



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

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DATE: 7 July 2017

To: Members of the
EXECUTIVE

Councillor Stephen Carr (Chairman)

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

A meeting of the Executive will be held at Bromley Civic Centre on **WEDNESDAY 19
JULY 2017 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 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING

In accordance with the Council's Constitution, questions to this Committee must be received in writing 4 working days before the date of the meeting. Therefore please ensure questions are received by the Democratic Services Team by 5pm on Thursday 13th July 2017.

4 TO CONFIRM THE MINUTES OF THE MEETINGS HELD ON 6TH AND 20TH JUNE 2017

(Pages 5 - 20)

5 PROGRESS IN IMPLEMENTING CHILDREN'S SERVICES IMPROVEMENTS - ORAL UPDATE

6 BUDGET MONITORING 2017/18

(Pages 21 - 56)

- 7 CAPITAL PROGRAMME MONITORING – 1ST QUARTER 2017/18**
(Pages 57 - 72)
- 8 BASIC NEED PROGRAMME UPDATE, INCLUDING S106 ALLOCATIONS**
(Pages 73 - 120)
- 9 LOCALLY ADMINISTERED BUSINESS RATES RELIEF SCHEME**
(Pages 121 - 140)
- 10 HIGHWAY ENGINEERING CONSULTANCY SERVICE**
(Pages 141 - 146)
- 11 THE PRIORY, ORPINGTON - RELEASE OF PARK LAND AND CAR PARK**
(Pages 147 - 150)
Orpington Ward
- 12 BIGGIN HILL MEMORIAL MUSEUM**
(Pages 151 - 160)
Biggin Hill Ward
- 13 CONTRACT AWARD FOR THE PROVISION OF LIBRARY SERVICES (PART 1)**
(Pages 161 - 222)
- 14 OPPORTUNITY SITE G - DEVELOPMENT AGREEMENT AND LEASE (PART 1)**
(Pages 223 - 226)
Bromley Town Ward
- 15 CRYSTAL PALACE PARK: REGENERATION PLAN (PART 1)**
(Pages 227 - 242)
Crystal Palace Ward
- 16 ORPINGTON BUSINESS IMPROVEMENT DISTRICT PROPOSAL: 2018-2023 RENEWAL (PART 1)**
(Pages 243 - 290)
Orpington and Petts Wood and Knoll Wards
- 17 CONTRACT AWARD FOR PRIMARY AND SECONDARY INTERVENTION SERVICES (PART 1)**
(Pages 291 - 296)
- 18 CONSIDERATION OF ANY OTHER ISSUES REFERRED FROM THE EXECUTIVE AND RESOURCES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE**

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

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

<u>Items of Business</u>	<u>Schedule 12A Description</u>
20 EXEMPT MINUTES OF THE MEETING HELD ON 20TH JUNE 2017 (Pages 297 - 298)	Information relating to the financial or business affairs of any particular person (including the authority holding that information)
21 CONTRACT AWARD FOR THE PROVISION OF LIBRARY SERVICES (PART 2) (Pages 299 - 312)	Information relating to the financial or business affairs of any particular person (including the authority holding that information)
22 OPPORTUNITY SITE G - DEVELOPMENT AGREEMENT AND LEASE (PART 2) (Pages 313 - 326) Bromley Town Ward	Information relating to the financial or business affairs of any particular person (including the authority holding that information)
23 CRYSTAL PALACE PARK REGENERATION PLAN (PART 2) (Pages 327 - 330) Crystal Palace Ward	Information relating to the financial or business affairs of any particular person (including the authority holding that information)
24 ORPINGTON BUSINESS IMPROVEMENT DISTRICT PROPOSAL: 2018-2023 RENEWAL (PART 2) (Pages 331 - 346) Orpington and Petts Wood and Knoll Wards	Information relating to the financial or business affairs of any particular person (including the authority holding that information)
25 CONTRACT AWARD - PRIMARY AND SECONDARY INTERVENTION SERVICES (PART 2) (Pages 347 - 354)	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

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| <p>26 NEW PROPERTY INVESTMENT CRITERIA
(Pages 355 - 360)</p> | <p>Information relating to the financial or business affairs of any particular person (including the authority holding that information)</p> |
| <p>27 PROCUREMENT STRATEGY FOR SUPPORTED LIVING SERVICES AT PADUA ROAD, BROMLEY ROAD AND BROSSÉ WAY
(Pages 361 - 370)

Penge and Cator, Copers Cope & Bromley Common and Keston Wards</p> | <p>Information relating to the financial or business affairs of any particular person (including the authority holding that information)</p> |
| <p>28 LEARNING DISABILITY TENANCY SUPPORT (DERWENT ROAD)
(Pages 371 - 376)

Crystal Palace Ward</p> | <p>Information relating to the financial or business affairs of any particular person (including the authority holding that information)</p> |
| <p>29 CARELINK CONTRACTS UPDATE
(Pages 377 - 382)</p> | <p>Information relating to the financial or business affairs of any particular person (including the authority holding that information)</p> |
| <p>30 CAPITAL PROGRAMME MONITORING - 1ST QUARTER 2017/18 - APPENDIX E
(Pages 383 - 384)</p> | <p>Information relating to the financial or business affairs of any particular person (including the authority holding that information)</p> |
| <p>31 BIGGIN HILL MEMORIAL MUSEUM (PART 2)

Biggin Hill Ward

(To follow)</p> | <p>Information relating to the financial or business affairs of any particular person (including the authority holding that information)</p> |

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EXECUTIVE

Minutes of the special meeting held on 6 June 2017 starting at 9.00 am

Present:

Councillor Stephen Carr (Chairman)
Councillors Graham Arthur, Peter Fortune, Colin Smith
and Diane Smith

Also Present:

Councillor Mary Cooke

245 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Kate Lymer and Peter Morgan.

246 DECLARATIONS OF INTEREST

There were no declarations of interest.

247 RELEASE FROM CONTINGENCY - NATIONAL LIVING WAGE COST INCREASES 2017/18 Report FSD 17061

The Executive received a report on the effect of the National Living Wage, which had increased by 30p per hour to £7.50 on 1st April 2017. The impact of the 2016/17 National Living Wage increases had been included in the 2017/18 budget, but the further increase to 7.50 per hour was not. Staff working for external agencies had been expecting the increase in National living Wage to be passed on to them since April 2017 – some agencies had been able to do this, but others had not. Funding for the National living Wage increases was held in contingency.

The impact of the National Living Wage was felt across services, but in particular in adult social care. Members recognised the need to support these services and supported the recommendation.

The meeting was adjourned at 9.01am and re-convened at 9.27am.

RESOLVED that £852k in 2017/18 (£748k in the full year) be released from the Council's Central Contingency sum.

The Meeting ended at 9.29 am

Chairman

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EXECUTIVE

Minutes of the meeting held on 20 June 2017 starting at 7.00 pm

Present:

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

Also Present:

Councillor Simon Fawthrop and Councillor William
Huntington-Thresher

Before the meeting started, the Leader led members and officers in a few moments of silent reflection following the Grenfell Tower fire in North Kensington. He also confirmed that he would be making a full statement at the Council meeting on 26th June.

248 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Nicholas Bennett and from the Chief Executive.

249 DECLARATIONS OF INTEREST

There were no declarations of interest.

250 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING

No questions had been received.

251 MINUTES OF THE MEETING ON 24TH MAY 2017 AND MATTERS ARISING FROM PREVIOUS MEETINGS Report CSD17076

RESOLVED that the minutes of the meeting held on 24th May 2017 (excluding exempt items) be confirmed.

252 PROVISIONAL FINAL ACCOUNTS 2016/17 Report FSD17054

The report provided a broad overview of the Council's provisional 2016/17 outturn both Council-wide and at portfolio level. Potential implications for 2017/18 were also summarised.

The provisional outturn provided for no overall net movement in general fund balances, subject to approval of a contribution to the Growth Fund (a further £3.3m from underspends in Central Contingency). The net variation on the Central Contingency amounted to a £3.7m under-spend and would be set aside to fund the net overspend within Portfolio budgets so avoiding a draw-down on reserves to fund in-year cost pressures.

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

A summary of activity in the Recruitment and Retention fund for children's social workers had been circulated. The fund had been established by the Executive in 2010 and had been used in 2010/11 and in 2016/17. In other years the R&R package had been funded from underspends within the Department. It was now proposed to add a further £855,343k to the fund from reserves – this was not all intended to be spent in 2017/18, but would allow time to consider longer term funding.

RESOLVED that:

(1) The provisional revenue and capital outturns for the 2016/17 financial year and the earmarked balances on the General Fund as at 31st March 2017 be noted.

(2) It is noted that a more detailed analysis of the 2016/17 final outturn will be reported for each Portfolio to the relevant PDS committees.

(3) The variations in 2016/17 impacting on the Council's 2017/18 financial position be noted.

(4) Comments from the Deputy Chief Executive and Executive Director of Education, Care and Health Services and from the Executive Director of Environment and Community Services as detailed at Appendix 1B to the report be noted.

(5) The carry forwards of £113k related to repairs and maintenance, as detailed at Appendix 5 to the report, be noted.

(6) The requests for carry forwards totalling £560k (net), as detailed at Appendix 5 to the report be approved, subject to the funding being allocated to the Central Contingency to be drawn down on the approval of the relevant Portfolio Holder.

(7) A total of £573k funding from Central Contingency be released as detailed at paragraph 3.2.1 of the report.

(8) The return to Central Contingency of £88k as detailed at paragraph 3.2.2 of the report be noted.

(9) The Prior Year Adjustments totalling £66k as detailed at section 3.4 of the report be noted.

(10) A sum of £855k be set aside in an earmarked reserve for Children's Social Care Recruitment and Retention as detailed at paragraph 4.5.1 of the report.

(11) A sum of £147k be set aside in an earmarked reserve for external professional advice, as detailed at paragraph 4.5.2 the report.

(12) A sum of £468k be transferred to the Winter Pressures earmarked reserve as detailed at paragraph 4.5.3 of the report.

(13) Council be recommended to approve the transfer of £3,311k to the Growth Fund as detailed at section 4.2 of the report.

(14) Council be recommended to agree a transfer of £2m to the Joint Initiatives and Pump Priming (BCF) earmarked reserve as detailed at section 4.4 of the report.

253 CAPITAL PROGRAMME OUTTURN 2016/17
Report FSD16036

Members received the final outturn on capital expenditure and receipts for 2016/17. The report included money held in respect of Section 106 capital contributions received from developers.

Members discussed the need to monitor these contributions, particularly where the deadline was close. The Executive and Resources PDS Committee received regular reports on Section 106 contributions and expenditure, and the next report was expected in July.

RESOLVED that:

(1) the report be noted;

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

- **Section 106 receipts from developers – net increase of £577k to the unallocated balance to reflect the funding available, as detailed at paragraph 3.2 of the report; and**
- **carry forward of the unspent capital budget (£10k) on the block provision for emergency works to surplus sites, as detailed at paragraphs 3.11 and 3.12 of the report.**

254 CHILDREN'S SERVICES - ORAL UPDATE

The Deputy Chief Executive and Executive Director of Education, Children and Families gave an update on progress with improvements to Children's Services, and the latest recruitment activity. The recent Ofsted monitoring letter had been positive, and a formal letter from the Department for Education was awaited following the Commissioner's report. Ofsted recognised that although improvement was still needed, the Council was going through a transformation process and the direction of travel was good.

The Portfolio Holder for Education, Children and Families reported that the Youth Offending Service had made great progress and had now moved from a one star service to three stars, with one four star score.

255 RELEASE OF GOVERNMENT FUNDING FOR THE STEP UP TO SOCIAL WORK PROGRAMME

The Council had taken part in cohorts 2, 3 and 4 of the Department for Education's Step Up to Social Work Programme and had signed up to cohort 5. The report sought approval for the release of ring-fenced funding for cohort 5, to be released in instalments over the two financial years 2017/18 and 2018/19.

RESOLVED that the release of the ring-fenced funding for 2017/18 and 2018/19 for cohort 5 of the Step Up to Social Work Programme be approved.

256 SUBMISSION OF BROMLEY'S DRAFT LOCAL PLAN
Report DRR17/026

The Council was required to have an up to date Local Plan and submission of the Draft Local Plan formed the final stage of the preparation with the Inspector appointed by the Secretary of State leading the examination process after submission. By submitting the Local Plan the Council would make significant progress towards meeting the Government's requirement to have an up to date Local Plan.

The formal consultation on the Proposed Submission Draft Local Plan (PSDLP) was undertaken in November/December 2016. The responses to the consultation were summarised in Appendix C. This consultation was undertaken under Regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012 on the PSDLP as agreed by the Executive in 2016

The Portfolio Holder for Renewal and Recreation summarised the issues that had arisen through formal consultation, and confirmed that it was not possible to make significant changes to the Plan at this stage without having to conduct a further formal public consultation. Meanwhile, developers could submit planning applications in the normal way. Should the Inspector require

changes in the Plan, possibly in response to changes in national or regional policy or targets, the Council could seek to make the appropriate modifications, and the Council would retain the final decision on adopting the Plan.

It was confirmed that although officers represented the Council at public examination, the inspector led the examination and it might be possible for Members to attend and speak.

The report had already been considered and endorsed by Development Control Committee on 12th June 2017. The Executive agreed that the Draft Local Plan (Appendix A) accompanied by the required supporting documents and the schedule of suggested minor modifications (Appendix B) should be referred to Council to approve its submission to the Secretary of State for Communities and Local Government for Independent Examination.

The Portfolio Holder for Renewal and Recreation led Members in thanking the officers, Mary Manuel and her team, for their hard work in preparing the Plan for submission.

RESOLVED that

(1) It is agreed that the Draft Local Plan (Appendix A) forms the plan for Submission to the Secretary of State, and is accompanied by the Schedule of Suggested Minor Modifications (Appendix B) and the relevant supporting, background and technical documents.

(2) The Draft Local Plan be referred to Full Council for approval for Submission to the Secretary of State for Communities and Local Government for Independent Examination.

(3) Authority be delegated to the Chief Planner in consultation with the Leader of the Council to approve the preparation of necessary further information and amendments to the Bromley Local Plan Proposed Submission Draft Local Plan: (i) prior to or soon after submission of the Bromley Local Plan to the Secretary of State for Communities and Local Government for Independent Examination including the Regulation 22 documents and (ii) during the public examination in response to for example, unexpected national policy changes.

257 CONTRACT AWARD INTERMEDIATE CARE UPDATE - PART 1
Report CS18009/2

The Executive considered a part one summary report setting out the results of the tendering process for the provision of Intermediate Care (IC) services. Full details had been included in a part two report.

Consultation with staff had ended on 13th June 2017, and a summary of the comments received had been circulated.

The proposals had been approved by the CCG Board and supported by the Care Services PDS Committee.

RESOLVED that

(1) The report and the outcome of the tendering process be noted.

(2) It is noted that formal consultation with staff, trade unions and departmental representatives commenced on 15 May 2017 and ended on 13 June; that meetings had been offered to staff affected by these proposals, without prejudice to any subsequent TUPE staff/trade unions consultation in the event of the contracts being awarded; that, in addition, meetings had been offered to the trade unions regarding these proposals; and that a summary of the responses received during consultation had been circulated.

258 REABLEMENT SERVICE CONTRACT AWARD - PART 1
Report CS18012/2

The report set out the results of the tendering process for the Bromley Clinical Commissioning Group's (BCCG) Community Care contract which included the Council's Reablement Service, and included proposals for the future provision of the service. A part two report with further details had also been circulated.

Consultation with staff had ended on 13th June 2017, and a summary of the comments received had been circulated (Appendix 1 to the report.)

The proposals had been approved by the CCG Board and supported by the Care Services PDS Committee.

RESOLVED that

(1) It is noted that Bromley Clinical Commissioning Group (BCCG) intends to award a contract for community provision, to include the Reablement Service, commencing on 1 December 2017 for a period of 5 years until 2022, with the potential to extend for a further period of up to 2 years;

(2) It is agreed that the contributions for this service will be made via the existing agreement the Council has with the BCCG under Section 75 of the NHS Act 2006;

(3) It is noted that consultation with staff, trade unions and departmental representatives commenced on 15 May 2017 and ends on 13 June regarding the proposals for the BCCG awarding a contract for community provision, which includes the Council's Reablement Service; meetings have taken place with staff affected by these proposals, without prejudice to any subsequent TUPE staff/trade unions consultation in the event of the contracts being awarded; and a summary of the responses received during consultation was circulated at Appendix 1 to the part two report.

(4) Subject to the outcome of any subsequent TUPE staff/trade unions consultation, the transfer of the Council's Reablement Service staff to the new provider be agreed as detailed in the report.

259 HOLLYBANK SHORT BREAK PROVISION FOR DISABLED CHILDREN AND YOUNG PEOPLE - PART 1

Proposals were outlined for the funding and delivery of overnight residential short breaks at Hollybank for children and young people aged 5 to 17 with multiple disabilities, including those with behaviour challenges and complex health care needs. The service was jointly funded by a Section 75 partnership arrangement, with Bromley Clinical Commissioning Group (CCG) leading on commissioning within the terms of its Community Contract for Children's Services. Outcomes from consultation were circulated.

Members acknowledged that Hollybank provided a good service, but there were concerns about utilisation and efficiency. A review of the service was going to be carried out; the Director of Finance reported that there was a termination clause with a minimum six months' notice. Councillor Simon Fawthrop requested that Petts Wood and Knoll ward councillors be involved in the review.

Further details were circulated to Members in a part 2 report.

RESOLVED that:

(1) The Council continues to enter into a Section 75 Agreement for the purpose of joint funding the Hollybank provision for a period of five years, commencing on 1 December 2017 until 2022, with the potential to extend for a further period of up to two years.

(2) It is noted that Bromley CCG as lead commissioner intends to award the contract for the Hollybank Service to the successful bidder.

(3) The funding split as set out in paragraph 7 of the part 2 report be approved.

(4) It is noted that the current Section 75 Agreement for this purpose has been extended until 30 November 2017 in order to align with Bromley CCG's procurement process.

(5) It is noted that a full review of Hollybank will be carried out jointly with Bromley CCG in 2018.

(6) It is noted that formal consultation with staff, trade unions and departmental representatives commenced on 15 May 2017 and ended on 13 June regarding the proposals for BCCG to award a contract for community provision which includes the Hollybank provision, that meetings having taken place with staff affected by these proposals, without prejudice to any subsequent TUPE staff/trade unions

consultation in the event of the funding agreement being agreed as per (1) above, and that a summary of the responses received during consultation had been circulated as Appendix 3 to the part 2 report.

(7) Subject to the outcome of any subsequent TUPE staff/trade unions consultation, the transfer of the Council's Hollybank staff to Bromley Healthcare Community interest Company be agreed as set out in the reports.

**260 CONTRACT AWARD FOR TRANSPORT SERVICES
 FRAMEWORK - PART 1
 Report ED18004**

The Council currently operated a framework contract for the provision of transport services, mainly to meet its statutory duty to provide suitable transport support to children and young people with special educational needs to and from their place of learning

In November 2016, the Executive had approved proceeding to tender for a framework contract for transport services to operate in parallel to the existing framework. The purpose of the parallel framework was to broaden the provider base to support increased capacity and competition.

The report set out the outcome of the tendering process and sought approval to award contracts to the successful providers.

Further details were circulated to Members in a part 2 report.

RESOLVED that

(1) Contracts be awarded to the providers specified in para 3.11 of the part 2 report for a framework contract to commence from August/September 2017 for a period of two years, with an option to extend for a further period of up to, but not exceeding, two years (to align with the existing framework).

(2) Authority be delegated to the Executive Director of Education, Care & Health Services, in consultation with the Portfolio Holder for Education, Children and Families, the Director of Commissioning, the Director of Corporate Services and the Director of Finance, to extend the contract for a period of up to, but not exceeding, two years.

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

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

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

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

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

263 EXEMPT MINUTES OF THE MEETING HELD ON 24TH MAY 2017

The exempt minutes of the meeting held on 24th May 2017 were confirmed.

264 LEARNING DISABILITY SUPPORTED LIVING CONTRACT EXTENSION (5 AVENUES SCHEMES)

The Executive approved the extension of this contract.

265 CONTRACT AWARD INTERMEDIATE CARE UPDATE - PART 2

See minute 257.

266 REABLEMENT SERVICE CONTRACT AWARD - PART 2

See minute 258.

267 HOLLYBANK SHORT BREAK PROVISION FOR DISABLED CHILDREN AND YOUNG PEOPLE - PART 2

See minute 259.

268 CONTRACT AWARD FOR TRANSPORT SERVICES FRAMEWORK - PART 2

See minute 260.

The Meeting ended at 7.53 pm

Chairman

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Decision Maker: EXECUTIVE

Date: 19th July 2017

Decision Type: Non-Urgent Executive Non-Key

Title: MATTERS ARISING FROM PREVIOUS MEETINGS

Contact Officer: Graham Walton, Democratic Services Manager
Tel: 0208 461 7743 E-mail: graham.walton@bromley.gov.uk

Chief Officer: Mark Bowen, Director of Corporate Services

Ward: N/A

1. Reason for report

1.1 **Appendix 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:	Impact on Vulnerable Adults and Children/Policy/Financial/Personnel/Legal/Procurement
Background Documents: (Access via Contact Officer)	Minutes of previous Executive meetings

Impact on Vulnerable Adults and Children

1. Summary of Impact: Not applicable
-

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: £343,810
 5. Source of funding: 2017/18 Revenue Budget
-

Personnel

1. Number of staff (current and additional): 8 posts (6.87fte)
 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: None:
 2. Call-in: Not Applicable:
-

Procurement

1. Summary of Procurement Implications: 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: Not Applicable

Appendix A

<u>Minute Number/Title</u>	<u>Executive Decision/Request</u>	<u>Update</u>	<u>Action by</u>	<u>Completion Date</u>
30th November 2016				
126 Update on Tackling Troubled Families (Outcomes/Draw-down)	The Leader asked that a further report on measuring outcomes be provided by the first quarter of next year.	Arrangements are now in hand to provide a further report for the September meeting, which should include data for 2017/18.	Interim Social Care Director/ Head of Early Interventions and Family Support	September 2017
11th January 2017				
159 Extension of Bromley Y Community Wellbeing Service for Children and Young People	Executive agreed a two year extension to the current contract, subject to a further report on funding issues.	Funding issues are being considered with Bromley CCG – a further report is due in September.	Director, Health Integration Programme	September 2017
161 Disposal of Banbury House, Chislehurst	Report deferred for consideration of use of the property for temporary accommodation for homeless people.	An options appraisal and feasibility study is currently being carried out. A report will be presented to a future meeting.	Director of Housing/Head of Strategic Property	September 2017
22nd March 2017				
201 Operational Building Maintenance Budgets and Planned Programme 2017/18	Members requested a report on the position with regard to the sale of former public toilet buildings.	A report summarising progress with all locations is being prepared.	Head of Strategic Property	September 2017

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Report No.
FSD17065

London Borough of Bromley

Agenda
Item No.

PART 1 - PUBLIC

Decision Maker: Executive

Date: 19th July 2017

Decision Type: Non-Urgent Executive Non-Key

Title: BUDGET MONITORING 2017/18

Contact Officer: David Bradshaw, Head of ECHS Finance
Tel: 020 8313 4807 E-mail: david.bradshaw@bromley.gov.uk

Chief Officer: Director of Finance

Ward: Borough Wide

1. Reason for report

- 1.1 This report provides the first budget monitoring position for 2017/18 based on expenditure and activity levels up to the end of May 2017. The report also highlights any significant variations which will impact on future years as well as any early warnings that could impact on the final year end position.
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2. **RECOMMENDATION(S)**

2.1 **Executive are requested to:**

- (a) consider the latest financial position;
- (b) note that a projected net overspend on services of £1.623m is forecast based on information as at May 2017;
- (c) consider the comments from the Deputy Chief Executive and Director of Education, Care and Health Services Department and the Director of Corporate Services as detailed in sections 3.2 and 3.3;
- (d) note a projected variation of £0.2m credit from investment income as detailed in sections 3.8 and 3.9
- (e) note the carry forwards being requested for drawdown as detailed in section 3.5;
- (f) note a projected reduction to the General Fund balance of £1.983m as detailed in section 3.6;
- (g) note the full year costs pressures of £4.4m as detailed in section 3.7;

- (h) release £800k from the Earmarked Reserve as per paragraph 3.13**
- (i) release £115k from the 2017/18 Central Contingency as per paragraph 3.2.16**
- (j) identify any issues that should be referred to individual Portfolio Holders for further action.**

Corporate Policy

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

Financial

1. Cost of proposal: N/A
 2. Ongoing costs: Recurring cost.
 3. Budget head/performance centre: Council wide
 4. Total current budget for this head: £206.0m
 5. Source of funding: See Appendix 1 for overall funding of Council's budget
-

Staff

1. Number of staff (current and additional): 2,327 (per 2017/18 Budget), which includes 701 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 2015; the Local Government Act 2000; and the Local Government Act 2002.
 2. Call-in: Call-in is applicable
-

Customer Impact

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

3.1.1 The Resources Portfolio Plan included the target that each service department will spend within its own budget. Current projections show an overall net overspend of £1,623k on portfolio budgets and a £200k credit variation on central items.

3.1.2 A summary of the 2017/18 budget and the projected outturn is shown in the table below:

Portfolio	2017/18	2017/18	2017/18	2017/18
	Original Budget £'000	Latest Budget £'000	Projected Outturn £'000	Variation £'000
Care Services	68,272	69,434	70,424	990
Education & Children's Services (incl. Schools Budget)	37,359	37,474	38,101	627
Environment	29,179	29,299	29,277	Cr 22
Public Protection & Safety	1,963	1,963	2,029	66
Renewal & Recreation	7,693	8,074	8,074	0
Resources	45,265	46,069	46,031	Cr 38
Total Controllable Budgets	189,731	192,313	193,936	1,623
Capital Charges and Insurance	11,244	11,244	11,244	0
Non General Fund Recharges	Cr 730	Cr 730	Cr 730	0
Total Portfolio Budgets	200,245	202,827	204,450	1,623
Contingency Provision	14,957	13,264	13,264	0
Interest on General Fund Balances	Cr 2,891	Cr 2,891	Cr 2,991	Cr 100
Income from Investment Properties	Cr 9,854	Cr 9,854	Cr 9,954	Cr 100
Other Central Items	2,629	2,629	2,629	0
General Government Grants & Retained Business Rates	Cr 55,508	Cr 55,837	Cr 55,837	0
Collection Fund Surplus	Cr 6,401	Cr 6,401	Cr 6,401	0
Total Central Items	Cr 57,068	Cr 59,090	Cr 59,290	Cr 200
Total Variation	143,177	143,737	145,160	1,423

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

3.2 Comments from the Deputy Chief Executive and Executive Director of Education, Care and Health Services Department

Care Services Portfolio

3.2.1 There continues to be pressures in Adult Social Care mainly due to placements, domiciliary care and direct payments. Management action is addressing savings targets although these continue to be a challenge in some areas where demand for services is increasing. A review of all nursing and residential care provision is underway.

3.2.2 Domiciliary Care Packages are continuing to be reviewed. High levels of scrutiny are in place in all cases where there is a request for an increase. A review of domiciliary care packages has also been commissioned.

3.2.3 In addition, we are seeing much more complexity in users' needs as they come through to us later in their journeys. We have much more work to do in reviewing high cost placements, ceiling rates and assessments whilst working to manage parental

expectations within Learning Disabilities. The department will be working to look at other efficiency plans that may require policy change.

- 3.2.4 Commissioning activity continues to secure value for money through contract negotiations making a significant contribution to the savings targets.
- 3.2.5 In Housing there is continued monitoring to ensure that the Mears property acquisition performs in line with the target numbers set. Approval has been given to progress to tender for a modular homes site. The early intervention team is now up and running to slow down the rate of placements. This work is currently bringing the numbers back down to the level of increase previously predicted.
- 3.2.6 However in light of the continued roll out of universal credit and introduction of the Homeless Reduction Act, as previously reported it is expected that numbers will increase further in the new year.
- 3.2.7 On one of the travellers sites we have been in court over the past week to gain a number of eviction orders and have police on standby for the evictions as we need to clear out a number of unauthorised occupants.
- 3.2.8 Work is being undertaken, led by the Deputy Chief Executive and Executive Director of ECH&S and an action plan has been developed working on a multi-agency basis to resolve the issues. However analysis is currently being undertaken regarding options for refurbishment of the site to install metered utilities and address a number of repairing issues to enable full utilisation of all pitches and reduce ongoing maintenance costs. The full business case will be reported back once this work has been completed.

Education & Children's Services

- 3.2.9 In Children's Social care we are continuing to interview permanent staff and the ambition is by September we will have around 10% locum staff in place and others permanent - this drive is through Permanent Social Workers and Newly Qualified Social Workers who will join the Authority in September. There continues to be a recruitment drive through June and July and locum cover is being managed to limit their use where possible.
- 3.2.10 In Leaving Care the 18+ panel has been established to consider the cost of placements for this age group; Housing are sitting on this panel to ensure benefits are claimed. This will reduce the current overspend ensuring that Housing Benefit is claimed when appropriate. There is a framework around providers through the housing action plan and commissioning; assessing late entrants through the MASH and in cooperation with housing assessments and Family Group Conferencing. The on stream beds with De Paul which can take 16+ for 8 weeks for assessment are preventing young people going outside the borough.
- 3.2.11 Staying Put is an area of growth and this will need to be considered in base budgets in future as we track the numbers coming through. There have been no predictions for this in the past as growth area.
- 3.2.12 We continue to monitor placements through Panel. The number of challenging Young People and their complexity has been a challenge for the service. We will be looking at obtaining discounts with the Independent Foster Agencies (IFA's) we use. This is being taken forward by Commissioning.

- 3.2.13 We have received some additional CCG funding. We continue to review the contribution ongoing of CCG. This is an area of concentrated challenge. We need to increase our pool of foster carers, recruitment has been poor and we need further negotiation with IFA's. This will be negotiation with providers on cost but also what they are providing. A monitoring officer has been appointed and this will ensure that they are visiting providers and challenging the services given.
- 3.2.14 The majority of Education DSG funded budgets come from the high needs block and overall are showing an underspend. Where overspends have been identified these have been covered off by underspends in other areas where possible.
- 3.2.15 The current root and branch review of the high needs block should help us to ensure that we are not having to manage significant overspends or underspends at the end of the financial year. However, it must be remembered that some of the budgets, particularly SEN transport and placements, are 'on demand' budgets which cannot always be accurately forecast.
- 3.2.16 There is a requirement for all existing statement of special educational needs (SEN) plans to be transferred to the new ECHP plan by 31 March 2018. Additional budget of £115,000 is required to enable the SEN Team bring in additional staff to complete these assessments in order to meet our statutory obligations and duties.
- 3.2.17 The Deputy Chief Executive received a formal letter from the Department of Education seeking assurances that we will meet the key target date of 31 March 2018. A formal letter was also received by the Bromley Parents Forum seeking assurances that these plans will be transferred by the stipulated deadline.

3.3 Comments from the Director of Corporate Services (Resources Portfolio)

- 3.3.1 In 16/17 legal expenses including primarily Counsel's fees were overspent by £194k. This arose because of a significant increase in legal caseload following the Ofsted Inspection. The usual caseload in previous years was c48 cases per annum. For the year 16/17 case load more than doubled to 99 cases. Increased use of counsel was made as the most expeditious and cost effective way of addressing the need for legal representation and also to address requests from the Judiciary that certain cases were dealt with by experienced advocates. It is anticipated that case volumes for 17/18 will remain above previous levels. 12 new cases were commenced in April and May – and it is anticipated that c80 child care cases are likely to be started this financial year. The Council has been successful in making three high quality appointments to its Children Services legal team. This includes an additional post funded through the Phase 3 Plan for Children's services improvement. All three are experienced advocates and will as they settle into the service reduce reliance on external counsel for advocacy/court work. However it remains difficult to predict costs with accuracy and even with one additional lawyer the significant increase in case load will still require greater use of counsel than in previous years. In 16/17 some of the costs associated with the overspend were offset by additional income generated elsewhere in the team and there is a reasonable prospect this may happen again.
- 3.3.2 In addition to child care cases, the overspend also includes Court of Protection, Adult Safeguarding and 18+ transition cases. Given the volatility of case load it is considered prudent to assume an overspend of £97k .

3.4 Central Contingency Sum

- 3.4.1 Details of the allocations from and variations in the 2017/18 Central Contingency are included in Appendix 3.
- 3.4.2 A prudent approach was adopted in considering the 2017/18 Central Contingency sum to reflect any inherent risks, the potential impact of any new burdens, population increases or actions taken by other public bodies which could affect the Council. If the monies are not required then the general policy has been to use these for growth, investment and economic development to generate additional income and provide a more sustainable financial position.

3.5 Carry Forwards from 2016/17 to 2017/18

- 3.5.1 On 20th June 2017 Executive approved the carry forward of 2016/17 underspends totalling £447k (net) subject to the funding being allocated to the Central Contingency to be drawn down on the approval of the relevant Portfolio Holder. In addition, £113k relating to the Council's repairs and maintenance budgets was carried forward as agreed by Executive on 22nd March 2017.
- 3.5.2 The carry forwards being requested to be drawn down this cycle are summarised in the table below and details will be reported to the relevant PDS Committee prior to this meeting. The figures contained in this report assume that these requests will be agreed:

	£'000s
Renewal & Recreation	397
Education & Children's Services	197
Resources	436
Environment	120
Care Services	513
Total Expenditure	1,663
Government Grant Income	Cr 1,216
Total net carry forwards requested for drawdown this cycle	447

3.6 General Fund Balances

- 3.6.1 The level of general reserves is currently projected to reduce by £1.983m to £18.017m at 31st March 2018 as detailed below:

	2017/18 Projected Outturn £'000
General Fund Balance as at 1st April 2017	Cr 20,000
Net Variations on Services & Central Items (para 3.1)	1,423
Adjustments to Balances:	
Carry Forwards (funded from underspends in 2016/17)	560
General Fund Balance as at 31st March 2018	Cr 18,017

3.7 Impact on Future Years

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

	2017/18 Budget £'000	2018/19 Impact £'000
Care Services Portfolio		
Assessment & Care Management - Care Placements	19,659	1,225
Learning Disabilities - Care Placements and Care Management	30,756	1,290
Mental Health Care Placements	5,985	Cr 50
Supporting people	1,072	Cr 65
Housing - Homelessness	6,609	727
Children's Social Care	15,047	1,130
Public Protection and Safety		
Mortuary & Coroners Service	403	100
TOTAL		4,357

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

Investment Income

3.8 Interest on Balances

- 3.8.1 As a result of the anticipated reduction in balances available for investment due to further utilisation of the Investment and Growth Funds and the Highways Investment capital scheme, combined with the anticipated lower rates that will be available on new investments, a reduction of £600k has been included in the 2017/18 budget.
- 3.8.2 At its meeting on 26th June 2017, Council approved the addition of a loan related to temporary accommodation to the treasury management strategy, which will generate additional income of £100k in 2017/18.
- 3.8.3 The Council's performance on treasury management is in the top 10% among local authorities. Details of the Treasury Management Annual Investment Strategy for 2017/18 were reported to Council on 1st March 2017. The Treasury Management Annual Report for 2016/17 was reported to Council on 26th June 2017.

3.9 Income from Investment Properties

- 3.9.1 There is a total projected surplus of £100k for income from Investment Properties. On 14th March 17, Executive approved the acquisition of Trinity House which completed on 7th April 17. This has resulted in a surplus of income on investment fund properties of Cr £171k, against a budget of £5,475m.
- 3.9.2 It should be noted that the lease for 95 High Street expired in May 2017, and the property is currently being occupied on a short term lease at a reduced rate, whilst seeking a permanent tenant. C & W has advised that it is likely to take up to 12 months before a long term tenant is found. The property was previously over-rented and it is therefore

anticipated that the future market rent will be in region of £80k p.a, slightly lower than the budget of £105k.

- 3.9.3 The additional income from investment fund properties is partly offset by a projected £92k shortfall in the rent share from The Glades Shopping Centre. This is based the minimum rent share of £1.88m. Accounts are supplied by Alaska UK quarterly in arrears and this projection is based on information as at 14th April 2017. It is difficult to provide a precise forecast as LBB income is determined by the rental income from the shops and the level of contribution to any minor works.
- 3.9.4 Net additional income on other properties of £21k is projected due to a higher level of occupancy this financial year and rent reviews.

	£'000
Summary of variations within investment income	
Surplus income from Investment Fund properties	Cr 171
Deficit income from the Glade Shopping Centre	92
Extra income form other investment properties	Cr 21
Total	Cr 100

3.10 The Schools Budget

- 3.10.1 Expenditure on Schools is funded through the Dedicated Schools Grant (DSG) provided for by the Department for Education (DfE). DSG is ring fenced and can only be applied to meet expenditure properly included in the schools budget. Any overspend or underspend must be carried forward to the following years Schools Budget.
- 3.10.2 There is a total projected underspend of £705k on DSG funded services, which will be added to the £1.6m carried forward from 2016/17. Details of the 2017/18 monitoring of the School's Budget will be reported to the Education & Children's Services Portfolio Holder.

3.11 Investment Fund and Growth Fund

- 3.11.1 Full details of the current position on the Investment Fund and the Growth Fund are included in the Capital Programme Monitoring report elsewhere on the agenda. The uncommitted balances currently stand at £13.0m on the Investment Fund and £8.1m on the Growth Fund.

3.12 New Adult Social Care Grant

- 3.12.1 The additional funding announced after the Council's 2017/18 budget was set is £4.184m in 2017/18, £3.363m in 2018/19 and £1.677m in 2019/20. This funding falls out after 2019/20 and effectively is early funding for the Improved Better Care Fund announced in 2015.
- 3.12.2 The utilisation of the monies and any "flexibilities" will require the approval of a future meeting of the Executive. Most local authorities are treating these monies as non-recurring in nature which will be used for invest to save and one off investment to secure more sustainable adult social care services. These monies will form part of an Improved Better Care Fund.
- 3.12.3 Key points on the Improved Better Care Fund and changes to existing Better Care Fund arrangements are:

- The Better Care Fund national conditions have reduced from 8 to 4 and they are
 - Plans to be jointly agreed:
 - NHS contribution to adult social care is maintained in line with inflation:
 - Agreement to invest in NHS commissioned out-of-hospital services, which may include 7 day services and adult social care:
 - Managing Transfers of Care.
- The additional social care monies are to be pooled within the existing Better Care Fund which requires joint agreement with the CCG normally through the Health and Wellbeing Board;
- The new adult social care grant will be paid directly to local authorities through a Section 31 grant - remember this is three year funding only and effectively results in early payment (with some increases) of the previously planned Improved Better Care Fund which will be needed to help deal with future year pressures;

3.12.4 The Deputy Chief Executive and the Director of Finance have confirmed to Government that the additional 2017/18 adult social care funding monies are in addition to the Council's previously agreed revenue budget.

3.12.5 A further report on the use and the release of the grant funding will be reported back to the Executive in October/November 2017

3.13 Contribution from the CCG

3.13.1 Over the last few months discussions have been had with the Bromley Clinical Commissioning Group (CCG) regarding contributions from health for children's social care placements. Agreement has been reached where the CCG have agreed to:-

- A one off payment of £500k
- A maximum contribution of £500k per year for the next two years (2017/18 and 2018/19)
- £200k of this funding to be set aside to undertake a review of Hollybank , its use and funding

3.13.2 It has been agreed that CCG funding held by Bromley in an earmarked reserve be utilised for this purpose.

3.13.3 It is therefore recommended that a sum of £800k (£500k 2017/18 contribution and £300k of the one off contribution) be transferred from the earmarked reserve to children's social care for 2017/18. £300k is above and beyond the budget projection and is highlighted separately in Appendix 2B of this report.

4. FINANCIAL CONTEXT

4.1 The 2017/18 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 "2017/18 Council Tax" report to Executive in February.

4.2 As reported as part of the Council's financial strategy, a prudent approach has been adopted in considering the central contingency sum to reflect any inherent risks, the potential impact of new burdens, population increases or actions taken by other public bodies which could affect the Council. The approach has also been one of "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.

- 4.3 The 2017/18 Council Tax report identified a budget gap of £23.6m per annum by 2020/21. Additional funding of £5.2m was included in the 2017/18 budget for Children’s Social Care and £2.2m for Education SEN and Adult Social Care to mainly reflect the impact of in-year overspends and additional staffing (Children’s Social Care). The financial forecast and budget will be affected by inflation, changes in government funding and new burdens and realistically any future year overspends will need to be funded from alternative savings. It is therefore important to ensure that action is taken, where possible, to contain costs within budget which also mitigates against the risk of the Council’s budget gap increasing further which would increase the savings required in future years.

5. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 5.1 The 2017/18 budget reflects the financial impact of the Council’s strategies and service plans which impact on all of the Council’s customers and users of our services.

6. POLICY IMPLICATIONS

- 6.1 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.
- 6.2 The “2017/18 Council Tax” report highlighted the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2017/18 to minimise the risk of compounding financial pressures in future years.
- 6.3 Chief Officer comments are included in sections 3.2 and 3.3

7. FINANCIAL IMPLICATIONS

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

Non-Applicable Sections:	Legal, Personnel, Procurement
Background Documents: (Access via Contact Officer)	Provisional final Accounts - Executive 20 th June 2017; 2016/17 Council Tax – Executive 8 th February 2017; Draft 2016/17 Budget and Update on Council’s Financial strategy - Executive 11 th January 2017; Capital Programme Monitoring Report – elsewhere on agenda; Treasury Management Annual Report 2016/17 – Executive & Resources PDS 14 th June 2017; Financial Management Budget Monitoring files across all Portfolios.

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GENERAL FUND - PROJECTED OUTTURN FOR 2017/18

Portfolio	2017/18 Original Budget £'000	Budget Variations allocated in year # £'000	2017/18 Latest Approved Budget £'000	2017/18 Projected Outturn £'000	Variation £'000
Care Services	68,272	1,162	69,434	70,424	990
Education & Children's Services (incl. Schools' Budget)	37,359	115	37,474	38,101	627
Environment	29,179	120	29,299	29,277	Cr 22
Public Protection & Safety	1,963	0	1,963	2,029	66
Renewal and Recreation	7,693	381	8,074	8,074	0
Resources	45,265	804	46,069	46,031	Cr 38
Total Controllable Budgets	189,731	2,582	192,313	193,936	1,623
Capital, Insurance & Pensions Costs (see note 2)	11,244	0	11,244	11,244	0
Non General Fund Recharges	Cr 730	0	Cr 730	Cr 730	0
Total Portfolios (see note 1)	200,245	2,582	202,827	204,450	1,623
Central Items:					
Income from Investment Properties	Cr 9,854	0	Cr 9,854	Cr 9,954	Cr 100
Interest on General Fund Balances	Cr 2,891	0	Cr 2,891	Cr 2,991	Cr 100
Total Investment Income	Cr 12,745	0	Cr 12,745	Cr 12,945	Cr 200
Contingency Provision (see Appendix 3)	14,957	Cr 1,693	13,264	13,264	0
Other central items					
Reversal of net Capital Charges (see note 2)	Cr 9,901	0	Cr 9,901	Cr 9,901	0
Contribution to Transition and Other Funds	2,552	0	2,552	2,552	0
Utilisation of Prior Year Collection Fund Surplus	6,401	0	6,401	6,401	0
New Homes Bonus Support for Revenue	2,256	0	2,256	2,256	0
Levies	1,321	0	1,321	1,321	0
Total other central items	2,629	0	2,629	2,629	0
Total all central items	4,841	Cr 1,693	3,148	2,948	Cr 200
Bromley's Requirement before balances	205,086	889	205,975	207,398	1,423
Carry Forwards from 2016/17 (see note 3)	0	Cr 447	Cr 447	0	447
Carry Forward from 2016/17 (R&M)	0	Cr 113	Cr 113	0	113
Adjustment to Balances	0	0	0	Cr 1,983	Cr 1,983
Revenue Support Grant	205,086	329	205,415	205,415	0
Business Rates Retention Scheme (Retained Income, Top-up and S31 Grants)	Cr 10,855	0	Cr 10,855	Cr 10,855	0
New Homes Bonus	Cr 36,505	0	Cr 36,505	Cr 36,505	0
New Homes Bonus Topslice	Cr 6,096	0	Cr 6,096	Cr 6,096	0
Transition Grant	0	Cr 329	Cr 329	Cr 329	0
Collection Fund Surplus	Cr 2,052	0	Cr 2,052	Cr 2,052	0
Bromley's Requirement	Cr 6,401	0	Cr 6,401	Cr 6,401	0
Bromley's Requirement	143,177	0	143,177	143,177	0
GLA Precept	35,989	0	35,989	35,989	0
Council Tax Requirement	179,166	0	179,166	179,166	0

# Budget Variations allocated to portfolios in year consists of:	£'000
1) Carry forwards from 2016/17 (see note 3)	560
2) Allocations from the central contingency provision (see Appendix 3)	2,022
	<u>2,582</u>

1) NOTES

Portfolio Latest Approved Budgets analysed over Departments as follows:

	2017/18 Original Budget £'000	Budget Variations allocated in year # £'000	2017/18 Latest Approved Budget £'000	2017/18 Projected Outturn £'000	Variation £'000
Education Care & Health Services	120,534	1,277	121,811	123,437	1,626
Environment & Community Services	54,785	852	55,637	55,537	Cr 100
Chief Executive's Department	24,926	453	25,379	25,476	97
	<u>200,245</u>	<u>2,582</u>	<u>202,827</u>	<u>204,450</u>	<u>1,623</u>

2) Reversal of Net Capital Charges

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

3) Carry Forwards from 2016/17

Carry forwards from 2016/17 into 2017/18 totalling £560k 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 2016/17" report.

