved that Members recommend to the Executive that the land be voluntarily registered as a town or village green. Councillor Fawthrop seconded the motion.

The legal representative clarified the technical meaning of 'by right' and 'as of right'. He explained that land used by the public of a recreation ground where the Council owns the land for that use, falls within the category of 'by right' as opposed to 'as of right' which is where the public have no right to use the land but continue to use it as if they do. Registration as a town or village green would afford the land extra protection against any application to redevelop the site.

RESOLVED to recommend to the Executive that Havelock Recreation Ground be voluntarily designated as a Town or Village Green.

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