Care Services Portfolio Budget Monitoring Summary

2016/17 Actuals £'000	Division Service Areas	2017/18 Original Budget £'000	2017/18 Latest Approved £'000	2017/18 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
EDUCATION CARE & HEALTH SERVICES DEPARTMENT								
Adult Social Care								
22,012	Assessment and Care Management management action	20,844	21,341	22,738	1,397	1	0	1,725
				Cr 500	Cr 500		0	Cr 500
1,119	Direct Services	1,073	1,073	1,073	0		0	0
1,258	Commissioning & Service Delivery	1,186	1,278	1,396	118	2	0	118
	DOLS funding held in contingency	0	0	Cr 118	Cr 118		0	Cr 118
31,032	Learning Disabilities	30,875	31,190	32,231	1,041	3	0	2,040
	Planned LD savings from management action	0	0	Cr 600	Cr 600		0	Cr 750
5,588	Mental Health	6,063	5,985	5,935	Cr 50	4	0	Cr 50
Cr 472	Better Care Funding - Protection of Social Care	0	0	Cr 310	Cr 310	5	0	0
60,537		60,041	60,867	61,845	978		0	2,485
Operational Housing								
0	Enabling Activities	Cr 1	Cr 1	Cr 1	0		0	0
Cr 2,018	Housing Benefits	Cr 1,945	Cr 1,945	Cr 1,945	0		0	0
7,128	Housing Needs	6,299	6,609	7,427	818	6	0	727
0	Housing funds held in contingency	0	0	Cr 720	Cr 720		0	0
1,107	Supporting People	1,072	1,072	986	Cr 86	7	0	Cr 65
6,217		5,425	5,735	5,747	12		0	662
Health Integration								
206	Health Integration Programme Carers	338	338	338	0		0	0
1,142	- Net Expenditure	1,462	1,434	1,284	Cr 150		0	0
Cr 1,142	- Recharge to Better Care Fund	Cr 1,462	Cr 1,434	Cr 1,284	150		0	0
	Information & Early Intervention							
922	- Net Expenditure	992	957	947	Cr 10		0	0
Cr 922	- Recharge to Better Care Fund	Cr 992	Cr 957	Cr 982	10	8	0	0
	Better Care Fund							
20,010	- Expenditure	20,125	20,125	20,125	0		0	0
Cr 20,154	- Income	Cr 20,286	Cr 20,286	Cr 20,286	0		0	0
	NHS Support for Social Care							
320	- Expenditure	0	0	0	0		0	0
Cr 320	- Income	0	0	0	0		0	0
62		177	142	142	0		0	0
Strategic & Business Support Services								
261	Learning & Development	267	267	267	0		0	0
2,000	Strategic & Business Support	2,156	2,217	2,217	0		0	0
2,261		2,423	2,484	2,484	0		0	0
Public Health								
15,159	Public Health	15,103	15,103	14,899	Cr 204		0	0
Cr 15,478	Public Health - Grant Income	Cr 15,096	Cr 15,096	Cr 14,892	204		0	0
Cr 319		7	7	7	0		0	0
68,758	TOTAL CONTROLLABLE ECHS DEPT	68,073	69,235	70,225	990		0	3,127
Cr 581	TOTAL NON CONTROLLABLE	360	360	369	9		0	0
6,283	TOTAL EXCLUDED RECHARGES	6,285	6,285	6,285	0		0	0
74,460	TOTAL ECHS DEPARTMENT	74,718	75,880	76,879	999		0	3,127
Environmental Services Dept - Housing								
213	Housing Improvement	199	199	199	0		0	0
213	TOTAL CONTROLLABLE FOR ENV SVCS DEPT	199	199	199	0		0	0
Cr 1,149	TOTAL NON CONTROLLABLE	Cr 828	Cr 828	Cr 828	0		0	0
290	TOTAL EXCLUDED RECHARGES	360	360	360	0		0	0
Cr 646	TOTAL FOR ENVIRONMENTAL SVCS DEPT	Cr 269	Cr 269	Cr 269	0		0	0
73,814	TOTAL CARE SERVICES PORTFOLIO	74,449	75,611	76,610	999		0	3,127

Reconciliation of Latest Approved Budget £'000

2017/18 Original Budget 74,449

Carry forwards requested this cycle:

Social Care Funding via the CCG under s75 agreements

Integration Funding - Better Care Fund		
- expenditure		28
- income	Cr	28
Better Care Fund - GoodGym		
- expenditure		25
- income	Cr	25
Better Care Fund		
- expenditure		132
- income	Cr	132
Fire Safety Grant		
- expenditure		57
- income	Cr	57
DCLG Preventing Homelessness Grant		
- expenditure		153
- income	Cr	153
Community Housing Fund Grant		
- expenditure		62
- income	Cr	62
Implementing Welfare Reform Changes		
- expenditure		56
- income	Cr	56
Other:		
National Living Wage		852
Homelessness Early Intervention and Visiting		310

Latest Approved Budget for 2017/18

75,611

REASONS FOR VARIATIONS

1. Assessment and Care Management - Dr £897k

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

	<u>Current</u> <u>Variation</u> £'000
<u>Physical Support / Sensory Support / Memory & Cognition</u>	
Services for 65 + - Placements	447
- Domiciliary Care / Direct Payments	379
Services for 18 - 64 - Placements	73
- Domiciliary Care / Direct Payments	Cr 2
Savings included in 17/18 budget	500
- management action to achieve 17/18 savings	Cr 500
	<u>897</u>

The budget for 2017/18 included total savings of £782k in relation to Assessment & Care Management. Overall the service is currently projecting an overspend of £897k, including an assumption that savings of £500k are made during the year. If these are not fully achievable then the overspend currently projected will increase. Cost's in this service are extremely volatile, and include significant budgets relating to client contributions which can change significantly during the year.

Services for 65+ - Dr £826k

Services for the 65's and over age group has the biggest budget pressure with both residential and community placements currently projecting an overspend. Numbers in both residential and nursing care are currently 26 above budget number of 389, with an increase in net numbers since April. There were 57 clients admitted to care homes during April and May, but only 41 placements had ended. There is currently a projected overspend of £447k on these budgets. Budgets for domiciliary care continue to see a pressure, with income levels currently being projected below budget. This is partially offset by an underspend on direct payments, and overall an overspend of £379k is projected on these budgets.

Services for 18 - 64 year olds - Dr £71k

Placements for the 18 - 64 age group are projected to be overspent by £73k, with client numbers being 5 above the budget number of 42. Since April there has been a net increase in client numbers of 2. Domiciliary care and direct payments are currently projecting a small underspend of £2k for the year.

2. Adult Social Care Commissioning & Service Delivery - Net nil

There are budget pressures relating to Deprivation of Liberty Safeguards and a projected overspend of £118k is currently anticipated. This is based on the current level of activity continuing and does not allow for any increase in demand or responsibilities. There is £118k set aside in the central contingency for DoLS.

3. Learning Disabilities - Dr £441k Net of Management Action

The 2017/18 LD budget was reduced by £636k (net) for the full year effect of 2016/17 budget savings. The full year effect of the 2016/17 overspend was funded in the 2017/18 budget.

There are significant LD budget pressures this year, including those arising from 2017/18 transition clients and increased, complex client needs. In addition, an 'invest to save' team of staff is employed to work on delivering savings but the cost of this team adds to the cost pressures.

This set of projections is based on both actual information on current care packages and assumptions regarding clients expected to be placed this financial year, attrition etc. The assumptions include packages that have already been agreed at Panel but where the placement has not yet taken place (where the uncertainty is mainly around start dates) and those clients expected to require new placements or have increased needs this year but for whom costs and start dates are uncertain.

To avoid overstating the assumptions, a 'probability factor' has been applied to reflect experience in previous years which has shown that there tends to be either slippage on planned start dates or clients aren't placed as originally expected. However there is a risk attached to this in that the majority of placements may go ahead as and when planned or there may be clients placed who aren't included in the forecast.

Prior to factoring in planned savings, a projected overspend of £1.041m is currently anticipated. It has been assumed that savings of £600k can be achieved from management action this year and this reduces the projected overspend to £441k. Progress on achieving these savings will be monitored closely throughout the year.

Given the early stage in the financial year, a large amount of the current forecast is based on assumptions and may therefore vary significantly as the year progresses.

4. Mental Health - Cr £50k

Based on current information, an underspend of £50k on Mental Health placements is anticipated. Given the early stage in the financial year this is likely to change as the year progresses.

A degree of mis-classification of new clients' Primary Support Reasons (PSRs) continues from last financial year and this distorts the projections. Current indications are that this is likely to be overstating MH projected spend. Although this may shift the position for Mental Health and other PSRs individually, it won't affect the overall Care Services position as, if the clients are not MH, they will move to another PSR budget but still within Care Services.

5. Better Care Fund - Protection of Social Care - Cr £310k

A number of local authority adult social care services are funded by the element of the Better Care Fund set aside to protect social care services. This includes funding previously received under the former Department of Health Social Care Grant.

These services are currently projected to underspend by £310k in 2017/18 and this will be used to offset other budget pressures within social care in line with the intentions of the funding.

6. Housing Needs - Dr £98k

There is currently an overspend of £818k in the Temporary Accommodation area. This is due to a higher than expected increase in clients going into nightly paid accommodation so far this year. We are continuing to experience an increase in the average unit costs rate for the properties, and this is causing some of the pressure to the budget. As additional budget is drawn down from contingency in year the £818k pressure on Temporary Accommodation will returned to a zero balance.

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, thus often making these placements more costly than those in London, especially when the moving and furniture storage costs are factored in.

The full year effect of the projected overspend is currently anticipated to be a pressure of £727k in 2018/19. However, this only takes account of projected activity to the end of the financial year and does not include any projected further growth in numbers beyond that point.

This year there has been a change in the Housing Benefit Grant that has removed the £40 administration fee the Council used to receive and replaced it with a new grant. The grant the council receive from the new Homelessness Support Grant is £2.1m. This is being used to replace the £40 we would have received from Housing Benefit, and this does mean that if the client numbers increase by more than expected there will be an additional pressure. Currently we are forecasting for the grant to be in surplus at the end of the year by £40k.

One of the Traveller sites is experiencing high use of utilities (overspend of £75k) due to the site not having meters and loss of income (£23k) due to particular residents rent arrears.

7. Supporting People - Cr £86k

There is currently expected to be an underspend of £86k. This was expected following the renegotiations of the contracts over the last few years to achieve the savings made on the budget.

8. Health Integration Division - Net nil variation

The total projected underspend for the Division is £160k. This relates entirely to social care services protected by Better Care Funding and referred to at ref 5 above. The underspend will be used to offset other budget pressures within adult social care in line with the intentions of the funding so a net nil variation is shown against Health Integration Division.

Other than variations on the protection of social care element, it is assumed that any underspends on remaining BCF budgets will be carried forward for spending in future years under the pooled budget arrangement with Bromley CCG.

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 there were 6 waivers agreed for care placements in adults social care over £50k but less than £100k and no waivers agreed for over £100k. The waivers quoted relate to the annual cost of the placements, although it should be noted that some of these are short term placements where the final cost can be below these amounts.

There were no waivers agreed for general contracts above £50k since the last report.

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 appropriate Executive meeting.

So far this financial year there have been the following virements: £57k for short term commissioning resources associated with the modernisation of LD day services; £239k from the LD placements budget to fund the team of staff required to support the LD efficiency project until 30/9/17; £35k from the Information and Early Intervention budget to secure additional short term resource to lead on submissions associated with new adult social care funding.

Education & Children's Services Portfolio Budget Monitoring Summary

2016/17 Actuals £'000	Service Areas	2017/18 Original Budget £'000	2017/18 Latest Approved £'000	2017/18 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
EDUCATION CARE & HEALTH SERVICES DEPARTMENT								
Education Division								
Cr 141	Adult Education Centres	Cr 506	Cr 506	Cr 525	Cr 19		0	0
6	Alternative Education and Welfare Service	0	0	0	0		0	0
432	Schools and Early Years Commissioning & QA	372	372	378	6		0	0
5,481	SEN and Inclusion	5,864	5,979	5,979	0		0	0
38	Strategic Place Planning	0	0	0	0		0	0
26	Workforce Development & Governor Services	4	4	4	0		0	0
Cr 1,274	Education Services Grant	Cr 181	Cr 181	Cr 181	0		0	0
425	Access & Inclusion	139	139	140	1		0	0
Cr 1,134	Schools Budgets	Cr 1,282	Cr 1,282	Cr 1,282	0	1	0	0
1,516	Bromley Youth Support Programme	1,454	1,454	1,504	50	2	0	0
245	Other Strategic Functions	127	127	225	98	3	0	0
5,620		5,991	6,106	6,242	136		0	0
Children's Social Care								
1,147	Early Intervention and Family Support	1,042	1,042	1,042	0		0	0
4,041	CLA and Care Leavers	4,227	4,350	4,846	496	4	0	340
12,974	Fostering, Adoption and Resources	12,818	12,818	13,533	715	5	0	691
0	Additional contribution from the CCG	0	0	Cr 300	Cr 300	5	0	0
3,757	Referral and Assessment Service	2,981	3,099	3,132	33	6	0	99
3,056	Safeguarding and Care Planning East	2,405	2,609	2,294	Cr 315	7	0	0
4,020	Safeguarding and Care Planning West	3,645	3,950	4,073	123	8	0	0
2,825	Safeguarding and Quality Improvement	4,250	3,500	3,239	Cr 261	9	0	0
31,820		31,368	31,368	31,859	491		0	1,130
37,440	TOTAL CONTROLLABLE FOR EDUCATION & CHILDREN'S SERVICES	37,359	37,474	38,101	627		0	1,130
Cr 8,263	Total Non-Controllable	2,029	2,029	2,029	0		0	0
6,911	Total Excluded Recharges	6,428	6,428	6,428	0		0	0
36,088	TOTAL EDUCATION & CHILDREN'S SERVICES PORTFOLIO	45,816	45,931	46,558	627		0	1,130
Memorandum Item								
Sold Services								
Cr 134	Education Psychology Service (RSG Funded)	Cr 19	Cr 19	Cr 36	Cr 17	10	0	0
Cr 16	Education Welfare Service (RSG Funded)	Cr 35	Cr 35	Cr 35	0		0	0
11	Workforce Development (DSG/RSG Funded)	Cr 5	Cr 5	Cr 6	Cr 1		0	0
3	Governor Services (DSG/RSG Funded)	0	0	0	0		0	0
16	Community Vision Nursery (RSG Funded)	Cr 14	Cr 14	Cr 12	2		0	0
82	Blenheim Nursery (RSG Funded)	14	14	34	20	0	0	
	Total Sold Services	Cr 59	Cr 59	Cr 55	4		0	0

Reconciliation of Latest Approved Budget

£'000

Original Budget 2017/18

45,816

SEN Implementation Grant 2017/18

- expenditure 225

- income Cr 225

SEN Pathfinder Grant 2017/18

- expenditure 28

- income Cr 28

Step Up To Social Work Grant

- expenditure 915

- income Cr 915

SEN Implementation Grant 2016/17

- expenditure 21

- income Cr 21

Carry forwards requested this cycle:

SEN Pathfinder Grant 2016/17

- expenditure 14

- income Cr 14

Early Years Grant

- expenditure 15

- income Cr 15

LA Conversion Academies Sponsor Support

- expenditure 28

- income Cr 28

High Needs Strategic Planning Fund

- expenditure 140

- income Cr 140

Other:

SEN Pathfinder

- expenditure 115

Latest Approved Budget for 2017/18

45,931

REASONS FOR VARIATIONS**1. Schools Budgets (no impact on General Fund)**

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

The total projected net underspend of £705k will therefore add to the £1.6m carried forward from 2016/17. This gives an estimated DSG balance of £2.3m. The DSG budget for 2017/18 is balanced to the amount that was allocated in December 2016, and are therefore not planning to use any of the carry forward this year.

The in-year underspend is broken down as follows:-

The Primary Support Team are currently projecting a £12k underspend due to lower than expected running costs going to be incurred during the year.

SEN placements are projected to underspend by a total of £804k. This underspend is mainly due to lower than expect number of children attending Independent Boarding Schools (£1,274k) and Maintained Boarding Schools (£43k). These overspends are then offset with overspends on children being places in Maintained Day schools (£540k) and Alternative Programmes (£269k). The rest of the costs have a net effect of an underspend of £27k.

SEN Support for clients in Further Education Colleges is expected to overspend by £26k this year. The reason for this is due to the cost of placing clients in colleges (mainly Bromley). This is being offset by the cost of placements at Independent providers.

The DSG funded element of SEN Transport is projected to overspend by £216k due to the new routes that have been established during the year. To achieve a balanced DSG budget for 2017/18 the budget was reduced by £100k based on historical spend patterns. Due to the current funding regulations we are not permitted to increase this budget from the previous year. This figure is likely to change once the routes for the new academic year have been finalised.

The High Needs Pre-School Service is currently holding a number of vacant posts which is the cause of the £159k underspend. There are not currently any plans to recruit into these posts as it is expected that the service will be reorganised during the year with one of the classes currently being offered by this service being moved to the Riverside School.

The Sensory Support Service underspend of £96k is mostly caused by the staffing costs coming in less than budgeted for at the start of the year.

A number of areas (SIPS Pupil Support Services, Complex Needs Team and Outreach & Inclusion Services) all are currently projected to underspend. Most of the underspend relates to lower than expected staffing costs, but there is also a small amount that relate to running costs that are not expected to be incurred during the year. The total of all of these underspends is £145k.

There is also a balance underspend of £3k on Other Small Balances. This is being offset by a £3k pressure under the SEN heading. The net effect of the small balances is a nil variation.

	Variations	
		£'000
Primary Support Team	Cr	12
Other Small Balances	Cr	3
SEN:		
- Placements	Cr	535
- Support in FE colleges		26
- Transport		216
- High Needs Pre-school Service	Cr	159
- Sensory Support	Cr	96
- SIPS	Cr	33
- Pupil Support Services	Cr	29
- Complex Needs Team	Cr	42
- Outreach & Inclusion Service	Cr	41
- Other Small SEN Balances		3
	Cr	<u>705</u>

2. Bromley Youth Support Programme - Dr £50k

The £50k projected overspend in this area due to agency staff filling vacant posts at a high rate. It is currently hoped at this stage that permanent members of staff will be recruited during the year.

3. Other Strategic Functions - Dr £98k

The £98k overspend relates to the expected cost of the 2017/18 Business Rate for the Widmore Centre while the council waits for the EFA to take over the site. The figure may change once a date for the EFA to take over the property has been agreed.

Children's Social Care - Dr £491k

The main areas of under / overspending are shown below. The May projections include assumptions around increased numbers of placements, as well as controlling expenditure on staffing budgets which overspent by £1.122m in 2016/17. If efforts to reduce expenditure in this area are not successful then this projected overspend may increase.

4. CLA and Care Leavers - Dr £496k

The cost in relation to clients leaving care continues to overspend for both the 16-17 age group and the 18+ age group for whom housing benefit contributes towards the costs.

The budget in relation to clients aged 16 or 17 is projected to overspend by £161k. Cost's have increased over the past year as children are having to be placed in accommodation with higher levels of support than they previously had.

For the 18 plus client group there continues to be differences between the amount being paid in rent and the amount reclaimable as housing benefit, mainly due to lack of supply of suitable accommodation and the rental price of properties, resulting in a projected overspend of £47k. This amount could rise if net client numbers increase.

In addition expenditure relating to the 'Staying Put' grant, where care leavers can remain with their foster carers after the age of 18, is currently projecting an overspend of £288k against a grant provision of £113k.

5. Fostering, Adoption and Resources - Dr 415k

The budget for children's placements is projected to overspend by £415k by year end. This amount includes assumptions for children coming through the system however as these budgets are very volatile and are subject to large fluctuations this figure is likely to change over the course of the year. An analysis of the current projected variations by placement type is shown below.

- Community Home's / Community Home's with Education - Dr £114k
- Boarding Schools - Dr £279k
- Secure Accommodation & Youth on Remand - Cr £61k
- Transport & Outreach services - Cr £72k
- Fostering services (IFA's) - Dr £775k
- Fostering services (Inhouse, including SGO's and Kinship) - Dr £418k
- Adoption placements - Dr £12k

In addition to the variations above, Bromley CCG have allocated a one off payment of £300k and an additional payment of £500k as a contribution towards the continuing care costs of placements, with an additional £250k also expected to be received.

Additional funding was included in the 2017/18 budget as part of a package of growth within ECHS overall, however placement numbers have increased since the amount required was calculated, resulting in increased expenditure.

6. Referral and Assessment - Dr £33k

No Recourse to Public Funds - Dr £33k

The projected cost to Bromley for people with no recourse to public funding is an overspend of £33k. Additional budget was moved into this area in 2015/16 to deal with a previous overspend on the budget, however there continues to be a cost pressure in this area.

Currently there are 40 children with families receiving funding which is no overall change since the end of March. This budget does however remain volatile as the costs incurred largely remain outside of the councils control.

7. Safeguarding and Care Planning East - Cr £315k

Public Law Outline - Court Ordered Care Proceedings - Cr £443k

Cost's in relation to care proceedings are currently expected to be £443k under the budget provision of £798k. The budget for this was increased significantly in 2017/18 as a result of significant costs identified during 2016/17, which outturned with a spend of around £900k. Current year projections identify reduced costs in the region of £355k, resulting in a projected underspend at this point of the year.

Staffing - Dr £128k

Staffing costs continue to put pressure on the budgets due to continued use of costly agency staff. Although there is currently an ongoing campaign to recruit permanent social workers, the results of this will take some time to work through resulting in continued high costs for at least part of the year. The current projected overspend for this service is £128k.

8. Safeguarding and Care Planning West - Dr £123k

Staffing - Dr £123k

Staffing costs continue to put pressure on the budgets due to continued use of costly agency staff. Although there is currently an ongoing campaign to recruit permanent social workers, the results of this will take some time to work through resulting in continued high costs for at least part of the year. The current projected overspend for this service is £123k.

9. Safeguarding and Quality Improvement - Cr £261k

Staffing - Dr £98k

Staffing costs continue to put pressure on the budgets due to continued use of costly agency staff. Although there is currently an ongoing campaign to recruit permanent social workers, the results of this will take some time to work through resulting in continued high costs for at least part of the year. The current projected overspend for this service is £98k.

Various Expenditure Budgets - Cr £350k

In November 2016, a freeze was initiated on running expense budgets that were underspending at that time. An amount of budget equal to these underspends was moved to a specific code within Children's Social Care to ensure that they were not spent. Due to the continued overspend in the division it has been decided that this will be replicated for 2017/18, with a sum of £350k being identified this year.

Running Expenses - Cr £9k

Various minor running expenses underspends

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 there were 5 waivers agreed for care placements in childrens social care over £50k but less than £100k and 3 waivers agreed for over £100k. The waivers quoted relate to the annual cost of the placements, although it should be noted that some of these are short term placements where the final cost can be below these amounts.

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.

Environment Portfolio Budget Monitoring Summary

2016/17 Actuals £'000	Service Areas	2017/18 Original Budget £'000	2017/18 Latest Approved £'000	2017/18 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	ENVIRONMENT PORTFOLIO							
	Street Scene & Green Spaces							
5,177	Parks and Green Spaces	5,194	5,152	5,152	0		0	0
290	Street Regulation and Enforcement incl markets	372	367	367	0		0	0
17,009	Waste Services	17,661	17,767	17,745	Cr 22	1	0	0
4,206	Street Environment	4,261	4,273	4,273	0		0	0
804	Management and Contract Support	871	920	920	0		0	0
632	Transport Operations and Depot Management	680	680	680	0		0	0
877	Trees	736	736	736	0		0	0
28,995		29,775	29,895	29,873	Cr 22			
	Parking Services							
Cr 7,425	Parking	Cr 7,468	Cr 7,468	Cr 7,468	0	2-4	0	0
Cr 7,425		Cr 7,468	Cr 7,468	Cr 7,468	0		0	0
	Transport & Highways							
245	Traffic & Road Safety	318	318	318	0		0	0
8,971	Highways (including London Permit Scheme)	6,554	6,554	6,554	0	5	0	0
9,216		6,872	6,872	6,872	0		0	0
30,786	TOTAL CONTROLLABLE	29,179	29,299	29,277	Cr 22		0	0
8,165	TOTAL NON-CONTROLLABLE	5,468	5,581	5,545	Cr 36	6	0	0
2,394	TOTAL EXCLUDED RECHARGES	2,244	2,244	2,244	0		0	0
41,345	PORTFOLIO TOTAL	36,891	37,124	37,066	Cr 58		0	0

Reconciliation of Latest Approved Budget

£'000

Original Budget 2017/18

36,891

Green Garden Waste Direct Debits

120

Non- Controllable R&M - Central Depot

113

Latest Approved Budget for 2017/18

37,124

REASONS FOR VARIATIONS**1. Waste Services Cr £22k**

Tonnages overall are expected to be 1,200 tonnes below budget and therefore an underspend of £81k is projected, after taking account of the extra cost of the 0.3% inflation.

As a direct consequence of the reduction in tonnage during April and May, the projected reduction in income within trade waste delivered to the weighbridges is £30k, which partly offset the reduction in disposal costs.

There are additional costs of £28k for the waste collection contract as inflation was 0.3% above the 2% inflation that was added to the budget for 2017/18. This is offset by savings within the waste service.

For paper recycling income there is a projected deficit of £24k as tonnage is expected to be 358 tonnes below budget.

As a direct result of an increase in the number of green garden waste customers, income is expected to be £60k above budget.

Within trade waste collection there is a net projected shortfall of income of £37k mainly due to a slightly higher customer dropout compared to the level expected.

Summary of overall variations within Waste Services		£'000
Waste disposal costs	Cr	81
Shortfall of trade waste delivered income		30
Additional inflation 0.3% for the waste collection contract		28
Paper recycling income		24
Green Garden waste service	Cr	60
Trade waste collected income		37
Total variation for Waste Services	Cr	22

2. Income from Bus Lane Contraventions Cr £20k

There is a net projected surplus of £20k for the redeployable automated cameras in bus lanes for 2017-18, based on numbers of contraventions up to May 2017.

3. Off/On Street Car Parking £0k

Based on income to May 2017, no overall variation is projected for Off and On Street parking in 2017/18.

A deficit of £164k is forecast for Off and On Street Parking income. This was partly due to the initial problems with the new Parking contract with APCOA, which started in April. These included issues around car park cleaning, cash collection and counting, which resulted in defaults being issued totalling £32k. These issues now seem to have been resolved.

£76k of this projected deficit is due to delays in the roll out of the additional On Street Parking bays. The member of staff leading on this project left the council at the end of March, however a replacement is being recruited. If the remaining schemes are implemented, it is expected that the £76k income will be generated.

£56k of additional income is projected to be received from cashless parking fees, as the use of this service continues to grow.

Summary of variations within Off/On Street Car Parking		Total
		£'000
Off Street Car Parking income		164
Share of defaults April and May 17	Cr	32
Additional income from new bays	Cr	76
Additional income from cashless parking fees	Cr	56
Total variations within Off/On Street Parking		0

4. Parking Enforcement Dr £20k

From the activity levels up to May 2017, there is a projected net deficit of around £60k from PCNs issued by APCOA in the current year due to a reduction in contraventions. During the initial mobilisation period of the contract APCOA experienced problems in recruitment and training Civil Enforcement Officers (CEOs). This position now seems to have stabilised and staff have been recruited with the necessary skills and abilities to carry out the contract. There are defaults that have been applied to the contract of around £40k for April and May 2017, which partly offsets the deficit.

Summary of variations within Parking Enforcement	£'000
PCNs issued by wardens	60
APCOA Enforcement defaults	Cr 40
Total variations within Parking Enforcement	20
Summary of overall variations within Parking:	£'000
Bus Routes Enforcement	Cr 20
Off/On Street Car Parking	0
Car Parking Enforcement	20
Total variation for Parking	0

5. Highways- Including London Permit Scheme £0k

It should be noted that unpaid invoices for British Telecom 2012/13 to 2016/17 shows £234k still outstanding of which £184k was raised prior to 2016/17. Negotiations are ongoing with BT.

6. Non-controllable Cr £36k

There is a projected surplus income of Cr £36k within the property rental income budget. Property division are accountable for these variations.

Waiver of Financial Regulations:

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

Virements Approved to date under Director's Delegated Powers

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

Public Protection & Safety Budget Monitoring Summary

2016/17 Actuals £'000	Service Areas	2017/18 Original Budget £'000	2017/18 Latest Approved £'000	2017/18 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	Public Protection							
108	Community Safety	142	142	142	0		0	0
77	Emergency Planning	83	83	83	0		0	0
508	Mortuary & Coroners Service	403	403	469	66	1	0	100
1,187	Public Protection	1,335	1,335	1,335	0		0	0
1,880	TOTAL CONTROLLABLE	1,963	1,963	2,029	66		0	100
270	TOTAL NON CONTROLLABLE	3	3	3	0		0	0
262	TOTAL EXCLUDED RECHARGES	374	374	374	0		0	0
2,412	PORTFOLIO TOTAL	2,340	2,340	2,406	66		0	100

REASONS FOR VARIATIONS

1. Mortuary and Coroners Service Dr £66k

The Coroner's consortium costs escalated in 2016/17. The total of £466k provided for in 2016/17, included the estimated costs of £128k for the refurbishment of the new offices for the Coroner's service in Davis House. To date the 2016/17 revenue costs and Davis House costs have not yet been finalised but it is expected they will be covered by the provisions made.

Croydon, the lead authority for the Coroner's service, have set an initial 2017/18 budget for Bromley of £355k. Details around the services that will be provided for this budget have not been provided and therefore it is not certain how many of the high profile cases likely to be heard in 2017/18, are covered by this sum. It is estimated that there will be a projected overspend of around £86k for 2017/18.

Croydon have reported that there is expected to be additional costs relating to a large inquest in July and Bromley's share of the costs are expected to be at least £45k.

Should the activity for the Mortuary contract remain at the same level as 2016/17, there will be an underspend of around £35k which can be used to partly offset against the additional Coroners costs. In addition there is a £30k provision set aside for the increase in backdated Coroners' salary costs which is now no longer needed which can also be used.

Summary of variations	£'000
Potential overspend on Coroners service re increased costs	86
Estimated cost of large inquest	45
Potential underspend on Mortuary	Cr 35
Release of provision no longer required	Cr 30
Total variations	<u>66</u>

It should be noted that Croydon have drafted a formal collaboration agreement for the four authorities within the South London Consortium for the Coroners Service. In addition, the Head of Environmental Protection will submit a report for Members to consider the information justifying the substantial increased cost of the service and the capital costs for the refurbishment of Davis House. The report will also include any further information about the proposed staffing review and what the financial impact will be, if any.

Waiver of Financial Regulations:

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

Virements Approved to date under Director's Delegated Powers

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

Renewal and Recreation Budget Monitoring Summary

2016/17 Actuals £'000	Division Service Areas	2017/18 Original Budget £'000	2017/18 Latest Approved £'000	2017/18 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	R&R PORTFOLIO							
	Planning							
Cr 3	Building Control	76	76	26	Cr 50	1	0	0
Cr 144	Land Charges	Cr 129	Cr 129	Cr 129	0	2	0	0
812	Planning	703	703	753	50		0	0
1,564	Renewal	785	1,128	1,128	0		0	0
2,229		1,435	1,778	1,778	0		0	0
	Recreation							
1,732	Culture	1,675	1,690	1,690	0		0	0
4,737	Libraries	4,403	4,403	4,403	0		0	0
263	Town Centre Management & Business Support	180	203	203	0		0	0
6,732		6,258	6,296	6,296	0		0	0
8,961	Total Controllable R&R Portfolio	7,693	8,074	8,074	0		0	0
5,855	TOTAL NON CONTROLLABLE	4,195	4,195	4,153	Cr 42	3	0	0
2,088	TOTAL EXCLUDED RECHARGES	2,086	2,086	2,086	0		0	0
16,904	PORTFOLIO TOTAL	13,974	14,355	14,313	Cr 42		0	0

Reconciliation of Latest Approved Budget

£'000

Original budget 2017/18

13,974

New Homes Bonus TCM

23

New Homes Bonus Regeneration

306

Custom Build & New Burdens grant - Expenditure

30

Custom Build & New Burdens grant - Income

Cr 30

Local Plan Implementation

37

Inflation adjustment

15

Latest Approved Budget for 2017/18

14,355

REASONS FOR VARIATIONS

1. Building Control Cr £50k

For the chargeable service, an income deficit of £100k is projected based on actual income for April and May 2017. This is mostly offset by a projected underspend within salaries of £75k arising from reduced hours working / vacancies. In accordance with Building Account Regulations, the net deficit of around £25k will be drawn down from the earmarked reserve for the Building Control Charging Account. The net balance will therefore reduce from Cr £182k to Cr £157k.

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

2. Planning Dr £50k

Income from non-major planning applications is below budget for the first two months of the year, and a deficit of around £50k is projected for 2017/18. For information, actual income of £160k was received for April and May 2017 compared with £188k in 2016/17. It should be noted that statutory Planning fees are likely to be increased in the Autumn and therefore this deficit may not arise.

For major applications, £46k has been received as at 31st May, which is £52k lower than for the same period in 2016/17. However because the timing of this income varies from year to year dependent on the number of major applications that are actually received, a balanced budget is projected from these applications at this early stage of the year. This budget will be closely monitored over the next few months.

Currently there is a projected surplus of income of £25k from pre-application meetings due to higher than budgeted activity levels.

Activity within street naming & numberings still high and a surplus of £20k is currently projected.

Across staffing budgets, there is a projected net overspend of £45k, this is mainly related to agency staff within Development Control.

Summary of variations within Planning:

	£'000
Deficit of income from non-major applications	50
Surplus pre-application income	Cr 25
Surplus income Street Naming and Numbering	Cr 20
Additional staffing costs	45
Total variation for planning	<u>50</u>

3. Non-controllable Cr £42k

There is a projected surplus income of Cr £42k within the property rental income budget. Property division are accountable for these variations.

Waiver of Financial Regulations:

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

Virements Approved to date under Director's Delegated Powers

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

Resources Portfolio Budget Monitoring Summary

2016/17 Actuals		2017/18 Original Budget	2017/18 Latest Approved	2017/18 Projected Outturn	Variation	Notes	Variation Last Reported	Full Year Effect
£'000		£'000	£'000	£'000	£'000		£'000	£'000
	CHIEF EXECUTIVE'S DEPARTMENT							
	FINANCIAL SERVICES DIVISION							
456	Director of Finance & Other	212	212	212	0		0	0
6,641	Exchequer - Revenue & Benefits	6,645	6,786	6,786	0		0	0
1,545	Exchequer - Payments & Income	1,600	1,613	1,613	0		0	0
606	Financial Accounting	620	620	620	0		0	0
1,423	Management Accounting	1,521	1,522	1,522	0		0	0
632	Audit	679	719	719	0		0	0
11,303	Total Financial Services Division	11,277	11,472	11,472	0		0	0
	CORPORATE SERVICES DIVISION							
4,375	Information Systems & Telephony	4,482	4,482	4,482	0		0	0
1,078	Customer Services (inc. Bromley Knowledge)	1,101	1,109	1,109	0		0	0
	Legal Services & Democracy							
320	Electoral	345	345	345	0		0	0
1,369	Democratic Services	1,412	1,412	1,412	0		0	0
Cr 123	Registration of Births, Deaths & Marriages	Cr 94	-94	Cr 94	0		0	0
1,776	Legal Services	1,642	1,692	1,789	97	1	0	0
169	Management and Other (Corporate Services)	175	175	175	0		0	0
8,964	Total Corporate Services Division	9,063	9,121	9,218	97		0	0
	HR DIVISION							
1,523	Human Resources	1,929	2,010	2,010	0		0	0
1,523	Total HR Division	1,929	2,010	2,010	0		0	0
	COMMISSIONING AND PROCUREMENT DIVISION							
939	Procurement and Data Management	666	716	716	0		0	0
1,245	Commissioning	1,428	1,428	1,428	0		0	0
0	Debt Management System	0	25	25	0		0	0
2,184	Total Commissioning and Procurement Division	2,094	2,169	2,169	0		0	0
	CHIEF EXECUTIVE'S DIVISION							
125	Comms	125	125	125	0		0	0
652	Management and Other (C. Exec)	712	756	756	0		0	0
168	Mayoral	149	149	149	0		0	0
945	Total Chief Executive's Division	986	1,030	1,030	0		0	0
	CENTRAL ITEMS							
7,500	CDC & Non Distributed Costs (Past Deficit etc.)	3,831	3,831	3,831	0		0	0
11,600	Concessionary Fares	11,210	11,210	11,210	0		0	0
44,019	TOTAL CONTROLLABLE CE DEPT	40,390	40,843	40,940	97		0	0
Cr 8,194	TOTAL NON CONTROLLABLE	337	337	337	0		0	0
Cr 16,351	TOTAL EXCLUDED RECHARGES	Cr 15,801	Cr 15,801	Cr 15,801	0		0	0
19,474	TOTAL CE DEPARTMENT	24,926	25,379	25,476	97		0	0
	ENVIRONMENT & COMMUNITY SERVICES DEPARTMENT							
	Total Facilities Management							
1,938	Admin Buildings & Facilities Support	2,217	2,229	2,229	0		0	0
195	Investment & Non-Operational Property	187	187	121	Cr 66	2	0	0
1,115	Strategic & Operational Property Services	979	1,079	1,079	0		0	0
163	TFM Client Monitoring Team	311	311	311	0		0	0
Cr 866	Other Rental Income - Other Portfolios	Cr 763	-763	Cr 832	Cr 69	3	0	0
2,117	Repairs & Maintenance (All LBB)	1,944	2,183	2,183	0		0	0
4,662	TOTAL CONTROLLABLE ECS DEPT	4,875	5,226	5,091	Cr 135		0	0
1,778	TOTAL NON CONTROLLABLE	402	402	402				
Cr 2,666	TOTAL EXCLUDED RECHARGES	Cr 2,706	Cr 2,706	Cr 2,706				
Cr 1,411	Less: R&M allocated across other Portfolios	Cr 1,485	Cr 1,598	Cr 1,598	0		0	0
866	Less: Rent allocated across other Portfolios	763	763	832	69		0	0
3,229	TOTAL ECS DEPARTMENT	1,849	2,087	2,021	Cr 66		0	0
22,703	TOTAL RESOURCES PORTFOLIO	26,775	27,466	27,497	31		0	0

Reconciliation of Latest Approved Budget

Original budget 2017/18

£'000

26,775

Carry forwards requested:

Audit - Additional investigation works	40
Electoral IER - grant related expenditure	47
Electoral IER - grant related income	Cr 47
Debt Management System - grant related expenditure	99
Debt Management System - grant related income	Cr 99
Debt Management System - Aspien Corporate Debt System	25
Contract Register / Summaries Database	50
Legal Counsel Cost	50
Biggin Hill Airport Noise Action Plan	44
Inflation Adjustment	175
TFM - Pension Liabilities	100
Operational Building Maintenance	126
Staff Merit awards	81

Latest Approved Budget for 2017/18

27,466

REASONS FOR VARIATIONS**CORPORATE SERVICES DIVISION****1. Legal Services Dr £97k**

An overspend of £97k is projected for counsel fees and court costs due to the high volume of child care cases. 12 cases were received in April and May, and it is anticipated that the number of child care cases received in 17/18 will be in the region of 80 cases. Although the number of cases are expected to be lower than last year (99 cases), it far exceeds the average annual number of around 47 cases in the past.

ENVIRONMENT AND COMMUNITY SERVICES DEPARTMENT**2. Investment and Non-Operational Property Cr £66k**

The budget for Surplus Properties is expected to overspend by £17k due to business rates for various surplus properties and additional security costs of £9k for the Widmore centre. This is more than offset by £92k underspend on business rates for Bromley Town Hall (Exchequer House).

Summary of variations within Investment & Non- Operational Property	£000
Business Rates for Surplus properties	17
Security cost - Widmore Centre	9
Bromley Town Hall (Exchequer House)	Cr 92
Total Variation	Cr 66

3. Other Rental Income - Other Portfolios Cr £69k

There is an overall net surplus of £69k rental income from various properties in other Portfolios. This is mainly due to £30k additional income from the Depots, £24k from a rent review of Langley Park Golf club, and other minor variations totalling Cr £15k.

Summary of variations within Investment & Non- Operational Property	£000
Additional income from Depots	Cr 30
Rent review on Langley Park Golf Club	Cr 24
Other minor variations	Cr 15
Total Variation	Cr 69

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 virement has been actioned.

Allocation of Contingency Provision for 2017/18

Item	Original Contingency Provision	Allocations				Variation to Original Contingency Provision
		Previously Approved Items	New Items Requested this Cycle	Items Projected for Remainder of Year	Total Allocations/ Projected for Year	
	£	£	£	£	£	£
Renewal and Recreation						
Planning Appeals - change in legislation	60,000			60,000	60,000	0
General						
Provision for unallocated inflation	2,274,000	190,000		2,084,000	2,274,000	0
Impact of Chancellor's Summer Budget 2015 on future costs	2,260,000	852,000		1,408,000	2,260,000	(4)
Increase in Cost of Homelessness/Impact of Welfare Reforms	2,740,000	310,000		2,430,000	2,740,000	(3)
General provision for risk/uncertainty	2,219,000		115,000	2,104,000	2,219,000	0
Provision for risk/uncertainty relating to volume and cost pressures	2,182,000	226,000		1,956,000	2,182,000	(1)&(2)
Impact of conversion of schools to academies	117,000			117,000	117,000	0
Retained Welfare Fund	450,000			450,000	450,000	0
Deprivation of Liberty	118,000			118,000	118,000	0
Growth for Waste Services	424,000			424,000	424,000	0
Grants to Voluntary Organisations - pump priming funding	275,000			275,000	275,000	0
Other Provisions	293,000			293,000	293,000	0
Adult Social Care	700,000			700,000	700,000	0
Provision for impact of NNDR Revaluation	350,000			350,000	350,000	0
Education SEN	300,000			300,000	300,000	0
Better Care Fund	220,000			220,000	220,000	0
HR/Finance impact of academy conversions	Cr 25,000			Cr 25,000	Cr 25,000	0
	14,957,000	1,578,000	115,000	13,264,000	14,957,000	0
Grants included within Central Contingency Sum						
SEND Implementation Grant (New Burdens)						
Grant related expenditure	201,000	225,000		0	225,000	(3)
Grant related income	Cr 201,000	Cr 225,000		0	Cr 225,000	Cr 24,000
Tackling Troubled Families Grant						
Grant related expenditure	781,000			781,000	781,000	0
Grant related income	Cr 781,000			Cr 781,000	Cr 781,000	0
Adult Social Care						
Grant related expenditure	4,184,000			4,184,000	4,184,000	0
Grant related income	Cr 4,184,000			Cr 4,184,000	Cr 4,184,000	0
SEN Pathfinder Grant						
Grant related expenditure		27,522		0	27,522	(3)
Grant related income		Cr 27,522		0	Cr 27,522	Cr 27,522
Step Up To Social Work Grant						
Grant related expenditure		915,000		0	915,000	(5)
Grant related income		Cr 915,000		0	Cr 915,000	Cr 915,000
Total Grants	0	0	0	0	0	0
TOTAL CARRIED FORWARD	14,957,000	1,578,000	115,000	13,264,000	14,957,000	0

Notes:

- (1) Executive 23rd March 2016
- (2) Executive 22nd March 2017
- (3) Executive 24th May 2017
- (4) Executive 6th June 2017
- (5) Executive 20th June 2017

Allocation of Contingency Provision for 2017/18 (continued)

Item	Carried Forward from 2016/17	Allocations				Variation to Original Contingency Provision
		Previously Approved Items	New Items Requested this Cycle	Items Projected for Remainder of Year	Total Allocations/Projected for Year	
	£	£	£	£	£	£
TOTAL BROUGHT FORWARD	14,957,000	1,578,000	115,000	13,264,000	14,957,000	0
Items Carried Forward from 2016/17						
Care Services						
Social Care Funding via the CCG under S75 agreements						
Integration Funding - Better Care Fund						
- expenditure	28,170		28,170	0	28,170	(2)
- income	Cr 28,170		Cr 28,170	0	Cr 28,170	0
Better Care Fund - GoodGym						
- expenditure	25,000		25,000	0	25,000	(2)
- income	Cr 25,000		Cr 25,000	0	Cr 25,000	0
Better Care Fund						
- expenditure	132,190		132,190	0	132,190	(2)
- income	Cr 132,190		Cr 132,190	0	Cr 132,190	0
Helping People Home						
- expenditure	40,000			40,000	40,000	0
- income	Cr 40,000			Cr 40,000	Cr 40,000	0
DCLG Preventing Homelessness Grant						
- expenditure	152,551		152,551	0	152,551	(2)
- income	Cr 152,551		Cr 152,551	0	Cr 152,551	0
Fire Safety Grant						
- expenditure	56,589		56,589		56,589	(2)
- income	Cr 56,589		Cr 56,589		Cr 56,589	0
Community Housing Fund Grant						
- expenditure	62,408		62,408	0	62,408	(2)
- income	Cr 62,408		Cr 62,408	0	Cr 62,408	0
Public Health						
- expenditure	623,290			623,290	623,290	0
- income	Cr 623,290			Cr 623,290	Cr 623,290	0
Implementing Welfare Reform Changes						
- expenditure	56,219		56,219	0	56,219	(2)
- income	Cr 56,219		Cr 56,219	0	Cr 56,219	0
Renewal & Recreation Portfolio						
New Homes Bonus - Town Centre Management						
- expenditure	23,446		23,446	0	23,446	(3)
- income	Cr 23,446		Cr 23,446	0	Cr 23,446	0
New Homes Bonus - Regeneration						
- expenditure	306,126		306,126	0	306,126	(3)
- income	Cr 306,126		Cr 306,126	0	Cr 306,126	0
Planning Strategy & Projects - Custom Build Grant						
- expenditure	29,645		29,645	0	29,645	(3)
- income	Cr 29,645		Cr 29,645	0	Cr 29,645	0
Resources Portfolio						
Electoral Services - Cabinet Office Funding for IER						
- expenditure	47,117		47,117	0	47,117	(4)
- income	Cr 47,117		Cr 47,117	0	Cr 47,117	0
Debt Management System Project - Transformation Grant						
- expenditure	99,267		99,267	0	99,267	(4)
- income	Cr 99,267		Cr 99,267	0	Cr 99,267	0
Education and Children's Services Portfolio						
SEN Reform Grant						
- expenditure	20,703	20,703		0	20,703	(1)
- income	Cr 20,703	Cr 20,703		0	Cr 20,703	0
SEN Pathfinder Grant						
- expenditure	14,427		14,427	0	14,427	(5)
- income	Cr 14,427		Cr 14,427	0	Cr 14,427	0
Early Years Grant						
- expenditure	14,800		14,800	0	14,800	(5)
- income	Cr 14,800		Cr 14,800	0	Cr 14,800	0
LA Conversion Academies Sponsors Support						
- expenditure	28,000		28,000	0	28,000	(5)
- income	Cr 28,000		Cr 28,000	0	Cr 28,000	0
High Needs Strategic Planning Fund						
- expenditure	139,624		139,624	0	139,624	(5)

Item	Carried Forward from 2016/17	Allocations				Variation to Original Contingency Provision
		Previously Approved Items	New Items Requested this Cycle	Items Projected for Remainder of Year	Total Allocations/Projected for Year	
- income	£ Cr 139,624	£	£ Cr 139,624	£ 0	£ Cr 139,624	£ 0
Tackling Troubled Families						
- expenditure	675,400			675,400	675,400	0
- income	Cr 675,400			Cr 675,400	Cr 675,400	0
General						
Audit - Additional investigation works	40,000		40,000	0	40,000	(4) 0
Debt Management System	25,000		25,000	0	25,000	(4) 0
Contracts Register/Summaries Database	50,000		50,000	0	50,000	(4) 0
Biggin Hill Airport - Noise Action Plan	43,700		43,700	0	43,700	(4) 0
Legal Counsel Costs	50,000		50,000	0	50,000	(4) 0
Staff Merit Awards	80,970		80,970	0	80,970	(4) 0
Green Garden Waste - Debt Management System	120,000		120,000	0	120,000	(6) 0
Local Plan Implementation	37,427		37,427	0	37,427	(3) 0
	447,097	0	447,097	0	447,097	0
Total Carried Forward from 2016/17	447,097	0	447,097	0	447,097	0
GRAND TOTAL	15,404,097	1,578,000	562,097	13,264,000	15,404,097	0

Notes:

- (1) Executive 24th May 2017
- (2) Care Services PDS 4th July 2017
- (3) Renewal & Recreation 5th July 2017
- (4) Executive & Resources PDS 13th July 2017
- (5) Education Children & Families Budget & Performance Monitoring Sub-Committee 18th July 2017
- (6) Environment PDS 12th July 2017

Description	2017/18 Latest Approved Budget £'000	Variation To 2017/18 Budget £'000	Potential Impact in 2018/19
Housing Needs - Temporary Accommodation	6,609	720	The full year effect of Temporary Accommodation is currently estimated to be £727k in 2018/19. This estimate only takes into account the projected activity to the end of this financial year and not any projected growth in client numbers beyond that point. The costs are expected to be cover by a contingency bid during 2018/19 as has been the case for a number of years.
Assessment and Care Management - Care Placements	19,659	1,397	The full year impact of the current overspend is estimated at Dr £1,225k. £838k of this relates to residential and nursing home placements and £387k to domiciliary care / direct payments . This is based on client numbers as at the end of May and given the volatility of these budgets is likely to change during the year.
Learning Disabilities - Care Placements and Care Management	30,756	441	The full year effect is estimated at an overspend of £1,290k which is higher than the current year's overspend. This is because the forward assumptions are based on a net increase in the number / cost of LD clients (clients expected to be placed in-year in 2017/18 will only have a part year cost in 2017/18 but a full year cost in 2018/19 and new / increased packages exceed savings being planned). The Invest to Save Team is a non-recurrent cost in 2017/18 so this reduces the FYE pressure. Given the early stage in the financial year this figure is likely to vary as the year progresses.
Mental Health - Care Placements	5,985	Cr 50	There is currently a full year underspend of £50k anticipated on Mental Health placements. There continues to be a degree of misclassification of clients' Primary Support Reasons (PSRs) and this may result in projections shifting between PSRs in future months.
Supporting People	1,072	Cr 86	The full year effect of Supporting People is currently estimated to be a credit of £65k. This is a result of the estimated savings from retendering of the contracts.
Children's Social Care	15,047	541	The overall full year effect of the Childrens Social Care overspend is £1,130k, analysed as Residential, Fostering and Adoption £691k, No Recourse to Public Funds £99k and Leaving Care services (inc Staying Put and Housing Benefit clients) £340k
Investment income	Cr 9,854	Cr 100	There is a surplus of income on investment properties following the recent completion of Trinity House acquisition in April.
Mortuary and Coroners Service	403	66	The projected full year effect of the increased Coroner's costs is £100k in 2018/19. A report is to be submitted to Members by the Head of Environmental Protection to provide further information to justify the substantial increased cost of this service which is administered by Croydon as the lead authority in the South London Consortium.

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		Transfers			Actual
2017	Service	Income	Expenditure	to/(from)	as at
£'000		£'000	£'000	Capital	31 May
<u>Revenue</u>				£'000	2017
					£'000
					<u>Revenue</u>
542	Highway Improvement Works	5	-	-	547
42	Road Safety Schemes	-	-	-	42
45	Local Economy & Town Centres	-	-	-	45
78	Parking	2	-	-	80
724	Healthcare Services	188	-	-	912
10	Community Facilities (to be transferred to capital)	-	-	-	10
311	Other	-	-	-	311
1,752		195	-	-	1,947
	Capital				Capital
2,890	Education	773	-	-	3,663
4,911	Housing	-	282	-	4,629
97	Local Economy & Town Centres	-	50	-	47
82	Highway Improvement Works	-	-	-	82
7,980		773	332	-	8,421
9,732		968	332	-	10,368

Report No.
FSD17064

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Executive Council

Date: Executive 19th July 2017
Council 25th September 2017

Decision Type: Non-Urgent Executive Non-Key

Title: CAPITAL PROGRAMME MONITORING – 1ST QUARTER 2017/18

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Chief Officer: Director of Finance

Ward: All

1. Reason for report

This report summarises the current position on capital expenditure and receipts following the 1st quarter of 2017/18 and seeks the Executive's approval to a revised Capital Programme.

2. RECOMMENDATION(S)

2.1 The Executive is requested to:

- (a) Note the report, including a total rephasing of £12,504k from 2017/18 into future years, and agree a revised Capital Programme;
- (b) Approve the following amendments to the Capital Programme:
 - (i) Addition of £1,838k on Disabled Facilities Grant funded scheme to reflect the latest grant funding available (see para 3.3.1);
 - (ii) Deletion of the £1k residual balance on Crystal Palace Park Subway scheme which has reached completion (see para 3.3.2);
 - (iii) Reduction of £107k on Transport for London (TfL) funded Traffic and Highways schemes (see para 3.3.3);
 - (iv) Addition of £31k for a 30 Hours Funded Childcare IT Solution scheme (see para 3.3.4);
 - (v) Section 106 receipts from developers - increase of £779k in 2017/18 to reflect the funding received (see para 3.3.5);

- (vi) **A change in scope to the replacement of MD110 telephone switch scheme as detailed in para 3.3.6.**
- (c) Note that reports elsewhere on the agenda request the following amendments to the capital programme:**
 - (i) Net increase of £232k to the Crystal Palace Park Improvement scheme (see para 3.3.7);**
 - (ii) Addition of £625k to the Crystal Palace Park – Alternative Management Options scheme (see para 3.3.8);**
 - (iii) Addition of £2,597k to the Basic Need scheme and transfer of £2,890k from Education Section 106 unallocated scheme to Basic Need scheme (see para 3.3.9); and**
 - (iv) Addition of £2,666k to the Biggin Hill Memorial Museum scheme (see para 3.3.10).**
- (d) Recommend to Council:**
 - (i) An increase of £1,838k in Renovation Grants – Disabled Facilities Programme (see para 3.3.1).**

2.2 Council is requested to:

- (a) Agree an increase of £1,838k in Renovation Grants – Disabled Facilities Programme (see para 3.3.1).**

Corporate Policy

1. Policy Status: Existing Policy: Capital Programme monitoring and review 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. For each of our portfolios and service priorities, the Council reviews its main aims and outcomes through the AMP process and identify those that require the use of capital assets. The 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
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Financial

1. Cost of proposal: Estimated Cost: Total increase of 8.7m over the 4 years 2017/18 to 2020/21, mainly due to £2,666k additional funding in Biggin Hill Memorial Museum scheme, £2,597k increase in Basic Need, £1,838k additional Disabled Facilities grant, £779k increase in Section 106 receipt from developers (uncommitted balance), and £625k increase to Crystal Palace Park – Alternative Management Options.
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: Total £133.6m over 4 years 2017/18 to 2020/21
 5. Source of funding: Capital grants, capital receipts and earmarked revenue contributions
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Staff

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

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

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

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

3. COMMENTARY

Capital Expenditure

3.1 Appendix A sets out proposed changes to the Capital Programme following a detailed monitoring exercise carried out after the 1st quarter of 2017/18. The base position is the programme approved by the Executive on 8th February 2017, as amended by variations approved at subsequent Executive meetings. If the changes proposed in this report are approved, the total Capital Programme 2017/18 to 2020/21 would increase by £8,660k, mainly due to £2,666k additional funding for the Biggin Hill Memorial Museum scheme, £2,597k additional funding in Basic Need, £1,838k additional Disabled Facilities grant, £779k increase in Section 106 receipts from developers (uncommitted balance), and £625k increase for the Crystal Palace Park – Alternative Management Options scheme.

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

	2017/18	2018/19	2019/20	2020/21	TOTAL 2017/18 to 2020/21
	£000	£000	£000	£000	£000
Programme approved by Executive 08/02/17	86,962	25,698	5,162	4,040	121,862
Variations approved at subsequent Executive meetings	8,741	1,000	1,000	1,000	11,741
Approved Programme prior to 1st Quarter's Monitoring	95,703	26,698	6,162	5,040	133,603
Variations requiring the approval of the Executive	1,012	5,679	985	984	8,660
Variations not requiring approval:					
Net rephasing from 2017/18 into future years	Cr 12,504	3,354	8,190	960	0
Total Amendment to the Capital Programme	Cr 11,492	9,033	9,175	1,944	8,660
Total Revised Capital Programme	84,211	35,731	15,337	6,984	142,263
Assumed Further Slippage (for financing purposes)	Cr 10,000	5,000	2,500	2,500	0
Assumed New Schemes (to be agreed)	0	0	2,500	2,500	5,000
	Cr 10,000	5,000	5,000	5,000	5,000
Projected Programme for Capital Financing Forecast (see appendix C)	74,211	40,731	20,337	11,984	147,263

3.2 Variations approved at subsequent Executive meetings

As detailed in Appendix A, variations of £4.6m have been approved since the February Executive meeting. This mainly comprises £3.6m for Proposed Public Realm Project and Market Reorganisation for Bromley High Street scheme funded by the Growth Fund, £0.4m for Replacement of Housing Information Systems, and £0.6m for Section 106 uncommitted balance in respect of additional Section 106 receipts to match the total funding available.

3.3 Variations requiring the approval of the Executive (£8,660k net increase)

3.3.1 Renovation Grants – Disabled Facilities (£1,838k increase)

The Disabled Facilities Grant (DFG) is for the provision of adaptations to disabled people's homes to help them to live as independently and safely as possible. The capital allocation received for 2017/18 from the Department for Communities and Local Government totals £1,838k. The funding will enable additional schemes to provide physical improvements to clients' home environments and to assist with creating safer and healthier homes, and reduce admissions to hospital. Members are asked to agree the addition of £1,838k to the DFG scheme to reflect the total funding available.

3.3.2 Crystal Palace Park Subway (£1k reduction in 2017/18)

On 3rd April 2013 Executive agreed to add 'The Parks for People' scheme for special work required to develop projects to support the preparation of a first round application to the Heritage Lottery Fund for Crystal Palace Park. In December 2015, Members agreed to the revised funding for project towards the feasibility works specifically for the Crystal Palace Park subway project. The feasibility work for this project has been completed, and it is recommended that the residual balance of £1k be deleted.

3.3.3 Transport for London (TfL) – Revised support for Highways and Traffic Schemes (£107k reduction in 2017/18)

Provision for transport schemes to be 100% funded by TfL was originally included in the Capital Programme 2017/18 to 2020/21 on the basis of the bid in the Borough Spending Plan (BSP). Notification of an overall reduction of £107k in the 2017/18 grant has been received from TfL. Grant allocations from TfL change frequently and any further variations will be reported in subsequent capital monitoring reports.

3.3.4 30 Hours Funded Childcare IT Solution scheme (£31k increase)

The new national 30 hours funded childcare entitlement comes into force on 1st September 2017, and all Local Authorities are required to secure sufficient early years places to meet local demand through the funding of places within early years settings. Staff will be required to check eligibility and process claims for the new entitlement alongside existing funded provision for 2, 3 & 4 year olds. In support of the scheme, the Department for Education (DfE) has announced technology funding available to Local Authorities to implement digital systems that will administer and manage the scheme. Members are asked to approve the addition of £31k for 30 Hours Funded Childcare IT Solutions scheme to the capital programme.

3.3.5 Section 106 receipts – (£779k increase)

In July 2015, the Executive agreed that the Capital Programme budget should reflect the total of Section 106 receipts available to fund expenditure. Members are asked to agree an increase of £779k in the Capital Programme budget for Section 106 in respect of additional receipts since the last report to match the total funding available. This includes an additional £773k to the Education Section 106 receipts and £6k interest.

3.3.6 Replacement of MD110 telephone switch (net nil variation)

In February 2012, Members approved a £760k scheme to replace the MD110 telephone switch for old telephony system which was installed in November 1999 and would not be maintained after March 2015 with a modern VOIP solution. At the time of the bid, there was little to no interest to Video Conferencing. With the introduction of Windows 7, Laptops, and Lync, users are now becoming much more interested in Video Conferencing as a way to keep in touch with staff and to communicate to one another. Large room systems offers greater possibility and flexibility, such as the ability to record and web stream public meetings, or virtual meetings such as the managers briefing. Officers have looked at a couple of solutions, however these were not suitable for large meeting rooms and the council chamber environments, and officers are struggling to find an off the shelf solution that may be able to accommodate this scale. Members are asked to agree the change in project scope to include an initial feasibility work of up to £15k to assess the options and designs of Video Conferencing to accommodate larger rooms. Should the project proceed then the feasibility work cost will be met from within the remaining budget in the replacement of MD110 telephone switch scheme; if not, then the feasibility costs will be charged to revenue.

3.3.7 Crystal Palace Park Improvements (£232k net increase)

In July 2016, Executive agreed for a £116k grant from Historic England to be added to the Crystal Palace Park Improvements scheme for conservation works at Crystal Palace Park, including conservation of the South Terrace Steps, and the Sphinxes conservation. The work has now been completed and the final Historic England grant claim total is £106k, a £10k reduction compared to the original Historic England Grant budget.

As set out in the Crystal Palace Park: Regeneration Plan report (DRR17/029) elsewhere on the agenda, Members are asked to approve an increase of £242k funded from capital receipts to the Crystal Palace Park Improvement scheme to deliver the Crystal Palace Park Café project.

3.3.8 Crystal Palace Park – Alternative Management Options (£625k increase in 2017/18)

As set out in Crystal Palace Park: Regeneration Plan report (DRR17/029) elsewhere on the agenda, Members are asked to approve the net increase of £625k to the Crystal Palace Park – Alternative Management Options scheme in order to proceed to Phase 2 of the regeneration plan.

3.3.9 Basic Need (£2,597k increase) and transfers of £2,890k from Education Section 106 unallocated balance into Basic Need scheme

As detailed in the Basic Need Programme Update report elsewhere on the agenda, the Council has received an allocation of £2,597k for SEND provision capital funding. The report requests an increase to the Basic Need scheme to reflect this additional funding, and also requests the allocation of £2,890k of Section 106 receipts from the unallocated Education balance.

3.3.10 Biggin Hill Memorial Museum (£2,666k increase)

As set out in Biggin Hill Memorial Museum report (DRR17/032) elsewhere on the agenda, the Heritage Lottery Fund grant application has been successful and the Council has been awarded £1,998k. In addition, the project was also previously successful in the grant application to the Treasury's LIBOR fund (DRR17/001). The report requests that Members approve the addition of £2,666k to the Biggin Hill Memorial Museum capital scheme to reflect this additional funding, which will allow the project to commence delivery.

3.3.11 Scheme Rephasing

The 2016/17 Capital Outturn was reported to the Executive on 20th June 2017. The final capital outturn for the year was £53.0m compared to a revised budget of £59.9m. The majority of the variation related to uncommitted Section 106 balances £5.0m, and a net total of £7.1m has been re-phased from 2016/17 into 2017/18.

In the quarter 1 monitoring exercise, slippage of £12.5m has been identified and this has been re-phased from 2017/18 into future years to reflect the latest estimates of when expenditure is likely to be incurred. This has no overall impact on the total approved estimate for the capital programme. Further details are provided in Appendix B.

Capital Receipts

3.4 Details of the receipts forecast in the years 2017/18 to 2020/21 are included in Appendix E to this report to be considered under part 2 proceedings of the meeting. Actual receipts from asset disposals totalled £0.6m in 2016/17 and were lower than the estimated figure reported to the Executive in February 2017 (£4.7m), mainly due to the sale of the Old Town Hall not

completing. In addition, other capital receipts (mainly loan repayments and Right to Buy (RTB) receipts from Affinity Sutton Housing Association) totalling £3.8m were received during the year.

The latest estimate for 2017/18 has decreased to £8.8m from £11.4m reported in February (again excluding “other” capital receipts). The estimate for 2018/19 is £7.0m, a £6.0m increase compared to that reported in February. Estimates for 2019/20 and 2020/21 remain at £16.0m and £1.0m respectively, as reported in February. A total of £1m per annum is assumed for receipts yet to be identified in later years. These projections, as detailed in Appendix E, reflect prudent assumptions for capital receipts, and don’t include estimated disposal receipts from the review being undertaken by Cushman and Wakefield.

Financing of the Capital Programme

3.5 A capital financing statement is attached at Appendix C and the following table summarises the estimated impact on balances of the revised programme and revised capital receipt projections which, as noted above, reflect prudent assumptions on the level and timing of disposals. Total balances would reduce from £44.1m (General Fund £20.0m and capital receipts £24.1m) at the end of 2016/17 to £18.3m by the end of 2020/21 and would then reduce further to £12.8m by the end of 2024/25. It is therefore likely that any significant future capital schemes not funded by grants/contributions or revenue, may have to be funded from external borrowing.

	Balance 01/04/17	Estimated Balance 31/03/21	Estimated Balance 31/03/25
	£m	£m	£m
General Fund	20.0	18.0	12.8
Capital Receipts	24.1	0.3	0
	<u>44.1</u>	<u>18.3</u>	<u>12.8</u>

Investment Fund and Growth Fund

3.6 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. To date, total funding of £131.5m has been placed in the Investment Fund and Growth Fund earmarked reserves to contribute towards the Council’s economic development and investment opportunities. In November 2014, £10m was set aside in the Growth Fund to support growth initiatives in Biggin Hill, the Cray Valley and Bromley Town Centre. Council approved additional allocations of £6.5m in December 2015, £6m in March 2016, £7m in June 2016, £4m in March 2017, and £3.3m in June 2017 to the Growth Fund.

In June 2016 Members agreed funding of £1.8m for three projects with regards to the Glades Shopping Centre funded from the Investment Fund. As one of the projects did not progress, the amount of £1.4m has been released back to increase the uncommitted balance in the Investment Fund.

Appendix D provides a detailed analysis of the Funds dating back to their inception in September 2011. To date schemes totalling £110.4m have been approved (£81.6m on the Investment Fund, and £28.8m on the Growth Fund), and the uncommitted balances as at end of June 2017 stand at £13.0m for the Investment Fund and £8.1m for the Growth Fund.

Feasibility Works – Property Disposals

- 3.7 At its meeting on 24th May 2017, Executive agreed to the creation of a new Earmarked Reserve with an initial allocation of £250k to be funded from the Growth Fund to allow feasibility works to be commissioned against specific sites so as to inform the Executive of sites' viability for disposal or re-development and potential scheme optimisation together with an appraisal as to worth.

Members requested that an update from Strategic Property be included in these quarterly capital monitoring reports, and the first update is provided in Appendix F. Formal instructions are being processed for four locations, and two more are estimated for August/September. To date the commitment value remains at £250k, and no expenditure has been incurred.

Section 106 Receipts

- 3.8 In addition to capital receipts from asset disposals, the Council is holding a number of Section 106 contributions received from developers. These are made to the Council as a result of the granting of planning permission and are restricted to being spent on capital works in accordance with the terms of agreements reached between the Council and the developers. These receipts are held as a receipt in advance on the Council's Balance Sheet, the balance of which stood at £8,421k as at 31st May 2017, and will be used to finance capital expenditure from 2017/18 onwards. The current position on capital Section 106 receipts (excluding commitments) is shown below:

	Balance 31/03/17	Receipts 2017/18	Expenditure 2017/18	Balance 31/05/17
	£'000	£'000	£'000	£'000
Specified capital works				
Housing	4,911	-	282	4,629
Education	2,890	773	-	3,663
Highways	82	-	-	82
Local Economy	97	-	50	47
TOTAL	7,980	773	332	8,421

The Council's budgets are limited and, where a developer contribution can be secured, this will be required as a contribution towards projects, notwithstanding any other allocation of resources contained in the Council's spending plans.

Post-Completion Reports

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

- Office Accommodation Strategy
- Pavilion Leisure Centre Redevelopment & Refurbishment
- Central Library/Churchill Theatre – replacement of chillers and control
- Digital Print Strategy
- SEELS street lighting project

4. POLICY IMPLICATIONS

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

5. FINANCIAL IMPLICATIONS

5.1 These are contained in the main body of the report and in the appendices. Attached as Appendix C is a capital financing statement, which gives a long-term indication of how the revised Programme would be financed if all the proposed changes were approved and if all the planned receipts were achieved. The financing projections assume approval of the revised capital programme recommended in this report, together with an estimated £2.5m per annum for new capital schemes and service developments from 2019/20 onwards.

Non-Applicable Sections:	Legal, Personnel & Procurement Implications, Impact on Vulnerable Adults and Children
Background Documents: (Access via Contact Officer)	Capital Programme Monitoring Qtr 3 2016/17& Annual capital Review 2017-2021 (Executive 08/02/17) Capital Programme Outturn 2016/17 report (Executive 20/06/17). List of potential capital receipts from Strategic Property as at 03/07/17. List of feasibility works for property disposal from Strategic Property as at 05/07/17.

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CAPITAL PROGRAMME MONITORING - JUL 2017 - SUMMARY OF VARIATIONS FROM APPROVED PROGRAMME

Variations on individual schemes	Date of Portfolio meeting	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	TOTAL 2017/18 to 2020/21 £000	Comments/reason for variation
Current Approved Capital Programme								
Programme approved by Executive 08/02/17	Exec 08/02/17	53,669	86,962	25,698	5,162	4,040	121,862	
Property Acquisitions	Exec 14/03/17	6,236					0	
Replacement of Housing Information Systems	Exec 22/03/17		459				459	
Proposed Public Realm Project and Market Reorganisation for Bromley High Street	Exec 22/03/17		564	1,000	1,000	1,000	3,564	
Block provision c/fwd into 2017/18 - emergency works to surplus sites	Exec 20/06/17	Cr 10	10				10	
Rephasing from 2016/17 into 2017/18	Exec 20/06/17	Cr 7,131	7,131				7,131	
Land Acquisition Cornwall Drive	Exec 20/06/17	226					0	
S106 receipts from developers - unallocated balance	Exec 20/06/17		577				577	
Approved Programme prior to 1st Quarter's Monitoring		52,990	95,703	26,698	6,162	5,040	133,603	
Variations in the estimated cost of approved schemes								
(i) Variations requiring the approval of the Executive								
Increase grant funding for Renovation Grants - Disabled Facilities			438	1,400			1,838	See paragraph 3.3.1
Deletion of residual balance								
- Crystal Palace Park Subway		Cr 1	1				Cr 1	See paragraph 3.3.2
Increase in TFL funding for Highway & Traffic schemes		Cr 107					Cr 107	See paragraph 3.3.3
Addition of 30 Hours Funded Childcare IT Solution Scheme			15	16			31	See paragraph 3.3.4
Section 106 receipts from developers								
- unallocated balance			779				779	See paragraph 3.3.5
Increase Crystal Palace Park Improvements		Cr 10	10	242			232	See paragraph 3.3.7
Increase in Crystal Palace Park - Alternative Management Options			625				625	See paragraph 3.3.8
Basic Need:								
- Increase grant funding re SEND provision			0	867	865	865	2,597	See paragraph 3.3.9
- Transfer from Section 106 unallocated balance - Education			1,200	1,690			2,890	See paragraph 3.3.9
Section 106 receipts Education unallocated balance - to allocate to Basic Need		Cr 2,890					Cr 2,890	See paragraph 3.3.9
Increase in grant funding for Biggin Hill Memorial Musuem			963	1,464	120	119	2,666	See paragraph 3.3.10
		0	1,012	5,679	985	984	8,660	
(ii) Variations not requiring approval								
Rephasing of schemes								
Rephasing from 2017/18 into future years		Cr 12,504	12,504	3,354	8,190	960	0	See paragraph 3.3.11 and Appendix B
		0	Cr 12,504	3,354	8,190	960	0	
TOTAL AMENDMENT TO CAPITAL PROGRAMME		0	Cr 11,492	9,033	9,175	1,944	8,660	
TOTAL REVISED CAPITAL PROGRAMME		52,990	84,211	35,731	15,337	6,984	142,263	
Less: Further slippage projection			Cr 10,000	5,000	2,500	2,500	0	
Add: Estimate for further new schemes					2,500	2,500	5,000	
TOTAL TO BE FINANCED		52,990	74,211	40,731	20,337	11,984	147,263	

CAPITAL PROGRAMME MONITORING - JUL 2017 - SUMMARY OF VARIATIONS FROM APPROVED PROGRAMME - SCHEME REPHASING

Variations on individual schemes	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	TOTAL £000	Comments/reason for variation
Rephasing of schemes						
Sharepoint Productivity Platform upgrade/replacement	Cr 1,000	1,000	0	0	0	The project is slowly progressing. There were previous delays on the specification (carried out by the Council's external consultant). Officers are now taking a tactical solution where project will move to Sharepoint 2010 from the 2007 version, before finally moving to new platform of Office 365. £1m has been rephased into 2018/19.
Civic Centre Development Strategy	Cr 3,588	Cr 5,562	8,190	960	0	Approved by Council 04/07/16. Members have decided to review whether the Old Town Hall could be used as a Democratic Hub and an Options Study will be undertaken to assess the feasibility and cost of this alternative and its impact on the Business Case. The findings of the Options Study will be reported to Members in September/ October 2017. The programme is on hold until then.
Beckenham Town Centre improvements	Cr 1,506	1,506	0	0	0	Final design and implementation costs funded by TfL. The first two phases of works are almost complete (Eastern side of the High Street , between Albermarle Road and Manor Road) and the expected completion of the programme of improvements is November 2018.
Social Care Grant	Cr 1,234	1,234	0	0	0	This funding is made available to support reform of adult social care services. To date, these have been funded by the Council. As the new legislation for adult social care becomes clearer it is likely that this funding will be used to support the changes required. For example previously the funding has been used for works to Council owned learning disability properties and for investment in older people day opportunity services. £1,234k has been rephased into 2018/19.
Basic Need	Cr 5,000	5,000	0	0	0	A full detailed report on the various projects within the Basic Need Programme was reported to Executive on 23 Mar 16. This includes works at Trinity (now completed), Castlecombe (work started Feb'17), Bishop Justus (delays at contractors and will be reviewed), Edgebury (completed), Poverest (to start in Jun'17), Stewart Fleming (due to complete around Oct'17), and Leesons (to start in Jul'17), St George (due to complete around Oct'17). £5m has been rephased into into 2018/19.
Gateway Review of Housing I.T System	Cr 176	176	0	0	0	Exec 21/03/17 approved the addition of £459k for the purchase of Housing IT System. A new provider has been appointed and work has commenced on implementation. Phase one is due to be completed by the end of the current financial year. £176k has been rephased into 2018/19.
TOTAL REPHASING ADJUSTMENTS	Cr 12,504	3,354	8,190	960	0	

CAPITAL FINANCING STATEMENT Executive JUL 17 - ALL RECEIPTS

(NB. Assumes all capital receipts - see below)

	2016-17		2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Estimate £000	Actual £000's	Estimate £000's	Estimate £000's	Estimate £000's	Estimate £000's	Estimate £000's	Estimate £000's	Estimate £000's	Estimate £000's
Summary Financing Statement										
Capital Grants	8,935	9,913	30,311	15,575	1,027	865	0	0	0	0
Other external contributions	12,515	6,599	17,270	6,593	4,000	4,000	4,000	4,000	4,000	4,000
Usable Capital Receipts	7,502	9,880	21,585	17,463	14,210	6,019	1,334	2,900	1,100	1,000
Revenue Contributions	27,452	26,598	5,045	1,100	1,100	1,100	100	100	100	100
General Fund	0	0	0	0	0	0	1,566	0	1,800	1,900
Borrowing	0	0	0	0	0	0	0	0	0	0
Total expenditure	56,405	52,990	74,211	40,731	20,337	11,984	7,000	7,000	7,000	7,000
Usable Capital Receipts										
Balance brought forward	29,582	29,582	24,108	11,366	983	5,353	334	0	100	0
New usable receipts	8,198	4,406	8,843	7,080	18,580	1,000	1,000	3,000	1,000	1,000
	37,780	33,988	32,951	18,446	19,563	6,353	1,334	3,000	1,100	1,000
Capital Financing	Cr 2,109	Cr 9,880	Cr 21,585	Cr 17,463	Cr 14,210	Cr 6,019	Cr 1,334	Cr 2,900	Cr 1,100	Cr 1,000
Balance carried forward	35,671	24,108	11,366	983	5,353	334	0	100	0	0
General Fund										
Balance brought forward	20,000	20,000	20,000	18,017	18,017	18,017	18,017	16,451	16,451	14,651
Less: Capital Financing	0	0	0	0	0	0	Cr 1,566	0	Cr 1,800	Cr 1,900
Less: Use for Revenue Budget	Cr 5,369	0	Cr 1,983	0	0	0	0	0	0	0
Balance carried forward	14,631	20,000	18,017	18,017	18,017	18,017	16,451	16,451	14,651	12,751
TOTAL AVAILABLE RESERVES	50,302	44,108	29,383	19,000	23,370	18,351	16,451	16,551	14,651	12,751

Assumptions:

New capital schemes - £2.5m p.a. from 2018/19 for future new schemes.

Capital receipts - includes figures reported by Property Division as at 03/07/17 and £1m pa from 2018/19.

Current approved programme - as recommended to Executive 19/07/17

INVESTMENT FUND & GROWTH FUND - EXECUTIVE JUL 2017

Investment Fund	£'000
Revenue Funding:	
Approved by Executive 7th September 2011	10,000
Approved by Council 27th February 2013	16,320
Approved by Council 1st July 2013	20,978
Approved by Executive 10th June 2014	13,792
Approved by Executive 15th October 2014	90
Approved by Executive 26th November 2014 (Transfer to Growth Fund)	Cr 10,000
New Home Bonus (2014/15)	5,040
Approved by Executive 11th February 2015 (New Homes Bonus)	4,400
Approved by Executive 10th June 2015	10,165
Approved by Executive 2nd December 2015 (New Homes Bonus)	141
Approved by Executive 10th Feb 2016 (New Homes Bonus)	7,482
	<u>78,408</u>
Capital Funding*:	
Approved by Executive 11th February 2015 (general capital receipts)	15,000
Approved by Executive 10th February 2016 (sale of Egerton Lodge)	1,216
	<u>16,216</u>
Total Funding Approved:	<u>94,624</u>
Property Purchase	
Approved by Executive 7th September 2011 (95 High St)	Cr 1,620
Approved by Executive 6th December 2012 (98 High St)	Cr 2,167
Approved by Executive 5th June 2013 (72-76 High St)	Cr 2,888
Approved by Executive 12th June 2013 (104 - 108 High St)	Cr 3,150
Approved by Executive 12th February 2014 (147 - 153 High St)	Cr 18,755
Approved by Executive 19th December 2014 (27 Homesdale)	Cr 3,938
Approved by Executive 24/03/15 (Morrisons)	Cr 8,672
Approved by Executive 15/07/15 (Old Christchurch)	Cr 5,362
Approved by Executive 15/07/15 (Tilgate)	Cr 6,746
Approved by Executive 15/12/15 (Newbury House)	Cr 3,307
Approved by Executive 15/12/15 (Unit G - Hubert Road)	Cr 6,038
Approved by Executive 23/03/16 (British Gas Training Centre, Thatcham)	Cr 3,666
Approved by Executive 15/06/16 (C2 and C3)	Cr 6,451
Approved by Executive 14/03/17 (Trinity House)	Cr 6,236
	<u>Cr 78,996</u>
Other Schemes	
Approved by Executive 20th November 2013 (Queens's Garden)	Cr 990
Approved by Executive 15th January 2014 (Bromley BID Project)	Cr 110
Approved by Executive 26th November 2014 (BCT Development Strategy)	Cr 135
Approved by Executive 2nd December 2015 (Bromley Centre Town)	Cr 270
Approved by Executive 15th June 2016 (Glades Shopping Centre)	Cr 400
Approved by Executive 11th January 2017 (Disposal of Small Halls site, York Rise)	Cr 46
Valuation for 1 Westmoreland Rd	Cr 5
Valuation for Biggin Hill - West Camp	Cr 10
Growth Fund Study	Cr 170
Crystal Park Development work	Cr 200
Civic Centre for the future	Cr 50
Strategic Property cost	Cr 258
Total further spending approvals	<u>Cr 2,644</u>
Uncommitted Balance on Investment Fund	<u>12,984</u>
*Executive have approved the use of specific and general capital receipts to supplement the Investment Fund	
Growth Fund:	
	£'000
Funding:	
Approved by Executive 26th November 2014 (Transfer from Investment Fund)	10,000
Approved by Executive 2nd December 2015	6,500
Approved by Executive 23rd March 2016	6,000
Approved by Executive 15th June 2016	7,024
Approved by Executive 22nd March 2017	4,000
Approved by Executive 20th June 2017	3,311
Total funding approved	<u>36,835</u>
Schemes Approved and Committed	
Approved by Executive 24th March 2015 (Housing Zone Bid (Site G))	Cr 2,700
Approved by Executive 24th March 2015 ((Site G) - Specialist)	Cr 200
Approved by Executive 18th May 2016 (Feasibility Studies and Strategic Employment Review)	Cr 180
Approved by Executive 18th May 2016 (Broadband Infrastructure Investment)	Cr 50
Approved by Executive 20th Jul 2016 (BID - Penge & Beckenham)	Cr 110
Approved by Executive 1st Nov 2016 (19-25 Market Square)	Cr 10,705
Approved by Executive 1st Nov 2016 (63 Walnuts)	Cr 3,834
Approved by Executive 22nd March 2017 - Bromley Town Centre Public Realm improvement Scheme	Cr 3,564
Approved by Executive 22nd March 2017 - Project Officer cost Bromley Town Centre Public Realm improvement S	Cr 40
Approved by Executive 22nd March 2017 - Community Initiative	Cr 15
Approved by Executive 24th May 2017 - Feasibility Works/Property Disposal	Cr 250
Renewal Team Cost	Cr 310
Total further spending approvals	<u>Cr 21,958</u>
Schemes Approved, but not committed	
Approved by Executive 26th November 2014 (for Biggin Hill and Cray Valley)	Cr 6,790
Uncommitted Balance on Growth Fund	<u>8,087</u>

Location	Estimated Feasibility / Viability Cost (£'000)	Description	Status for July Cap Monitoring
West Wickham Leisure Centre	35	To fund study to deliver optimal new leisure facilities based on market evidence as to rents from third party operators' together with residential development to generate a capital receipt to fund the cost of re-provision of facilities.	Verbal instruction given to C&W. Formal instruction being processed through Amey TFM Contract.
The Glades Department Store	49	To fund work to progress the business case for the development of a new Department Store at the Glades Shopping Centre utilising the Council's interests at Market Square so as to improve footfall and therefore improve the asset value and return on income derived from the Council's ownership of The Glades.	Verbal instruction given to C&W. Formal instruction being processed through Amey TFM Contract.
The Walnuts Centre	33	To fund work to progress the business case for the development at the Walnuts utilising the Council's interests at and around the Walnut's Centre including the Leisure Centre so as to provide larger retail opportunities and improve footfall and therefore improve the asset value and return on income derived from the Council's ownership of The Walnuts.	To be actioned - estimate instructions August/Sept - in negotiations with Rockspring
Old Town Hall/Civic Centre	44	To fund a review of the Council's accommodation strategy at the Civic Centre based on the addition of the former Town Hall becoming available as part of the Council's property portfolio and how that asset could be utilised as a Democratic Centre and associated offices/meeting space.	Verbal instruction given to C&W. Formal instruction being processed through Amey TFM Contract.
Depots Review - Disposal Options	45	To fund disposal viability studies as to density and permitted development together with initial planning briefs so as to be in a position to take to market as an outcome of the Depot review.	Instruction given to C&W. Formal instruction being processed through Amey
Biggin Hill Aviation College - Alternative	20	To fund potential alternative site viability studies for Biggin Hill should the Council decide not to pursue Area 1 purchase for an Aviation College/Enterprise Zone.	
Libraries (Chislehurst model roll out)	18	To fund the investigation of viability of renewing other library facilities by redeveloping their sites and using the capital receipt proceeds to develop replacement facilities within said schemes.	To be actioned - estimate instructions August
Lease standardisation	6	To fund legal work to create standard T&C's to Portfolio	
TOTAL	250		

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Report No.
Please obtain
a report
number

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE

Date: Wednesday 22 March 2017

Decision Type: Non-Urgent Executive Key

Title: BASIC NEED PROGRAMME UPDATE, INC S106 ALLOCATIONS

Contact Officer: Jane Bailey, Director: Education
Tel: 020 8313 4146 E-mail: jane.bailey@bromley.gov.uk

Robert Bollen, Head of Strategic Place Planning
Tel: 020 8313 4697 E-mail: robert.bollen@bromley.gov.uk

Chief Officer: Director: Education (ECHS)

Ward: (All Wards);

1. Reason for report

This report updates the capital schemes included within the Council's Basic Need Programme with a project value over £1million.

2. **RECOMMENDATION(S)**

2.1 That the Executive agrees the updated Updated Basic Need Programme as set out in Appendix 4, subject to Full Council approval.

2.2 That the Executive agrees the use of £2.890m of unallocated Section 106 Education monies as detailed within Appendix 3.

2.3 That the Executive agrees an increase to the Basic Need capital scheme of £2,597k to reflect the SEND Provision capital grant allocation as detailed in paragraph 3.3.

2.4 That approval be given to the fully costed appraisal for the new schemes at Beacon Academy (Orpington), Bishop Justus School, Castlecombe Primary School, St John's CE Primary School and Tubbenden Primary School in addition to the projects outlined in the previous report agreed by the Executive on 2 April 2014 and 20th May 2015 as set out in Appendix 2 to this report.

2.5 That the Director of Education be authorised to support schools to submit planning applications in association with these works.

Impact on Vulnerable Adults and Children

1. Summary of Impact: This programme is currently benefitting local children through providing 1,635 temporary and 2,550 permanent school places in both mainstream and specialist settings.
-

Corporate Policy

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

Financial

1. Cost of proposal: Estimated Cost
 2. Ongoing costs: Non-Recurring Cost
 3. Budget head/performance centre: Education Capital Programme
 4. Total current budget for this head: £81,683k
 5. Source of funding: DfE Basic Need Capital Grant, DfE SEND Capital Grant, DfE Capital Maintenance Grant, S106 contributions
-

Personnel

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

Legal

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

Procurement

1. Summary of Procurement Implications: There are no procurement implications arising from this report. The procurement strategy for Basic Need has been set out in previous reports.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): In excess of 4,000 pupils in Bromley
-

Ward Councillor Views

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

3. COMMENTARY

- 3.1 This report updates the Council's Basic Need Capital Programme with schemes with an estimated value in excess of £1 million.
- 3.2 The Council receives Basic Need Capital Grant from the DfE to support the delivery of sufficient school places, with a total of £77.9m so far allocated for 2011-2019.
- 3.3 In addition, the Council has received a capital allocation of £2,596,530 for SEN. Apart from the scheme at Tubbenden Primary School utilisation will be considered as part of the High Needs Block Review. These allocations are provided in addition to the basic need capital funding that local authorities receive to support the capital requirement for providing new pupil places. The formula for allocation is based principally on projected population growth for children and young people aged 2-18 between the years 2018-19 and 2020-21.

2011-12 allocation	4,496,771
Autumn 2011 exceptional in-year allocation	1,277,936
2012-13 allocation	2,404,519
Spring 2012 exceptional in-year allocation	1,590,436
2013-15 allocation	9,968,079
2015-16 allocation	20,635,153
2016-17 allocation	21,666,911
2017-18 allocation	8,837,573
2018-19 allocation	6,895,846
Contribution from DfE Capital Maintenance Grant underspend	1,200,000
Transfer from Reconfiguration of Special Schools Scheme	113,000
Total allocation to date:	£79,086,224

SEND Provision Capital Funding

2018-19 allocation	£865,510
2019-20	£865,510
2020-21	£865,510
Total allocation to date:	£2,596,530

- 3.3 The table above includes the Basic Need Capital Grant available inclusive of contributions from DfE Capital Maintenance Grant and funds allocated within the Council's capital programme for the reconfiguration of special schools.
- 3.4 In addition, the Basic Need capital programme also includes capital contributions from a range of other capital funding programmes including Seed Challenge, Access Initiative and Suitability along with Section 106 contributions.
- 3.5 Appendix 1 provides an update on those projects recently completed, currently being delivered or under development
- 3.6 Appendix 2 provides a financial appraisal of those capital projects that are either new to the programme, or where costs have changed since the last report to the Executive on [] March 2016 and need reappraisal.
- 3.5 Appendix 3 provides a updated schedule of where S106 monies received by the Council are being allocated to schemes in the Basic Need Capital Programme.
- 3.6 Appendix 4 provides details of the Basic Need Programme. There is currently insufficient funding provided by the DfE and other sources to deliver all the schemes within the Basic Need Programme.
- 3.7 Projects are categorised as follows:
- A - Completed projects, including projects that are in defects and yet to reach Final Account.
 - B - Projects in Delivery (Funded) – schemes that are in the delivery phase and have available funding allocated to them to allow delivery
 - C - Projects in Delivery (Unfunded) – schemes that are not fully funded, but are being delivered to a 'shovel ready' status awaiting availability of funds
 - D - Projects in Development – schemes being prepared based on forecast need but with no agreement on development

3.8 Design development of schemes not in the delivery phase (funded or unfunded) of the programme will continue, but schemes will not be brought forward for delivery until funding is available. For 'schemes in development' to be brought forward into the pool of 'schemes in delivery' there will need to be clear evidence that these are priority schemes.

3.9 Since the last Basic Need Update Report to the Executive in March 2016, works has focussed on delivery of schemes in the programme and no new schemes have been added.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

4.1 The Basic Need Capital Programme has added 1,635 temporary and 2,550 permanent school places in both mainstream and specialist settings.

5. POLICY IMPLICATIONS

5.1 Bromley Council has an established policy for the review and strategic planning of school places and related school organisation. The need to ensure sufficient school places, the quality of those places and their efficient organisation is a priority within the Council's strategy 'Building a Better Bromley' and contributes to the strategy to achieve the status of An Excellent Council. This policy also contributes to key targets within the Education Portfolio Plan.

6. FINANCIAL IMPLICATIONS

6.1 The Council has been allocated £77.8m in 100% capital grant for the financial years 2011-19 to meet the basic need provision in schools. The programme also includes various transfers from other schemes to support the delivery of the Council's Basic Need Programme. Allocations have also been made to Basic Need to support other school expansion schemes, resulting a total current budget of £82.1m as shown in the table below.

	£'000s	
2011-12 allocation	4,497	
Autumn 2011 exceptional in-year allocation	1,278	
2012-13 allocation	2,405	
Spring 2012 exceptional in-year allocation	1,590	
2013-15 allocation	9,968	
2015-16 allocation	20,635	
2016-17 allocation	21,667	
2017-18 allocation	8,838	
2018-19 allocation	6,896	
	77,774	
Transfer to Highway Primary Rebuild Scheme	-650	approved Exec 07/03/12
Contribution from DfE Capital Maintenance Grant	1,200	approved Exec 20/11/13
s106 allocations to projects in programme (to date)	705	approved Exec 02/04/14
Transfer from Reconfiguration of Special Schools Scheme	113	approved Exec 11/02/15
Transfer to Beacon House Refurbishment Scheme	-577	approved Exec 02/12/15
Additional EFA funding for MUGA at Trinity	309	approved Exec 23/03/16
Transfer from Capital Maintenance	94	approved Exec 18/05/16
	1,194	
	78,968	Approved capital programme budget
Total Basic Need Budget		
SEND Provision Capital Funding 2018-19	866	Subject to approval
SEND Provision Capital Funding 2019-20	866	Subject to approval
SEND Provision Capital Funding 2020-21	866	Subject to approval
s106 allocations to projects in programme (new)	2,890	Subject to approval
	84,456	
Highway Primary Rebuild Scheme	650	
Beacon House Refurbishment Scheme	577	
s106 funding Tranche 1	-705	
s106 funding Tranche 2	-2,890	
	82,088	
Adjusted Basic Need		

- 5.2 For the purposes of monitoring total Basic Need related expenditure, and to ensure that any underspends are returned to Basic Need, the £650k and £577k transfers to the Highway Primary Rebuild and Beacon House Refurbishment Schemes respectively have been added back in to the list of projects, and the Section 106 funding removed and shown as other funding.
- 5.3 As detailed in Appendix 4, the updated Basic Need Programme for the period 2011-19 has an estimated total expenditure of £130.3m. The potential funding gap against the current Basic Need Capital Budget if all schemes were progressed is £36.4m)
- 5.4 To date, a total of £95.8m expenditure has been committed (completed schemes plus schemes in delivery), of which £77.2m is funded from the Basic Need Capital Scheme.
- 5.5 The Capital Programme includes the sum of £3.663m unallocated Section 106 monies received from developers which are ring-fenced for Education purposes. Members are asked to approve the

allocation of £2.890m of this S106 funding to the Basic Need capital scheme as detailed in Appendix 3.

7. LEGAL IMPLICATIONS

- 7.1 The distribution and application of monies received from Central Government is subject to guidance and advice from the Department for Education. Under Section 14 Education Act 1996 the Council has a statutory duty to ensure that there are enough primary and secondary school places are available to meet the needs of pupils in its area.
- 7.2 Section 106 monies must be spent in accordance with the Education contribution clauses

8. PROCUREMENT IMPLICATIONS

- 8.2 This report provides details on the funding allocations and priorities for the Council's Basic Need Capital Programme. The procurement strategy, as set out in previous Executive reports, is not altered by this report.

Non-Applicable Sections:	9. PERSONNEL IMPLICATIONS
Background Documents: (Access via Contact Officer)	[Title of document and date]

APPENDIX 1 – PROJECT UPDATE REPORT

	School/Academy	Current Project Status	Description
A2	Bromley Beacon Academy (Beacon House)	Project Complete (in defects period)	New vocational school building for existing KS4 pupils at Beacon Academy (formerly Burwood School) and expanding provision to KS5 and girls.
A5	Bromley Road Primary School	Project Complete	Refurbishment to support reorganisation of school from 3 FE infants school to 1 FE primary.
A7	Churchfields Primary School	Project Complete (in defects period)	Expansion from 1 to 2 FE. Final highways works associated with scheme undertaken earlier this year.
A8	Clare House Primary School	Project Complete (in defects period)	Demolition of existing 1FE and replacement with new 2 FE school.
A10	Crofton Infants School (SEN Unit)	Project Complete	New 'Busy Bees' SEN unit class and improvements to other SEN facilities including outdoor play.
A14	Edgebury Primary School	Project Complete (in defects period)	Expansion of school from 1FE to 2FE through refurbishment of existing school and addition of new teaching and admin block.
A16	Glebe Primary School	Project Complete (in defects period)	2FE ASD expansion through provision of new 3 storey teaching block replacing existing single storey block.
A17	Harris Academy Crystal Palace	Project Complete	Expansion from 1FE to 2FE through new accommodation and refurbishment. Final phase undertaken by Harris Federation.

	School/Academy	Project Status	Description
A23	Keston Primary School	Project Complete	New classroom and associated spaces to accommodate bulge class admitted in 2012 and new MUGA.
A43	Unicorn Primary School	Project Complete (in defects period)	Project funded with contributions from the school. Provides permanent accommodation to accommodate bulge class admitted in 2014, provides hygiene and storage space for pupils with SEN and a second school hall.
A46	Worsley Bridge Primary School	Project Complete (in defects period)	School reorganised from an junior to primary school in 2014 and expanded from 2 to 3FE in 2015. Additional accommodation delivered through refurbishment and new teaching block
B2	Bromley Beacon Academy (Orpington)	Status: Project in Delivery (Funded)	<p>This project represents the final phase in the reorganisation of arrangements for education of children with Social Emotional and Mental Health (SEMH) needs, phase 1 being the opening of Beacon House in 2016.</p> <p>This project expands and refurbishes the accommodation at the former Burwood School site to meet the needs of KS2 and KS3 pupils with a diagnosis of SEMH.</p> <p>The accommodation on site has historically been considerably under the size recommended by BB104, the DfEs guidelines for special school accommodation.</p> <p>The scheme now has planning consent. Detailed design works has been completed and the project cost updated. There is now sufficient funding to proceed with this scheme in its entirety. Due to the complexities of working at an operational SEMH school, works have been arranged across 3 phases over 3 years, with works starting summer 2016. Bromley Beacon Academy have been successful in obtaining funding from the ESFA's Condition Improvement Fund (CIF) to make improvements to the building services of the existing accommodation on site which will be delivered as part of this project.</p>

	School/Academy	Project Status	Description
B3 B4	Bishop Justus	Project in Delivery (Funded)	The scheme has planning consent and is now fully funded. It will enable the school to expand from 6 to 8 FE. Phase 1 of the project has started, but the contractor has recently entered insolvency. It is proposed that the remaining phase 1 works are tendered with the remaining phases as a single package of works.
B5	Castlecombe Primary School	Project in Delivery (Funded)	The project has planning consent and construction of the scheme is currently underway. The scheme expands the school to 2FE in KS2, providing certainty for parents of children at Dorset Road by creating an admissions link between the two schools. Planning consent allows the expansion of KS1 to 2 FE if required at a later date.
B8	Farnborough Primary School	Project in Delivery (Funded)	The permanent expansion of this school from 1 to 2 FE is cancelled following the failure of the scheme to obtain planning consent. Consideration is currently being considered to ascertain what modifications need to be made to provide sufficient space for 2 bulge classes as they pass through the school. The project budget has been reduced to reflect the reduction in the scope of any works.
B9	Leesons Primary School	Project in Delivery (Funded)	The scheme has planning consent and the contract was recently let with works starting Summer 2017. The project will permanently expand the school from 1 to 2 FE and provide a new nursery. The increased project cost reflects the final tender cost due in part to re-phasing and the need for temporary accommodation.
B10	Oaklands Primary School	Project in Delivery (Funded)	Additional funding received will enable works to start on this project during 2018. The works the local authority are seeking to progress at this stage are for a new early years block, part of the wider masterplan for the site that has planning consent. Without these works there would be insufficient suitable accommodation for the school to admit 3FE across each year group.

	School/Academy	Project Status	Description
B11	Parish CE Primary School	Project in Delivery (Funded)	The main programme of the works to expand the school from 2 to 3 FE where completed in 2015, comprising a new modular classroom block. The remaining works comprise minor improvements to the school hall and kitchen.
B12	Poverest Primary School	Project in Delivery (Funded)	<p>The project to expand the school had planning consent and works have just started, expanding the school from 1 to 2 FE and providing additional nursery places.</p> <p>The project involves the development of a new dining block and entrance, refurbishment of the existing school and conversion of the existing dining block and children and family centre into a dedicated EYFS block.</p>
B13	St George's CE Primary School	Project in Delivery (Funded)	The project is now at an advanced stage of construction with practical completion due in the autumn. The scheme expands the school from 1.5 to 2 FE, utilising a redundant undercroft and the topography of the site, along with refurbishment of the existing accommodation, to provide the required additional teaching accommodation.
B14	Stewart Fleming Primary School	Project in delivery	<p>Planning consent has been achieved for permanent scheme. A planning application has been submitted for extension of temporary permission due to separation of works into two phases.</p> <p>Works on phase 1 works, new classroom block with rooftop MUGA, are progressing in line with programme. Phase 2 works to be procured summer/autumn 2017.</p>
B17	Tubbenden Primary School (SEN Unit)	Project in delivery	The project expands the existing SEN unit at the school, bringing together the former infant and primary classes at the school, improving hygiene and sensory facilities and providing a new outside play area.

	School/Academy	Project Status	Description
B1 B6 B7 B19	Access Initiative	Ongoing	The local authority has a responsibility to provide support to enable children to access the curriculum who have and EHC plan. Most schemes involve minor adaptations, but there are some larger schemes such as at Balgowan Primary School, Coopers School and Crofton Junior School where more significant works such as the installation of lifts, hygiene rooms and structural works need to be undertaken.
B15 C1	St John's CE Primary School	(Part Funded/ Unfunded)	Proposal to expand school from 1.5 to 2 FE. School has took bulge class in 2016. The scheme would also remove the last split year teaching in a non-rural Bromley School. Planning application being developed.
B16 C2	Trinity CE Primary School	(Part Funded/ Unfunded)	Scheme has planning consent for a phased expansion from 2 to 4FE. Refurbishment works at former EDC currently delayed by delay in La Fontaine moving to the Widmore site.
C3	Marian Vian Primary School	Project in delivery (unfunded)	Local authority originally undertook feasibility of expansion from 3 to 4FE and school admitted bulge classes in 2015 and 2016. However, currently there is no need for more school places due to 2 local Free Schools opening. Scheme being developed that would address present transports issues at site, the need to find a compliant use for the former Elmers End Children and Family Centre, provide accommodation for the bulge classes, replace the dilapidated Year 6 block and if needed allow the school to expand at a later date. The scheme will be funded from S106 when it becomes available and CIF funding (if school successful in bids).
C5	St Marys Cray School	Project in delivery (unfunded)	Feasibility originally investigated the options for expansion. However, there is currently insufficient local demand. Feasibility currently investigating where there is an option to redevelop the school, including the neighbouring former Duke Youth Centre.
D1	Blenheim Primary School	Project in development – on hold	Feasibility undertaken on expansion of the school from 1 to 2FE following the school taking a bulge class in 2015. Preferred option agreed with school, but currently insufficient demand to progress scheme. Project in abeyance.

	School/Academy	Project Status	Description
D2	Chislehurst St Nicholas	Project in development – cancelled	Feasibility undertaken on expansion of school from 1 to 2 FE due to local demand for additional primary places. Feasibility undertaken on relocation of school to new site owned by CE Diocese of Rochester and options expansion of existing site. Project suspended due to difficulties in developing any deliverable options.
D3	Dorset Road Infants School	Feasibility	Feasibility undertaken on options for supporting the increase of the school's PAN from 25 to 30 and addition of a school nursery. Linked to proposals being delivered at Castlecombe. Project current in abeyance due to lack of funding.
D4	Green Street Green Primary School	Feasibility	Feasibility undertaken on options for expanding the school from 2 to 3 FE. Proposals currently in abeyance due to lack of demand and insufficient funding.
D5	Mead Road Infants School	Feasibility	Feasibility undertaken. Feasibility study presented to William Willett Trust. The local authority has no plans to proceed with works at the school.
D6	Ravens Wood School	Feasibility	Feasibility undertaken in partnership into expansion of the school. Currently insufficient need due to secondary Free Schools approved.

APPENDIX 2 - Updated Capital Project Appraisal

B2 - BEACON ACADEMY ORPINGTON (PROCUREMENT)

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Land Acquisition							0
Contract Payments - Phase 1 External			307	8			315
Contract Payments - Phase 2 New build block			750	2,470	83		3,303
Contract Payments - Phase 3 Refurbishment					868	22	890
Consultants Fees	36	170	61	36	14		317
Furniture and Equipment				80			80
Contingency			106	248	95	2	451
	36	170	1,224	2,842	1,060	24	5,356

B3 & B4 - BISHOP JUSTUS (PROCUREMENT)

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Land Acquisition							0
Contract Payments - Phase 1 (Infill Block 1)			248	300	14		562
Contract Payments - Phase 2 (1st Floor Extension)				361	300	14	675
Contract Payments - Phase 3 (Hall + Car Park)				650	770	36	1,456
Contract Payments - Phase 4 (2nd Floor Extension)				479	500	25	1,004
Consultants Fees	50	175	140	29	10		404
Furniture and Equipment		10	20	70			100
Contingency	0	0	25	179	158	8	370
	50	185	433	2,068	1,752	83	4,571

B5 CASTLECOMBE PRIMARY SCHOOL (UNDER CONSTRUCTION)

	2015/16	2016/17	2017/18	2018/19	Total
	£000's	£000's	£000's	£000's	£000's
Land Acquisition					0
Contract Payments - Temporary Works*		642			642
Contract Payments - Main Contract		320	2,000	59	2,379
Consultant Fees	60	140	50	10	260
Furniture and Equipment		50			50
Contingency		96	200	6	302
	60	1,248	2,250	75	3,633

* Excludes Rental Cost (revenue cost) of temporary accommodation - these costs are included in Appendix 4

B9 - LEESONS PRIMARY SCHOOL (UNDER CONSTRUCTION)

	2015/16	2016/17	2017/18	2018/19	2019/20	Total
	£000's	£000's	£000's	£000's	£000's	£000's
Land Acquisition						0
Contract Payments			2,132	1,413	54	3,599
Consultant Fees	127	46	148	50	6	377
Furniture and Equipment	10	10	10	60		90
Contingency			213	141	6	360
	137	56	2,503	1,664	66	4,426

B10 OAKLANDS PRIMARY SCHOOL (PRE PROCUREMENT)

	2016/17	2017/18	2018/19	2019/20	Total
	£000's	£000's	£000's	£000's	£000's
Land Acquisition					0
Contract Payments - Summer 2016	78	2			80
Main Contract Payments		339	1,000	34	1,373
Consultant Fees	197	35	15	2	249
Furniture and Equipment	10	10	10		30
Contingency	8	34	100	3	145
	293	420	1,125	39	1,877

B12 POVEREST PRIMARY SCHOOL (UNDER CONSTRUCTION)

	2015/16	2016/17	2017/18	2018/19	2019/20	Total
	£000's	£000's	£000's	£000's	£000's	£000's
Land Acquisition						0
Contract Payments	0	0	2,402	2,402	124	4,928

Consultant Fees	69	125	25	25	6	250
Furniture and Equipment	0	0	10	30	0	40
Contingency	0	0	240	240	13	493
	69	125	2,677	2,697	143	5,711

B13 - ST GEORGE'S BICKLEY CE PRIMARY SCHOOL (UNDER CONSTRUCTION)

	2015/16	2016/17	2017/18	2018/19	Total
	£000's	£000's	£000's	£000's	£000's
Land Acquisition					0
Contract Payments		750	1,492	57	2,299
Consultant Fees	50	29	23	3	105
Abortive 2 Stage Tender Fees	150				150
Furniture and Equipment	10	10	80		100
Contingency		75	149	6	230
	210	864	1,744	66	2,884

B14 - STEWART FLEMING PRIMARY SCHOOL (PHASE 1 UNDER CONSTRUCTION)

	2015/16	2016/17	2017/18	2018/19	2019/20	Total
	(£'000s)	(£'000s)	(£'000s)	(£'000s)	(£'000s)	(£'000s)
Land Acquisition						0
Contract Payments - Phase 1		1,840	920	71		2,831
Contract Payments - Phase 2			2,703	1,351	104	4,158
Fees	200	150	179	160	10	699
Universal Free School Meals			100			100
Furniture and Equipment			50	50		100
Contingency	0	184	363	142	10	699
	200	2,174	4,315	1,774	124	8,587

B15 / C1 - ST JOHN'S CE PRIMARY SCHOOL - DETAILED DESIGN/CONSTRUCTION

	2015/16	2016/17	2017/18	2018/19	2019/20	Total
	£000's	£000's	£000's	£000's	£000's	£000's
Land Acquisition						0
Summer 2016 Works*		35				35
Summer 2017 Works			200			200
Contract Payments			524	3,000	90	3,614
Consultants Fees	0	4	272	100	9	385
Furniture and Equipment		10	10	30		50
Contingency	0	4	72	300	9	385
	0	53	1,078	3,430	108	4,669

*Summer 2016 works shown in Completed Works

B17 - TUBBENDEN PRIMARY SCHOOL (PROCUREMENT)

	2016/17	2017/18	2018/19	Total
	£000's	£000's	£000's	£000's
Land Acquisition				0
Temporary Accommodation		95	2	97
Main Contract Payments		831	21	852
Consultants Fees	24	58	2	84
Furniture and Equipment		75		75
Contingency	0	93	2	95
	24	1,152	27	1,203

C3 - MARIAN VIAN (PROJECT IN DEVELOPMENT (UNFUNDED))

	2015/16	2016/17	2017/18	2018/19	2019/20	Total
	£000's	£000's	£000's	£000's	£000's	£000's
Land Acquisition						0
Contract Payments - Phase 1 (Car Drop Off Bays)						94
Contract Payments - Phase 2 (Junior Block Refurbishment)						199
Contract Payments - Phase 3 (Children and Family Centre Refurbishment)						465
Contract Payments - Phase 4 (New 4 Class Extension and Associated Refurbishment of Infant Block)						941
Contract Payments - Phase 5 (Demolish Nursery, New Carparking and External Works)						410
Contract Payments - Phase 6 (New Year 6 Classroom Block and Car Park Works)						1,226
Consultants Fees	50	100	50	50	84	334
Furniture and Equipment						0
Contingency						334
	50	100	50	50	84	4,003

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APPENDIX 3: SECTION 106 SCHEDULE

Public Register Reference	Development	S106 Agreement Education Clause	How the money will be allocated	Justification	Works Period	Value of Works	S106 Contribution
178	Ravensbourne College (instalment 1, 2 & 3 of 5)	For the provision of or the improvement of secondary educational facilities within the London Borough of Bromley and for no other purpose.	Contribution has been allocated to the expansion of Bishop Justus School	Need for additional secondary places in Bromley. The school is undergoing a phased expansion from 6 to 8FE	2017-19	Estimated project cost £3,901,000	£330,000
178	Ravensbourne College (instalment 4 of 5)	For the provision of or the improvement of secondary educational facilities within the London Borough of Bromley and for no other purpose.	Contribution has been allocated to the expansion of Bishop Justus School	Need for additional secondary places in Bromley. The school is undergoing a phased expansion from 6 to 8FE	2017-19	Estimated project cost £3,901,000	£110,000

Public Register Reference	Development	S106 Agreement Education Clause	How the money will be allocated	Justification	Works Period	Value of Works	S106 Contribution
178	Ravensbourne College (instalment 5 of 5)	For the provision of or the improvement of secondary educational facilities within the London Borough of Bromley and for no other purpose.	Contribution has been allocated to the expansion of Bishop Justus School	Need for additional secondary places in Bromley. The school is undergoing a phased expansion from 6 to 8FE)	2017-19	Estimated project cost £3,901,000	£110,000

Public Register Reference	Development	S106 Agreement Education Clause	How the money will be allocated	Justification	Works Period	Value of Works	S106 Contribution
186	Blue Circle (additional to £250,000 installment agreed in 2014)	To apply the Phase 1 and 2 joint Education Payments and interest towards additional dual use recreational and/or social and/or community facilities and/or educational facilities on the School Land or on the sites of any other maintained secondary schools in the Council's administrative area but with first priority being given to projects on the School Land.	Contribution has been allocated to the expansion of Trinity CE Primary Schools (formerly Princes Plain Primary School) from 2FE to 4FE). Building works to take place during Summer 2016 and post July 2017 when La Fontaine Primary Academy have vacated site. Agreed Exec April 2014	Need for additional primary school places in Bromley Common and Keston and surrounding wards	2017-19	£3,600,000	£257,531

Public Register Reference	Development	S106 Agreement Education Clause	How the money will be allocated	Justification	Works Period	Value of Works	S106 Contribution
223	Anerley School for Boys, Versialles Rd Penge (Blocks A, B & C)	To use the Education Contribution only for the purposes of a contribution towards the cost of the provision of secondary education school places in the London Borough of Bromley.	Contribution has been allocated to the expansion of Bishop Justus School	Need for additional secondary places in Bromley. The school is undergoing a phased expansion from 6 to 8FE	2017-19	Estimated project cost £3,901,000	£91,176
274	Denton Court, 60 Birch Row	The sum of £205,231 to be spent on education in the London Borough of Bromley.	Contribution has been allocated to the expansion of Bishop Justus School	Need for additional secondary places in Bromley. The school is undergoing a phased expansion from 6 to 8FE	2017-19	Estimated project cost £3,901,000	£205,231

Public Register Reference	Development	S106 Agreement Education Clause	How the money will be allocated	Justification	Works Period	Value of Works	S106 Contribution
301	47 Homesdale Road	Towards the provision of education and for no other purpose.	Contribution has been allocated to the expansion works at St George's Bickley CE Primary School which will expand from 1.5 to 2 FE.	Need for additional Primary School Place in central Bromley	2017-18	Estimated project cost £2,884,000,	£53,590
303	2 Betts Way	To use the contribution for educational purposes within the vicinity of the site.	Contribution has been allocated to the expansion of Stewart Fleming Primary School from 2FE to 3FE	Need for school places in Penge and Anerley	2017-19	Estimated Total Project Cost £8,587,000.	£83,826
334	Hayes Court, West Common Road	No clause for contribution use.	Contribution has been allocated to the Phase 3 of expansion works at Bishop Justus School which will provide a new School Hall and external Work	Need for additional secondary places in Bromley. The school is undergoing a phased expansion from 6 to 8FE	2017-19	Estimated project cost £3,901,000	£103,827

Public Register Reference	Development	S106 Agreement Education Clause	How the money will be allocated	Justification	Works Period	Value of Works	S106 Contribution
296A	Land at rear of 86-94 High St Beckenham	To be used towards education provision within the locality.	Contribution has been allocated to additional class costs at Marian Vian School.	Need for additional School Places in Beckenham	2017-19	To Add	£182,389
323	Sheila Stead House	<p>£18,268 towards the provision of Pre-School Education within the vicinity of the development.</p> <p>£70,971 towards the provision of Primary School Education within the vicinity of the development.</p> <p>£56,141 towards the</p>	<p>Pre School Contribution to be provided to new nursery at Leasons Primary School (delivered as part of school expansion scheme).</p> <p>Primary Contribution will support the expansion of Edgebury School from 1 to 2FE</p> <p>Secondary and 16+ allocation will support phase 3</p>	<p>Need for nursery places in Chislehurst and surround areas</p> <p>Need for primary school places in Chislehurst and surround areas</p>	<p>2017-18</p> <p>2</p> <p>016-18</p>	<p>Estimated Contract value £3,606,459. Estimated project cost £4,414,355,</p> <p>Estimated Contract value £3,856,000. Estimated</p>	£169,965

		provision of secondary school education within the vicinity of the development. £24,585 towards the provision of 16+ further education within the vicinity of the development.	works at Bishop Justus School	Need for secondary and 16+ places in Bromley	2017-19	project cost £4,536,000, Estimated project cost £3,483,200,	
302	Day Centre, Chipperfield Rd	£34,896 towards the provision of pre-school education within the vicinity of the development. £131,752 towards the provision of primary school education within the	school allocations will support the expansion of pre school and primary places at Leeson's Primary School Secondary and 16+ allocation will support phase 4	Need for primary School places in Cray Valley Need for secondary and 16+	2017-18 2018-19	Estimated Contract value £3,606,459. Estimated project cost £4,414,355, Estimated	£335,511

		vicinity of the development. £116,044 towards the provision of secondary school education within the vicinity of the development. £52,819 towards the provision of 16+ further education within the vicinity of the development.	works at Bishop Justus School	places in Bromley		Contract value £911,000. Estimated project cost £1,133,000,	
321	Sunridge Park Management Centre Ltd (instalment 1 of 2)	Towards the provision of school places within the London Borough of Bromley.	Contribution has been allocated to the expansion of St Georges CE Primary School from 1.5FE to 2FE.	Need for additional Primary School Place in central Bromley	2017-18	Estimated Contract value £2,299,000. Estimated project cost £2,884,000,	£50,233
324	1 Chilham Way	Towards the provision of	Contribution has been allocated to	Need for secondary school	2017-19	Estimated Contract	£283,047

		education and for no other purpose.	the Phase 3 of expansion works at Bishop Justus School which will provide a new School Hall and external Works	places in Bromley		value £1,313,000. Estimated project cost £1,575,600,	
327	Oakfield Centre, Oakfield Road, Penge, London SE20 8QA	To be used towards the provision of education in the London Borough of Bromley and for no other purpose.	Contribution has been allocated to the expansion of Stewart Fleming Primary School from 2 to 3FE	Need for primary school places in Bromley	2016-19	Project cost £8,587,000	£211,618
333	Isard House, Glebe House Drive, Hayes, Bromley BR2 7BW	Towards Appropriate and necessary school provision as determined by the Council.	Contribution has been allocated to the Phase 3 of expansion works at Bishop Justus School which will provide a new School Hall and external Works	Need for secondary school places in Bromley	2017-19	Estimated Contract value £1,313,000. Estimated project cost £1,575,600,	£113,025
344	The Rising Sun, 166 upper Elmers End Road, Beckenham, BR3 3DY	The provision of education facilities and/or the improvement of and/or support for	Contribution has been allocated to the expansion of Stewart Fleming Primary School from 2 to 3 FE	Need for primary school places in Bromley	2015-2019	Project costs £8,587,000	£44,360

		existing education facilities within the administrative area of the Council.					
367	Summit House Glebe Way, West Wickham, BR4 0RJ	£66,064 towards the provision of new facilities and/or the improvement of and/or support for existing facilities at Hawes Down Junior School, The Mead, West Wickham, Kent, BR4 0BA. £88,4626 towards the provision of new facilities and/or the improvement of and/or	Contribution has been allocated to the expansion of Hawes Down Junior School by 1 mainstream and 1 SEN Unit Class and a 2FE ASD expansion of Glebe School	Need for primary and SEN primary and secondary school places in Bromley	2015-2017	Hawes Down Junior School, Project Cost £829,325. Glebe Project Cost £4,887,000	£154,526

		support for existing facilities at Glebe School, Hawes Lane, West Wickham, Bromley, Kent, BR4 9AE.					
							£2,889,855

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BASIC NEED PROGRAMME 2011-18

	School	Description of Works	Type	Year (S)	Status	Project Cost	Funding Sources			Description	Budget Changes		
							Basic Need	SEND Capital	Other		Cost March 2016	Change	Explanation
Completed Projects													
A1	Balgown Primary School	Conversion of existing space to form single bulge class	Bulge Class	2014	Complete	£10,000	£10,000				£10,000	£0	
A2	Beacon House (Beacon Academy)	Refurbishment of site to provide vocational offer and extend services to KS2 and girls.	SEN Expansion	2015-16	Final Account	£4,897,412	£197,412		£4,700,000	DSG	£5,277,000	£-379,588	Estimated final account below estimated project cost
A3	Bickley Primary School	Kitchen and servery works to complete expansion to full 2FE	Permanent Expansion	2010-11	Complete	£103,000	£103,000				£103,000	£0	
A4	Blenheim Primary School	Minor works to support admission of additional pupils	Bulge Class	2014	Complete	£9,983	£9,983				£10,000	£-17	
A5	Bromley Road Primary	Internal remodelling/ refurbishment to provide accommodation for the re-organised school	Change of age range + linked to Worsley Bridge	2015-16	Defects	£1,124,988	£1,124,988				£1,006,000	£118,988	Additional Final costs resulting from dealing with historic nature of building

A6	Burnt Ash Primary School	Internal SEN unit modifications to address OfSTED recommendations	SEN	2013	Complete	£50,000	£50,000				£50,000	£0	
A7	Churchfields Primary School	Interbal refurbishment, infill expansion, new nursery block	3 x bulge class, 1FE permanent expansion	2011-16	Complete	£1,367,000	£1,367,000				£1,367,000	£0	
A8	Clare House Primary School	Internal modifications to existung school, 3 temporary classroom units, demolition of existing school and construction of new 2FE school building.	3 x bulge class, 1FE permanent expansion	2011-2016	Defects	£6,756,736	£6,627,736		£129,000	DSG	£7,000,000	£-243,264	Amalgamated cost of all works. Estimated final account below estimated project cost
A9	Coopers School	Feasibility into options for expansion	Feasibiity	2015	Feasibility	£5,000	£5,000				£5,000	£0	
A10	Crofton Infant School	New build class and facilities for additional 'Busy Bees' class	Additional SEN Unit Class	2014	Complete	£409,000	£384,000		£25,000	Access Initiative	£475,000	£-66,000	Estimated final account below estimated project cost

A11	Darrick Wood School	AccessWorks - acoustic partitions and associated ICT/M&E works	SEN	2012	Complete	£45,000	£45,000				£45,000	£0	
A12	Darrick Wood Infants School	Review of space	Site sufficiency	2014	Complete	£3,395	£3,395				£4,000	-£605	
A13	Darrick Wood Junior School	Review of space	Site sufficiency	2014	Complete	£3,395	£3,395				£4,000	-£605	
A14	Edgebury Primary School	New build to support expansion from 1 FE to 2 FE	Permanent Expansion	2016	Defects	£4,455,174	£4,290,703		£164,471	S106 & Planned Maintenance	£4,536,000	-£80,826	
A15	Farnborough Primary School	Internal refurbishment and FF&E	2 x bulge classes	2015 & 2016	Defects	£70,000	£70,000				£9,000	£61,000	Costs associated with second bulge class (2016)
A16	Glebe	New classroom block to support 2FE ASD secondary expansion	SEN Expansion	2015-16	Defects	£4,887,000	£0		£4,887,000	DSG, School, S106	£4,887,000	£0	

A17	Harris Primary Academy Crystal Palace	Minor refurbishment and temporary toilet unit to facilitate an extra form of entry in 2011 & 2012. Internal refurbishment and external works to Permanent support permanent expansion of school	3 x bulge classes and permanent expansion	2011-2016	Complete	£1,159,488	£1,138,688		£20,800	DSG	£1,134,000	£25,488	Almagamated Costs all Phases. Estimated final account and associated costs above estimated project cost
A18	Harris Primary Academy Kent House	Modular accommodation to provide an additional form of entry in 2011.	Bulge Class	2011	Complete	£263,000	£263,000				£263,000	£0	
A19	Harris Primary Academy Orpington	Works to SEN Unit	SEN	2010/11	Complete	£100,000	£57,000		£43,000	Primary Capital Programme	£100,000	£0	
A20	Hawes Down Infants School	Internal refurbishments for single bulge class	Bulge Class	2012	Complete	£115,000	£115,000				£115,000	£0	

A21	Hawes Down Junior School	Additional class to admit bulge class from infant school and SEN Unit class	Bulge Class	2015	Complete	£829,325	£763,261		£66,064	S106	£861,000	-£31,675	Estimated final account below estimated project cost
A22	James Dixon Primary School	Temporary reception block and relocation of contact centre	2 x Bulge Class	2014 & 2015	Complete	£851,631	£729,951		£121,680	DSG	£740,000	£111,631	Additional costs of works and extending modular rental
A23	Keston CE Primary School	Internal and external works to provide permanent facilities for 2012 class.	Bulge class	2012	Complete	£935,804	£935,804				£997,000	-£61,196	Estimated final account below estimated project cost
A24	Langley Park School for Boys	Internal refurbishment	Bulge class	2015	Complete	£56,000	£56,000				£56,000	£0	
A25	Leesons Primary School	Internal refurbishment and FF&E	3 x Bulge Class	2014-16	Complete	£30,000	£30,000				£20,000	£10,000	Additional bulge class
A26	Marian Vian Primary School	Internal works and FF&E For Bulge class in advance of new facilities being brought forward.	2 x Bulge Class	2015 & 2016	Complete	£58,140	£58,140				£50,000	£8,140	Final bulge class costs above estimate

A27	Midfield Primary School	Internal refurbishment, new classroom block and nursery	3 x bulge classes and permanent expansion	2012 -2015	Complete	£1,624,077	£1,606,277		£17,800	S106	£1,703,000	-£78,923	Combined cost of all phases below estimate
A28	Mottingham Primary School	Internal refurbishment, kitchen and utilities works	KS2 bulge classes	2014 & 2015	Complete	£1,019,340	£1,019,340				£1,030,000	-£10,660	Combined cost of all phases below estimate
A29	Oaklands Primary School	Conversion of former KS1 classroom to kitchen	Ensuring Sufficient Accommodation	2016	Defects	£97,086	£97,086				£0	£97,086	New scheme
A30	Parish CE Primary School	3 New reception classrooms, new teaching block and secondary path to support 2 to 3FE expansion	Permanent Expansion	2012 -2014	Complete	£3,509,000	£3,509,000				£3,950,000	-£441,000	Reduction against estimated cost and final phase kitchen works being delivered as a separate contract
A31	Poverest Primary School	Internal refurbishments	3 x Bulge Class	2014-16	Complete	£81,650	£81,650				£80,000	£1,650	Final bulge class costs above estimate
A32	Red Hill Primary School	Improvement of toilet facilities to support increase in pupil numbers	Bulge Class	2012	Complete	£57,000	£57,000				£57,000	£0	

A33	Ravensbourne School	Move Gym to provide new classroom	Bulge Class	2015-16	Defects	£950,890	£950,890				£945,000	£5,890	
A34	Riverside School	New school hall and ASD specific entrance	SEN Expansion	2013-14	Final Account	£1,220,000	£817,147		£402,853	S106	£1,220,000	£0	
A35	Scotts Park Primary School	Refurbishment of early years area and temporary accommodation block	4 x Bulge Class	2012-14	Complete	£498,000	£463,000		£35,000	S106	£498,000	£0	
A36	St George's CE Primary School	Conversion of existing space to form single bulge class	Bulge Class	2015	Complete	£30,000	£30,000				£10,000	£20,000	Cost of FF&E for additional bulge classes
A37	St John's CE Primary School	Reception Block Refurbishment	Bulge Class	2016		£35,000	£35,000				£0	£35,000	New scheme/bulge class
A38	St Mark's CE Primary School	Refurbishment of reception classrooms	Suitability	2013	Complete	£135,000	£135,000				£135,000	£0	
A39	St Marys Cray Primary School	Minor works to support admission of additional pupils	Additional Pupils	2012	Complete	£11,000	£11,000				£11,000	£0	
A40	St Paul's Cray CE Primary School	Mixed refurbishment and new build to allow expansion from 1 to 2 FE	Permanent Expansion	2015	Complete	£2,561,720	£2,462,199		£99,521	Early Year Capital, Seed Challenge, UKPN	£2,522,000	£39,720	Below original 2015 estimate of £2,589,000

A41	Stewart Fleming Primary School	Temporary accommodation block and internal refurbishment	2 x Bulge Class plus decant accommodation	2015	Complete	£795,000	£421,000		£374,000		£366,000	£429,000	Includes cost of temporary accommodation and extended rental period
A42	Trinity CE Primary School	Refurbishment of classes in EDC accommodation	Bulge Class	2013-16	Complete	£1,781,772	£1,131,772		£650,000	S106, EFA & DSG	£1,991,000	-£209,228	Cost of temporary accommodation, refurbishment and MUGA
A43	Unicorn Primary School	Temporary Classroom and new build expansion to ensure sufficient hall space, new classroom accommodation for 'bulge' class and hygiene facilities	Bulge Class	2015	Complete	£1,438,000	£1,410,000		£28,000	DSG	£1,438,000	£0	
A44	Valley Primary School	Modular accommodation to facilitate an extra form of entry in 2011 & 2012.	Bulge Class	2011	Complete	£353,000	£353,000				£353,000	£0	
A45	Widmore Center	Review of accommodation	Feasibility		Complete	£7,000	£7,000				£7,000	£0	

A46	Worsley Pridge Primary School	Temporary modular classrooms for additional 2 classes in 2013, refurbishment and extension	Permanent Expansion and School Re-organisation	2013-16	Complete	£4,850,718	£4,756,718		£94,000	DSG	£4,755,000	£95,718	
A47	The Highway Primary School	Contingency to cover over-spend on project	Suitability	2010-11	Complete	£650,000	£650,000				£650,000	£0	
A48	Capitalised Staffing Costs	Capitalised Project Management Costs	n/a	2013-16	n/a	£300,000	£300,000				£109,000	£191,000	
Cost of Completed Schemes						£50,600,724	£38,742,535	£0	£11,858,189				

	School	Description of Work	Type	Year (S)	Status	Project Cost	Funding Sources			Description	Budget Changes		
							Basic Need	SEND Capital	Other		Cost March 2016	Change	Explanation
Projects in Delivery (Funded)													
B1	Balgowan Primary School	Access Works -	Access initiative	2017	Planning	£200,000	£200,000				£0	£200,000	New Scheme
B2	Beacon Academy (Orpington Phase 1 & 2)	Expansion of provision to KS2	Permanent Expansion	2017	Procurement	£5,355,800	£5,048,400		£307,400	CIF Funding	£3,125,000	£2,230,800	
B3	Bishop Justus (Phase 1)	Phase 1 expansion (Infill Block) + Summer 2015	Permanent Expansion	2016-17	Construction	£670,000	£670,000				£677,000	£-7,000	

B4	Bishop Justus (Phase 2-4)	1st and 2nd Floor and Hall Extension Block	Permanent Expansion	2017-19	Procurement	£3,901,000	£2,305,105		£1,595,895	S106	£4,271,000	-£370,000	
B5	Castlecombe Primary School	Permanent expansion of the school to 2FE in KS2 including temporary accommodation	Temporary Accommodation	2016-17	Construction	£3,820,370	£3,633,170		£187,200	DSG	£3,862,000	-£41,630	Cost of combine temporary and permanent works
B6	Crofton Junior School	Access Works - New hygiene room, lift and ramps	Access initiative	2017	Planning	£272,566	£272,566					£272,566	New Scheme
B7	Coopers Schools	Access Works	Access initiative	2017	Procurement	£150,000	£150,000					£150,000	
B8	Farnborough Primary School	Following failure to obtain planning consent works to bring school up to standard to accommodate 2 bulge classes	Bulge Classes	2017-18	Design	£1,500,000	£1,500,000				£5,084,000	-£3,584,000	Uplift in cost due to planning delays

B9	Leesons Primary School	Refurbishment of area separated from former day care centre and new teaching block to support 1 to 2 FE expansion	Permanent Expansion	2017-18	Procurement	£4,426,000	£3,816,216		£609,784	S106, Early Years Capital and Seed Challenge	£3,347,000	£1,079,000	Increased cost identified during detailed design and requirement for temporary accommodation
B10	Oaklands	Provision of New reception block to ensure school has sufficient pupil accommodation	Sufficiency and Suitability	2017-19	Procurement	£1,877,300	£1,877,300					£1,877,300	Only Phase 1 being delivered
B11	Parish Primary School	Kitchen works to support 2 to 3FE expansion				£146,620	£146,620				£0	£146,620	
B12	Poverest Primary School	New accommodation block and refurbishment of dining hall and CFC to form new early years block, enabling 1 to 2 FE expansion	Permanent Expansion	2017-18	Procurement	£5,710,734	£5,043,734		£667,000	S106, Early Years Capital and School Contribution	£4,772,000	£938,734	Higher costs for external works and requirements of planning consent.

B13	St George's CE Primary School	Refurbishment and new accommodation block to enable expansion 1.5 FE to 2 FE	Permanent Expansion	2017	Procurement	£2,884,000	£2,780,177		£103,823	S106	£2,182,000	£702,000	Construction inflation, potential risks around contaminated land and consequential improvements require
B14	Stewart Fleming Primary School (Phase 1&2)	Demolition, new classroom block and refurbishment to enable 2 to 3FE expansion	Permanent Expansion	2016-18	Construction / Procurement	£8,587,000	£8,097,196		£489,804	School & S106	£8,587,000	£0	Phase 2 to be tendered Summer 2017
B15	St John's CE Primary 2 Classroom refurbishment	Works during Summer 2017 to convert smaller spaces into classrooms	Bulge Classes			£200,000	£200,000				£0	£200,000	New Scheme
B16	Trinity CE Primary School	EDC Block Refur	Permanent Expansion			£800,000	£542,671		£257,329	S106		£800,000	Single Phase of major works. Delayed due to La Fontaine remaining on site

B17	Tubben n Primary School	New unit classroom and ancillary accommodatio n	SEN Expansion	2017	Feasibility	£1,203,000	£0	£1,161,000	£42,000	School	£0	£1,203,000	Previously in programme but no budget estimate
B18	Projects In Developm ent			n/a	Feasibility	£1,000,000	£1,000,000					£1,000,000	
B19	Access Initiative 2016-19			n/a	Programme	£150,000	£150,000					£150,000	
	Capitalise d Staffing Costs 2017-2019			n/a	n/a	£300,000	£300,000					£300,000	
Cost of schemes in delivery						£43,154,390	£37,733,155	£1,161,000	£4,260,235				
Programme Contingency (5%)						£2,085,220	£2,085,220						
In delivery (Funded) Schemes Total							£39,818,375						
Completed Schemes and In delivery Schemes Total							£78,560,910						
Current i) Basic Need Scheme Budget ii) SEN capital Budget							£79,176,224	£2,596,530					
Remaining i) Basic Need Scheme Budget ii) SEN capital Budget							£615,314	£1,435,530					
Changes to programme in delivery												£7,247,390	

	School	Description of Work	Type	Year (S)	Status	Project Cost	Funding Sources			Description	Budget Changes		
							Basic Need	SEN	Other		Cost March 2016	Change	Explanation
Projects in Delivery (Unfunded)													
C1	St John's CE Primary School	Refurbishment and new accommodatio n block to enable expansion 1.5 FE to 2 FE	Permanent Expansion	2017-18	Feasibility	£4,430,300	£4,430,300						

C2	Trinity CE Primary School	Remaining Phases for expansion to 4FE	Permanent Expansion	2017 -	Post Planning	£3,600,000	£3,600,000						
C3	Marian Vian Primary School			TBC		£4,002,000	£4,002,000						
C4	Scotts Park Primary School	New classroom block to complete 2 to 3 FE expansion	Permanent Expansion	TBC	On hold/Planning	£2,970,000	£2,970,000						
C5	St Mary Cary	Re-organisation of school and Duke Youth Centre	Re-development	TBC	Feasibility	£2,970,000	£2,970,000						
Total cost of schemes in delivery						17,972,300	17,972,300	0	0				

	School	Description of Works	Type	Year (S)	Status	Project Cost	Funding Sources			Description	Budget Changes		
							Basic Need	SEN	Other		Cost March 2016	Change	Explanation
Projects in Development													
D1	Blenheim Primary School	Feasibility on options to expand the school	Potential Expansion	On hold	Feasibility	2,972,000	2,972,000						
D2	Chislehurst St Nicholas	Expansion of School to 2FE Primary School	Potential Relocation and Expansion	On hold	Feasibility	£7,220,000	£6,220,000		£1,000,000	Estimated Capital Receipt			
D3	Dorset Road	Works to allow school to admit 30 in each class	Potential Expansion	On hold	Feasibility		£0						

D4	Green Street Green	Feasibility on options to expand the school from 2FE to 3FE	Potential Expansion	On hold	Feasibility	£2,972,000	£2,972,000						
D5	Mead Road Infants School	Options to ensure sufficient places at KS2 transfer	Potential Expansion	On hold	Feasibility		£0						
D6	Ravens Wood School	Expansion of Secondary School by 2FE	Potential Expansion	On hold	Feasibility		£0						
D7	Oaklands Primary School	Later Stages of Development	Potential Expansion	On hold	Post planning	£5,456,700	£5,456,700						
Cost of Schemes in development						£18,620,700	£17,620,700	£0	£1,000,000				
Total Programme Cost						£130,348,114	£114,153,910	£1,161,000	£17,118,424				
Current Basic Need/SEN							£77,773,224	£2,596,530					
Potential Funding Gap						£52,574,890	£36,380,686	-£1,435,530					

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Report No.
FSD17040

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE

Date: Wednesday 19 July 2017

Decision Type: Non-Urgent Executive Non-Key

Title: **LOCALLY ADMINISTERED BUSINESS RATES RELIEF SCHEME**

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

Chief Officer: Director of Finance

Ward: (All Wards);

1. Reason for report

This report advises the results of the consultation exercise on the proposed Business Rates relief scheme and requests a decision on the scheme to be adopted.

2. **RECOMMENDATION(S)**

2.1 The results of the consultation exercise be noted.

2.2 The proposed scheme as detailed in paragraph 3.2 be adopted.

2.3 In the event that the DCLG permits the transfer of funds between years, a review of the scheme be undertaken in 2018/19 as to be level of assistance that can be provided from 2019/20 and 2020/21.

Impact on Vulnerable Adults and Children

1. Summary of Impact: N/A
-

Corporate Policy

1. Policy Status: New Policy:
 2. BBB Priority: Vibrant, Thriving Town Centres
-

Financial

1. Cost of proposal: £52k
 2. Ongoing costs: £16.6k in 2017/18 and £11.8k for three years from 2018/19
 3. Budget head/performance centre: Exchequer- Revenues
 4. Total current budget for this head: £3.78m
 5. Source of funding: Existing revenue budget 2017/18
-

Personnel

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

Legal

1. Legal Requirement: Statutory Requirement

Local Government Act 1988

Local Government Act 2003

2. Call-in: Applicable
-

Procurement

1. Summary of Procurement Implications: N/A
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 2,600 businesses.
-

Ward Councillor Views

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

3. COMMENTARY

Background

- 3.1 At the 24 May 2017 meeting of the Executive it was agreed that a 3 week consultation exercise be undertaken on the scheme to be adopted for Bromley. The scheme recommended in consultation being designed to mirror the criteria used by the DCLG when allocating the overall budget between Local Authorities.

The report submitted to the 24 May 2017 meeting of the Executive can be found at:
<http://cde.bromley.gov.uk/documents/s50048952/Locally%20Administered%20Business%20Rates%20Relief%20SchemePART%201%20REPORT%20TEMPLATE.pdf>

Proposed Scheme as included in the consultation documentation

- 3.2 The scheme is designed to mirror the criteria used by the DCLG when allocating the available “pot” between the Local Authorities.
- 3.3 Relief is limited to all properties that have a Rateable Value of under £200k and who have suffered a loss (pre Transitional Relief) of more than 12.5%. They must have seen an increase in their Business Rates liability after all other reliefs have been applied.
- 3.4 In accordance with legislation, businesses will be subject to De Minimis Regulations (less than €200k State Aid in the current & previous 2 financial years). This would be a requirement in respect of any scheme to be adopted.
- 3.5 The following categories would not be granted assistance: LBB properties, properties held by the Official Receiver and properties whilst empty.
- 3.6 Not allowing for empty properties, this would result in approximately 2,600 business receiving assistance
- 3.7 Based on the available funding, discretionary relief at the following percentages of the net increase for 2017/18 could be granted:

Financial Year	Percentage
2017/18	25%
2018/19	12.25%
2019/20	5%
2020/21	0.7%

- 3.8 A hardship fund of £50k be available for those businesses that have experienced an increase in Business Rates as a result of the revaluation and whose circumstances are such that the Authority wishes to provide more assistance than would payable under this scheme.
- 3.9 Should the DCLG advise that the Authority is permitted to transfer funds between years a review will be undertaken in year 2 as to the level of assistance that can be provided in 2019/20 and 2020/21.

Consultation Process

- 3.10 The consultation period ran between the 13th June and 30th June 2017; this was a restricted period so that assistance could be given to qualifying businesses as soon as possible. Businesses were directed to the online consultation by means of notes enclosed with demand notifications issued during the period and a message entered on the Business Rates helpline.

- 3.11 In addition, a mailing was sent to contacts held by the Town Management & Business Support Team and a press release issued.
- 3.12 Notification of the consultation was sent to the Mayor/GLA and the London Assembly constituency member for Bexley and Bromley (Gareth Bacon)
- 3.13 A letter received prior to the consultation period from the National Federation of Self Employed and Small Businesses (FSB) has been included in the consultation results

Consultation Results

- 3.14 The full consultation report is attached as Appendix 1. Below is provided a summary of the respondents and findings:

In total there were 64 wholly or partially completed responses to consultation; however only 29 commented on the proposal to say whether they were either for or against it.

- 18 out of the 29 were businesses, companies and organisations
- 3 were from representative bodies – Fed of Small Businesses, an agent and “on behalf of an Occupier”
- In addition responses were received from the GLA, an un-named Local Authority, a newspaper and 3 who failed to provide details

- 3.15 Of those responding, 25 (86%) were in favour of the proposal and 4 (14%) against. The largest number of favourable responses came from businesses, companies and organisations where 89% were in favour.

Where respondents were asked to provide alternative schemes, the following 2 suggestions were made:

1. Relief should be applied to all small businesses in proportion to their increase – if their rates have increased by 5%, then relief of 5% should be provided over the period, with a cap of 12.5%
2. Anyone who has had an increase should receive some support.

- 3.16 A letter received from the GLA in response to the consultation is attached as Appendix 2. To summarise the GLA supports the Authority’s proposals to cap increases in bills by a set percentage and the provision of a £50k hardship fund. However, they have also provided further principles for consideration, these are detailed below along with the Authority’s position written in italics:

- Not provide support to ratepayers who operate from a number of premises, potentially 5 or more. *The proposed scheme would provide support subject to the De Minimis regulations.*
- Consultation with other LA’s to develop a consistent application process. *Bromley is expected to be one of the first London Authorities’ in implementing a scheme.*
- Holding back a proportion of funding until the Government has announced its final position on re-profiling. *The Council is keen to ensure that the notified Government funding is fully utilised reflecting known information at the current time.*

Claim Administration

- 3.17 Whilst the proposed scheme mirrors the criteria used by the DCLG when allocating funds, it will require careful drafting to ensure it accurately reflects the schemes intentions, minimises ambiguity and does not contain loopholes. Assistance will be obtained from Legal Services on this matter.
- 3.18 The Revenues Section will forward a letter to businesses it is believed might qualify for assistance, seeking confirmation that they are not “barred” from receiving assistance under the De Minimis Regulations (see paragraph 3.4). The intention is for the process to be as simple as possible, with responses able to be made electronically or by post.

Administration Costs

- 3.19 Liberata have provided indicative costs of £52k over the 4 year period for administration of the scheme. The Government have advised that they will be providing £12k in respect of the Business Rates initiatives announced in the March 2017 budget with an additional payment due once the rebilling costs established in the light of actual number of businesses receiving each relief.

Expenditure not covered by the new burdens funding will be absorbed in the overall departmental Budget.

Impact Assessment

- 3.20 It is not believed that the proposed scheme will have a disproportionate impact on any of the protected characteristics as detailed in the Equality Act 2010.

4. FINANCIAL IMPLICATIONS

- 4.1 Bromley will receive Government Funding towards the locally administered Business Rates Relief Scheme. For 2017/18 the maximum amount that Bromley will receive is £422k.
- 4.2 The administration cost of running the scheme is estimated to be £52k over 4 years. In 2017/18 these costs are £16.6k as it includes one-off set up costs of £4.8k. For 2018/19 onwards the annual cost will be £11.8k. These costs will be absorbed within the overall department budget.

5. LEGAL IMPLICATIONS

- 5.1 As was set out in the report considered by Executive on 24th May any assistance offered is subject to the State Aid Rules and the proposed scheme recognises this. A consultation exercise has been undertaken including the required consultation with the GLA as is set out in the report. Member’s attention is also drawn to Paragraph 3.6 which advises that the proposal will not have a detrimental impact on persons with protected characteristics under the Equality Act 2010.

Non-Applicable Sections:	Impact on Vulnerable Adults and Children, Personnel and Procurement
Background Documents: (Access via Contact Officer)	

London Borough of Bromley

Year	Percentage
2017/18	100%
2016/17	100%
2015/16	100%
2014/15	100%
2013/14	100%

Consultation on Business Rates Relief Revaluation Support – Report

3rd July 2017

1. Report Summary

The proposed scheme is designed to mirror the criteria used by the DCLG when allocating the available “pot” between the Local Authorities.

Relief is limited to all properties that have a Rateable Value of under £200k and who have suffered a loss (pre Transitional Relief) of more than 12.5%. They must have seen an increase in their Business Rates liability after all other reliefs have been applied.

In accordance with legislation, businesses will be subject to De Minimis Regulations (less than €200k State Aid in the current & previous 2 financial years). This would be a requirement in respect of any scheme to be adopted.

Assistance would not be given in respect of London Borough of Bromley properties, properties held by the Official Receiver and empty properties.

Based on the available funding, discretionary relief would be granted at the following percentages of the net increase for 2017/18:

Financial Year	Percentage
2017/18	25%
2018/19	12.25%
2019/20	5%
2020/21	0.7%

This reports sets out:

The background to the design of the Business Rates Relief Revaluation Support Scheme for 2017/18 for the London Borough of Bromley.

Details of the proposed Business Rates Relief Revaluation Support Scheme for Bromley, recognising that the matter is one which will need to be approved by full Council.

Details of the consultation exercise undertaken on the proposed Scheme during the period from 13th June 2017 until 30th June 2017.

2. Background and Proposal Being Considered

Business Rates (also known as non-domestic rates) are a tax on organisations and companies that are using a building or office space for business purposes.

From 1 April 2017 all commercial buildings and offices have been given a new “rateable value” used to calculate the amount of business rates a business occupying the space has to pay. This process is known as “revaluation” and is controlled by the Government.

In the Spring 2017 budget, the Government announced £300 million for local councils to finance business rates relief for revaluation support. The Government’s extra funding can only support relief schemes targeted at businesses facing an increase in their business rates bill following the 2017 revaluation.

The Government's allocation of funding for Bromley is set out below:

Discretionary		"pot" (£000's)	
2017-18	2018-19	2019-20	2020-21
1,405	682	281	40

This consultation is about Bromley's proposed scheme for "revaluation support" using the above levels of funding.

Proposed Scheme

Bromley's scheme is designed to mirror the criteria used by the Government when allocating the available national "pot" between Local Authorities. The details of which are below:

Relief is limited to properties where:

- there is a Rateable Value under £200k
- there has been an increase in liability (before other reliefs are applied) of more than 12.5%
- there has been an increase in Business Rates after all other reliefs applied
- the business has received less than €200,000 State Aid in the current and previous 2 years

Assistance would not be given in respect of London Borough of Bromley properties, properties held by the Official Receiver and properties whilst empty.

Based on available funding, discretionary relief at the following percentages of the net increase for 2017/18 would be granted *:

Financial Year	Percentage
2017/18	25%
2018/19	12.25%
2019/20	5%
2020/21	0.7%

* If the Authority is permitted to transfer funds between years a review will be undertaken in year 2 as to the level of assistance that can be provided in subsequent years.

A hardship fund of £50,000 will be made available for those businesses that have experienced an increase in Business Rates as a result of the revaluation and whose circumstances are such that the Authority wishes to provide more assistance than would be payable under the scheme.

3. Consultation

A consultation exercise was undertaken on the proposal during the period 13th June to 30th June 2017. An online survey was produced as a means to capture the views of businesses, organisations, representative bodies and residents on the proposal. The survey was publicised and promoted on the following:

- the Council website,
- the Business Rates telephone IVR system,
- a leaflet issued with all new Business Rates bills produced during the first two weeks of the consultation
- a press release to a local newspaper
- through liaison with various local business associations

In addition letters were sent to the Mayor and the London Assembly constituency member for Bexley and Bromley in order to advise them of the consultation. A letter was also sent to the Greater London Authority detailing the proposed scheme and inviting them to comment. They responded on 27th June stating that they were 'content to support the Council's proposals to cap increases in bills by a set percentage' on the grounds that it:

- Targets ratepayers facing the largest percentage increases in bills
- Supports a variety of different types and sizes of businesses across the borough
- Applies support proportionate to increases in bills using a methodology which should be relatively straightforward to calculate and amend
- Treats all ratepayers consistently
- Is relatively straightforward for ratepayers to understand and calculate
- Includes the provision of a £50k hardship fund

They also suggested that the following be considered:

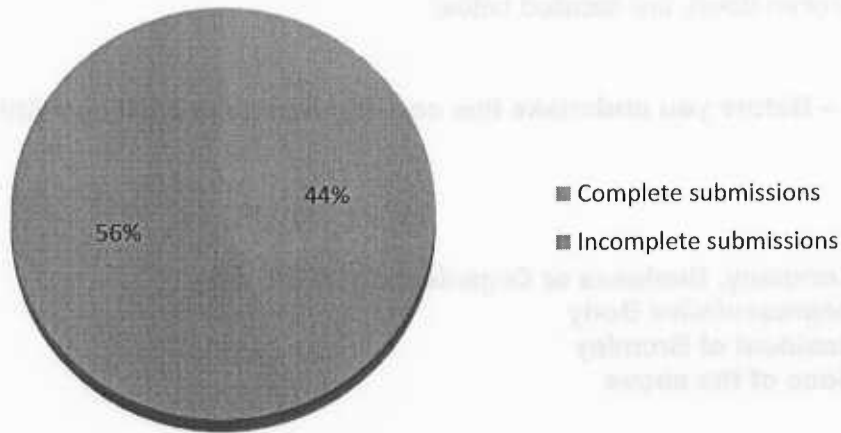
- Limited or no support being provided to businesses who operate from a number of premises, potentially 5 or more
- Undertake consultation with other Authorities to develop a consistent application process
- Hold back a proportion of funding until the Government has announced its final position on re-profiling

A response was also received from the National Federation of Self Employed and Small Businesses (FSB) dated 20th April 2017. Although this was outside of the consultation period they stated the five key principles that they felt the Council should have a regard to when framing their scheme and these are:

- Focus funds on small and micro businesses, particularly those most affected by revaluation
- Ensure the funds are distributed as soon as possible, automatically refunding any company that overpays their business rates
- Undertake an effective communication campaign to ensure that firms understand the scheme and know how they can benefit, be proactive in approaching those most in need
- Make the application process as simple as possible, ensure it is inclusive for small firms
- The Council to commit to alleviating hardship caused to small and micro businesses through increases in rates

In total **64** responses were received to the consultation, **28** (44%) of which were complete with **36** (56%) being incomplete.

Total no. of Consultation Submissions



Of the **64** wholly or partially completed responses, **29** commented on the proposal to say that they were either for or against it. The results below are based on those 29 responses.

Supplementary questions were asked, for monitoring purposes, to determine whether respondents were completing the consultation on behalf of a Business, Company, Organisation, Representative Body, as a Resident or in some other capacity.

The consultation exercise was based on 4 simple questions, 2 of which required specific responses with the other 2 being less direct and allowing a degree of free text response.

Of those that were specific, they sought responses in respect of:

- Q1: Confirmation on whether the responder was a:**
- **Company, Business or Organisation in Bromley**
 - **Representative Body**
 - **Resident of Bromley**
 - **None of the above**

Q2: Do you support the proposal – Yes or No?

4. Outcomes.

Details of the full consultation questions and analysis of the responses, both overall and broken down, are detailed below.

Question 1 – Before you undertake this consultation please tell us a little about yourself:

Are you a:

- Company, Business or Organisation in Bromley
- Representative Body
- Resident of Bromley
- None of the above

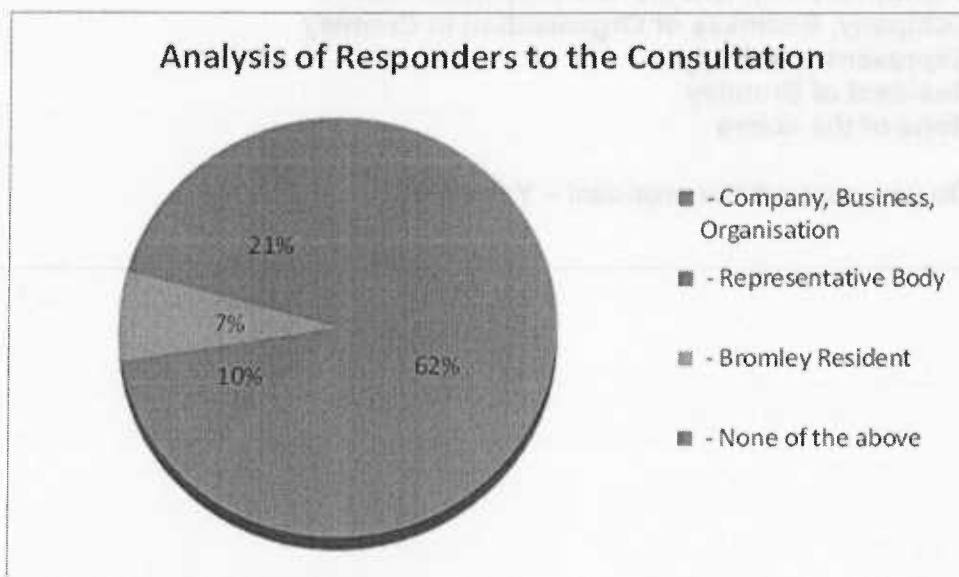
Overall response:

Of those who responded the majority, 18 out of 29, fell into the Company, Business or Organisation category. Responses were received from 3 representative bodies, and these were:

- Federation of Small Businesses
- An Agent
- On behalf of an Occupier

6 responses were also received that fell into the 'None of the Above' category and these consisted of:

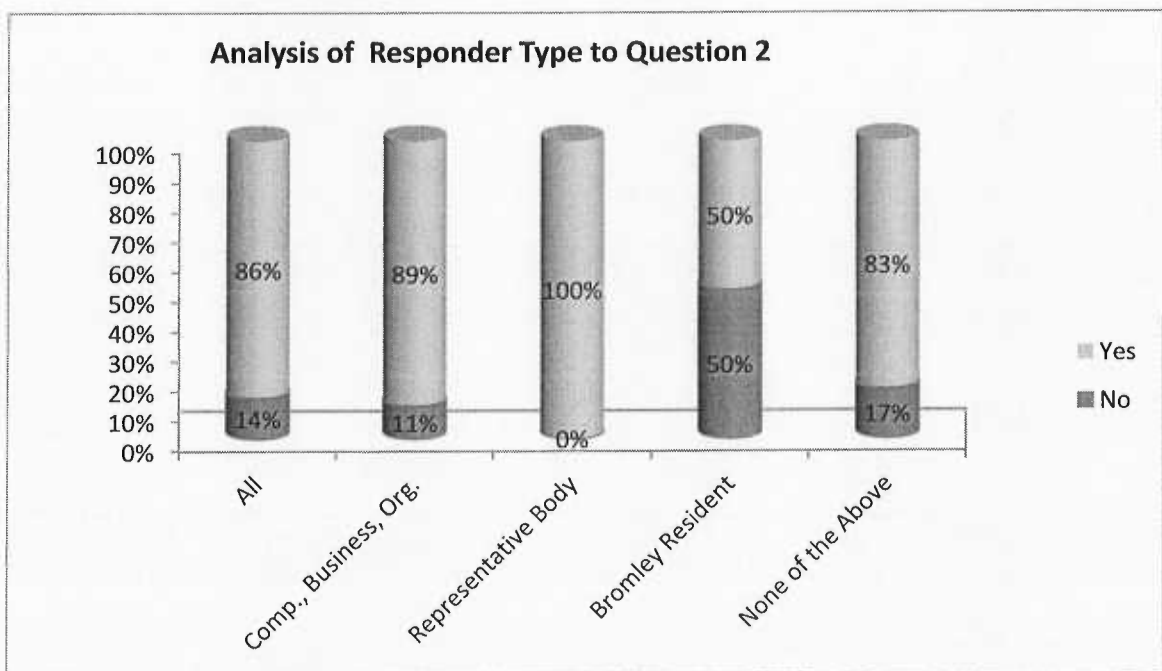
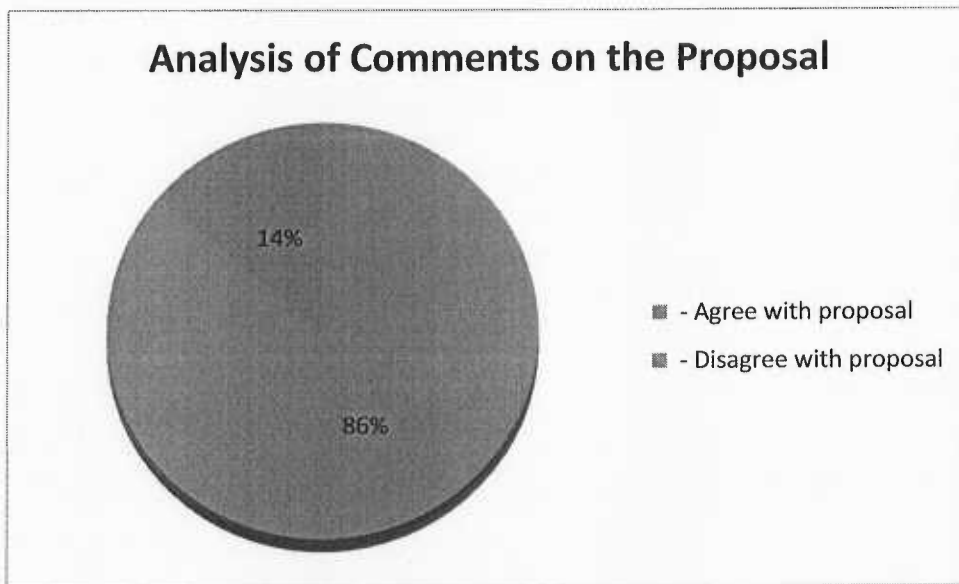
- Greater London Authority
- An un-named Local Authority
- Newspaper
- 3 others who gave no details



Question 2 – Do you support the proposal, described above, to offer relief to businesses for revaluation support at a percentage of the increase in their business rate bills – Yes or No?

Overall response:

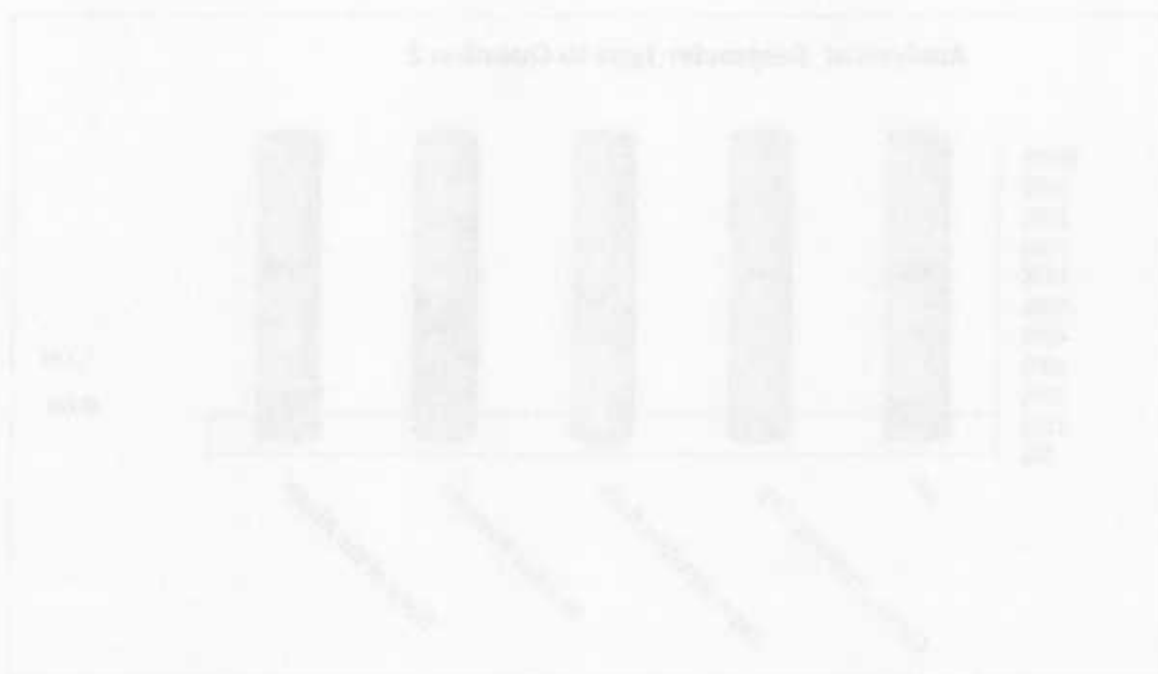
Of those that completed this question 25 of the responders (86%) were in favour of the proposal with only 4 (14%) being against it. The second graph below shows how each 'type' of responder answered this question. The largest number of favourable responses came from Businesses, Companies and Organisations where 89% were in favour. Two local residents completed this question, 1 being in favour and 1 being against which resulted in a 50%/50% split.



Details of all the narrative responses, to questions 3 and 4, have been included in **Appendix 1.**

Equality and Diversity.

Standard questions relating to Equality and Diversity were not included on the survey.



5. Appendix 1 – Narrative responses.

While narrative responses have been reproduced here for completeness, those respondents who simply stated “yes”, “no” or “don’t know” have been removed as these have been included in the analysis undertaken of the results above.

Question 3 – If your answer to question 2 was “No”, please provide details of the scheme you would like put in place:

- Relief should be applied to all small businesses in proportion to their increase - if their rates have increased by 5%, then relief of 5% should be provided over the period, with a cap of 12.5%
- Anyone who has had an increase should receive some support

Question 4 – Any other Comments

- There should be some financial support like loans and other means should be available on no interest or less interest basis to increase the productivity of the business
- For a restaurant to survive at 28 Homesdale road, we would do better to open lunchtimes as well as evenings, the parking zones around Homesdale road from 12:00 to 2:00pm are our peak times, some zones nearest to our restaurants in Homesdale road should be replaced with parking meters, we then would have lunchtime trade and would be able to pay a higher rateable council tax, as it stands we pay £628 per month far too high for evening trade restaurant, I noted that restaurants are doing well in Chaterton road due to parking meters there, I can pay for a meal in a pizza restaurant and any restaurant a lunchtime.
- The Scheme has not been communicated well to Businesses in the local area. There needs to be more promotion of the fact that assistance is available to those businesses that really need it...
- Please give this matter your urgent attention.
- There has to be a mechanism that supports small businesses that are struggling in the current climate. Some revaluations are, in percentage terms, very large and without relief small businesses will struggle. This has the potential to lead to more vacant shops and offices and actually reduce the tax take and is therefore counterproductive. The taper relief is only of a short term nature and unless the economy recovers somewhat the future increases are likely to be damaging. On the basis that Brexit negotiations will take two years and the fact that another general election could take place in that period it would be wise to assume a further period of uncertainty.
- If requests are put in just under the 12.5% - but above 10% these should still be considered.

- I am a small retail shop in Chislehurst and my business rates have nearly doubled from April 2017!!!! I hear all the time that customers/towns want these small businesses to succeed but with this unbelievable rise in rates and the high rent charges, we will be another closure unless things change and we get some support. Very sad for the High street!
- I believe that my business rates are unfair and there is an anomaly compared to the other similar properties on this parade (Beckenham road) my rates are excessive for the size of the premises. I can't get any help with this except for the cowboy companies that are taking thousands of people by saying they can get their rates lowered. I would really appreciate someone to talk to in the right department. Thank you
- The huge increase in business rates has a very detrimental effect on small businesses in the Borough and could well result in the closure of some businesses or at the very least reductions in staffing levels to enable such high overheads to be met. This in turn will have a detrimental effect on the Borough as small businesses generally employ high levels of local people.

GREATER LONDON AUTHORITY

RESOURCES DIRECTORATE

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

City Hall
 The Queen's Walk
 More London
 London SE1 2AA
 Switchboard: 020 7983 4000
 Minicom: 020 7983 4458
 Web: www.london.gov.uk

Our ref: Discretionaryrelief

Your ref:

Date: 27 June 2017

Dear John

Consultation on London Borough of Bromley's Discretionary Local Business Rates Relief Scheme

Thank you for inviting the GLA to comment on the London Borough of Bromley's consultation on its discretionary local rates relief scheme for 2017-18 which closes on 30 June. This letter supports the response the GLA has completed separately via your online portal.

Background and Funding Arrangements for the Local Rate Relief Scheme

Following the announcement by the Chancellor in the March Budget the Government allocated London £124 million or 41 per cent of the £300 million pot available for the locally administered business rates relief scheme of which Bromley has been allocated £2.408 million. Of this £1.405 million has been provided to the Bromley borough for 2017-18 and £682 million in 2018-19 with the allocation falling to £0.281 million in 2019-20 and £0.040 million in 2020-21.

The methodology used by the Government apportions the national pot each year using the estimated total increase in bills for each property with a rateable value below £200,000 where the rise in their 2017-18 bill exceeds 12.5 per cent after excluding the impact of transitional relief and other reliefs.

As the Government communication to local authorities on 15 May made clear it is for each billing authority to determine its own local scheme which can have regard to the above distribution criteria but does not have to. It is therefore for each billing authority to distribute its allocation to ratepayers as it sees fit subject to it consulting first with its major precepting authorities i.e. the Greater London Authority in London.

In responding to the Council's consultation the GLA has had regard to the Government's consultation paper and its general guidance on the operation of the scheme. Ultimately, however, the awarding of support to ratepayers under the scheme is a matter for billing authorities to determine using their powers under section 47 of the Local Government Finance Act 1988.

The GLA will therefore not generally object to individual billing authority relief schemes where they appear reasonable and target support to those ratepayers facing the greatest hardship as a result of the impact of the 2017 revaluation on their business rates bills.

Comments on the Council's Proposed Discretionary Relief Scheme

The GLA notes that the Council's expected preferred option would offer support only to ratepayers of properties with a rateable value below £200,000 and whose business rates bill before transitional relief and other eligible reliefs has increased by more than 12.5 per cent following the revaluation. The granting of relief would be conditional on there being an increase in bills after all other eligible reliefs are applied. London Borough of Bromley properties would not be eligible for the scheme and empty properties and those held by the Official Receiver would also be exempt as long as this situation applies.

The Council's preferred option grant relief at the following percentages of the net increase for 2017-18

2017-18	25%
2018-19	12.25%
2019-20	5%
2020-21	0.7%

The Council also intends to set aside £50,000 in a hardship fund to target support to certain businesses which it judges require a greater level of assistance than the core local relief scheme prescribes.

The GLA is content to support the Council's proposals to cap increases in bills by a set percentage as this

- targets resources at those ratepayers facing the largest percentage increases in bills;
- ensures that support is provided to a variety of different types and sizes of business across the Bromley borough rather than been concentrated on specific localities or sectors;
- would apply support proportionate to increases in bills using a methodology which should be relatively straightforward to calculate and amend subsequently without requiring significant manual intervention;
- treats all ratepayers consistently – subject to any local decisions which may be taken to exclude larger businesses operating nationally or multinationally or certain types of business activities; and
- is relatively straightforward for ratepayers to understand and calculate how it will affect them.

It also agrees with the decision to set aside a dedicated sum of £50,000 to support ratepayers experiencing extreme hardship following the revaluation.

However, we have the following specific comments to make on the details of the proposed scheme.

The GLA also notes the Council's intention to not to exclude any specific categories of property except those where it is the ratepayer or the property is empty or held by the Official Receiver. The GLA has no specific view on this matter and considers the inclusion or exclusion of any category of ratepayer should be a local decision taking into account the London Borough of Bromley's local economic development, public health, planning and environmental policies.

The GLA would also endorse the general principle that support under local relief schemes should be limited or not offered at all where the ratepayer operates from a number of premises – potentially five or more - across the borough or across England more generally. It is quite likely that firms operating nationally from multiple premises may be benefitting from reductions in business rates liabilities on their properties elsewhere in England and are better able to manage the impact of the 2017 revaluation on their finances.

In order to achieve this targeting, however, the Council will need to develop eligibility criteria which could take into account the number of properties which the ratepayer has in the borough of Bromley, whether the ratepayer operates elsewhere in London or across England and the cumulative rateable values of the properties it occupies in Bromley. The GLA notes that the Council recognises it will also need to have regard to state aid limits in determining allocations and therefore cap the maximum award for any individual ratepayer across the borough to 200,000 euro over three years – recognising of course that it is ultimately a matter for those businesses in receipt of state aid to ensure they do not breach the EU wide limits.

Application Process for Ratepayers for the Relief

The GLA would encourage the Council to consult with other London billing authorities in developing its application process for the relief to ensure that a consistent approach is adopted where possible to minimise the administrative burden on ratepayers and maximise take up. Subject to capturing necessary data to enable any exclusion of larger firms and to meet state aid limits the application process should be as straightforward as is practical.

Flexibility to Reprofile Funding into Future Years

In its March 2017 consultation paper on the relief scheme the Government stated it was minded to allow local authorities to reprofile funding across financial years. It has subsequently indicated that it will not take a final decision on this until the second quarter of 2017-18 – which may mean local authorities will not know the extent of the flexibilities available until autumn 2017.

The GLA would encourage the Council to hold back a proportion of its 2017-18 funding until the Government has announced its final position on reprofiling – and reflect this in the sums it releases in its 2017-18 scheme. This would allow it greater flexibility to support local businesses facing hardship over the four years of the scheme – particularly small and

medium sized firms in transition which under the Government's transitional relief scheme will face much larger percentage increases in bills in 2018-19 and 2019-20.

Accounting and Reconciliation Arrangements for Managing Government Support for the Discretionary Relief Scheme

The Government issued a grant determination letter on 28 April confirming that London billing authorities will receive 67 per cent of their 2017-18 funding allocations via section 31 grant in line with the locally retained share.

Bromley will therefore receive up to £456,940 in section 31 grant on account during 2017-18 – including £252,340 which notionally relates to the GLA's 37 per cent share – with the balance of your £2.408 million of support being met by the Government through the central share. This approach will avoid having to amend the instalments the GLA receives from Bromley during the 2017-18 financial year.

The GLA understands that billing authorities have been invited to provide details of their scheme to CLG via an online survey by 30 June and may also be required to provide an estimated cost for their scheme in July 2017 to CLG. The GLA would request that the London Borough of Bromley copies it into its return to CLG.

As part of the 2017-18 NNDR3 process there will be a reconciliation based on the actual reliefs granted and the correct apportionments of the costs of the reliefs and grants between the three parties will be made – boroughs would then have the GLA's share of the s31 grant clawed back and would reduce the GLA's rates income accordingly (via future collection fund surplus/deficit transfers) with CLG then paying the GLA's share (37/67ths) of the section 31 grant to the GLA (to offset the lost income arising from the reliefs).

The GLA will be keen to work closely with billing authorities prior to and following the 2017-18 NNDR3 submission processes to ensure that the accounting, accrual and reporting arrangements arising from the relief scheme are clearly understood.

Conclusion

I would like to thank you again for consulting the GLA on your Council's proposed local discretionary relief scheme and look forward to receiving details of your final proposals in due course.

Yours sincerely

Martin Mitchell
GLA Group Finance Manager

Report No.
ES17047

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE

**FOR PRE-DECISION SCRUTINY BY ENVIRONMENT PDS
COMMITTEE ON:**

Date: Wednesday 12 July 2017

Decision Type: Non-Urgent Executive Key

Title: HIGHWAY ENGINEERING CONSULTANCY SERVICE

Contact Officer: Paul Redman, Highways Asset Manager
Tel: 020 8313 4930 E-mail: Paul.Redman@bromley.gov.uk

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

Ward: (All Wards);

1. Reason for report

This report considers the need for highway engineering consultancy services, the performance of the current supplier and future proposals for the service.

2. **RECOMMENDATIONS**

That the Executive agrees to:

- 2.1 **Extend use of the current contract with AECOM for the provision of Highway Engineering Consultancy Services until the HCA Framework end date of 3rd November 2018.**
- 2.2 **Extend use of AECOM for the provision of Highway Engineering Consultancy Services for the period 3rd November 2018 to 31st March 2019.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: Beneficial outcomes to vulnerable adults and children by helping to ensure access and availability to the Council's highway and car parking assets.
-

Corporate Policy

1. Policy Status: Existing Policy
 2. BBB Priority : Quality Environment
-

Financial

1. Cost of proposal: Estimated Cost: Up to £679k
 2. Ongoing costs: Recurring Cost Up to £351k per annum
 3. Budget head/performance centre: Various cost codes within Environment & Community Services (Capital and Revenue)
 4. Total current budget for this head: £316k, although TfL funding for projects may vary
 5. Source of funding: Revenue budgets for highways, transport and parking, contributions from developers and capital funds from TfL.
-

Personnel

1. Number of staff (current and additional): 0.5 fte
 2. If from existing staff resources, number of staff hours: 0.5 fte
-

Legal

1. Legal Requirement: Statutory Requirement:Highways Act 1980
 2. Call-in: Applicable:
-

Procurement

1. Summary of Procurement Implications: Procurement procedures have been undertaken according to the Council's Contract Procedure Rules through an existing OJEU compliant Framework (Homes and Communities Agency).
-

Customer Impact

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

Ward Councillor Views

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

3. COMMENTARY

Background

- 3.1 The Council has duties and powers for the safe use of its highway infrastructure and for use of its multi storey car park asset. Since the Council's decision in 1993 to utilise voluntary competitive tendering, the professional services element of these duties has been delivered using Consulting Engineers. The broader service includes inspection/studies of structures (bridges, culverts, retaining walls), engineering emergencies involving the highway, ad hoc Transport and Flood Studies, larger highway development schemes and inspection/studies of the Council's stock of multi storey car parks. The service has been tendered regularly since 1993 to help ensure the Council maintains a best value engineering consultancy service.

Information

- 3.2 The current contract was tendered using the Council's Homes and Communities Agency (HCA) Multidisciplinary Framework Contract. The Council has an existing signed access agreement to this Framework dated 28th January 2015. The Framework end date is 3rd November 2018.
- 3.3 According to the Framework terms, an initial sifting exercise was undertaken leading to electronic tender invitation to five framework consulting engineers. A cost/quality ratio of 60:40 was used. A panel of three officers scored the quality submissions. The financial review was based on a one year model of work. The Council's Tender Evaluation Matrix was populated with the consensus quality scores and the financial bids to determine the most economically advantageous tender. AECOM was the successful consultant and was awarded the contract beginning on 21st July 2016. As a measure of the financial value of the contract award to AECOM, the tendered rates are approximately 8% lower than the equivalent rates in the previous contract.
- 3.4 The contract award was made on an initial one year basis to enable the Council a review period working with the HCA conditions of contract. In addition a one year term did not commit the Council to an arrangement that may not meet with the requirements of the broader ongoing review of Highway contracts. There is provision within the contract to extend the service to the Framework end date subject to satisfactory performance of the supplier.
- 3.5 AECOM have generally delivered an overall satisfactory performance across the range of activities they have undertaken for the Council. There have been isolated variations in the quality of the service received but, where action has been necessary, this has been dealt with by the relevant Client Manager and satisfactory outcomes have been evident.
- 3.6 The Council shall continue to need a resource to provide Highway Engineering Consultancy Services in the foreseeable future, helping the Council to meet its responsibilities according to the Highways Act 1980 for the safe use of the highway and for owner/occupier liabilities for the safety of its multi storey car park stock.
- 3.7 Experience over the past year has shown that the conditions of contract evident in the HCA Framework have not led to unexpected requests for variations, any disputes or major delays. The current consulting engineer, AECOM, has generally worked satisfactorily.
- 3.8 Work with the Highways 'bundle' of contracts (reference the Background Documents) is being progressed. The current programme indicates the tender for these contracts shall be undertaken in 2018, with a targeted contract start date of 1st April 2019. Given current information, the Highway Engineering Consultancy Service shall be included as a lot in the Highways bundle.

Review

- 3.9 On the basis of the future needs of the Council in respect of Highway Engineering Consultancy Services, the performance of the current supplier AECOM, the value represented by the rates in the current contract and the Council's proposals and programme regarding future highway contract bundles, it would be appropriate to extend the current contract with AECOM until the Framework end date of 3rd November 2018.
- 3.10 The terms of the HCA Framework identify that work ordered in advance of the Framework end date (3rd November 2018) may extend beyond the expiry of the Framework (up to 5 years). This provision will enable the Council to continue to have access to highway engineering services, in the period between the Framework end date and 31st March 2019, after which new arrangements should be in place as part of the highways bundle of services.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 4.1 Ensuring the highway remains both safe for use and available for use, without hazards, will be beneficial for all sections of the community and in particular for vulnerable adults and children.

5. POLICY IMPLICATIONS

- 5.1 The Borough's carriageways and footways, highway structures and multi-storey car parks have a high profile and benefit most residents and businesses on a daily basis. Helping to protect the integrity of these key assets and ensuring they are safe, available and of sufficient capacity will contribute to the Council's vision of providing a place where people choose to live and do business. They support the priority outcomes for a Quality Environment set out in the Environment Portfolio Plan – Managing our Transport Infrastructure and Improving Travel, Transport and Parking.

6. FINANCIAL IMPLICATIONS

- 6.1 The maximum amended contract value with AECOM, should the proposed contract extension be agreed, is summarised in the table below: -

Highway Engineering Consultancy Contract	£'000
Actual & committed contract spend from 21 July 2016 to 31 July 2017	351
Estimated value of contract extension to 31 March 2019	679
Total maximum value of contract	<u>1,030</u>

- 6.2 The budgets available to fund this contract is made up of £122k from within Transport, Highways and Parking revenue budget, TfL funding of up to £174k, (although this can vary depending on the number of one-off project funding agreed), and £20k contributions from developers through specific agreements.

7. PERSONNEL IMPLICATIONS

- 7.1 There are no current, immediate implications on personnel however there may be future implications depending on the outcome of the planned tender of services within the Highways 'bundle'.

8. LEGAL IMPLICATIONS

- 8.1 Under the Highways Act 1980 the Council as Highway Authority has duties to ensure the safe passage of users of the highway and to maintain the highway.
- 8.2 The Council as owner and operator of multi storey car parks has duties under law to provide and maintain premises so that they do not pose risks to the safety of their employees, other persons using the premises as a place of work, visitors and the public at large, specifically according to:-
- a) The Health and Safety at Work etc Act 1974, sections 2, 3 and 4.
 - b) Construction Design and Management Regulations 2015.
 - c) Occupiers Liability Acts 1957 and 1984.

9. PROCUREMENT IMPLICATIONS

- 9.1 The procurement has been conducted according to the Council's Contract Procedure Rules.
- 9.2 The current contract was procured using the Homes and Communities Agency Multidisciplinary Panel with OJEU notice number 2104/S 020-031462, dated 29th January 2014. The Council has an access agreement to the above Panel which was signed on 28th January 2015. A sifting exercise and competitive cost/quality tender process was undertaken to derive the most economically advantageous tender.
- 9.3 The HCA Framework end date is 3rd November 2018. Engaging AECOM to supply highway engineering services beyond that date, until 31st March 2019, is appropriate. Providing any requirement is placed before the end of the framework, a call off (from the framework) may be made even though that call off goes beyond the framework end date.

Non-Applicable Sections:	None
Background Documents: (Access via Contact Officer)	Environmental Services Procurement Strategy-Report No ES 17002, Executive 24 th January 2017.

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Report No.
DRR17/040

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE

For Pre-Decision Scrutiny by the Environment PDS Committee on:

Date: 12th July 2017

Decision Type: Non Urgent Executive Non-Key

Title: THE PRIORY, ORPINGTON - RELEASE OF PARK LAND AND CAR PARK

Contact Officer: Michael Watkins, Manager - Strategic Property
Tel: 020 8313 4178 E-mail: Michael.Watkins@bromley.gov.uk

Chief Officer: Executive Director of Environment & Community Services

Ward: Orpington;

1. Reason for report

Approval is sought for the release of an area of land and formal removal of a designated Car Park currently contained within The Priory Gardens, Orpington. The released land and car park will then form part of the demised premises within the Lease to V22 for The Priory Building and former Library in Orpington. As the release of these assets is linked to the disposal of The Priory which is within the Resources Portfolio, the Council's constitution requires an Executive Approval as two Portfolio areas are impacted. The decision to lease The Priory and former library to V22 was scrutinised by the Executive and Resources PDS on 12 October 2016.

2. **RECOMMENDATION(S)**

- 2.1 That the Executive agrees to the release of Park Land and removal of the Priory Car Park so as to form a new demised area to be leased to V22 in accordance with the Resources Portfolio Holder's previous decision to lease The Priory and former library to V22 Plc.
- 2.2 To note that no objections were received following the publication of a Statutory Notice of Intention to Dispose of Open Space relating to the loss of land at the Priory Gardens to be included within the demised area of the V22 Lease.
- 2.3 On the basis that the existing property generates an income which would no longer be received, the Executive be recommended to agree that the capital receipt be set aside to increase the Council's Investment Fund to enable the purchase of investment properties to generate alternative revenue income or that the money be put into the Council's Parallel Fund or some other form of investment.

Impact on Vulnerable Adults and Children

1. Summary of Impact: There is not considered to be an impact on Vulnerable Adults and Children as a consequence of this decision.
-

Corporate Policy

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

Financial

1. Cost of proposal: A capital receipt of £250k will be generated from the disposal of The Priory and adjacent former library.
-

Personnel

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

Legal

1. Legal Requirement: Statutory Requirement: Local Government Act 1972 Section 123 (2A)
 2. Call-in: Applicable:
-

Procurement

1. Summary of Procurement Implications: N/A
-

Customer Impact

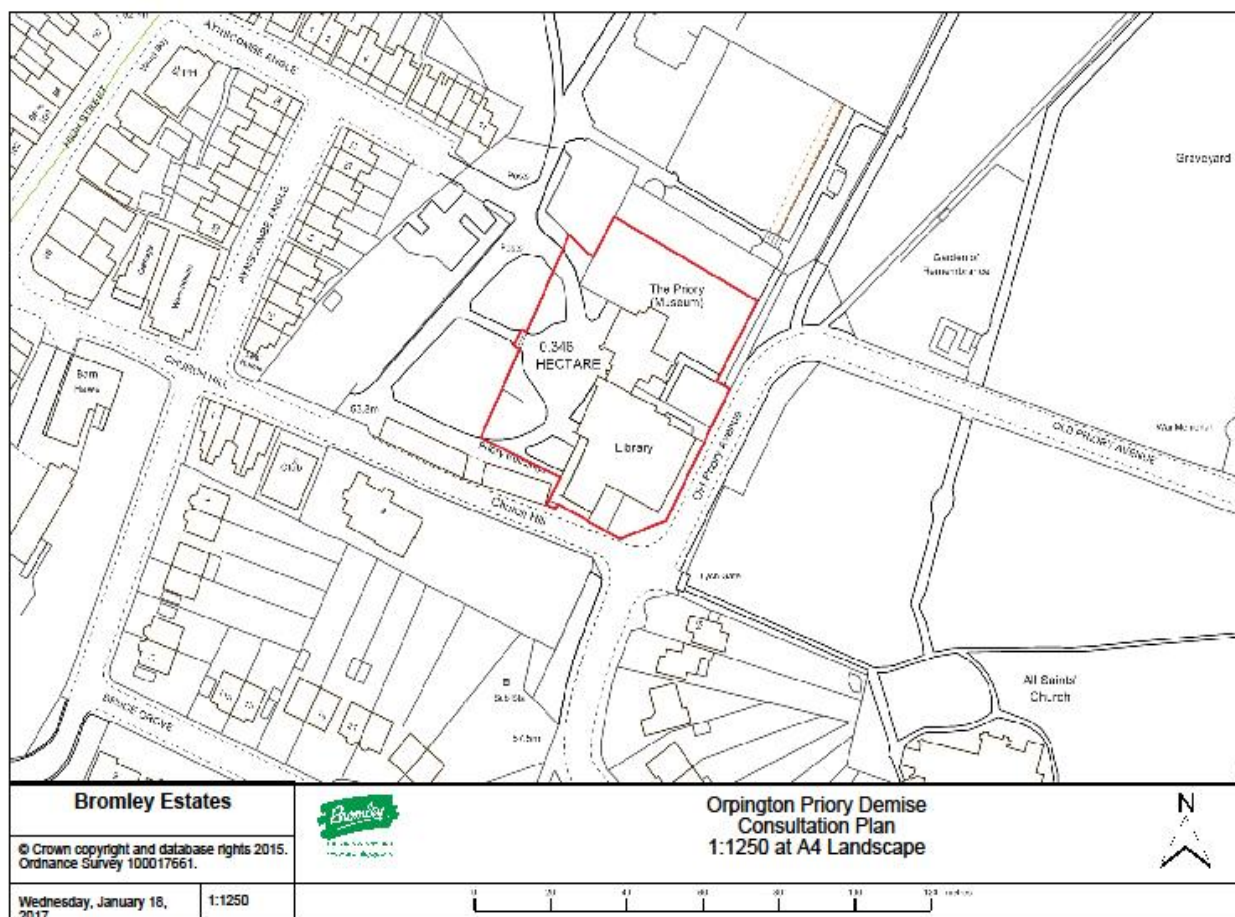
1. Estimated number of users/beneficiaries (current and projected): N/A
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Ward Councillors were consulted as to the decisions to make the asset surplus to requirements in June 2015 and the subsequent decision to lease the asset to V22 in October 2016. The requirement to undertake a statutory consultation to Dispose of Open Space relating to the loss of land at the Priory Gardens to be included within the demised area of the V22 Lease is considered to be part of that lease grant decision and as no objections were received, Ward Members were not consulted.

3. COMMENTARY

- 3.1 Members may be aware that in June 2015 the Executive resolved that The Priory and adjacent Library be declared surplus to requirement and authority was given to market the site for disposal.
- 3.2 The outcome of a marketing exercise and review of submissions received from a Community Bid were discussed at the 12 October 2016 Executive and Resources PDS with the recommendation that the Council enter into negotiations for a 125 year lease of The Priory and adjoining Library building to V22 Plc for their proposed use as a Community based Arts Centre with Studios.
- 3.3 The Resources Portfolio Holder subsequently gave his agreement to the recommendation on 28 October 2016.
- 3.4 Once the lease has been granted V22 Plc will undertake the necessary Planning submissions to secure Planning Consent for their proposed use of the premises as a Community based Arts Centre and Studios.
- 3.5 Lease terms have been broadly concluded and the negotiated area for the demise of V22 is shown below. The draft lease will be sent to V22 Plc's solicitors following the expiry of call in.



- 3.6 0.346 Hectares of Land currently contained within the Priory Gardens is proposed to be included within V22's demised area. Consequently a Notice of Intention to Dispose of Open Space was published in the local press in accordance with S123 (2A) of the Local Government Act 1972. The Notice was advertised twice on the 8 and 15 February 2017 stating objections should be made to the Council by 24 February.
- 3.7 No objections were received by the due date nor have any objections been received subsequently. V22 had previously contacted the Friends of Orpington Priory and Gardens to share their proposals with them. These included a commitment (contained within the Lease) to allow continued public access across the land to be contained within the demise to the Priory Gardens.
- 3.8 The Car Park located at the front of The Priory will cease to be a Public Car Park on completion of the V22 Plc Lease.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 4.1 There is not considered to be an impact on Vulnerable Adults and Children as a consequence of this decision.

5. POLICY IMPLICATIONS

- 5.1 The Council's aims include being an authority which manages its assets well.

6. FINANCIAL IMPLICATIONS

- 6.1 On completion of the lease, a capital receipt of £250k will be received.
- 6.2 There will be a net loss of income of £3k from the disposal of the car park. The 2017/18 budget has already been adjusted to reflect this.
- 6.3 As this net income will no longer be received, the Executive is requested to agree that the capital receipt be set aside to increase the Council's Investment Fund to enable the purchase of investment properties to generate alternative revenue income.

LEGAL IMPLICATIONS

- 7.1 By virtue of Section 123 of the Local Government Act 1972 (as amended) the Council is required to give formal notice of its intention to dispose of Open Space and consider any objections to the proposed disposal.
- 7.2 The Notice was advertised twice in the local press on the 8 and 15 February 2017 stating that objections should be made to the Council by 24 February. No objections were received by that date or subsequently.

Non-Applicable Sections:	Personnel Implications Procurement Implications
Background Documents: (Access via Contact Officer)	N/A

Decision Maker: EXECUTIVE

**FOR PRE-DECISION SCRUTINY BY THE R&R PDS
COMMITTEE**

Date: Executive: Wednesday 19 July 2017
R&R PDS: Wednesday 5 July 2017

Decision Type: Non-Urgent Executive Key

Title: BIGGIN HILL MEMORIAL MUSEUM

Contact Officer: Lydia Lee, Head of Culture
Tel: 020 8313 4456 E-mail: Lydia.Lee@bromley.gov.uk

Chief Officer: Director of Regeneration

Ward: Biggin Hill;

1. Reason for report

- 1.1 The development of the Biggin Hill Memorial Museum project is now complete and all funding is secure. This report seeks authority to take the project through to delivery.
- 1.2 Additionally this report asks Members to approve the award of the works contract and the investment of the endowment.

2. **RECOMMENDATION(S)**

That Members of the R&R PDS: -

- 2.1 **Note the contents of this report and make any comments available to the Executive.**

That Members of the Executive: -

- 2.2 **Note that the Heritage Lottery Fund (HLF) has awarded a grant of almost £2m to the Biggin Hill Memorial Museum scheme.**
- 2.3 **Approve the delivery of the project to completion at a total cost of £5.325m as detailed in paragraph 3.4 of this report.**
- 2.4 **Formally allocate £257k from capital receipts, as the additional Council contribution towards the scheme, which includes the match funding element towards the HLF grant.**

- 2.5 Increase the capital estimate for the scheme by £2.666m, a total scheme cost of £3.086m, subject to approval by Full Council.**
- 2.6 Approve the investment of £1.55m from the Treasury Grant, into a Charitable Investment Fund in the name of the Biggin Hill Memorial Museum Trust, to create an endowment fund as detailed in paragraph 3.25 of this report.**
- 2.7 Agree that the £689k HLF grant can be used to develop an activity plan, to meet the requirements of the grant conditions.**
- 2.8 Note that the outcome of the tender process, and recommendation to award the works contract, will be detailed in a Part Two report to follow. Due to the programme constraints this report will be circulated at the Executive Committee and not provided to Members in advance.**
- 2.9 Note for future consideration the estimated value of delivering the learning centre and memorial wall as set out in paragraphs 3.20 to 3.24 of this report.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: The museum's activity plan identifies young people as a target audience, and will both actively seek to engage this group and provide opportunities for free access and engagement.
-

Corporate Policy

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

Financial

1. Cost of proposal: Estimated Cost £5.325m
 2. Ongoing costs: Non-Recurring Cost
 3. Budget head/performance centre: Capital Programme and Culture Projects
 4. Total current budget for this head: £5.325m
 5. Source of funding: Treasury Grant, Central contingency, HLF Grant, S106 monies, BHMM Trust contribution and Capital receipts
-

Personnel

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

Legal

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

Procurement

1. Summary of Procurement Implications: The correct procurement process has been followed in relation to the value of the works contract.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The museum is expected to attract 25,000 visitors per annum.
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments: Cllr Benington and Cllr Stevens fully support this project.

3. COMMENTARY

- 3.1 The background to this project and the project strategy is described in report DRR15/101 which was considered by the Executive in December 2015. A further report DRR16/051 in June 2016 set out the preferred museum scheme, including design, capital funding strategy, governance and business plan. Additionally an update report DRR17/001 was provided to the Executive in January 2017.
- 3.2. The update report confirmed that all capital funding was now secure with the exception of the Heritage Lottery Fund (HLF) grant of £1,998,200. The HLF's London committee has now considered the grant application. On the 15th June 2017 the Council was informed that the grant application had been successful and that the full request of £1,998,200 was being awarded to the project. The committee voted unanimously in favour of the grant, describing the project as 'exemplary'.
- 3.3. Therefore the project team has raised the total £4m external funding required to deliver this project, which in turn releases the S106 monies of almost £1m which are only available for the delivery of a heritage centre scheme at Biggin Hill. Therefore in total almost £5m external funding has been secured.
- 3.4. All funding is now in place to deliver the scheme and enable the self-sustaining business model through an endowment. Therefore officers seek approval from the Executive to proceed to delivery of the project. The total cost of delivering the project is £5.325m as set out in the following table.

COST OF SCHEME	Capital	Revenue	Total
	£'000	£'000	£'000
Development costs to RIBA Stage 4	420		420
Capital works (main works, fit-out and exhibition space)	2,317		2,317
Professional fees (architect and exhibition design multidisciplinary teams to RIBA Stage 7).	110		110
Activity plan (requirement of HLF grant)		628	628
Contingency on capital costs	239		239
Contingency of activity costs		61	61
Endowment (as required by business model - paragraph 3.25)		1,550	1,550
TOTAL COST OF SCHEME	3,086	2,239	5,325
FUNDING	Capital	Revenue	
	£'000	£'000	£'000
Treasury grants	450	1,550	2,000
S106 monies - secured as works due to start in July 2017	914		914
HLF grant - secured	1,309	689	1,998
Biggin Hill Memorial Museum Trust	3		3
Bromley Council contribution (incl HLF match funding & £54k S106 top up)	410		410
TOTAL FUNDING	3,086	2,239	5,325

Capital scheme – award of works contract

- 3.5. The Executive previously approved the publishing of the works tender prior to the HLF's final funding decision being known. A full Invitation to Tender was published on 12th May 2017 and tender returns were received on 16th June 2017. The budget for the capital scheme is £1,565,000 plus 10% contingency.
- 3.6. An unrestricted open tender process was followed and tenders are being evaluated on a 60% price and 40% quality weighting criteria.
- 3.7. The tenders have been evaluated for quality by a panel of four people which includes officers from the Council's Leisure and Culture team and Amey. The panel were advised by the project's design team. The final quality evaluation panel meeting took place on Monday 26th June. The submitted prices are at the time of writing this report being checked and clarified by the design team's Quantity Surveyor.
- 3.8. The consensus quality scores and confirmed prices will be entered in to the Council's evaluation matrix which utilises the Chartered Institute of Public Finance and Accountancy (CIPFA) evaluation model.
- 3.9. Price: The matrix calculates an overall mean price, ie the arithmetic average value bidden across all tenders received. Each bidder is automatically allocated an initial 30 points – half of total weighting points available. Individual scores are then allocated an additional 1.2 points for each 1% above the mean, or deducted 1.2 points for each 1% below the mean. The Council may, where permissible, exclude bids assessed to be a) too low to be credible, or b) any bid that has been priced 25% above the mean as these are deemed too high to be affordable.
- 3.10. Quality: Tenderers are assessed for suitability through a standard pass/fail questionnaire. Officers evaluate all tenders that pass the suitability questionnaire against eight quality criteria which measure the tenderers ability to deliver the project:

Q	Content	Scoring Criteria
Q 1	Financial Resources and Contract Affordability	5%
Q 2	Quality & Operational Competence	25%
Q 3	Technical Ability to Deliver the Project	25%
Q 4	Conservation Works	10%
Q 5	Health & Safety	10%
Q 6	Sustainability	10%
Q 7	Partnership Working	10%
Q 8	Equal Opportunities	5%

3.11. All tenderers were required to score 5 or above against each criteria in order to be considered compliant. Tenders that score below this threshold for any criteria are not considered for contract award. The scoring methodology used was as follows:

Rating	Score	Level	Comment	Summary
FAIL	0	Inadequate	Insufficient information provided or does not meet the Council's requirements	Not acceptable
	1	Extremely Poor	An extremely poor, well below expectation response: there is a lack of content / explanation in addressing each of the requirements; most proposals are unrealistic / unjustified / unsupported or lack significant content / explanation; a very significant proportion of proposals are unacceptable from a risk perspective; a significant degree of failure to demonstrate technical and commercial aspects.	Much less than acceptable, major areas of weakness
	2	Very poor	A very poor, below expectation response: there is a lack of content / explanation in addressing each of the requirements; some proposals are unjustified / unsupported or lack significant content / explanation; a significant proportion of proposals are unacceptable from a risk perspective; a degree of failure to demonstrate technical and commercial aspects.	
	3	Poor	A poor, below expectation response: Not many requirements are addressed; and/or proposals lack significant content / explanation; and/or many proposals are unacceptable from a risk perspective; and/or many proposals lack an acceptable approach to technical and commercial aspects.	Less than acceptable, more weaknesses than strengths
	4	Weak	A weak, below expectation response: Very few requirements are addressed; and/or proposals lack significant content / explanation; and/or some proposals are unacceptable from a risk perspective; and/or some proposals lack an acceptable approach to technical and commercial aspects	
PASS	5	Adequate	An adequate response that barely meets expectation: A few requirements are addressed; proposals have a reasonable level of content / justification and explanation; proposals should be acceptable from a risk perspective; an acceptable approach to technical and commercial aspects.	Acceptable, but with some minor areas of weakness
	6	Quite Good	Quite a good response that meets expectation: Some requirements are addressed; proposals have a reasonable level of content / justification and explanation; proposals should be acceptable from a risk perspective; an acceptable approach to technical and commercial aspects.	
	7	Good	A good, above expectation response: Many requirements are addressed; proposals have a good level of content / justification, explanation and risk perspective; a good / sound approach to technical and commercial aspects.	Highly acceptable, strong with few weaker areas
	8	Very Good	A very good, above expectation response: Most requirements are addressed; proposals have a very good level of content / justification, explanation and risk perspective; a good / sound approach to technical and commercial aspects.	
	9	Excellent	An excellent response: Vast majority of requirements are addressed and most of the bidder's proposals include sound, innovative suggestions; proposals are quite detailed in content / justification and explanation; proposals are highly acceptable from a risk perspective; an outstanding approach to technical and commercial aspects which delivers more than expectations supported by evidence.	Extremely acceptable, many strengths, no weaknesses
	10	Exceptional	An exceptional response: All requirements are addressed and all of the bidder's proposals include sound, innovative suggestions; proposals are very detailed in content / justification and explanation; proposals are highly acceptable from a risk perspective; an outstanding approach to technical and commercial aspects which delivers more than expectations supported by evidence.	

- 3.12. The outcome of the tender process will be presented in a 'to follow' report at the Executive Committee as a Part Two item due to commercial sensitivity. The Executive will be asked to approve the award of contract to the winning tenderer. This approach is being taken to keep the project to programme. The Council wishes the museum to open in November 2018.
- 3.13. The winning tenderer's programme will commit to completing the building works in August 2018 enabling the fit out contract to complete and the museum to open in November 2018, marking one hundred years after the end of the First World War.
- 3.14. Planning permission was granted in April 2017.

Memorial wall and learning space

- 3.15. The delivery strategy for the Biggin Hill Memorial Museum project split delivery in to two phases. The rationale for this strategy was:
- The funds initially identified as likely to be secured would deliver phase one only, a significant proportion of the project, successfully opening the museum on a sustainable footing.
 - Waiting for potential funding to be available for the wider scheme would risk the project never being delivered, as the identified funding for phase one would not be available in perpetuity.
 - The Ministry of Defence's withdrawal from the Chapel created new time pressures to resolve project delivery.
 - The second phase works (learning centre and memorial wall) were not crucial to the sustainability of the site and could be fundraised for and delivered at a later time.
- 3.16. The funding for phase one is now secure as detailed above. Phase one will see the museum project delivered and open to the public under the governance of the Trust who will employ a small staff team to manage the site and visitor experience, in line with the previously agreed business plan.
- 3.17. Phase one includes the building of the museum exhibitions, conservation and renovation of the Chapel, landscaping of the grounds, and the introduction of visitor facilities including an on-site café. Phase one is scheduled to be completed in time to open the site to the public in November 2018, leading the borough's remembrance activity, marking one hundred years after the end of the First World War, and taking part in the RAF 100 celebrations.
- 3.18. The total value of phase one, as detailed in point 3.4 of this report, including the Trust's endowment to enable the self-sustaining business model, is £5.3m. The Council's agreed financial contribution is £410k (8% of the project value) with all other funding having been secured from external sources. The £410k is made up of the Council's original £106k contribution to the project, the committed £250k match funding for the HLF grant and the £54k to meet the shortfall in S106 monies. The Council agreed at the January 2017 meeting of the Executive to underwrite the potential shortfall of £54k from S106 monies if Taylor Wimpey decided to proceed with the lesser housing scheme. Taylor Wimpey has confirmed they are proceeding with the lesser housing scheme this July and therefore these monies are required from the Council.
- 3.19. Phase one delivers the basic scheme required for the museum's business model to be self-sustaining, but it doesn't deliver the full museum scheme. Phase two will see the full scheme implemented with the delivery of the learning space and memorial wall. The funding for phase two has not been identified. An application for the funding of the learning

space was made to the Clore Foundation in 2016, however this application was unsuccessful.

3.20. The cost of delivering phase two is estimated to be £600k.

3.21. The benefits of delivering phase two at the same time as phase one are:

- Visually, the full scheme, the concept of the museum wrapping around the Chapel would be achieved on opening.
- The cost of delivery is lower as the works contractors will already be on site and therefore site costs would not be duplicated in the future.
- The museum would not be subjected to disruption by works being undertaken in the future whilst the site is open to visitors, many of whom will visit to pay their respects, an activity that is not conducive to building site activity.
- The learning space would allow the museum to run additional evening events and generate ongoing additional income for the benefit of the site.
- The memorial wall would be delivered in time for the borough's commemorative events to mark one hundred years after the end of the First World War.
- By funding the learning space build now the Council will be seen to be actively supporting young people's wider access to education in the borough in 2017/18.

3.22. Members are asked to note for future consideration Council funding for the delivery of phase two. This will not negate the need for the Trust to continue fundraising. Firstly, the business plan relies on the Trust fundraising £15k per annum through donations and sponsorship in perpetuity. Secondly, the Trust would need to fundraise for the memorials which would be placed on the wall. The Trust could do this by inviting specific organisations and companies to commemorate groups, such as the Auxiliary Fire Service, by sponsoring the cost of a specific memorial to them.

3.23. Funding the estimated £600k required for phase two would increase the Council's financial contribution to the project to 16% of a then total £5.9m cost.

3.24. The museum's opening in 2018 is seen as a flagship event not only in the Council's calendar but nationally, in the commemoration of both one hundred years of the RAF and one hundred years since the end of the First World War. Completing the scheme and bringing forward the whole vision would have a bigger impact than bringing forward phase one only in this important commemoration year.

Investment of endowment

3.25. Approval is sought to invest the £1.55m endowment in a Charitable Invest Fund (CIF) in the Trust's name.

3.26. Officers will work with finance to identify the most suitable CIF. As per the business plan previously presented to Members it is anticipated that the endowment will generate annual interest of 4%.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

4.1 The Biggin Hill Memorial Museum will be a new cultural destination within the borough that is easy for Bromley's vulnerable adults and children to access by public transport or car.

4.2 The activity plan being developed, a requirement of the HLF application, identifies young people as a target audience, and will provide opportunities for free access and engagement. The museum's activity plan includes a schools programme, and evening, weekend and holiday activities for adults and young people.

5. POLICY IMPLICATIONS

- 5.1 It has been a long standing objective of the Council to facilitate a heritage centre at Biggin Hill.
- 5.2 The RAF enclave lies within a Major Developed Site in the Green Belt where infill development is subject to guidelines set out in the UDP; it is also wholly within the RAF Biggin Hill Conservation Area. The Chapel is a Grade II listed building.
- 5.3 A strategic plan is currently in development for the Biggin Hill West Camp, within which the Chapel is sited.

6. PROCUREMENT IMPLICATIONS

- 6.1 Officers have followed the correct procurement procedure, as detailed in this report, in relation to the works contract in regards to its value.
- 6.2 Permission was sought in advance of the tender being published from the Head of Procurement in relation to the percentage weightings within the quality criteria questions.

7. FINANCIAL IMPLICATIONS

- 7.1 The estimated cost of delivering the BHMM is £5.325m and the resources that have been secured to fund the project are detailed in the table in paragraph 3.4. In summary: -

<u>COST OF SCHEME</u>	£'000
Capital	3,086
Revenue - one -off contribution form HLF	689
Endowment	1,550
Total	<u>5,325</u>

- 7.2 The table below summarises the capital costs of the scheme: -

Capital	£'000	£'000
<u>Expenditure</u>		
Development costs to RIBA Stage 4		420
Implementation Costs		
Capital works incl exhibition and fit-out costs	2,556	
Professional fees	<u>110</u>	
Total Implementation costs		<u>2,666</u>
Total Capital costs		<u>3,086</u>
<u>Funding</u>		
HLF grant	1,309	
S106 monies	914	
Treasury grant	450	
Capital receipts	257	
Central Contingency	153	
Contribution from Biggin Hill Memorial Museum Trust	<u>3</u>	
Total Funding for Capital		<u>3,086</u>

- 7.3 It should be noted that the lower S106 contribution of £914k will be received, as Taylor Wimpey has now confirmed which planning application will be implemented. This means that an extra £54k will be required as agreed by the Executive on 11 January 2017.

- 7.4 Including the £54k above, an additional £257k is required from capital receipts. £203k of this relates to the match funding for the HLF grant as set out in the Executive report on 15 June 2016. This would mean that the total Council contribution towards this scheme will be £410k and Members are asked to formally agree the extra £257k.
- 7.5 Approval is sought to increase the capital estimate by £2.666m, resulting in a total scheme cost of £3.086m, subject to agreement by Full Council.
- 7.6 Approval is also sought to invest £1.55m of the Treasury grant in a Charitable Investment Fund, to create an endowment fund for the BHMM Trust to use as funding for the running costs of the museum as detailed in the business plan.
- 7.7 The HLF is contributing a sum of £689k to meet the cost of developing an activity plan for the museum, over a period of 4 years. This is the revenue element of the project and authority is sought to spend this grant and add to the revenue budget, according to the spend profile below: -

Year	Amount £'000
2017/18	105
2018/19	270
2019/20	189
2020/21	125
Total HLF Grant	689

- 7.8 The on-going revenue costs of the scheme will be met by the Trust, including use of income from the interest earnings from the Endowment Fund.

8. PERSONNEL IMPLICATIONS

- 8.1 The Museum Development Manager post is currently funded up to September 2017.
- 8.2 After this time the museum posts identified in the business plan will begin to be recruited. These posts are funded by the HLF until after the museum opens, at which time the museum's income streams will cover the ongoing costs of these staff.

9. LEGAL IMPLICATIONS

- 9.1 The value of the works contract is below the EU threshold therefore the contract is not subject to EU tendering requirements. The contract was competitively tendered in line with the requirements in the Council's Contract Procedure Rule 8.
- 9.2 If the contract award is approved then a contract will be drawn up with the successful contractor using the JCT Intermediate works contract which is a standard form of industry contract.

Non-Applicable Sections:	[List non-applicable sections here]
Background Documents: (Access via Contact Officer)	DRR17/001 Update: Biggin Hill Memorial Museum DRR16/051 Biggin Hill Memorial Museum (plus appendices) DRR15/101 Biggin Hill Memorial Museum

Report No.
DRR17/034

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE
FOR PRE DECISION SCRUTINY AT THE RENEWAL &
RECREATION POLICY DEVELOPMENT & SCRUTINY
COMMITTEE

Date: Wednesday 19 July 2017
Wednesday 5th July 2017

Decision Type: Non-Urgent Executive Key

Title: CONTRACT AWARD FOR THE PROVISION OF LIBRARY
SERVICES – PART 1

Contact Officer: Colin Brand, Director: Culture, Renewal and Recreation
Tel: 0208 313 4107 E-mail: colin.brand@bromley.gov.uk
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Tel: 0208 313 4633 E-mail: lesley.moore@bromley.gov.uk

Chief Officer: Executive Director of Environment & Community Services

Ward: All

1. Reason for report

- 1.1. Following pre-decision scrutiny at the meeting of the Renewal & Recreation Policy Development & Scrutiny Committee on 18th March 2015, the Portfolio Holder decided to implement a new approach to the delivery of library services in difficult financial circumstances. This included investigating the option of commissioning the Library service.
- 1.2. At their meeting on 9th November 2015, the Council's Executive instructed officers to market test the library service using a procurement strategy based on competition with negotiation to enable officers' flexibility to work with bidders to realise savings.
- 1.3. This report provides Members with the outcome of the market testing.

2. RECOMMENDATION(S)

- 2.1. Members of the Renewal & Recreation Policy Development & Scrutiny Committee are asked to review this report and provide their comments to the Executive for their consideration.
- 2.2. Members of the Executive are asked to:

- Note the outcome of the full market testing exercise and agree, subject to consideration of the accompanying 'Part 2' report (**DRR17/035**), to award the contract for the provision of library services to Greenwich Leisure Limited for a period of 10 years with the option to extend for a further 5 years.
- Note the feedback on the recommendation from staff and their representatives to inform their decision making.

Impact on Vulnerable Adults and Children

1. Summary of Impact: An Equality Impact Assessment indicates that it is not expected that there will be any adverse impact from commissioning the library service on vulnerable adults or children and young people. This is because the contract documents ensure that existing service levels are protected.
-

Corporate Policy

1. Policy Status: Existing Policy
 2. BBB Priority: Excellent Council Supporting Independence Vibrant, Thriving Town Centres Healthy Bromley Regeneration
-

Financial

1. Cost of proposal: Details included in the Part 2 report
 2. Ongoing costs: Potential savings are identified in the Part 2 report
 3. Budget head/performance centre: Library Service and Repairs and Maintenance
 4. Total current budget for this head: £4.7m and £100k from repairs and maintenance budgets
 5. Source of funding: Existing revenue budget for 2017/18
-

Personnel

1. Number of staff (current and additional): 148 staff (93.93 FTEs) and 31 casuals
 2. If from existing staff resources, number of staff hours: N/A
-

Legal

1. Legal Requirement: Statutory Requirement: The Public Libraries and Museum Act 1964
 2. Call-in: Applicable:
-

Procurement

1. Summary of Procurement Implications: This tender process was a two stage negotiated procedure with an initial expression of interest from three tenderers who were all invited to participate in the tender process, and in the subsequent tender stages were reduced to two and further reduced to a final tenderer as identified in this report on the basis that their bid represented best value. The tender process was carried out in accordance with the pre-agreed procurement strategy and was compliant with all relevant legislation and Council rules.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): In 2016/17, Bromley's library service recorded 42,219 active users (an active user is defined as an individual who has had a transaction on their library account in the last year). The library service has a statutory duty to be available and accessible to all those who live, work and study in the borough. A 2014 estimate identified that 320,057 people live in the London Borough of Bromley.
-

Ward Councillor Views

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

3. COMMENTARY

- 3.1. On 18th March 2015, following pre-decision scrutiny by the Renewal & Recreation Policy Development & Scrutiny Committee, the Renewal & Recreation Portfolio Holder approved a new approach to the delivery of library services in difficult financial circumstances. This decision followed a period of public consultation on these proposals, and included exploring the option to commission the library service; seeking an external provider to deliver direct management of the library service under the supervision of the Council. This proposal is in line with the Council's Corporate Operating Principles including the commitment that services are provided by whoever offers customers and council taxpayers excellent value for money.
- 3.2. On 9th November 2015, the Council's Executive reviewed the gateway report which set out the business case for market testing the library service based on:
- The outcome of soft market testing.
 - Consideration of alternative options to realise savings which included continued direct delivery by the Council whilst making efficiencies in other ways, a fully integrated shared library service with the London Borough of Bexley, a trust or industrial and provident society, and reorganisation of library property assets. An analysis of these options determined that they each presented higher risks and would most likely result in a reduction in the level or range of services offered as part of the library service.
 - A public consultation exercise that showed that Bromley library users especially valued the library service, but there was not an overwhelming preference from respondents for a commissioned library service, or a library service that is directly delivered by the Council.
 - Engagement with staff and their representatives, many of whom opposed the proposal to commission the library service.
 - An equalities impact assessment that anticipated that a commissioned library service would not negatively impact on the Council's ability to meet their statutory equalities duties.
- 3.3. The Council's Executive Committee agreed recommendations to market test the library service and begin a formal procurement exercise, agreeing a negotiated procurement strategy under the Light Touch Regime, as allowed for in the 2015 Procurement Regulations. This strategy was chosen to give the Council flexibility to work with bidders to realise savings. Members agreed the following contracting arrangements:
- The contract would have a duration of 10 years with the option to extend for a further five years
 - The contract terms allow for review to enable changes to service delivery or property arrangements and therefore contract price to be negotiated in the future, should this be required.
 - The contract terms made clear provisions of contract monitoring to safeguard commitments to protect service levels.
- 3.4. Building on the success of the Council's shared service for library back-office and management functions with the London Borough of Bexley, and in light of both Councils' previously stated ambitions to make savings, it was agreed that a joint procurement process would be undertaken in order to secure further discounts on service delivery through potential economies of scale. However, it was also agreed that the contract should allow for one authority to proceed to award exclusively.

Pre-Qualification Tender Stages

- 3.5. The opportunity for the provision of library services for Bromley and Bexley Councils was jointly advertised in the Official Journal of the European Union and on Contracts Finder on 10th March 2016 and key contract documents were published including terms and conditions, the specification, contract monitoring regime and instructions for applicants.
- 3.6. Although 18 organisations expressed an interest in the opportunity on the Council's e-procurement portal, three submitted Qualitative Selection Questionnaires before the closing date of 13th April 2016. Two organisations who had anticipated bidding decided not to proceed; one citing a decision to focus their business in their geographical location, and one because they did not secure the right bidding partner.
- 3.7. Qualitative Selection Questionnaires were evaluated independently by each Council's evaluation panels and a joint decision was taken to invite all three organisations to the tender stage. This decision complied with section 65 of the Public Contract Regulations that identified that the minimum number of bidders to be shortlisted for this procurement approach was three. Further, more specific information on the evaluation of Qualitative Selection Questionnaires is supplied in the accompanying 'Part 2' report (**DRR17/035**).

Initial Tenders

- 3.8. In accordance with a negotiated tender process, the three shortlisted bidders were issued with an invitation to submit an initial tender on 25th May 2016, and initial submissions were received before the deadline of 29th July 2016. The invitation to submit initial tenders also issued additional information to support bidding, including information pertaining to financial liability that may arise as a result of the Transfer of Undertakings (Protection of Employment) legislation, more detailed budget information relating to the current service delivery model, and more detailed information about the library properties. Officers also hosted bidders on site visits to libraries where this was requested in accordance with the instructions to applicants.
- 3.9. Initial tenders were received from all three shortlisted bidders in response to the detailed tender documents from all three bidders. In accordance with the process set out in the tender documents, initial tenders were subject to a robust commercial evaluation. Tenders were evaluated on the basis of:
 - 60% price
 - 40% quality

The 40% quality evaluation was further evaluated against weighted criteria as follows:

- Financial resources and contract affordability: 10%
- Quality and operational competence: 20%
- Technical ability: 20%
- Health and safety: 5%
- Customer care and service development: 20%
- Sustainability: 10%
- Deliverability of proposals: 15%

- 3.10. Tenders were evaluated by the officer Evaluation Panel for Bromley Council who scored bids independently and then agreed a consensus score for each of the bids.
- 3.11. During the time in which initial tenders were evaluated, there were two key developments affecting the scope of the tender. Firstly, in September 2016, the London Borough of Bexley decided that they would not be continuing with the tender process. Although the tender was designed so that the contracting decisions of each Council would be separate, this development was not anticipated and discussions around the future of the shared service for library back-office and management functions were required to inform any subsequent tender stages undertaken by Bromley.
- 3.12. Secondly, a separate market testing exercise did not identify suitable community management arrangements for the Council's six community libraries. As a consequence, the Council's Executive agreed a recommendation to include the six community libraries for direct management within the scope of this tender for a commissioned library service as set out in report **DRR116/069**.
- 3.13. All three bidders were notified of these changes in October 2016 and invited to meetings to clarify and negotiate on their initial tenders in November 2016. Bidders were specifically asked to present more information about how they had built up their price, and clarification questions were structured around the following areas:
- Price
 - Staffing
 - Allocation of pension liability
 - Service related issues
 - Facilities management
 - Key Performance Indicators
 - Bonds and Guarantees
 - Other contracting issues
- 3.14. Following these clarification and negotiation meetings with the three bidders, the officer Evaluation Panel recommended that one bidder should not proceed to the next tender stage. This was also agreed at the Commissioning Board.

Second Tenders

- 3.15. A second round of tenders was sought to allow for further clarification and negotiation.
- 3.16. Invitations to submit second tenders, including updated tender documents, were issued on 9th January 2017, however before the deadline for responses of 21st February 2017, one bidder informed the Council that they were no longer in a position to pursue the opportunity, and that they wished to withdraw from the tender process.

- 3.17. On the basis of this evaluation and negotiation (which is detailed in the accompanying 'Part 2' report [DRR17/035]) the Panel invited the remaining bidder to submit their final bid price.
- 3.18. With their permission, officers are able to reveal the identity of the final bidder as Greenwich Leisure Limited. On the basis of their final bid, officers are recommending that the contract for the provision of library services is awarded to Greenwich Leisure Limited.

Benefits of the bid

- 3.19. A summary of the benefits of their bid to deliver the library service on behalf of and under the supervision of the Council are as follows:
- Greenwich Leisure Limited is an experienced provider of library services. They currently operate library services in Greenwich, Wandsworth and Lincolnshire as well as prison libraries on behalf of the Ministry of Justice, equating to 88 local libraries (38 directly operated public libraries). They are a large, long established organisation with over 24 years' experience of working with local authorities and local communities.
 - Greenwich Leisure Limited's bid would deliver savings on the Council's annual operating budget. These will be delivered through:
 - Implementing efficiencies in operational and specialist support functions
 - Their improved purchasing power within the industry
 - Economies of scale
 - Savings from rate relief offered by Greenwich Leisure Limited's charitable status
 - Exploring opportunities to maintain income levels in the context of reductions in income from traditional income streams.
 - Greenwich Leisure Limited are committed to delivering added value and improvement to the library service, delivering on the Council's strategic aims and objectives by:
 - Bringing investment into library services
 - Developing new ICT capabilities
 - Expanding the activities programme in libraries
 - Providing excellent staff training opportunities
- 3.20. Greenwich Leisure Limited's bid is based on their taking an internal repairing lease on those library properties that the Council owns, and taking a sub-lease or under-lease on those library properties in which the Council is a tenant. Greenwich Leisure Limited are committed to cooperating with the Council in order to bring forward options for the re-development of library assets in order to provide new and improved library facilities in accordance with the Council's stated ambition of renovating and improving the physical condition of all library buildings as part of the new approach to the delivery of the library service in difficult financial circumstances.

Consultation with staff and their representatives

- 3.21. The Director for Culture, Renewal & Recreation led staff engagement during the market testing exercise, writing to staff to provide information at key milestones. On average, staff received communications every other month and a dedicated mailbox was set up to receive queries,

feedback or comments from library staff. The Libraries Operations and Commissioning Manager was also available to discuss concerns with staff where this was requested.

- 3.22. In addition, the Director for Culture, Renewal & Recreation led the formal consultation with staff on the recommendation to award a contract to Greenwich Leisure Limited. Formal consultation commenced on 28th April 2017, and staff were issued with a consultation document (**Appendix 1**) to which they were invited to respond by 12th June 2017. Additionally, staff meetings were set up in Central, Beckenham and Orpington libraries on 16th May, 31st May, 6th June and 7th June 2017. These were attended by 89 staff, and provided an opportunity for staff to raise and receive responses to queries or concerns.
- 3.23. A summary of the queries raised and responses given is at **Appendix 2**.
- 3.24. Officers have ensured that all staff engagement and consultation documents have also been shared with trade unions and departmental representatives, and that these representatives have had an opportunity to be engaged in the process and to comment on the recommendation.
- 3.25. Officers met with the trade unions on 9th June 2017. Subsequently, Unite have released a document as their formal response to the consultation; this is at **Appendix 3**. Unison also submitted a formal response to the consultation document; this is at **Appendix 4**.

Client Team

- 3.26. Subject to this recommendation being agreed, the contract will be managed and monitored by a thin client team of two officer posts who will be responsible for managing the contractual relationship with Greenwich Leisure Limited and monitoring performance in accordance with the Service Levels and Key Performance Indicators set out in the contract documents. The draft job descriptions for these roles are included at **Appendix 6**.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 4.1. The impact of the proposals for a commissioned library service on children and young people was evaluated as part of an Equalities Impact Assessment at various stages during the commissioning process.
- 4.2. A Children’s PLUS Survey undertaken in April 2017 identified the age profile of children who use the library service in Bromley

Age	% of children visiting the library
0-7 years (Key Stage 1)	60%
7-11 years (Key Stage 2)	30%
11-16 years (Key Stage 3)	10%

The survey also identified that 30% of children who use the library service are from ethnic minorities.

5. POLICY IMPLICATIONS

- 5.1. The Renewal & Recreation Portfolio Holder approved a new approach to the delivery of library services following pre-decision scrutiny at the Renewal & Recreation Policy Development and Scrutiny Committee on 18th March 2015.
- 5.2. This approach is consistent with the council's stated ambitions around vibrant, thriving town centres, supporting independence, children & young people, and an excellent Council under its vision for Building a Better Bromley.
- 5.3. The Council's Corporate Operating Principles include a commitment that services will be provided by whoever offers customers and council taxpayers excellent value for money.

6. FINANCIAL IMPLICATIONS

- 6.1. The current budget available for the library service is £4.7m per annum.

7. PERSONNEL IMPLICATIONS

- 7.1. Engagement with staff and their representatives around the proposals to commission the library service and the subsequent market testing have been ongoing since the Recreation Policy Development & Scrutiny Committee and Renewal & Recreation Portfolio Holder agreed that officers should undertake those two activities on 18th March 2015.
- 7.2. Formal consultation on the detailed proposals to award a contract to Greenwich Leisure Limited for the provision of library services was conducted between 28th April 2017 and 12th June 2017, with consultation meetings scheduled as set out in paragraph 3.23.
- 7.3. There are 148 staff (93.93 FTEs) and an additional 31 casual staff working across the library services, of which 146 staff (91.93FTEs) are in scope for a proposed transfer to Greenwich Leisure Limited. It is proposed that 2 staff (2 FTEs) are retained to deliver client functions as set out in paragraph 3.26. Any staffing implications arising from these proposals or potential award will need to be carefully planned for and managed in accordance with Council policies and procedures and with due regard for the existing framework of employment law.
- 7.4. The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) will apply to these proposals and any legal and financial implications arising from this. The TUPE regulations preserve/protect employees' terms and conditions when a business or undertaking is transferred to a new employer. Contracts of employment remain the same when transferred to a new employer whilst employees remain in the same job. Continuous service and terms and conditions are protected at the point of transfer.
- 7.5. Should the proposed contract award be agreed then a further period of consultation on the detailed transfer proposals would take place with staff, trade unions and other staff representatives in accordance with employment legislation and the Council's managing change procedures. This will enable staff to explore in more detail the impact of the proposed transfer on their employment situation. Any measures envisaged by the transferor as a consequence of the transfer will be addressed during the subsequent TUPE consultation.
- 7.6. If Members agree to the recommendations in this report staff and their representatives will be updated as appropriate.

8. LEGAL IMPLICATIONS

- 8.1. This report seeks the approval of the Executive to award a contract to Greenwich Leisure Limited for the provision of the library service for a period of 10 years with the option to extend for a further 5 years.
- 8.2. The Public Contracts Regulations 2015 apply to this contract and the Council has carried out competition with negotiation procedure under the light touch regime which gives greater discretion on the process to be followed although the process must be fair and transparent.
- 8.3. Pursuant to rule 8.22 and 8.24 of the Contract Procedure Rules for a contract with a total value above £500,000/the EU threshold the Council must invite tenders from all suitable tenderers and comply with the Public Contracts Regulations 2015 and this had been followed.
- 8.4. In this case the Council invited tenders on an open basis and received 18 expressions of interest and three tenders as set out in paragraphs 3.6 and 3.9. Through the negotiated process, this was reduced to one final bidder, Greenwich Leisure Limited.
- 8.5. Where the contract value is £1 million and above Rule 13.1 requires any exception to the requirements of Rule 8 to be approved by the Chief Officer in agreement with the Director of Resources and Finance Director and with the approval of the Executive or the Council as appropriate.
- 8.6. Section 7 of the Public Libraries and Museums Act 1964 places a duty on the Council to provide a comprehensive and efficient public library service for residents and students in the Borough. The terms 'comprehensive' and 'efficient' are not defined within the Act; however the Act does require local authorities to provide free of charge access for people who live, work or study in the area to borrow or refer to books and other material in line with their needs and requirements.

In fulfilling this duty, the Council is required to have specific regard to the desirability of:

- (a) securing, by the keeping of adequate stocks, by arrangements with other library authorities, and by any other appropriate means, that facilities are available for the borrowing of, or reference to, books and other printed matter, and pictures gramophones records, films and other materials, sufficient in number, range and quality to meet the general requirements and any special requirements both of adults children; and
 - (b) encouraging both adults and children to make full use of the library service , and of providing advice as to its use and of making available such bibliographical and other information as may be required by persons using it; and
 - (c) Securing, in relation to any matter concerning the functions both of the library authority as such and any other authority whose functions are exercisable within the library area, that there is full cooperation between the persons engaged in carrying out those functions.
- 8.7. The report author will need to consult with the Legal Department regarding the execution of the contract.

9. PROCUREMENT IMPLICATIONS

- 9.1. This tender exercise has been carried out in an appropriate manner and in accordance with the Council's contract procedure rules (specifically 8.22 and 8.24) and in compliance with the relevant parts of the Public Contract Regulations 2015 for a competitive with negotiation procedure under the light touch regime.

Non-Applicable Sections:	None
Background Documents: (Access via Contact Officer)	<p>Update on the tender for the provision of library services – management report to the Commissioning Board (19th December 2016)</p> <p>DRR16/069 Community Management at Community Libraries: Outcome of Tender – report to the Executive Committee on 12th October 2016 (with pre-decision scrutiny by the Renewal & Recreation Policy Development & Scrutiny Committee on 20th September 2016)</p> <p>DRR15/089 Gateway Report: Proposals for a Commissioned Library Service – report to the Executive Committee on 9th November 2015 (with pre-decision scrutiny by the Renewal & Recreation Policy Development & Scrutiny Committee on 27th October 2015)</p> <p>DRR15/090 Gateway Report: Proposals for a Commissioned Library Service (Part 2) – report to the Executive Committee on 9th November 2015 (with pre-decision scrutiny by the Renewal & Recreation Policy Development & Scrutiny Committee on 27th October 2015).</p> <p>DRR15/024 Update on the Library Service Strategy – report to the Renewal & Recreation Policy Development & Scrutiny Committee on 18th March 2015.</p> <p>DRR14/090 Library Service Strategy – report to the Renewal & Recreation Policy Development & Scrutiny Committee on 18th November 2014</p>

LONDON BOROUGH OF BROMLEY

CONSULTATION DOCUMENT ON THE COMMISSIONING OF THE LIBRARY SERVICE

1. Background

- 1.1. This document sets out the proposals for the future provision and delivery of the Library Service. In November 2015 the Council's Executive agreed to begin a process of market testing the library service. This decision was made in the context that over the coming years the Council will need to continue to deliver multimillion pound savings from its budgets annually, and was informed by a full options appraisal, public consultation, engagement with staff, and market intelligence gained from a soft market testing exercise. The tender invited potential interested service providers to submit an application to deliver library services on behalf of, and under the supervision of, the Council, creating a commissioned library service.
- 1.2. The purpose of this communication is to formally consult with the staff directly affected by the proposals, and also to communicate with staff who will be indirectly affected by the proposed changes.
- 1.3. This document follows on from the last communication with staff and their representatives dated 23rd February 2017 (an update letter from Colin Brand, Director of Regeneration). In addition, and since December 2014, we have been exploring various options and engaging with staff and their representatives, to outline the Council's proposals and to listen to their views. This document commences the formal consultation stage with regard to the proposal to award the contract for the delivery of Bromley's Library Service to Greenwich Leisure Ltd (GLL).
- 1.4. In line with the Council's procedures for managing organisational change a copy of this proposal is also being sent to Trade Unions and Departmental Representatives as part of the formal consultation process which will last for a period of 45 days. The timetable for the implementation of the proposed changes is also included in the details set out below.
- 1.5. The proposal is in line with the Council's broader Commissioning Agenda, whereby the Council will seek to determine who is best placed to deliver high quality services based on local priorities, quality and value for money principles. This may well mean that services are delivered by an external organisation, as is the case with the proposal set out in this document.
- 1.6. Given that the Council has to identify significant financial savings in the next 4 years, the proposal as set out within this document will contribute to achieving the planned budget savings for the Council.

2. The Proposal

- 2.1. The proposal is for GLL to take on the management and delivery of the public library service on behalf of LB Bromley. The Council would retain the statutory responsibility for providing a comprehensive and efficient library service. The proposed details and extent of the service to be provided are contained within the specification and contract (available at the Libraries Tender page on One Bromley). As set out in the gateway report that recommended market testing, the specification and contract demand that current service levels are sustained and where possible improved.
 - 2.2. It is proposed that the Council will create an 'in house client team' to oversee the management of this contract on behalf of the Council. At present it is anticipated that this will comprise a team of 2 officer posts as set out in the appendix to the Committee report. Further consideration is currently being given to the structure and size of this client team and your thoughts and comments are also sought on this element of the proposal. The proposed new posts would be subject to job evaluation.
 - 2.3. The client team would monitor adherence to the specification, attainment of Key Performance Indicators and implement any penalties that may be incurred where required standards are not met.
 - 2.4. GLL currently operates library services in Greenwich, Wandsworth and Lincolnshire as well as prison libraries on behalf of the Ministry of Justice – equating to 88 local libraries (38 directly operated public libraries). It is a large, long established organisation with over 24 years' experience of working with local authorities and local communities. GLL is a charitable social enterprise which is non-profit distributing. Its legal structure requires it to operate "for the benefit of the community". GLL staff members own the organisation they work for through a non-dividend paying share which increases empowerment, motivation and involvement of staff. It has a track record of improving the use of the library services it manages.
- 2.2 The following functions would be delivered by GLL:
- The frontline/operational service.
 - Back Office and Support functions including Strategic Management, Stock and Reader Development, Children and Families, Information and Learning, IT Support and Development, Improvement, Training and Marketing, Business Support.
 - Bromley Historic Collections
 - Facilities management including cleaning and security.

- 2.3 These would be provided in line with the key principles outlined in the specification, namely:
- Services must be provided within an ethos of continuous improvement. There must be a commitment to delivering improving service and performance for the Council and their residents annually against continuous improvement plans developed by the Service Provider with no cost implications for the Council.
 - The Service Provider will identify opportunities for new and higher quality delivery of the existing services achieved through innovation from the Service Provider working in partnership with the Council (and where considered appropriate other public bodies or third parties).
 - The Service Provider will take a proactive approach to all aspects of service delivery with an ethos of engaging with customers and stakeholders and with sound leadership and management qualities that enables a powerful relationship with the Council's officers and Members.
- 2.4 GLL has advised that it would maintain the current opening hours at all libraries with a view to increasing the opening hours where possible.
- 2.5 The GLL pricing proposal would, subject to due diligence, deliver savings to the Local Authority. The proposed saving is to be achieved by
- Implementing efficiencies in operational and specialist and support functions.
 - Improved purchasing power within the industry.
 - Savings from rate relief offered by GLL's charitable status.
- 2.6 In addition, GLL are committed to:
- Delivering on The Council's key strategic aims and objectives.
 - Bringing investment into library services.
 - Continuous improvement to library buildings.
 - Ensuring bookstock is appropriate to the needs of local communities.
 - Developing new ICT capabilities (including a refresh of ICT equipment in years 1 and 5 of the contract).
 - Excellent staff training.
 - Expanding the activities programme in libraries
- 2.7 In the event that Members agree to the transfer of the Library Service to GLL then the Transfer of Undertakings (Protection of Employment) Regulations 2006, as amended by the Collective Redundancies and Transfer of Undertaking (Protection of Employment) (Amendment) Regulations 2014 would apply.

3. Scope

- 3.1 There are 148 staff (91.93 FTEs) currently working within the functions outlined in paragraph 2.2 above and who will be affected by this proposal. The posts that are engaged on the functions within the proposal and therefore in scope for the proposals are set out in the table in Appendix 1 to this paper. In addition there are approximately 31 casuals employed within the service.
- 3.2 Given the nature of the service a bank of sessional workers are engaged from time to time to respond to the pressure on timetable cover including planned and unplanned staff absences. Hence in general terms casual workers are not covered by the proposals, subject to individual assessment of each casual work arrangement.
- 3.3 There are two posts that are not in scope. They are the Library Operations and Commissioning Manager and the Library Projects Officer. It is envisaged that these post holders will form the Client Team.

4. Next Steps

- 4.1 A report setting out the recommendations on the future of the Library Service will be submitted to a meeting of the Council's Executive Committee following pre-decision scrutiny at the Renewal & Recreation Policy Development & Scrutiny Committee.
- 4.2 The exact dates of these meetings will be confirmed at a later date, but sufficient time will be allowed to ensure that the Council fulfils its obligation to fully consult with staff and their representatives and to enable their views to be accurately reported to Members. The indicative date for the Executive Committee set out in paragraph 5 is currently 19th July, however this date may be subject to amendment.
- 4.3 In line with the principles of openness for Local Government that this Council has adopted, the substantive information on this proposal will be covered within a Part 1 report, with only confidential and commercially sensitive information contained within a Part 2 report. A copy of the Committee report will be supplied once it is available for publication.
- 4.4 If a decision is made by the Executive Committee to award the contract, GLL will commence a detailed period of due diligence, this process is likely to take up to three months. There would also be a separate consultation about TUPE with the staff concerned and trade unions and departmental representatives, which would take place as identified in the timetable below from July/August 2017 onwards. . Any significant changes or issues that arise out of this process will be reported back to the Executive prior to any final contract agreement. This separate consultation process would specifically cover TUPE implications for each member of staff. The current round of consultation is therefore primarily concerned with the proposal to award a contract to an external

organisation to provide Bromley's Library Service.

- 4.5 The TUPE regulations preserve/protect employees' terms and conditions when a business or undertaking is transferred to a new employer. Contracts of employment remain the same when transferred to a new employer whilst employees remain in the same job. Continuous service and terms and conditions are protected as at the point of transfer, subject to any changes arising from economical, technical or organisational reasons.
- 4.6 The Council fully understands that staff who have not previously been involved in a TUPE transfer may find the process and the regulations which protect staff over whelming. Both Management and HR Consultancy will endeavor to support staff through this process. Staff may find it useful to look at the link about TUPE on the ACAS website [here](#).

5. Timescale

28 th April 2017	Release formal consultation document to staff, trade unions and departmental representatives.
May/ June 2017	Meet with staff directly affected by the proposals.
May/ June 2017	Meet with T.U., and Dep. Reps if requested.
12 th June 2017	End of formal consultation period.
19 July 2017	Report to the Executive. All comments during the consultation will be reported to the committee, along with the management response.
July/August 2017	If agreed, write to all staff affected and commence the process of informing and consulting with staff and their representatives on the TUPE transfer implications where appropriate. (45 days minimum).
1 st October 2017	Target contract award date

6. Equality Impact Assessment (EIA)

- 6.1 The Equality Impact Assessment of the proposals is being considered as part of the consultation and staff and their representatives' views will be taken into account and responded to throughout the consultation period. As the new provider is not proposing to make any changes to the current arrangements it is not anticipated that there will be any implications that will have a disproportionate impact based on any equality grounds.

7. Agency Workers and Casual Workers

- 7.1 All agency workers and casual workers within the services affected by

these proposals will be consulted throughout this process.

- 7.2. There is an agency worker engaged in the service delivery. As this worker is not an employee of the Council they will not be part of the proposed transfer of the service.
- 7.3 Given the nature of the service, casual bank workers are engaged from time to time to respond to pressures including planned and unplanned staff absences. Hence, in general terms, casual workers are not covered by these proposals, subject to individual assessment of each casual work arrangement.

8. What Happens Now?

- 8.1 Staff meetings will be arranged for staff directly affected by these proposals. However additional meetings can also be arranged at the request of staff either with their line manager and/or Human Resources (see HR contact details below). Meetings with trade unions and departmental representatives will also be offered.
- 8.2 Joint meetings involving staff, trade unions and departmental representatives can also be arranged should they be requested.
- 8.3 I hope staff will take the opportunity to feed into this process. I am very keen to hear from you about what you think with regard to the proposal and in particular what ideas you have for improvement and change that may help contribute towards the achievement of the savings target.
- 8.4 As always, I would like to thank staff for their continued commitment to our service users and professionalism throughout this process.
- 8.5 Written responses to this consultation document, which should be submitted no later than Monday 12th June 2017, should be addressed to any of the following:

Colin Brand
Director,
Civic Centre
Stockwell Close
Bromley
BR1 3UH
Email: Colin.Brand@bromley.gov.uk

Lesley Moore
Director,
Civic Centre
Stockwell Close
Bromley
BR1 3UH
Email: Lesley.Moore@bromley.gov.uk

Dave Starling

Head of Procurement & Commissioning,
Civic Centre,
Stockwell Close
Bromley
BR1 3UH
Email: Dave.Starling@bromley.gov.uk

Employees can also seek further information from either Keely Smith, HR Consultant, on 020 8313 4071, email Keely.Smith@bromley.gov.uk or Tammy Eglinton, Head of HR Consultancy, on 020 8313 4209, email Tammy.Eglinton@bromley.gov.uk.

Appendices

Appendix 1 List of Staff

Staff Consultation Document Appendix 1

Posts in scope

Post Numbers	Job Title	Grade	Hours per week	Number of posts	FTE
2246	Assistant Operations Manager	BR13	36	1	1
2316	Assistant Operations Manager	BR13	18	1	0.5
13619	Operations Officer	BR8	36	1	1
15044	Library Supervisor (Operations)	BR7	18	1	0.5
15006, 15007	Senior Customer Services Assistant (Operations)	BR6	18	2	1
13564	Children & Families Manager	BR13	18	1	0.5
13563	Information & Learning Manager	BR13	36	1	1
13549, 13567, 13568	Librarian	BR9	36	3	3
13565, 13566	Librarian	BR9	18	2	1
13580	Facilities Manager	BR9	36	1	1
13553, 13570	Community Learning & Outreach Assistant	BR7	36	2	2
13569	Community Learning & Outreach Assistant	BR7	18	1	0.5
14986	IT Assistant	BR7	36	1	1
13573	Stock Services Manager	BR10	36	1	1
13574	Stock Services Assistant	BR5	36	1	1
13576	Stock Services Assistant	BR5	26.5	1	0.74
2249	Archivist	BR9	36	1	1
10200	Archives Assistant	BR6	36	1	1
13578	Business Support Assistant	BR5	36	1	1
2256, 2308, 10472	Library Manager	BR10	36	3	3
2262, 2317, 2324, 2379, 2389, 10477	Library Supervisor	BR7	36	6	6
2258, 2315, 2319, 2320, 2322, 2323, 2380, 10474, 10476, 14988, 15002, 15003,	Library Supervisor	BR7	18	12	6
2261, 2266, 2291, 2300, 2335, 2386, 2414, 10465, 11966, 12149	Senior Customer Services Assistant	BR6	36	10	10
2263, 2340, 2399, 10464, 15009,	Senior Customer Services Assistant	BR6	27	5	3.75
2265, 2270, 2273, 2274, 2325, 2330, 2333, 2334, 2336, 2342, 2344, 2345, 2385, 2388, 2390, 2393, 2395, 2396, 2409, 2411, 10214, 10262, 11597, 14987, 15004, 15005	Senior Customer Services Assistant	BR6	18	26	13
2343	Senior Customer Services Assistant	BR6	9	1	0.25
2286, 2296, 2326, 2347, 2362, 2363, 2401, 2402, 2403, 10212, 10261, 15090	Customer Services Assistant	BR4/5	36	12	12

Post Numbers	Job Title	Grade	Hours per week	Number of posts	FTE
2351, 2352, 2267, 2271, 2292, 2299, 2305, 2367,	Customer Services Assistant	BR4/5	27	8	6
2279, 2281, 2282, 2284, 2285, 2287, 2288, 2294, 2301, 2337, 2346, 2355, 2356, 2360, 2368, 2391, 2406, 2408, 2410, 2413, 2415, 2418, 10280, 13622, 14985, 18564	Customer Services Assistant	BR4/5	18	26	13
4574, 12353, 12362, 12363, 12364, 14817, 14818, 14820, 14821, 14823, 14824, 14827, 15089	Support Customer Services Assistant	BR3	7	13	2.47
14825	Support Customer Services Assistant	BR3	6	1	0.17
12358, 15088	Support Customer Services Assistant	BR3	5	2	0.28
12355, 12357, 12359, 12361, 12366, 14826, 14828, 14830, 14831, 15091, 15092, 15093	Support Customer Services Assistant	BR3	4	13	1.43
2209	Senior Site Officer	BR6	36	1	1
2214, 2222	Site Officer	BR5	36	2	2
Total				165	100.09

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Library Staff Consultation Meetings: Commissioning of the Library Service

Summary of Questions and Panel Comments

- **Tue 16th May 2017-Central Library**
- **Tue 30th May 2017-Central Library**
- **Tue 6th June 2017-Beckenham Library**
- **Wed 7th June 2017-Orpington Library**

Panel: Colin Brand –Director of Regeneration (all meetings)
Tim Woolgar- Library Operations and Commissioning Manager
(all meetings)
Hannah Jackson - Head of Programme Management (16th May)
Tammy Eglinton- Head of HR Consultancy (6th & 7th June)
Keely Smith - HR Consultant (16th & 30th May)

Introduction from Colin Brand at all meetings:

The purpose of the consultation meetings is to inform staff about the GLL proposals. We are now in a 45 day consultation process ending on 12th June 2017. The results of the consultation will be included in the Committee report which goes to Council Members .The following meetings have been diarised

- Renewal and Recreation Policy Development and Scrutiny Committee (R & R PDS) -5th July 2017
- Executive and Resources Policy Development and Scrutiny Committee (E &R PDS)-13th July 2017
- Executive (main decision making body)-19th July 2017 for a final decision (subject to call in)

Following the 19th July Executive, if the Members are in favour of the proposal, a new separate consultation relating to TUPE will apply. TUPE questions cannot be answered at this early consultation stage. After any award additional consultation with both staff and trade unions will take place relating to TUPE

The proposal to commission the library service is not new, it was agreed in 2015 to look at outsourcing in line with the Council's Commissioning agenda. Bromley Council have gone to the market with the specification for a like for like library service. Key factors like opening hours, staffing, and value of stock form the parameters of the specification.

Officers propose recommending the award of the contract to deliver the Library Service to Greenwich Leisure Ltd (GLL). They are a charitable trust and are well considered in the Library world delivering library services on behalf of a number of authorities.

All Library Staff have been given a consultation document which outlines the timescales of the consultation process. The project team welcome written comments from staff. Colin Brand advised staff to contact the panel members by e mail or phone. E mail is the preferred option as a full written response can be provided. Staff meetings in addition to those already scheduled can be set up on

request. A separate meeting for Departmental Representatives/ Trade Union representatives is taking place on 9th June 2017

Once a decision has been made at the 19th July Executive and the call in period has passed, a link to the minutes with a report of the decision will be circulated to all staff.

Staff Questions and Panel responses

Where similar questions on the same themes have been raised, a summary of all responses has been recorded.

Opening Hours

Q1. Will GLL bring in proposals to increase the opening hours? If so, will they bring more staff in?

A1. A method statement had been produced for each element of the service which is what the Council asked for. This includes opening hours. The minimum requirement is for the opening hours that we currently deliver. However as part of their commitment to continued improvement, GLL will look to extend opening hours which may require additional staff.

Q2. Can Libraries be used on current closed days?

A2. This is a possibility. GLL can propose this and the Council would make a decision based on the business case. The GLL proposal aims to make the buildings work harder.

Savings

Q3. What is the justification for a commissioning agenda? Why is a third-party deemed to be best placed to deliver library services?

A3. It is in line with the Council's Corporate Operating Principles to consider who is best placed to deliver services that achieve best value for money for taxpayers and service users alike. The business case for market testing the library service was set out in a report to the Executive on 9th November 2015.

Q4. Why wasn't consideration given to other alternatives, for example spinning out a staff-led mutual, such as those now delivering library services in Devon and York?

- A4.** Other alternatives including the option for a mutual or Industrial Provident Society were considered and outlined in the Library Strategy and in the business case for market testing put to the Executive on 9th November 2015. They were discounted on the basis of a feasibility study undertaken by the Council, however as part of the soft-market testing exercise which informed the business case, determining who might be interested in potentially providing the library service, staff were given the opportunity to express an interest in participating (Colin Brand's letter to staff 18 May 2015). No interest was expressed by any members of staff. Additionally, the Council invited expressions of interest in the library service under the Community Right to Challenge legislation between July and September 2015, prior to deciding to market test the library service.
- Q5.** How much do you expect to save? How can they do it better and cheaper than the Council?
- A5.** There are significant savings across the term of this ten year contract. The exact level of savings cannot yet be confirmed because of the commercially sensitive nature of the information prior to a contract award. There will be financial benefits from economies of scale, improved bargaining power and from savings arising from their status as a charitable trust.
- Q6.** How can GLL afford to run the Library Service when we can't?
- A6.** The Council will be paying GLL to manage and deliver the library service on behalf of the Council.
- Q7.** How can GLL with 80 libraries undercut our consortium buying arrangements?
- A7.** GLL have increased buying power and can purchase books in accordance with the Stock Buying Policy for less than we can currently from the CBC (Central Buying Consortium).
- Q8.** How can GLL generate income when we can't?
- A8.** GLL's proposal does not anticipate generating a significant increase in the amount of income generated. However, their proposal does suggest that income could be generated by making Library buildings available for hire outside core hours and, introducing additional services, or Amazon Lockers.

Q9. What are the Options for the Library Service remaining in house if members do not accept the recommendation to award the contract to GLL?

A9. If the service were to remain in house, significant reductions in current service levels may need to be made resulting in staff reductions and cuts to the book fund as has happened previously. Austerity has not gone away and significant savings are still required from the Libraries budget. Retaining our current status quo is not a sustainable option. The GLL proposal allows us to make savings but retain current standards and promises some service improvements.

Q10. GLL are relatively new to running public libraries. Is the Council confident that a track record of only five years' standing in this particular area of business is sufficient to guarantee a reliable outcome from GLL?

A10. GLL have fully demonstrated and evidenced in their tender that they have an impressive track record of innovation and service delivery and improvement of key areas e.g. increased issues and visits. References from client officers in the three authorities currently with library services run by GLL have confirmed their satisfaction with the delivery on contract requirements.

Q11. How have GLL managed to improve the use of the library services they manage?

A11. Methods used would include developing library stock and buildings in new ways, introducing innovative ICT facilities, expanding the number and range of activities and introducing extensive staff training programmes.

Q12. Does the amount paid to GLL for delivering the library service go up in line with inflation - is this set out in the contract?

A12. Yes, the contract applied an inflationary index (CPI) to the annual contract price.

IT Equipment & Library Management System

Q13. Will IT /Technology be refreshed? Will GLL bring their own support rather than using BT which is the current arrangement?

A13. GLL will refresh and improve library IT equipment .They have their own dedicated IT support team. It is anticipated that the new IT

equipment supplied by GLL would be installed during the mobilisation period, ready for day 1 of the contract.

Q14. Will we be withdrawn from the London Libraries Consortium (LLC)?

A14. Yes the intention is to withdraw from the LLC. GLL have experience of LLC withdrawal as they followed the procedure with Wandsworth. We will be moving to a new LMS. Exiting the LLC will have a positive impact on our stock as we are currently one of the highest net lenders. GLL will ensure that customers have the same standard of request service that they currently experience, as this has been required in the specification.

Q15. When will the new Library Management System be implemented-will we receive training? Is it more reliable than our current system?

A15. Staff will receive full training before a new LMS is implemented. We gave a detailed specification of our requirements from the LMS in the tender documents. GLL use a Capita system which has been fully outlined in their method statement. Defaults relating to reliability of the LMS are imbedded in the Key Performance Indicators (KPIs) for monitoring the contract.

Public Opinion & Library Closures

Q16. Do you realise how against this process the public are and that they have been signing a petition against the privatisation of services? Are the decision makers aware of this public opinion as this could impact on them in elections?

A16 Members will need to reconcile themselves with the public opinion in their decision making. Feedback and comments from staff and their representatives will be included in the Committee report.

Q17. Have GLL closed any libraries apart from Mobile Libraries?

A17. Not to our knowledge. However if a Library is closed then the responsibility lies with the Local Authority not with GLL. GLL manage the service on behalf of the Council as the commissioning authority and, as is the case with their other library service contracts, cannot instigate significant changes without the authorisation of the Council.

Q18. What if Bromley Council change their mind relating to the position on Library closures

A18. Any decision to increase or decrease the number of Libraries in the borough would be down to the Council's elected Members. The contract would allow us to add or subtract libraries from the contract. Any decision would not be down to GLL. The Council has the right to vary a contract, but the level of change is restricted by Procurement Regulations. The Council has a public law duty to consult service users before any such decision is taken.

Q19. How does GLL intend to engage with Bromley's customers and stakeholders?

A19. GLL monitors qualitative customer feedback to measure performance service standards and ensure continuous improvement. Comments and complaints forms and customer suggestion boxes will be in prominent and visible locations at all libraries. There will be annual user surveys. The GLL website provides 24 hour access for feedback and there will be interaction through social media.

Q20. What does it mean in practice that an Equalities Impact Assessment has been carried out?

A20. An equality impact assessment (EIA) is a process designed to ensure that a policy, project or scheme does not discriminate against those with protected characteristics. EIAs have been written and published throughout the process. There is no evidence to suggest that the delivery of the Library Service by GLL would have a negative impact on equalities grounds

Community Libraries

Q21. Are the Council committed to asking GLL to provide the same levels of service at Community Libraries as at the other core libraries?

A21. Yes. Following the decision not to award a contract for community management of the 6 Community Libraries, these libraries were included in the specification for delivery under this contract by GLL. Although not all libraries operate on the same level, the same high levels of service have been specified for all libraries as is the case now.

Library Buildings

Q22. If GLL take over, who will own the buildings and who will be responsible for the maintenance of Library buildings?

A22. Bromley Council will still own all Library buildings with the exception of Mottingham and Penge Libraries which the Council leases. GLL will take on tenant responsibilities for all library buildings, including taking a sub-lease on Penge and Mottingham libraries. Bromley will retain ownership of those buildings that it does not lease, and as the landlord will be responsible for ongoing repairs to the building. Bromley Council are still committed to improving libraries through exploring opportunities for redevelopment where possible.

Staff: TUPE & Terms & Conditions & Contractual Issues

Q23. What is the purpose of the formal consultation process?

A23. The purpose of the formal consultation process is to fully consult both staff and their representatives about the GLL proposals and to explain the decision making process, before a decision is made. The process provides an opportunity for views and ideas to be put forward and for them to be fully considered. Management will consider them and provide a written response. The outcome of the consultation process, including the management response, will be fed back to Members before they consider the proposals and make a decision.

Q24. Staff morale is low. Would the council write into the contract that GLL maintain current staff terms and conditions for staff as was the case at Greenwich?

A24. The Council has not required this and did not go to the market on that basis, and therefore did not instruct bidders to price on that basis. To do so would change the dynamic of the bid from a financial position, and may leave the Council open to legal challenge. As previously explained TUPE cannot be covered at this stage as no contract award has been made. Subject to contract award GLL will enter into the staff engagement process and meet with staff both in groups and individually. GLL will advise on any measures that they envisage as part of the TUPE process. GLL are committed to a positive transition for staff going forward

and are not proposing any compulsory redundancies as part of their measures. They have advised that they want to work with staff and trade unions and are committed to providing good quality library services.

Q25. Given that it has been stated in the various LBB reports re library service commissioning that library staff are largely not in favour of a commissioned service and staff morale is generally low, are there any concerns regarding how this lack of staff engagement might affect the outsourced service going forward? What measures are envisaged to ensure a smooth transfer to the new set-up?

A25. There has been full engagement throughout the process with both staff and their representatives, both through written communication and staff meetings. It is understandable that staff may have concerns, as any change leads to uncertainty. Library management have ensured throughout the process that they have involved staff and will continue to do so in the event that the contract award is agreed. Both the Council and GLL are well experienced in managing successful transfers of staffing groups to ensure a seamless transfer.

Q26. Bromley Libraries currently use a large number of sessional staff to keep libraries running. Has this been explained to GLL and will this be factored in to their staffing structure?

A26. The specification is based on current service levels. GLL were provided with the number of staff that are currently needed to run the service and were notified where there are vacant posts and sessional staff. We are aware of how heavily we have relied on sessional staff over the past few years and communicated this to GLL.

Q27. Will my current role be included on the new GLL staffing structure. Will vacant posts be filled?

A27 Details of all posts (with the exception of two posts forming the Client Team which are not in scope) are in scope for transfer to GLL. This includes 2 existing site officer posts.

Q28. Post-transfer, how will the remaining professional librarian staff engage in the strategic management process? Will they still have the opportunity to deploy their specialist knowledge to the benefit of the service as at present?

- A28.** We would expect GLL to make use of the professional expertise held by transferring staff. Exactly how will depend on the posts that they have in the new set-up.
- Q29.** Are sessional staff, agency staff and temporary staff in scope for transfer to GLL?
- A29.** Sessional staff will be looked at individually on a case by case basis, depending on how often they have worked and whether they have accrued employment rights. Agency workers are not in scope and are not covered by TUPE.
- Q30.** What are TUPE measures and when are they discussed?
- A30.** A provider will provide details of their TUPE measures after any contract award as part of the TUPE consultation. These are the proposed changes the new service provider intends to make after the transfer; they can just be minor details such as change of pay date or period of leave year. After contract award GLL would consult and meet with staff and trade unions in a series of meetings ranging from group presentations to 1:1 meetings.
- Q31.** Separate consultation about TUPE - in what sense will it be a consultation given that the contract will have been awarded at this point?
- A31.** Following the 19 July Executive, if Members are in favour of the proposal, a new separate consultation relating to TUPE will apply with both staff and trade unions. TUPE consultation is about informing and consulting on the proposals and how the transfer will take place. It is also a requirement for the new provider to consult on any measures that they envisage taking in relation to the transfer. The consultation may also deal with a range of practical aspects of the transfer, including checking staff information, explaining what induction there would be and any transitional arrangements with regard to processes, e.g. HR Self Service. There is a requirement for both the Council and new provider to consult with staff and the trade unions.
- Q32.** What will happen to my pension? Will I still remain in the Local Government Pension scheme (LGPS)? What will happen after the 10 year life of the contact?

- A32.** Yes – We would expect GLL to apply for admitted body status so that employees can remain in the LGPS. LBB will finalise and sign off the paperwork on this before any contract award begins. In applying for admitted body status into the LGPS GLL must also obtain a pension bond to protect staff pensions. Entitlement to remain in the LGPS remains whilst employees are still on their protected LBB terms and conditions. Thereafter if an employee accepts a new role within GLL they would be put on GLL’s terms and conditions and enrolled into GLL’s pension scheme. It is not possible to predict what the situation would be at the end of the 10 year contract with regard to pensions/TUPE legislation, however subject to there being no changes to the regulations then the same principles with regard to TUPE would apply then as they do now.
- Q33.** If the contract breaks down will staff get transferred to a different provider?
- A33.** A contract of this scale is unlikely to fail as during the lengthy procurement process. Council Officers have drilled down into the detail to ensure the success of the contract. This has resulted in a contract that is built to last ten years. Additionally GLL value their reputation so want the contract to succeed and do not want to incur defaults. Very few contracts have come back in house after outsourcing. The contract will be properly managed and monitored.
- Q34.** What will happen if GLL get taken over by somebody else?
- A34.** GLL cannot be taken over by another provider due to their legal constitution.
- Q35.** Will Bromley Staff be expected to work in other boroughs?
- A35.** Bromley employees currently have contracts which state that, other than their main place of work within the London Borough of Bromley they may be required to work on a temporary or permanent basis at any other premises within the agreed group in order to maintain services. By agreement they may also work at any other premise from which the library service operates. In the main it is expected that Staff will be Bromley based but GLL may be able to provide staff with career development opportunities in nearby GLL boroughs for interested staff. (If there were any changes to existing staff contractual arrangements GLL would be required to identify these in their measures).

- Q36.** How are GLL proposing to use volunteers? Can you guarantee they won't be used to do work currently done by paid staff?
- A36.** GLL do not propose to replace any paid staff with volunteers. However, they may supplement their workforce by creating opportunities for volunteers within the library service as the Council currently does e.g. offering volunteer opportunities in the delivery of the Home Library Service, Summer Reading Challenge, and to delivering activities e.g. knit and natter, assisting with Archives etc.
- Q37** Are the specialist staff returning from the Shared Service be more at risk of redundancy as GLL must have their own specialist team.
- A37.** There are no planned compulsory redundancies. Their roles may be varied, which may include at times delivering frontline services, however should this be the case GLL would be required to provide information about this in their measures.
- Q38** Will staff have to wear a uniform as they currently do in Greenwich?
- A38** GLL's submission regarding uniforms as outlined in the relevant method statement says "All staff will wear either a uniform or clothes which comply with GLL dress codes." Tax relief can be applied for from HMRC for staff who are required to launder a work uniform.
- Q39** If the contract is awarded would staff be working directly for GLL rather than Bromley Council? Would there be different payroll arrangements and Occupational Health etc.?
- A39** Yes if a contract award is made to GLL, staff in scope would be TUPE transferred across to GLL, who would become their employer. They would be paid by GLL and would be removed from Bromley HR systems. Staff are advised to print off current payslips and P60s etc. for their records. Also GLL would be responsible for providing their own occupational health services.
- Q40.** How does staff ownership of GLL work?
- A40.** Those staff who are members of the organisation own it through a non-dividend paying share.

Q41. It mentions on GLL's website that "stretch targets" were issued for staff in Greenwich and Wandsworth – would the intention be to issue them for Bromley staff too?

A41. It will be for GLL to consider how to best manage their staff to deliver the services as required by the Council under contract.

Current Library & Council Services

Q42. Will the Kiosks at Penge which take Council Tax and Business Rates payments remain? If so who will collect and count the money?

A42. Yes the kiosk will remain. The income from this will still go to the Council. Income will be coded correctly and reconciled. The exact arrangements will be established during the mobilisation period. The Council will be responsible for collection.

Q43. West Wickham Library currently allows the friends of West Wickham Library to hold their monthly meetings free of charge at the Library. Will GLL allow this to continue?

A43. Tim Woolgar as the Contract Manager would make a decision on whether this arrangement should continue. It is expected that this would continue as it provides a benefit to the library. Similar decisions would be made on a case by case basis.

Q44. Will GLL be allowed to charge for Services that we are currently offering for free?

A44. If GLL want to propose charges for some of their services they would need to put these forward to be reviewed by the Client Team and Members. Significant changes to fees and charges will need to be agreed by Members.

Q45. Will GLL systems take card payments?

A45. Yes both card and online payments will be available as GLL currently use both payment systems.

Q46. If a contract award is made, will libraries retain their current telephone numbers?

A46. It is anticipated that a transfer of telephone numbers will be possible. This will be confirmed during the mobilisation phase.

Q47. At the moment, each branch largely acts autonomously with regard to the planning and delivery of activities. Will GLL be taking a more centralised approach?

A47. The service specification and the Appendices detail our current arrangements. GLL have demonstrated in their method statement that they will provide the appropriate resources, events and activity programmes to capture the interest and support the needs of each user group. Events and activities will be delivered locally by Library staff unless they are booked special events.

Contract Monitoring and Quality Control

Q48. What exactly happens in a detailed period of due diligence?

A48. During due diligence, both parties review the detail of the bid and their contractual obligations to ensure that they have everything in place to implement the contract, and that any matters outstanding (that could not be considered at an earlier point because of the nature of the service) are resolved. They will also prepare for contract implementation and put in place their agreed implementation plan, starting to resource any areas of activity required prior to contract commencement.

Q49. Would it be possible to see the Job Descriptions of the Client Team?

A49. They will be circulated as part of the committee report.

Q50. What will be the size of the Client Team?

A50. It is anticipated that the Client team will consist of 2 people and therefore 2 posts have been removed from the scope of transfer.

Q51. If the Client Team posts are subject to job evaluation, how is it that the posts have been removed from scope and the post-holders simply transferred over to new roles?

A51. An analysis of all the functions and posts within the library service are assessed against the specification and contract. Where posts and their functions fall within scope of the specification then TUPE applies and the staff transfer across to the new provider in the event that the contract award is agreed. The functions within the

client team are not in scope for TUPE transfer. The two post holders who are not in scope hold broadly similar roles at the present time as the roles within the client team. The two post holders have led over the last two years on the commissioning process for Libraries and are on the Project Team. As such they have been heavily involved in creating the tender documentation including the Specifications and KPIs, the monitoring of which will form a major part of the client team's duties. JDs are being revised to reflect the changing nature of the role once the Client Function is operational, however it is not envisaged that the changes are significant enough to require the current post holders to apply for jobs, which effectively are their existing roles.

Q52. Where would the client team be located and how much contact is it likely to have with the workforce it is monitoring?

A52. It is anticipated that the client team would be based with others on the Civic Centre site. There will be monthly meetings with GLL staff managing and delivering the service. There will also be monitoring visits to library sites which will provide contact with the wider workforce. The monitoring framework of the contract is set out in the contract document: Service Levels and KPIs.

Q53. What influences will the Council have over contract? Who will report on the contract and will it be realistic?

A53. Bromley Council still retains statutory responsibilities for the provision of the Library Service under the 1964 Act. If the contract is awarded then GLL will be accountable to the Council, and not in overall control. They will be monitored by the Client team which will be headed up by Tim Woolgar. Tim will be accountable to Members and will need to report regularly on performance. Additionally, GLL will be required to attend scrutiny meeting twice annually to be held to account.

Q54. How will the contract be monitored?

A54. The client team will monitor the contract using a set of key performance indicators (KPIs) and these can be viewed on the team site. This vigorous measurement regime deducts defaults if KPIs are not met. There will also be monthly review meetings between GLL and the Client team who will conduct periodic visits to libraries as well.

Q55. How do we measure levels of Service and how will this work in the future?

- A55.** What we currently measure is our baseline. Baselines will continue to be measured in the future. This is well documented and regulated and has been recorded in the specification .GLL performance will be measured against this.
- Q56.** The KPIs appear largely quantitative in nature – how will the qualitative aspects of the service be monitored, for example, learning outcomes?
- A56.** The specification is on a like-for-like service so qualitative methods would be utilised as they are now. This includes the use of customer questionnaires and surveys.
- Q57.** If the strategic management of the service is to be shared between the client team and GLL, how will this be achieved in practice on a day-to-day basis?
- A57.** Please see Section 2.1 of the Specification. The Council is ultimately accountable for the strategic decisions for the future delivery of the library service. GLL will work closely with the Client to develop appropriate strategies and plans for the delivery of the library service, using their knowledge and expertise to inform recommendations to the Council who will approve and adopt strategic plans.
- Q58.** Some Bromley staff feel that the quality of service at Wandsworth is not to our current standards. If GLL are protective of their reputation why after taking on Wandsworth didn't they provide a good service?
- A58.** The service that is provided at Wandsworth is down to the specification of the service required by Wandsworth Council. GLL are delivering what is outlined in that document and are compliant with the contract requirements.
- Q59.** Why do you think GLL are such a good organisation when around 75% of GLL's staff are on zero hours' contracts?
- A59.** Officers have not been given any evidence to support that GLL are offering zero hours contracts to library staff. All the Contract managers for GLL Library services have been approached by officers who have confirmed that they are happy with the way their contracts are being delivered.
- Q60.** Have you checked GLL finances –are they financially viable?

A60. As part of the tender process and due diligence, full financial checks have been made and references have been taken up and the Council is satisfied they are financially viable.

Q61. What was it about GLL that you liked so much? Were they the only ones left in the process?

A61. The market led exercise began in 2015 with several bidders. The negotiated process resulted in one preferred bidder being identified. The Project board were impressed with both the quality and price of the GLL's proposal. They have a great deal of experience which they demonstrated running over 80+ libraries and delivering high quality innovative services.

Specification

Q62. Did you say the specification was like for like? Does this mean that nothing can be taken away afterwards?

A62. The specification is what Bromley Council are asking GLL to deliver. At any point during the contract Bromley can add, change or take away services. GLL cannot do this unless the Council asks them to.

Q63. Do staff have access to the latest version of the specification as there are some references to Anerley Book Locker and Shared Service? Why is it half the size of the first version? All staff should read the specification

A63. The first version of the specification was for both Bromley and Bexley so was considerably larger. The amended version was for Bromley only. At the time the specification was produced the Shared Service was still in operation and the Book Locker active. The specification has been amended to remove the reference to the Book Locker.

Q64. On p11 of the specification it says that staff would be empowered to resolve complaints. This is currently only done by senior staff; does this mean all staff will be expected to do this?

A64 This is a general statement given regarding an output indicating that all staff should make their best endeavours to minimise complaints. There would always be some matters that would need to be referred to a senior member of staff. There will be six month

bedding in period if the contract is awarded where processes will be ironed out and clarified.

Q65. How will ownership be divided among the council and GLL? i.e. when the contract ends, who owns the book stock, library premises, computers, etc.?

A65. See Section 2.9 of the Specification: Exit Planning. This details the procedure that would be followed.

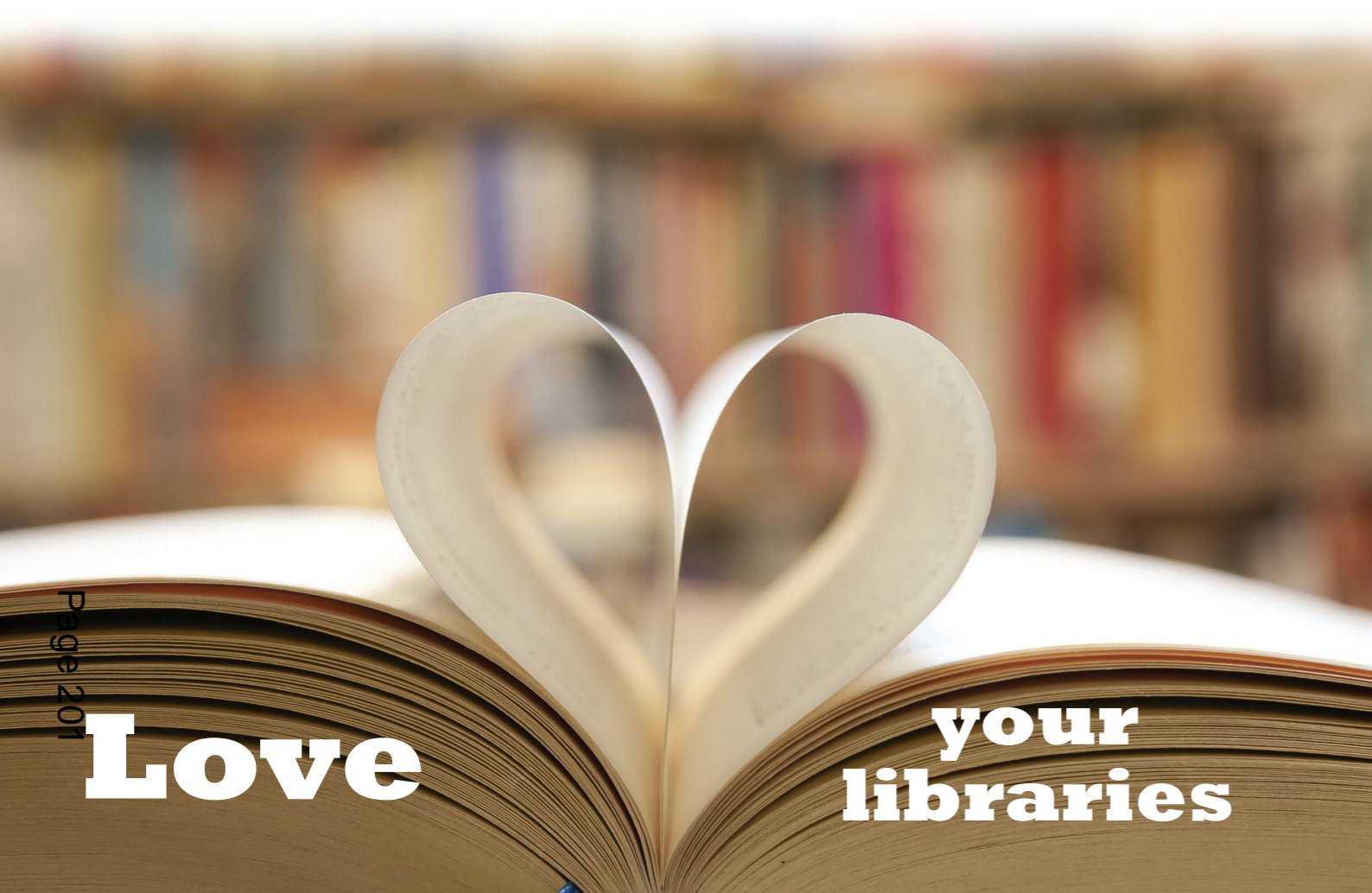
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**UNITE THE UNION
RESPONSE TO CONSULTATION
ON THE COMMISSIONING OF
BROMLEY LIBRARY SERVICE**



“We may sit in a library and yet be in all quarters of the earth”

John Lubbock
(Philanthropist, Liberal Politician, Educator)



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Introduction

This document sets out the Unite response to Bromley Council's proposal for the future delivery of the Library Service in Bromley. The Council has now begun formal consultation with regard to a proposal to award the contract for the delivery of the service to Greenwich Leisure Limited (GLL).

It is no secret that Unite has consistently argued that the service should and indeed can be maintained in-house. Unite believes passionately in the principle of public libraries. This passion was shared by John Lubbock who is celebrated and honoured in Bromley Central Library with an exhibition. Lubbock fought to introduce the first Public Libraries Act. There is clear irony in the fact that Bromley Council rightly celebrate the man, while at the same time preparing to take libraries out of the public sector.

Our position is not simply based on ideology. We aim to show throughout this report that the safest and best place for a library service is to remain within the public sector. Our stance is not limited to protecting jobs, pay and conditions. These are, of course, central to our aims as a trade union. However, this goes hand in hand with our strong commitment to defend public services. Not only do our members work in public services – they also use and rely on them. Therefore, we have an interest in making sure that public services have a long term future.

Consultation

What should be said from the start is that the level of secrecy and reliance on "commercial confidentiality" along with tucking important areas away into "Part 2" sections of council reports has clearly demonstrated that the Council has taken a strategic approach to make it as difficult as possible for those concerned about these proposals to gain information so that the decisions made by the Council can come under effective scrutiny.

Part 2 of council reports are not available for the public to view. They may contain sensitive, financial information. The Council has seen fit however to include information in Part 2 reports that have nothing to do with financial details. For instance, the Council refused to name the bidders for the contracts during the bidding process – why is this commercially sensitive? Why, when consulting residents, should the identity of bidders not be disclosed? Providing this information at an early stage allows early scrutiny of bidders by residents – which the Council clearly wished to avoid. This desire for secrecy is shared by GLL. When Unite asked GLL to provide details of its book budget at Greenwich – the response was a refusal on grounds of commercial confidentiality.

The Council has stated that it is now formally consulting staff affected by the proposals. In paragraph 1.1 of the consultation document the Council states that the decision to award the contract was "informed" by "public consultation" and "engagement with staff". Yet the report fails to mention the results of this consultation and engagement.

Staff in Bromley are represented by Unite The Union. The strength of feeling against the proposals has been more than clearly demonstrated by the fact that staff have taken strike action against the proposals, including action which took place after it became clear that GLL was to be awarded the contract. Therefore, when the report states in para 1.3 that the council has been engaging with staff "to listen to their views", the report should be reporting back on these views and why it has chosen to ignore them.

Consultation by Bromley Council is becoming increasingly meaningless. In a report in October 2015 it stated: *"The outcome of this consultation does not represent a referendum, nor does it give the Council a mandate to act. However, it should be one of the considerations informing Members' decision about whether or not to begin a formal procurement exercise and commission the library service."*

This reads like the Council getting its defence in early, knowing full well it does not have public support. Despite repeated questioning, at no point has the Council made clear exactly what consideration it took of the views in any of the consultation exercises.

The Council has now conducted two public consultation exercises – and ignored the results of both. In the first exercise, conducted between December 2014 and January 2015, 83 per cent of respondents supported the option for the library service to be run directly by the Council. While this was not the only question asked as part of this consultation, it surely makes the point very clearly about how people want their libraries to be run.

Significantly, when asked about a trust or Charitable provider running the library service, only 10 per cent strongly supported the idea. It is worth noting that only 3 per cent strongly supported the idea of a private sector or commercial provider.

This did not stop the Council pushing ahead with this option until private, commercial provider Carillion pulled out of the process. In what certainly appears to be an attempt to swing the answers in a direction it favours, the Council asked the following question "Given that the Council Needs to Save £60 Million over the Next four years, How Do You Feel About the Overall Proposals for the Library Service". 51 per cent remained opposed to the Council proposals for the Library service. A more detailed breakdown shows that only 5 per cent stated that they strongly support the Council proposals when the question is framed in this way – representing a clear rejection of the Council's financial position and its austerity programme.

The Council then conducted a further consultation exercise running from July to September 2015. This was clearly a second attempt by the Council to get the result it wanted. It is true, that a street survey conducted by the Council found 61 per cent in favour of a commissioned library service. However, a self-completion survey where 99 per cent were library users as opposed to the far fewer figure for library users in the street survey returned a majority in favour of a library service directly delivered by the Council.

The Council itself admits in para 3.116 of its report in October 2015 that:

"Cross tabulations show that, respondents who said that they used community libraries most often were more likely to oppose this proposal."

Most tellingly, the Council states that: *"This decision was made in the context that over the coming years the Council will need to continue to deliver multimillion pound savings from its budgets annually."*

This precise point was put to the public, as it was in the previous survey. In the 2015 survey, the vast majority said it made no difference to the decision. In addition, the Council has ignored several petitions where significant numbers of signatures have been collected and delegations to Council committees.

The latest proposal has led to over 3000 signatures being collected in opposition to the GLL proposal. It is also the case that GLL has very little regard for public opinion or the opinions of professional staff. This was demonstrated when it closed the Mobile Library Service in Greenwich where the company has the contract to run the Library Service. The public consultation exercise into the proposal returned a huge majority of responses making clear the community wished to keep the service. Professional staff also pointed to the impact in schools, where over 33,000 books were issued each year to children through the service. Both the public and the professionals were ignored and the service was closed.

Greenwich Leisure Limited - the truth behind the gloss

Better Libraries?

GLL sets itself apart from profit making companies by promoting its social enterprise credentials. But what does this mean in reality? The company states: *"we work for the benefit of everyone, the public, the communities we work in, our staff, our partners."*

This does not stop it from ignoring public consultation, protest and petitions from the community and using some of the worst employment methods of the private sector.

GLL have become masters of spin. Perhaps this is best illustrated by the title of the pop up gyms that have started appearing under the name "Better" rather than the GLL brand name. The question does have to be asked – why the need to re- brand?

Before handing contracts to GLL, local authorities do need to look further into the wider finances of the company. The gym industry is very much a cut throat business. The two most popular brands, Pure Gym and The Gym Group are massively undercutting GLL. They often have better equipment, better facilities, offer 24 hour opening 7 days a week and are cheaper. Our information is that the Better gyms are facing significant financial pressures as a result. There is massive pressure on GLL staff to achieve sales. Our genuine concern is what impact this will have on libraries being run by the organisation. GLL is moving fast to integrate libraries and gyms.

In Lambeth, there has been huge controversy over plans by GLL to use library space for gym provision. The Library in question, The Carnegie Library was thriving with usage increasing dramatically each year. It served communities, providing a wide variety of free resources and activities for all ages with the busiest children's library in the whole borough.

Now its size and facilities are to be drastically reduced and almost all library staffing withdrawn – which the local authority admits will severely disadvantage all the most vulnerable user groups. Now that the Carnegie has closed, other libraries have been filled beyond capacity by ex Carnegie users. There are also those who simply cannot access another library.

Despite requests, GLL has not published a business plan, research on potential demand or any financial rationale. The Library closures in Lambeth have already wasted huge sums. The Carnegie continues to incur all the costs it did when open and in addition is paying security costs and losing money from businesses evicted from the building. Furthermore, the people of Lambeth do not want it – there is massive public opposition. Survey after survey has shown that people do not want a gym in their library. The council's own physical activity strategy shows that no gym is necessary. Public opposition includes over 10,000 signatures on a petition, demonstrations and marches and an occupation of the building.

The planning application had 131 objections compared to 5 supporters. The gym plan was rushed through in October 2015 with no publicity and no consultation. Promises to inform and involve local people have been consistently broken.

This is becoming a trend with GLL whereby the local authority conducts a consultation exercise, ignores the result and goes ahead and awards a contract to GLL. This so called social enterprise has no problem whatsoever prioritising winning contracts while ignoring the massive opposition from the communities which it claims it is there to support. GLL, with no apparent sense of irony states it is "here for the good of the communities we operate in".

It is the case, of course, that local authorities are just as much to blame when it comes to ignoring the results from a consultation exercise which does not fit in with their plans – but the difference is that Councillors can be voted out. GLL however simply take advantage of a situation, much as any profit making business would.

The Council has stated that the decision to award the contract "was made in the context that over the coming years the Council will need to continue to deliver multimillion pound savings from its budgets annually".

This again raises the same question that Unite has asked again and again but with no clear answer – how will GLL make savings that the Council cannot? Especially in light of concerns regarding the leisure part of the business. An examination of the record for GLL gives all the clues that are needed.

GLL took over the contract for libraries in Greenwich in 2012. The service at the time included a library on the Ferrier Estate and a Mobile Library. However, both were left off the specification – which is the agreement between the Council and GLL on the detail of the service to be provided.

Unite raised our concerns and while the Mobile was eventually placed on the specification, the Ferrier library was not. Instead, a promise was made that an alternative provision would be in place as the Ferrier Estate was redeveloped. This turned out to be a lie. GLL did not want to run either and while it had to relent on the Mobile, the Ferrier was closed with no alternative provision. Its first action, therefore, on winning the contract was to oversee the closure of a library.

In 2014, Unite in Greenwich raised serious concerns about staffing levels, which GLL chose to ignore. The company had decided to save money by not filling large numbers of vacant posts. Where it was filling posts it was doing so with temporary, rather than permanent staff. This led to increased pressures on staff and an impact on the service. Union members were forced, due to a lack of response, to take strike action. This eventually led to an agreement to fill posts with permanent staff and to ensure that there would be no repeat of the situation.

By 2017, GLL were happy to boast that "Greenwich bucks the trend as libraries post highest annual visits on record". When giving the reasons for the good news, the company failed, of course, to mention any contribution from its staff or the fact that it had been forced to fill posts by the union and that the record performance would not have been possible had it not been for the staff protest.

In 2016 Unite was in dispute again with GLL after a decision to disband the Mobile Library. This resource issued 33,000 books to children every year – that is more issues than many smaller libraries. There were huge protests, including strike action. The public responded to the consultation exercise in their thousands making very clear that there was no support and in fact mass opposition to the proposal. Despite this, GLL went ahead and closed the Mobile Library.

The report that went to Greenwich Council when the contract was being awarded to GLL stated that GLL wished to harmonise staffing conditions. While harmonising sounds harmless, the reality is that GLL were looking at making quick savings by attacking the pay and conditions of staff transferring to GLL from the Council by harmonising on inferior GLL conditions. It was only strike action by Unite members which stopped this attack and protected the pay and conditions of library workers. But as the next section of the report shows, poor staff pay and conditions are a means by which GLL make so called savings.

Worker Run?

Para 2.4 states: *"GLL staff members own the organisation they work for through a non – dividend paying share which increases empowerment, motivation and involvement of staff."*

This is completely and utterly misleading and implies that staff have a say in the big decisions. Nothing can be further from the truth. GLL should be challenged to give examples of how this works in practice. We know from our members in the Greenwich Library service that no non-managerial staff have any say in the running of the service, the recent decision to scrap the Mobile Library despite massive staff opposition being just one example.

While GLL prides itself on being a Social Enterprise, pay, terms and conditions of staff are far from social. The big test is when staff transfer in from local government with the limited protections available under TUPE conditions. It is the case that staff directly employed at the so called social enterprise are on far inferior pay and conditions compared to the staff transferring in from the local authority. Leaving aside the impact of a two tier workforce when it comes to pay and conditions, (in the Greenwich Centre there is a 3 tier workforce in operation) what kind of worker led organisation has pay and conditions that are poorer than those in place within public services?

Local government pay and conditions have seen significant depreciation following Single Status and public sector pay freezes followed by very limited pay increases. Yet they still remain better than those in place at GLL.

There has been significant recent news coverage pointing to the increase in insecure employment. While the news items have focussed on the worst offenders such as Sports Direct, the fact is that on a national basis up to two thirds of GLL staff are employed on what are in effect zero hour contracts. We have examples of staff who were without work for periods of over six weeks. GLL will deny that these are zero hour contracts – but it is difficult to see the difference. Simply referring to them as "casuals" does not make the employment conditions of these staff any more secure.

The staff are part of the growing "precariat" – the growing army of workers on precarious conditions which stop them from being able to access rented accommodation, let alone mortgages because of the nature of their employment conditions. This is best demonstrated by a report in the Hackney Gazette in April of this year which stated: *"Zero-hour contract workers at Clissold Leisure Centre are devastated after bosses scrapped all their shifts without warning."*

Staff employed by GLL were left without shifts *"with barely any time to grasp the sudden threat of the situation."*

One of the staff members stated: *"On 5 April I arrived at work and was called to the manager's office, where I was told there is going to be cutbacks because we have no money – the entirety of the east region is being cut back. This was the first time I had been told anything – no formal letter or even email giving me any warning."*

The fact is this – two thirds of GLL staff are on contracts which depend on the employer deciding if they are needed, day to day and week from week. These are zero hour contracts in all but name and certainly in effect.

If this were not enough, closer examination blows the worker led claim sky high. GLL claims that workers can have a say in the company by becoming part of the society. This is pure nonsense. Firstly and most importantly, only those on permanent contracts can become society members – thereby excluding three quarters of staff in one fell swoop. According to the 2014 accounts, out of 10,000 employees only 1463 are members. It is also important to note that only 2090 employees are eligible to join. But even those staff who do manage to get to join the society have no effective say in the running of the company – in fact it is a complete fallacy.

Publicly, GLL states: *"We also believe in our people, the staff who make the business work – especially the ones working in our facilities."*

But facts speak louder than mission statements. On 8 August 2016 GLL advertised 171 jobs on their website, 111 of these were for zero hour contracts. This employment pattern is something that GLL are clearly proud of as their accounts point to staff cost to income ratio as a "key performance indicator" highlighting that this has declined most years since 2008.

A good indicator of a decent employer in London is whether it pays the London Living Wage. The fact is that the GLL record on this is mixed. While it is paid to workers on TUPE contracts who transfer in from authorities who are already paying it, the company only pays the London living wage to some of its leisure staff.

A further indicator is an employer's attitude to a piece of case law commonly referred to as "Parkwood". This piece of anti-worker legislation gives employers discretion to avoid making pay awards to TUPE staff. GLL has not hesitated to take advantage of this legislation by denying pay awards, despite the fact that it also has the discretion to not apply it.

It is also worth looking at how an employer treats genuinely ill staff. GLL operates a pay system where 75 per cent is basic pay. When staff are sick, they get basic pay only – a 25 per cent pay cut. This takes no account of people with disabilities who may need to take time off linked to their disabling condition and is contrary to the GLL statement which claims that *"we believe in social values"*.

GLL paid its CEO £193,971 in 2015 and £185,099 in 2014 - an increase of 5 per cent. This was higher than median pay rates across local government at the time. County Council, Metropolitan or London Borough Chief Executive median pay ranged from £174 - £184,000, with a Unitary Council Chief Executive receiving around £157,000 and a District Council Executive some £114,000.

We know through the consultation exercise carried out by the Council that Bromley residents do not want their libraries staffed by volunteers. It is important, therefore, to note that unpaid volunteers is a staffing method that is employed by GLL – as evidenced by recent adverts for posts in Wandsworth and Lincolnshire where GLL have the libraries contracts.

Bromley Libraries - something to be proud of

In para 1.6 of the report it states that the proposal will *“contribute to achieving the planned budget savings for the Council”*. However, at no point does it say how this will be done by GLL – this is the question that the Council and contractors consistently fail to answer in any kind of detail. Instead, we are often given vague, generalised answers, often defended by the need for so called commercial confidentiality.

In para 2.1 the report states that current service levels will be sustained and where possible improved. In 2.3 it states: *“Services must be provided within an ethos of continuous improvement...with no cost implications to the Council.”*

The same section of the report makes a number of requirements of GLL including identifying opportunities for innovation, extending opening hours and taking a proactive approach – yet provides no detail of how this will be achieved.

So, how will GLL save the Council money and not only ensure that an excellent library service is in place but improve the service? How will GLL do what the Council implies it can no longer do? And with less money?

The evaluation criteria used by Bromley Council when considering the tender to run the service from GLL is important to raise at this point. Tenders were evaluated against a 60 per cent price weighting and 40 per cent quality rating, showing that cost outweighs quality as far as Bromley and GLL are concerned.

The consultation exercise conducted from November 2014 to January 2015 asked participants why their library was so important to them. They stated that staff in Bromley were helpful, enthusiastic, professional, knowledgeable, experienced, highly trained, well informed, excellent, polite, friendly, committed, know their customers and have the skills to run so many different activities.

What is clear is that the Library Service in Bromley is something to be proud of. Visitors from other boroughs have stated how well the libraries in Bromley compare to libraries in other boroughs. It is an excellent and as proven by the consultation response, cherished, much loved service.

Do the right thing!

In March 2015, the Council reported that the “Portfolio Holder” had agreed a strategic approach to libraries which included volunteer run libraries and market testing. The volunteer proposal was eventually dropped when Bromley Community link withdrew its bid to run 6 libraries. The market testing proposal had to be altered when Bexley council dropped out of what was to be a shared procurement process with Bromley. Bexley stated it had made a decision that its remaining Council controlled libraries would remain in-house.

The next significant news was that one of the major bidders, Carillion, had withdrawn its bid. This followed the two consultation exercises which rejected the Council proposals, the thousands of signatories on petitions and public demonstrations alongside overwhelming opposition from the experts – the qualified, professional staff.

The outsourcing of the service is not inevitable. Indeed, on 23 February 2017 staff were sent a letter from the Director of Regeneration giving an update on the position from the Council. This letter made clear that not awarding a contract (and therefore by implication keeping the service in-house) was an option.

The same Council Officer told the trade unions that should the public express significant opposition, the Council would have to reconsider. There is, therefore, a compelling case for the Council to do the right thing. The withdrawal of Bexley Council, Bromley Community Link and Carillion along with the public response make it more than obvious that the only ones in favour of the proposal are Bromley Council and GLL.

In 2018 there will be elections to the Council. Residents have made it very clear to the union that if the Council does not do the right thing, if it fails to listen to the public, then residents will make sure that this is reflected when they make their choice at the ballot box in 2018.

“We may sit in a library and yet be in all quarters of the earth”

An alternative does exist

In one of the consultation exercises conducted by the Council, respondents gave alternative suggestions. This included:

- Find other efficiencies across the Council – the savings are not a vast amount in the overall scheme of things, make cuts at the top!
- Save money in different ways within the library service
- Increase revenue within the library service – lease out the top floors in central Library, commercial sponsorship, advertising – look at raising money not cutting.

A further suggestion from the consultation conducted with the public was that the Council should use its reserves to help run the Library Service. This is a point that has been made by Unite again and again – but the Council has failed to properly consider it as a proposal.

Unite was making the point across local government before a trend started to develop where Councils have now started dipping into reserves. This includes large authorities such as Durham, the biggest local authority in the North East, Kirklees and London authorities including Enfield and Southwark. This is not a long term measure – instead it is a temporary measure to get the Council through a difficult period, following which it can review its position.

If the Council truly believes that it does not have the correct funding from central government to run a library service, it should use the reserves for now while joining with the community in a campaign to demand adequate funding from Central government. There has been much argument about how much the Council holds in reserves. However, what can be said is that even if we do not include all its useable assets, the Council holds well over £300 Million in reserve. The amount of money held by Councils in reserves across the country is significant. By Nov 2015 it had increased by some 50 per cent.

Current estimates are that across the country the figure is in excess of £22.5 billion. Unite does have an unexpected ally when it comes to the proposal to use reserves. On 19 November 2015, none other than Greg Clarke, Communities Secretary for the Conservatives stated:

“Now is the time to make use of reserves and assets to provide services local people want to see.”

This was in direct response to the revelations of the figures held in reserves. In addition, local authorities have significant powers to borrow, at very cheap, competitive rates. It should be noted that the service has already made significant contributions towards meeting the Councils savings targets, including a budget saving of £300k in 2014/15.

Conclusion

Residents, library users and library professionals have made clear their opposition to the proposals. Thousands have signed petitions and taken part in consultation exercises. The Councils own consultation exercises give no clear support for the Council proposals. The one clear message is that the vast majority are opposed to outsourcing and want the service to remain in-house.

Even when faced with the prospect of the Councils argument for the need to make cuts, the vast majority of respondents opposed the proposals. Feelings have been so strong that people have marched, lobbied and workers have taken strike action.

There can be no mistaking the fact – the Council along with GLL are isolated, they are the only ones who wish to go ahead. Bexley Council (with the same political party in control as in Bromley), Bromley Community Link and Carillion have distanced themselves by pulling out.

As we have shown, GLL is no option. The company spin has been shown up for what it is – spin. While they may refer to themselves as a social enterprise, in practice they are no different to any other private company. In addition to the zero hour contracts, they have closed libraries and failed to fill vacancies.

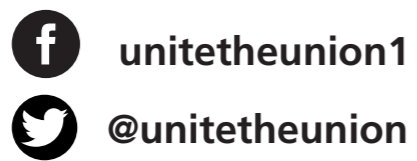
Only action from Unite has prevented long term deterioration in library services. This is a company which allows children to swim in pools infected with human waste. This was the case in Belfast this year where GLL have the contract to run leisure services. The media reported that the company failed to clear and clean a pool after a child had diarrhoea, leading to swimmers ingesting infected water and becoming ill. This was followed by a media report of temperatures in shallow pools being far too cold. Our conclusion is that GLL cares little for customers, its workers and the wider community. If this is not enough to prevent them being awarded a contract, it is difficult to know what they would have to do to lose a contract bid.

The Council does have a financial option – it can take the advice of the Conservative Communities Secretary and use its reserves. What else are these reserves for if not to make sure that in desperate times, the services that residents want are maintained? The proposal to hand the contract to GLL is about making savings. At no point has GLL said how it can make those savings – but as we have pointed out by looking at its record, savings will mean a deteriorating library service. There is no evidence whatsoever to show how GLL will not only maintain but improve the service with less money. Let us also not forget that this is a 10 year contract with an option to extend for another 5 years. In other words, a long term decision is being made based on the flimsiest of evidence.

The last word should go to an author who attended a recent conference organised to fight to save libraries:

“Saving Libraries is not rocket science. But if you don't have libraries, you will not have rocket scientists.”

*“Saving libraries is not rocket science.
But if you don't have libraries, you will not have rocket scientists”*



unitetheunion1

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For further information and to join Unite please go to:

www.unitetheunion.org

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Bromley UNISON LG Branch

Response to Library Service Outsourcing Proposal 2017

INTRODUCTION

UNISON opposes in principle the outsourcing of public services to the private sector and believes that local services are best delivered by staff employed by local authority employers who are democratically accountable to their residents and tax payers.

The reasons for our opposition include;

- The long term protection of our member's jobs, pay, terms and conditions
- The long term need to maintain dedicated expertise (in the delivery of statutory and non-statutory local services) within the public sector, where the statutory responsibilities will remain
- Any savings that can be generated through business and organisational efficiencies, economies of scale, and the like, should be for the benefit of local authorities and their residents, and not creamed off by private sector company share-holders
- The need to maintain and develop good employment practices and industrial relations
- The need to maintain high staff morale and value their contributions to local communities
- To ensure consistency in staffing which facilitates good working relationships with service users

SUMMARY OF THE ISSUES & CONCERNS RAISED BY UNISON MEMBERS

Many local authorities, including our former Shared Service partner (LB of Bexley) still run successful library services in-house. Why has Bromley completely discounted this option?

Staff have not been provided with any information about why Greenwich Leisure Ltd (GLL) specifically are to be awarded the contract – what was it about their bid that made it successful? What is their offer to Bromley Council, service-users and staff that make them preferable, apart from (presumably) price and because they were the only qualifying bidder left in the process?

What checks and balances have been carried out to ensure that GLL really can deliver all the services currently offered and included in the specification, and more, for less money than the Council is currently spending?

What is the real justification for Bromley's "commissioning agenda" and why are third parties deemed to be best placed to deliver library services?

When we ask questions about how much money will be saved by contracting out this service, we are told that this is "commercially sensitive information" that cannot be divulged. How then are we to engage in any level of meaningful consultation on the

proposals. What level of savings will the implementation of the commissioned library service generate? Can we be given any indication of how the savings are proportioned in terms of being achieved through “efficiencies”? “improved purchasing power”? and “rate relief/charitable status”?

Why wasn't consideration given to other alternatives for delivering the service, such as a staff-led mutual like they have in Devon and York?

Staff have noted difficulties in being able to express a view on proposals around the Client Team. If this is part of the package of proposals being consulted on, can information be provided about the posts involved (2 officer posts?), grades and job descriptions? How will the client-side team work with GLL, and with library staff, in practice to ensure the contractor complies with all requirements consistently? Where will the Client Team be located and how much contact are they likely to have with the workforce they are monitoring? Why are current staff not able to apply for these posts?

GLL has a much longer-standing, and greater base in the leisure sector than in libraries. How can Bromley be sure, based on only around 5 years' track record in this area, that we can expect a reliable and successful delivery of the service from them?

GLL presents itself as a “charitable social enterprise” but we know that the majority of their workers are on low pay and working in their leisure centres – many on casual contracts. We understand that most, if not all, of these workers do not “own the organisation they work for” or receive the “non-dividend paying share which increases empowerment”. This leads us to question the way they are being portrayed in the consultation document.

What would happen if the contract were to be terminated early for any reason – who would run the library service then, and what would happen to the library staff?

What is likely to happen to staff after the 10 year contract ends?

If branches are currently running on minimal staffing, how will GLL expand opening hours and offer additional services and activities? Will more staff be brought in? Will Sunday opening be implemented in some of the larger libraries?

How will the existing support staff (back office) be deployed generally once GLL take over?

How will professional librarian staff engage in the strategic management process after the transfer?

How will “continuous improvement” be measured? The KPIs seem largely quantitative in nature – how will the more qualitative aspects of the service be monitored, for example learning outcomes?

GLL's website mentions “stretch targets” being issued to staff in Greenwich and Wandsworth – would Bromley staff be given these too?

What is meant by “efficiencies” in practice? Are we to assume that there will be a reduction in pay or posts beyond TUPE? Will GLL be making use of unpaid volunteers to help staff libraries?

What is the reasoning behind Bromley's decision to withdraw from the LLC? It was a big selling point for customers – why is it no longer such a good deal now that the service is being out-sourced? How will GLL ensure that customers have an equivalent standard of requests service?

Various LBB reports in relation to the library service commissioning have noted that library staff are largely not in favour of the out-sourcing and that staff morale is generally low. How will these concerns be addressed, and how can Bromley/GLL ensure that this general lack of staff engagement will not negatively impact upon the service going forward? How will a smooth transfer be accomplished?

How will the current sessional staff be employed after the transfer?

Will views expressed by staff as part of this, and other, consultations around the proposed transfer have any impact upon the outcome, or upon the Executive Committee's decision?

How will the LBB support staff through the TUPE process?

UNISON REQUESTS & SUMMARY

Staff are understandably concerned and anxious about the proposed transfer to a new organisation – a move which is not of their choosing, and which they have not really been able to influence. They are worried about whether GLL will be able to offer them long-term stable employment. Staff may feel let down, angry, stressed or upset by the transfer out of public service. Many feel that management not being personally affected by these proposals cannot truly understand how they feel or empathise with their situation.

Therefore, we are asking for more acknowledgement of the distress this has – and continues to – cause Bromley libraries staff. We are also asking for more to be done to provide support and information to all affected staff over the forthcoming transfer period.

Members may have valuable contributions to make in terms of ideas for improvements and change. Perhaps some work could be done around demonstrating the value of library services to the Council and the local community? Could staff assist in carrying out an enhanced evaluation of what is currently being done within the constricts of scarce resources to ensure maximum benefit for customers, by seeking more input from library users, residents and other stakeholders about the service offer?

UNISON members need to know that their union will be given reasonable opportunities to support them through the transfer period and into their new employment with GLL. We are therefore asking to be given as much information as possible, with as much notice as possible, about any and all future staff consultation meetings, to facilitate access to representation. This includes opportunities for facilitated meetings with GLL representatives at the appropriate times.

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Job Description

Title: Principal Client - Libraries

Grade: Indicative MG5

Department: Environment & Community

Section: Libraries Client

Post No: 11081

Reports to: Director of Regeneration

MAIN PURPOSE

1. To lead, shape and drive improvements in the delivery of the Library Service contract and library services at a borough level, providing operational oversight and leadership for all aspects of services delivered via this contract
2. To control, manage and deliver the contractual performance of all service areas, ensuring contractual compliance; a sustainable and customer focused service; financial control and compliance with established budgets including monitoring, reporting, review and report on the contractor's performance and standards against the agreed contract KPIs.
3. To lead in the delivery of best practice and best value through operation of the established performance management frameworks and monitoring systems, ensuring the reliable delivery of performance targets and performance management systems that secures high standard of service delivery to customers and stakeholders.
4. To ensure an effective level of integrated service delivery and strong partnership working, amongst contractors and key partner agencies and stakeholders.
5. To take the lead in providing advice to the Council on matters relating to the delivery of public library services.
6. To be responsible and accountable for identified service budget(s), both revenue and capital.

SUMMARY OF RESPONSIBILITIES AND DUTIES

1. Service Responsibilities

- 1.1 To be the lead manager responsible for the operational delivery of the Libraries contract, ensuring that regular communication, contract management principles and adherence to established performance management frameworks are delivered as per the contract provisions.
- 1.2 To lead in the development of and the delivery and implementation of policies, plans and budgets associated with the identified service areas, enabling the delivery of effective and efficient services, meeting legislative requirements and in compliance with the Council's policies, financial regulations and standing orders.
- 1.3 To lead on the development of innovative and well-organised service solutions that deliver seamless, responsive and high quality outcomes.
- 1.4 To ensure the contractor is able to meet contractual obligations and is efficiently delivering on and satisfying the Council's statutory responsibilities as required.
- 1.5 To ensure that the operational delivery of services promotes a flexible and integrated cross-Council working philosophy, with a focus on the delivery of services that improves and tackles local problems, generating a genuine customer and community performance culture.
- 1.6 To deliver and continually explore opportunities for the delivery of commercially focused services, including

options for income generation.

1.8 Communicate and promote Bromley Council's vision, values, objectives and priorities effectively to staff, partners and the public; including the attending of Public meetings, Stakeholder meetings, Residents / Customer forums.

1.9 To perform any other duties that may be required commensurate with the salary and grade.

2. Library Services

2.1 To provide the Responsible Director, Chief Officers and members with relevant professional advice.

2.2 To monitor the progress of capital projects being undertaken by the service provider to ensure compliance with programme and budget.

2.4 Ensure that the Library Service is effectively managed by the service provider to reduce voids and maximise income as per the contract agreement.

2.5 Where appropriate, engage and manage specialist consultants.

2.6 Represent the council on relevant partner groups in library matters.

3. Managing Finance and Resources

2.1 To lead on the annual budget planning processes within the context of the assigned service area, ensuring that statutory and local service priorities are delivered within the wider Divisional budget framework.

2.2 To manage the budget for the designated service area, ensuring that resources are utilised efficiently and that services provided are within the approved budgets levels.

2.3 Use technology effectively with colleagues, stakeholders, and contractors to improve the effectiveness and efficiency of services delivered.

2.4 Monitor capital receipts achieved by the service provider and to provide accurate forecasts on all capital receipts to inform the Council's overall accommodation strategy.

4. Staff

3.1 To deliver strong leadership to the Library Client Team, ensuring staff are routinely supervised, developed and empowered to deliver services independently.

3.2 Monitor the work performance of the Team, through the undertaking of performance management reports, while ensuring the establishment of clear personal performance targets within the context of the Council's appraisal scheme (DICUSS) is also delivered.

3.3 Contribute with the Senior Management Team in the promotion of Bromley Council's vision, Core Operational Principles (COP) and REAL leadership values (Respect, Empower, Ambition, Learn).

CONTACTS AND RELATIONSHIPS

Provide to customers/clients, Councillors and stakeholders the specified standard and level of service that is expected, managing and rectifying with the contractor or staff any shortfalls in performance or where potential improvements have been identified.

MANAGEMENT AND LEADERSHIP

Fully and positively participate in the Council's performance appraisal/ performance related pay/performance development scheme in order to develop and enhance personal and service performance.

EQUALITIES

Implementation of the Council's equal opportunities policies and its statutory responsibility with regard to other individuals and service delivery.

	Date	Name
1. Date drawn up	26 May 2017	
2. Given to Post holder		
3. Confirmed by Line Manager		
4. Evaluated		



Person Specification

Title: Principal Client - Libraries

Grade: Indicative MG5

Department: Environment & Community

Section: Libraries Client

Post No: 11081

Reports to: Director of Regeneration

ABILITIES, SKILLS AND KNOWLEDGE

1. Extensive knowledge, experience and understanding of public library service management set within a political context.
2. Adapts quickly to changing situations with the ability to manage own and others' time effectively
3. A demonstrable ability to strategically plan and deliver services, while ensuring a flexible approach to work from day to day to cope with a variety of situations, groups or individuals.
4. Relevant management experience including the effective operational management and delivery of services.
5. Effective communication and interpersonal skills that build positive relationships. Ability to communicate effectively within the organisation and to customers, consultants, contractors, courts, external agencies orally and through letters, short reports, meetings, etc.
6. Ability to take on the accountability of projects delivering changes in service areas, on both a service and Divisional context.
7. Knowledge of Council vision, priorities and strategy with a desire and willingness to understand and resolve service issues with a focus on the customer.
8. Genuine ability to work well within the team environment both as leader and as part of a team. Ability to make positive contributions to overall effectiveness, including the training of staff.
9. Capable of being proactive in identifying and resolving practical problems with the contractor and proposing service improvements, ensuring professional standards are achieved.
10. Understanding of Performance Management processes in partnership arrangements.
11. High level of IT skills and understanding of systems needed for the effective running of the service.
12. Ability to manage the political interface and external relationships.
13. Demonstrable communication, negotiating and influencing skills when working with contractors, customers, Councillors and stakeholders.

EXPERIENCE

- Several years of experience in the day to day management of staff, finances and resources in the public and/or private sector, preferably at least 5 years.
- Successful development and delivery of services aligned to significant contract experience.
- Involvement in the commissioning of services from review, analysis, commissioning and award.
- Involvement in the preparation, management and control of service based budgets.
- Evidence of success in the delivery of quality services with an ability to achieve service improvements under the principles of best value.
- A proven track record of communicating effectively with a wide range of stakeholders and audiences whilst developing positive relationships.
- Proven experience of promoting equal opportunities.

QUALIFICATIONS

- Degree or other appropriate professional qualification equivalent and/or relevant and proven working experience
- Relevant supervisory or management qualification
- Commitment to continue professional development and the development of staff.

SPECIAL CONDITIONS

- The post requires attendance at evening meetings

DATE DRAWN UP 26 May 2017

Job Description & Person Specification

Post Title: Contracts and Development Manager - Libraries	Grade: Indicative BR12
Department: Environment & Community Services	Division/Section: Libraries Client
Post No: 15413	Reports to: Principal Client - Libraries

MAIN PURPOSE:

To assist the Principal Client, Libraries, in the effective management, organisation, supervision and administration of all Client Services in relation to the delivery of the Library Service contract.

SUMMARY OF RESPONSIBILITIES AND DUTIES:

1. Provide professional and technical advice, guidance, management and support, liaising and communicating with and to all clients, colleagues and the General Public.
2. Assist the Principal Client in managing the responsibilities to ensure the effective management within the terms of the Library Service contract.
3. Provide the compilation, review, adjustments, amendments and preparation of contract specifications, documentation, variation orders and schedules.
4. Monitor, report, review and report on the contractor's performance and standards against the contract KPIs and performance management statistics.
5. Contribute to and assist with the continuous development of the delivery of the Library Service contract, its practices, procedures and ways of working/ best practice.
6. Develop and maintain statistical, financial and performance information relative to the services provided under the contract.
7. Conduct/ assist/ support special projects and assignments as required as directed by the Principal Client.
8. Assist with the consultation and annual review, promotion and issue of key contract plans.
9. Attend various meetings with clients and contractors where appropriate.
10. Issue, follow up, (providing appropriate advice, guidance and support) and ensure rectification of any failures of contractual compliance and standards failures/ defaults where applicable.
11. Continuously review, use and advise on new initiatives, technology, materials, and equipment applicable to the industry sourcing best practice and value.
12. Have responsibility for prioritising and assessing workload, allocating resources and ensuring and effective contribution to the overall business objectives of the Team.
13. Provide support and cover for colleagues within the team in their absence being an

Job Description & Person Specification

effective member of the team.

14. Be prepared to challenge and be enabled to adapt to change.
15. Refresh, renew and update professional and local expertise to ensure that the most modern up to date information and advice is being provided to the clients and council.
16. Act as a signatory for the team in terms of clearing invoices, raising orders.
17. Undertake any other duties commensurate with the level of the post, as required to ensure the efficient and effective running of the Department / Section

CONTACTS AND RELATIONSHIPS: (customer focus, both internal and external)

As a member of the Library Client Team contacts and relations will include Councillors, Senior Officers, colleagues from all departments within the council, other local authority colleagues, various service contractors and the general public.

MANAGEMENT AND LEADERSHIP: (finance, resources, performance management, staff supervision and service delivery)

1. Assist in the effective management of the Library Service Contract.
2. Lead on special projects.
3. Fully and positively participate in the Council's performance appraisal/ performance related pay/performance development scheme in order to develop and enhance personal and service performance.

EQUALITIES:

Implementation of the Council's equal opportunities policies and its statutory responsibility with regard to other individuals and service delivery.

	Date	Name
1. Date drawn up	26 May 2017	
2. Given to Post holder		
3. Confirmed by Line Manager		
4. Evaluated		

Job Description & Person Specification

Post Title: Contracts and Development Manager - Libraries	Grade: Indicative BR12
Department: Environment & Community Services	Division/Section: Libraries Client
Post No: 15413	Reports to: Principal Client - Libraries

SKILLS & ABILITIES

1. Excellent communication skills and telephone manner.
2. The ability to communicate effectively and professionally with a wide range of people at all levels in the Council, with all manner of clients and the general public.
3. The ability to work under pressure alone.
4. Be self-motivated, innovative, approachable, facilitative, flexible, persuasive, patient and even tempered.
5. The ability to respond readily to challenges and change.
6. To work effectively in a variety of situations independently, in a partnership or in a larger team, and have an approach which fosters and encourages working together and partnerships with a wide range of organisations.
7. Data handling skills with the ability to analyse information.
8. Be able to organise, plan, prioritise and maintain a heavy workload.
9. Excellent report, evaluation, creativity and feasibility writing skills.
10. The ability to supervise and manage personnel
11. Have good written and active presentation skills.

KNOWLEDGE

1. Must be fully conversant and able to demonstrate an up to date professional and working knowledge of the operational aspects of public library services.
2. Be literate and numerate.
3. Have an understanding of and able to use windows based office systems (Word, Excel, Project)
4. Be able to acquire extended skills in ICT to improve the presentation and delivery of data and information
5. Experience of monitoring projects and able to develop detailed project plans and monitor their implementation.

EXPERIENCE

1. Be able to demonstrate ability to deal with a range of customers with some complex / difficult / time pressured queries.
2. Up to date ICT in terms of meeting the requirements in knowledge, skills and ability
3. Proven minimum of no less than three years in a similar environment in a similar role and have proven track record of delivery.
4. Thorough understanding and experience of relevant health and safety requirements
5. Proven track record, knowledge and experience of relative personnel issues.

Job Description & Person Specification

QUALIFICATIONS

1. A good standard of education is required supported by a professional qualification(s) in an appropriate discipline such as librarianship or information Science..
2. Project qualification/or working knowledge e.g. to Prince 2 standard

SPECIAL REQUIREMENTS

May need to attend some evening meetings

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Report No.
DRR17/038/1

London Borough of Bromley

PART 1

Decision Maker: EXECUTIVE FOR PRE-DECISION SCRUTINY BY THE RENEWAL AND RECREATION POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Date: Wednesday 5th July 2017

Decision Type: Non-Urgent Executive Key

Title: OPPORTUNITY SITE G – DEVELOPMENT AGREEMENT AND LEASE

Contact Officer: Kevin Munnely, Head of Renewal
Tel: 020 8313 4582 E-mail: kevin.munnely@bromley.gov.uk
Susan Fraser, Senior Solicitor
Tel: 020 8313 4459 e-mail: susan.fraser@bromley.gov.uk
Michael Watkins, Head of Asset and Investment, Tel 02083134178 e-mail: Michael.Watkins@bromley.gov.uk

Chief Officer: Executive Director of Environment & Community Services

Ward: Bromley Town;

1.0 Reason for report

- 1.1 This report links to the associated report to be considered under Part 2 proceedings at the meeting.
- 1.2 On 8th February 2017, the Executive approved the selection of Countryside Properties (UK) Ltd as the preferred development partner for the next phase of development of Opportunity Site G following a competitive procurement process. Based on the successful development submission officers have been negotiating the detailed terms of the proposed development agreement and lease for the development. This report sets out the terms for the development agreement and lease and seeks the Executive's approval to these terms. Once the agreement has been exchanged a binding agreement to grant the lease, subject to the fulfilment of certain conditions, will exist.

2.0 RECOMMENDATION(S)

- 2.1 This is a part 1 report providing a brief summary of the purpose of the related report to be considered under part two proceedings

- 2.2 In the Part 2 report the PDS Committee is requested to scrutinise the proposed decision by the Executive and The Executive is recommended:
- i. To consider any objections received from the public as a result of the advertisement of the proposal to dispose of a small area of public open space.
 - ii. To approve the terms of the proposed development agreement and lease as set out in this report and to give authority to enter into the development agreement.
 - iii. To delegate authority to the Director of Corporate Services, with the agreement of the Executive Director of Environment and Community Services and the Director of Finance to agree any further [non-material] variation in the detailed terms.
 - iv. Delegate authority to the Portfolio Holder for Renewal & Recreation to approve the consultation draft masterplan to enable officers to undertake a six week public consultation. The results of the masterplan consultation will be reported back to the Executive for consideration and approval.
 - v. Agree that quarterly updating reports should be submitted to the Executive.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Not Applicable
-

Corporate Policy

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

Financial

1. Cost of proposal: Detailed within the related Part 2 report
 2. Ongoing costs: Non-Recurring Cost:
 3. Budget head/performance centre: Growth Fund, S106 Payment in Lieu and Renewal
 4. Total current budget for this head: Detailed within the related Part 2 report
 5. Source of funding: Unallocated balance of Growth Fund, S016 PIL and Renewal
-

Personnel

1. Number of staff (current and additional): 5
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: Statutory Requirement S123 of the Local Government Act 1972:
 2. Call-in: Applicable:
-

Procurement

1. Summary of Procurement Implications: The Greater London Authority's London Development Panel (OJEU Notice 2012/S 69-113942) was used to select the preferred development partner.
-

Customer Impact

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

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes

Summary of Ward Councillor's comments: Ward Councillors have met with representatives of Countryside Properties and it has been agreed there will be regular meetings held throughout the planning process. Issues raised included the need to incorporate an appropriate level of community facilities and other non-residential uses in the development.

3. IMPACT ON VULNERABLE ADULTS AND CHILDREN

3.1 Not Applicable

4. POLICY IMPLICATIONS, FINANCIAL IMPLICATIONS, PERSONNEL IMPLICATIONS, LEGAL IMPLICATIONS AND PROCUREMENT IMPLICATIONS

4.1 To be considered in the Part 2 Report

Non-Applicable Sections:	IMPACT ON VULNERABLE ADULTS AND CHILDREN
Background Documents: (Access via Contact Officer)	Drr17/037/2 - OPPORTUNITY SITE G - DEVELOPMENT AGREEMENT AND LEASE – PART 2 REPORT

Decision Maker: EXECUTIVE
FOR PRE-DECISION SCRUTINY BY THE R&R PDS COMMITTEE

Date: Executive: Wednesday 19 July 2017
R&R PDS: Wednesday 5 July 2017

Decision Type: Non-Urgent Executive Key

Title: CRYSTAL PALACE PARK: REGENERATION PLAN

Contact Officer: Lydia Lee, Head of Culture
Tel: 020 8313 4456 E-mail: Lydia.Lee@bromley.gov.uk

Chief Officer: Director of Regeneration

Ward: Crystal Palace;

1. Reason for report

- 1.1 The development stage of the Regeneration Plan for Crystal Palace Park is now complete.
 - 1.2 This report sets out the next steps to take the Regeneration Plan forward to delivery.
-

2. **RECOMMENDATION(S)**

That Members of the R&R PDS: -

- 2.1 Note the contents of this report and make any comments available to the Executive.

That Members of the Executive: -

- 2.2 Note the contents of this report and review the Regeneration Plan document provided as an appendix.
- 2.3 Approve spend of up to £625k funded from Capital Receipts to progress the Regeneration Plan to the submission of the outline planning application by spring 2018 and add this to the Capital Programme.
- 2.4 Approve a further £242.3k from Capital Receipts to deliver the Crystal Palace Park café project and amend the Capital Programme. Any unspent contingency will contribute towards the next Phase of the Regeneration Plan scheme.
- 2.5 Note the outcome of the café works tender process being detailed in the associated Part Two report and agree the award of contract.

Impact on Vulnerable Adults and Children

1. Summary of Impact: The Regeneration Plan will have a positive impact on vulnerable adults and children. The park is an unrestricted public space and leisure facility which is easily accessible by public transport and car.
-

Corporate Policy

1. Policy Status: Existing Policy
 2. BBB Priority: Quality Environment and Regeneration
-

Financial

1. Cost of proposal: Estimated Cost An additional £867.3k, a total of £3.628m in total for Phase 1 and Phase 2
 2. Ongoing costs: Recurring Cost None expected
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £2.761m
 5. Source of funding: Capital Receipts, GLA funding and Historic England grant
-

Personnel

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

Legal

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

Procurement

1. Summary of Procurement Implications: The correct procurement process has been undertaken to date under advice from the Head of Procurement.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): In 2006 the park's visitor numbers were estimated at 1.68m.
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments: Cllr Wilkins said: "delighted to see substantial recent progress and look forward to the further renewal of the park".

3. COMMENTARY

- 3.1. Following the update report provided to the Executive in March 2017 (DRR17/016) the development stage of the Crystal Palace Park Regeneration Plan has now been completed.
- 3.2. The purpose of the Crystal Palace Park Regeneration Plan is to deliver the strategy for the regeneration of Crystal Palace Park set out in the March 2015 report to the Executive (DRR15/020). The agreed approach was to develop a regeneration plan for the park made up of three strands:
- a capital scheme to regenerate the park in line with the vision of the Masterplan,
 - a new form of governance, and
 - a new park specific business model.
- The outcome being improved parkland that enables a new sustainable business model, which could be adopted by a new governing body taking the park out of local authority control.
- 3.3. The Regeneration Plan follows numerous unsuccessful attempts, since the 1980s, to regenerate the park. Including the 2007 Masterplan, valued at £100m to deliver, and the ZhongRong Group proposal in 2013. The development of the Regeneration Plan has taken a pragmatic approach which is focussed on delivery and its development has been informed by the likely capital funding available and the requirement for future sustainability.
- 3.4. During the development of the Regeneration Plan a previously unappreciated urgency to deliver the park's regeneration now has come to light. The 2007 Masterplan identified enabling sites to fund park regeneration works, which have outline planning permission. The most valuable of the housing sites, at an estimated £15.44m, is Rockhills where the Caravan Club is currently situated. The Caravan Club's lease can only be broken every thirty years, and the 31st December 2018 is the next date that the lease can be broken.
- 3.5. Under the lease the Council has to give not less than 24 months' notice ie notice had to be served before 31st December 2016. A contractual notice was served on 21st November 2016. However, for the reasons set out in more detail within paragraph 9.2 below, a further notice still has to be served under the Landlord and Tenant Act 1954 to effect the termination. If the Council does not proceed with the Regeneration Plan now it will not be able to oppose the grant of a new lease to the Caravan Club and the courts could order the grant of a new lease for up to 14 years, which would prevent any redevelopment during that time. Therefore if the Council wishes to proceed with the Regeneration Plan the decision cannot be delayed.

Capital scheme

- 3.6. The capital scheme development has been led by AECOM who were contracted by the Council in early 2016. In May 2016 AECOM held workshops attended by key stakeholders, including the Greater London Authority (GLA) and Historic England. At these workshops the vision for the park was determined and priorities and criteria for options agreed.

Regeneration Plan vision:

For the park to be a place of fun and recreation in the spirit of Paxton's vision celebrating excellence in landscape and horticulture, and providing facilities and events in keeping with a park of international significance.

Regeneration Plan priorities:

- Repair and improve infrastructure throughout the park.
- Conserve and interpret historic assets in the park.

- Reconnect and open up the central walk/ Paxton Axis through the park.
- Restore the architectural presence and grandeur of the terraces.

Regeneration Plan criteria:

- Work within the likely Capital Budget available.
- Deliver the vision and regeneration aims.
- Meet the regeneration priorities.
- Respond to community engagement.
- Respond to business plan findings including opportunities for income generation.
- Work where possible within the established Masterplan planning principles.

- 3.7. Throughout 2016 community consultation events were held in the park, transport surveys were undertaken, and research undertaken on funding and potential income streams. Six options for park regeneration were developed which were reviewed by Historic England, the Crystal Palace Park Project Executive Board, the Heritage and Environment Group, the GLA and the Shadow Board.
- 3.8. All the options were considered to be deliverable within the likely available Capital Budget from Lottery funding and Capital Receipts, and met the vision, criteria and priorities listed in paragraph 3.6. Following the options appraisal review a preferred scheme was identified which has been developed further and fully costed.
- 3.9. The preferred scheme is described and illustrated in Appendices A and B, and the Implementation Plan for how this capital scheme would be delivered, is detailed in Appendix C (this appendix is commercially sensitive and is only available to Members).
- 3.10. In summary the Regeneration Plan capital scheme would deliver the following improvements within the park:
- Park wide infrastructure improvements: The removal of clutter including redundant fencing and signage; removal of central parking (restored to parkland – parking moved to periphery of the site); improved wayfinding, pedestrian routes, paths and entrances; new limited low energy lighting to illuminate key pedestrian routes; restoration of historic views; new SUDS system; and the enhancement of habitat diversity through ecology corridors.
 - Anerley Hill Edge: The improvement of pedestrian access between Norwood Triangle and Crystal Palace Station; and the enabling of the relocation of Capel
 - Palace Terrace: Reinstatement of park entrance from Crystal Palace Parade; levelling of ground and introduction of low maintenance gardens; enabling of potential development of cultural space at Subway site; and the redefinition of the Lower Palace Terrace to become a servicing area for significant events.
 - Italian Terrace: Conservation of terrace walls; relocation of Paxton bust to original location; and creation of purpose built 3.8ha event space.
 - Transitional landscape: The return of landscape to grass with trees and shrubs to re-establish parkland in this area.
 - Tidal lakes: Undertake outstanding repair work to dinosaurs and improve dinosaur landscape; open up Penge Gate and enhance car park; renovate Anerley or Thicket Road gate; and create new playground.
 - Cricket Ground: Remove playground; refurbish or remove the Information Centre; relocate maintenance depot and renovate car park; and construct the Sydenham Villas residential development.
 - English Landscape: Provision of new coach park; construction of Rockhills residential development, community rooms and day nursery; return of areas back

from private use to parkland; enable new uses for the Concert Platform and Westwood Gate toilet block; and create new playground.

- Paxton Axis: Return the route of the axis to its original ground levels along the spine of the park.

3.11. These improvements would address the key issues for existing park users improving the general quality of the parkland, enable park events on the Italian Terrace that support the proposed business model, and will remove the five historic structures from the Heritage At Risk register. The regeneration approach is pragmatic and modest to reflect the expected funding available.

3.12. The programme for delivery is set out in Appendix D. The Implementation Plan has developed a staged approach summarised as follows:

Phase two:

- August 2017 to December 2017: investigations, surveys and development of design for outline planning submission.
- January 2018: submission of outline planning application.
- August 2018: submit HLF round one grant application.

Phase three:

- January 2019 to June 2019: market Rockhills and Sydenham 1 (St John's ambulance and maintenance depot) residential sites.
- January 2019: submit detailed planning application for stage one.
- Year 2020: construction works for stage one.
- January 2020 to June 2020: market Sydenham 2 (nursery) residential site.
- January 2021: submit detailed planning application for stage two.
- February 2021: submit HLF round two grant application.
- Year 2022: construction works for stage two.
- April 2023: submit detailed planning application for stage three.
- Year 2024: construction works for stage three.

Planning

3.13. Two pre-application meetings have been held to inform the development of the Regeneration Plan. These meetings were attended by Bromley's Planning Authority, Historic England, AECOM and Council officers, and will continue until the outline planning application is submitted.

3.14. The 2007 Masterplan has set a planning precedent, and made the case for the Rockhills and Sydenham Villas enabling development, however achieving outline planning permission remains a significant project risk. Without the funding from the enabling development the strategic park-wide Regeneration Plan is not deliverable.

Cultural venue – expression of interest

3.15. The 2007 Masterplan identified a site for a new museum linked to the historic Subway on the Palace Terrace. This proposal has been investigated as part of the Regeneration Plan development primarily because it provides a solution for the historic Subway building. The Subway as a standalone structure is difficult to manage and develop a long term future for. By joining the Subway with another structure it creates new opportunities for a sustainable future.

- 3.16. The Masterplan identified the museum building structure as tall with a modest footprint, as shown on the drawing in Appendix E. There is we believe community appetite for a structure of this size, but not for a very large building recreating the Crystal Palace as the ZhongRong Group had proposed. A large building would also pose other previously unappreciated issues for the neighbouring TV transmitter, the largest in London serving 20m people, a third of the country's population.
- 3.17. To understand potential market interest in this site an expression of interest was published inviting all cultural organisations, not just museums, to informally express an interest in the site. This process was widely publicised in national media and the information pack received 664 unique visits.
- 3.18. Seven organisations engaged in conversation with Council officers on the potential of the site, however only two submitted expressions of interest. One of these was submitted by a grass roots organisation interested in developing a theatre and art house cinema at the site, the other was from an experienced developer interested in developing a cultural mixed use site with creative workspace and nursery. Both were interested in incorporating a Crystal Palace Museum in to the development and would provide free public access to significant portions of the site.
- 3.19. The Shadow Board is very keen that the cultural venue proposal is pursued, and it does provide an important possible future for the Subway. Therefore it is recommended that officers continue to pursue this as part of the Regeneration Plan and undertake a formal market invitation exercise once outline planning permission is in place. The obligation to advertise any proposed disposal as set out in paragraph 9.1 should also be noted.

Funding and costs

- 3.20. A cost plan for the delivery of the Regeneration Plan has been developed. Knight Frank has valued the enabling development housing sites in the current market at £24.84m. This value would increase if the freehold for the sites was sold, however by maintaining the freehold annual income can be generated for the Council through a ground rent. The estimated value of the ground rent is £55k per annum.
- 3.21. As set out in paragraphs 3.4, 3.5 and 9.2, if the Council does not proceed with the Regeneration Plan now the value of the Rockhills land will not be able to be accessed for a likely fourteen years due to statutory protection afforded to the Caravan Club. Therefore the potential enabling development funding is only available for a limited time.
- 3.22. In addition a successful Parks for People grant application to the Heritage Lottery Fund would realise £5m. Therefore the total assumed budget, bearing in mind the original Improvement Scheme budget mainly funded by the Mayor of London, is £32.11m.
- 3.23. The Mayor of London has written to Sport England, the Heritage Lottery Fund and the Big Lottery asking them to consider coming together to provide a significantly larger grant for the regeneration of the park and National Sports Centre site. Initial responses have been positive and Deputy Mayor Jules Pipe is expected to meet with the lottery bodies to discuss further. Therefore there is a possibility that increased grant funding could be accessed.
- 3.24. If increased grant funding was made available significant enhancements to the modest Regeneration Plan could be made, including to the quality of works, the Subway and museum sites, and to community facilities throughout the park such as the Concert Platform. Additional funding could also assist with the period of staged handover between the Council and the potential future governing Trust.

- 3.25. The cost of progressing the Regeneration Plan to submission of the outline planning application is estimated to be up to £625k. This sum is made up of £400k planning related costs, £100k for the relevant proportion of AECOM's fee, £25k to update the outline design work for the enabling development, and the estimated £100k planning application fee and printing costs which would be required to be paid to Bromley's Planning Authority. This spend would be at risk as planning permission cannot be guaranteed.
- 3.26. AECOM has provided a breakdown of the £400k planning related costs and £100k for the relevant proportion of AECOM's fee, which includes survey work, to progress the outline planning application to submission. These require further scrutiny by an appropriate panel of officers to ensure both that: the planning related costs do not duplicate work that should already be covered by AECOM's tendered fee for the delivery of the Regeneration Plan; and that the quoted costs are in line with the fee structure submitted as part of their original tender.
- 3.27. The Regeneration Plan follows on from the park Improvement Scheme currently being delivered as set out in paragraphs 3.39 to 3.49. The park's Improvement Scheme and Regeneration Plan income and expenditure is set out in the following table:

FUNDING		
Phase 1	£'000	£'000
GLA grant for improvement scheme	2,000	
Historic England Grant	106	
Council match funding for improvement scheme	160	
Capital Receipts for regeneration plan phase 1	495	
Additional funding for LBB for café from capital receipts (as per recommendation 2.4)	242	
Total Phase 1 Funding		3,003
Phase 2		
Capital Receipts for regeneration plan phase 2 (as per recommendation 2.3)	625	
Total Phase 2 Funding		625
Phase 3 (Potential Funding)		
Capital receipts - Rockhills	15,440	
Capital receipts - Sydenham Villas	9,400	
HLF grant for Regeneration Plan	5,000	
Net return to capital receipts	-1,362	
Total Phase 3 Funding		28,478
TOTAL FUNDING		32,106
EXPENDITURE		
Phase 1	£'000	£'000
Improvement Scheme capital works	2,266	
Regeneration Plan - development stage one	495	
Improvement scheme café additional funding	242	
Total Phase 1		3,003
Phase 2		
Planning application estimated development costs	400	
Planning application fee	100	
Outline design work for enabling development	25	
AECOM fee	100	
Total Phase 2		625
Phase 3 (anticipated expenditure)		
Regeneration Plan capital works	21,450	
AECOM tendered fee	1,681	
Endowment	4,600	
Staffing costs in 2018/19 and 2019/20	195	
Legal costs	27	
Activity plan - requirement of the HLF	525	
Total Phase 3		28,478
TOTAL EXPENDITURE		32,106

Business model

3.28. Fourth Street consultancy has developed an initial draft business model, Appendix F (this appendix is commercially sensitive and is only available to Members), for the park, should the park be transferred from the Council in the future to a governing Trust. This business model is based on market research and identifies that an endowment fund of £4.6m, generating revenue interest of £184k pa through investment in a Charitable Investment

Fund, would be required to bridge the gap between income and expenditure. This is therefore included as a future cost in the table in paragraph 3.27.

- 3.29. The full business model identified is forecast to be able to come in to action in 2027/28. This forecast is determined by the capital programme and when diverse income streams come to fruition. For example the annual ground rent income of £55k per annum will become payable only after the enabling housing development is built. The business model developed identifies a continuing annual grant from the Council to a future park Trust, in a standardised year, of £125k per annum, which would replace existing park revenue costs.
- 3.30. The project team is currently awaiting confirmation of current detailed annual costs for the management and maintenance of the park from the Green Space team, and therefore finance cannot take a view on the robustness of the business model at this time or of any potential future revenue saving to the Council that an annual grant of £125k represents.
- 3.31. However it is clear that Crystal Palace Park will need to be listed as a separate lot in the new Green Space contract due for renewal on 1st April 2019, so that the Council and the potential new park governing body are clear on future park costs, and to enable the park to potentially be removed and separated from the Council's Green Space contract at any time in the future.
- 3.32. Although further information from the Green Space team is required for a view to be taken on the business model, this should not prohibit the progression of the capital scheme, particularly given the urgency around releasing funding from the Rockhills enabling development.
- 3.33. The capital scheme is not reliant on the business model. In the worst case scenario the Council would continue to manage the park and the endowment monies would enable the maintenance of the improved park. However this is not the community's preference and officers will be working to try and ensure that the park is transferred to a governing Trust in the future as set out in the original Regeneration Plan strategy. Again, the obligation to advertise any intention to grant a lease to the Trust as set out in paragraph 8.1 should be noted.
- 3.34. A further report on a future business model for the park will be brought to the Executive in due course.

Governance

- 3.35. As set out in report DRR17/016, in September 2016 the first meeting of the Shadow Board was held. This Board is expected to develop in to the park's new governing Trust, and has been shadowing the Council's development of the Regeneration Plan as a key stakeholder.
- 3.36. It has long been recognised that the park would benefit from its own dedicated governance and management model. Crystal Palace Park is a 200 acre London park meeting the border of five local authorities. It is a complex historic site of a different scale and importance to Bromley's other green spaces. The park contains structures of international historic importance and is used as a regional facility.
- 3.37. At the May 2017 park open days the Board became public facing and introduced themselves to the wider community. The Board is made up of nine members who all live locally to the park. They are listed below alongside their specialisms:

Amy Anderson – communications.

Andrew Close – town planner and urban designer.

Philip Colvin QC –public, property and planning law.
Simone Crofton – development of visitor attractions.
Lucy Fitton – learning and participation.
Laurie Handcock – planning and development of listed buildings.
Lucy Hopkins – marketing and community engagement.
Clive Maxwell – financial management and organisational change.
Martin Tempia – community engagement.

3.38. Later this year the Shadow Board plans to formalise itself and become a Trust as the first step in preparing the body to develop over the coming years and position itself so that it has everything in place to take over the future management of the park. The timescales for handover are dependent on the business plan development and how the period prior to the standardised year in the business model is addressed.

Improvement Scheme

3.39. Separate to the Regeneration Plan, the Improvement Scheme is currently being delivered in the park. The Improvement Scheme has largely been funded by the Mayor of London with financial contributions from the Council and Historic England. The Improvement Scheme is made up of six capital projects all of which are either complete or the contract has been awarded (in the case of the skatepark), with the exception of the new park café.

3.40. An unrestricted open tender process was followed for the café works contract, and tenders were evaluated on a 60% price and 40% quality weighting criteria.

3.41. The tenders were evaluated for quality by a panel of four people which included officers from the Council's Leisure and Culture team and Amey. The panel were advised by the project's design team.

3.42. As part of the Improvement Scheme the estimate for delivering a new café was £990k including 10% contingency. However when tender returns were received they far exceeded this estimate. A value engineering process was undertaken and a tender addendum issued, however the lowest return after this process was still significantly over the budget available.

3.43. The Council then entered in to a dialogue with the two lowest tenderers and went through a detailed process with the Quantity Surveyor, identifying savings and errors which were inflating the price. The outcome of this process is that the lowest tender, (including 10% contingency) is £242.3k over budget.

3.44. The consensus quality scores and confirmed prices were entered in to the Council's evaluation matrix which utilises the Chartered Institute of Public Finance and Accountancy (CIPFA) evaluation model.

3.45. Price: The matrix calculates an overall mean price, ie the arithmetic average value bidden across all tenders received. Each bidder is automatically allocated an initial 30 points – half of total weighting points available. Individual scores are then allocated an additional 1.2 points for each 1% above the mean, or deducted 1.2 points for each 1% below the mean. The Council may, where permissible, exclude bids assessed to be a) too low to be credible, or b) any bid that has been priced 25% above the mean as these are deemed too high to be affordable.

3.46. Quality: Tenderers are assessed for suitability through a standard pass/fail questionnaire. Officers evaluate all tenders that pass the suitability questionnaire against eight quality criteria which measure the tenderers ability to deliver the project:

- 3.47. All tenderers were required to score 5 or above against each criteria in order to be considered compliant. Tenders that score below this threshold for any criteria are not considered for contract award. The scoring methodology used was as follows:
- 3.48. Due to commercial sensitivity the outcome of the tender process is detailed in the associated Part Two report. Members are asked to approve the award of contract to the identified winning tenderer and approve additional spend of up to £242.3k, funded from capital receipts in order to deliver the Crystal Palace Park café project.
- 3.49. Members should note that a solution to bring the scheme in on budget by deferring the first floor works was rejected by the Mayor of London, the primary funder. Therefore so as to not lose the GLA grant monies it is proposed that the additional £242.3k required is underwritten by the Council. The £242.3k includes the £112k contingency which may not be spent. In this scenario any remaining contingency monies may be used in the future as part of the Regeneration Plan after the enabling development receipts are realised.

National Sports Centre

- 3.50. The Leader of the Council met with the Deputy Mayor, Jules Pipe, in May 2017. At this meeting the GLA confirmed that they are working on the development of a revised scheme for the National Sports Centre which will be brought forward for stakeholder and community consultation in the future.
- 3.51. The Council could not continue to wait for the GLA to come to a view on the future of the National Sports Centre without jeopardising the Rockhills enabling site income. Therefore the Regeneration Plan should not be put on hold because of the uncertainty around the sporting facilities. The GLA has confirmed that their developing plans will not conflict with the Regeneration Plan scheme.

Key issues and risks

- 3.52. Regenerating Crystal Palace Park is a highly complex project. The park is a multi-faceted site with a broad range of issues from leased buildings to historic assets. A risk register (appendix G) has been produced setting out the key risks to the delivery of the capital scheme. The Council's memory of the process undertaken to secure planning approval for the 2007 Masterplan provides an insight in to the complexities of delivering this scheme.
- 3.53. Having the Masterplan planning permission in place means that the planning principle has been established, however this does not mean that progressing this scheme will be a simple task. Nonetheless the Council has an opportunity now to take forward a plan to regenerate the park, a long held aspiration, and if this opportunity is missed, a significant proportion of the potential enabling funding will not be available to access for a likely further 14 years as set out in paragraph 9.2.
- 3.54. Although the table in paragraph 3.27 outlines a fully self-funded scheme, the potential income and anticipated expenditure for the scheme the project is at an early stage and further costs may come to light which have to be factored in that impact on the funding available for the items identified to date.
- 3.55. Additionally, through the planning process, the Council may not, for example, be able to recover the spend on staffing to date as it may not be considered an acceptable cost to be borne by the enabling development Capital Receipts. Furthermore, to try and ensure a successful outcome for the Heritage Lottery Fund grant application, the Council may be advised to contribute match funding to the Parks for People bid. Therefore Members should be mindful that a Council capital contribution may be required to be committed in the future if this scheme is progressed.

- 3.56. Another issue to note is that the work undertaken to date on the business model identifies that an endowment will be required. This is identified in the table in paragraph 3.27 as anticipated expenditure. However, it is not known at this time whether this will be an acceptable use of the enabling development money.
- 3.57. Finally Counsel opinion has been sought in regards to whether once outline planning permission is in place the enabling development sites can be put to market to generate the Capital Receipts and the regeneration work then undertaken; or whether the Council would be required to fund the capital scheme and then sell the enabling sites thus recouping the cost. Counsel are yet to provide a view on this matter, however internal cross department discussions suggest that it should be possible to make the case to generate the Capital Receipts in advance.
- 3.58. There are significant issues and risks in relation to the delivery of the Regeneration Plan, however the plan offers the only identified holistic solution to the park's regeneration and a sustainable future through the Regeneration Plan's development of significant diverse income streams.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 4.1 The Regeneration Plan will have a positive impact on vulnerable adults and children. The park is an unrestricted public space and leisure facility, which is easily accessible by public transport and car.
- 4.2 The park is designed for public enjoyment and education, and includes the popular dinosaurs which are a unique London attraction. The Regeneration Plan will improve access and public enjoyment and will increase the amount of high quality freely accessible public land within the park. The park provides green space for many local families who do not have access to gardens of their own.

5. POLICY IMPLICATIONS

- 5.1 The park is shown with various designations and policies in the Development Plan (Bromley Unitary Development Plan and the London Plan). There is an outline planning permission in place for the Masterplan, which has established the planning principles.
- 5.2 Bromley's Local Plan and housing targets include the units within the Masterplan's housing sites, which have outline planning permission in place. These housing sites are included within the new Regeneration Plan.
- 5.3 The Regeneration Plan will require separate planning consent. The approach will be to secure outline planning permission for the whole scheme, followed by detailed planning permission for each of the three stages of works.

6. PROCUREMENT IMPLICATIONS

- 6.1 A competitive procurement process using an EU compliant framework was undertaken to appoint AECOM as set out in report DRR16/009. The fee for stage one was fixed, however the fee for stage two, the delivery of the Regeneration Plan is calculated as a percentage of the value of the scheme as set out in the following table.

Stage 1 Cost	Stage 2 Cost							
	£10m		£25m		£50m		£75m	
	% Fee	Total	% Fee	Total	% Fee	Total	% Fee	Total
£ 248,824.00	8.75	£875k	8.15	£2.037m	7.65	£3.825m	6.72	£5.040m

- 6.2 At tender stage AECOM provided their maximum percentage fee against the cost of the delivery of the capital scheme. As the delivery of the scheme was unknown at the time of going to tender four indicative price bands were set.
- 6.3 The value of the capital scheme including inflation and contingency is £21.45m. Therefore it falls within the £10m to £25m price band and AECOM's fee at 8.15% is £1.748m.
- 6.4 Depending on whether the additional £400k estimated planning costs are treated as part of the capital scheme and are subject to AECOM's fee, the fee could increase to a maximum of £1.781m.
- 6.5 Officers have sought advice from the Head of Procurement to ensure that the Stage Two fee is accurately calculated and to ensure the correct process is undertaken in relation to the £400k planning related costs.

7. FINANCIAL IMPLICATIONS

- 7.1 This report is seeking approval to progress Phase 2 of the Regeneration Plan at a cost of £625k, funded from capital receipts.
- 7.2 A further £242.3k is also required from capital receipts to deliver the Crystal Palace Park Café project. The Capital Programme will be amended to reflect these decisions.
- 7.3 The table below summarises Phase 1 and Phase 2 of the project: -

Funding	£'000	£'000
<u>Phase 1</u>		
GLA grant for improvement scheme	2,000	
Historic England Grant	106	
Council match funding for improvement scheme	160	
Capital Receipts for regeneration plan phase 1	495	
Additional funding from LBB for café from capital receipts	242	
Total Phase 1 Funding		3,003
<u>Phase 2</u>		
Capital Receipts for regeneration plan phase 2	625	
Total Phase 2 Funding		625
TOTAL FUNDING FOR PHASE 1 & 2		3,628
Expenditure		
<u>Phase 1</u>		
<u>Phase 1</u>		
	£'000	
Improvement Scheme capital works	2,266	
Regeneration Plan - development stage one	495	
Improvement scheme café additional funding	242	
Total Phase 1		3,003
<u>Phase 2</u>		
Costs and fees for outline planning submission	625	
Total Phase 2		625
TOTAL EXPENDITURE FOR PHASE 1 & 2		3,628

- 7.4 The Regeneration Plan will improve the facilities within Crystal Palace Park, even if it is not transferred to a Trust.
- 7.5 There will be a loss of rental income for two years of up to £98k, (£49k per annum), during the actual works of Phase 3, from the Caravan Club and St Johns Ambulance. This will need to be funded from resources within the Portfolio. It is expected that the Council will receive £55k per annum for ground rent should the housing development be built.
- 7.6 The evaluation of the draft business plan and assessment of any potential savings cannot be undertaken until the detailed annual costs for the management and maintenance of the park are confirmed. A further report on the future business model for the park will be brought back for consideration in due course.
- 7.7 At this moment in time, on the basis that Capital Receipts from the enabling development may be able to be raised in advance, it is not anticipated that the Council will need to borrow funding for Phase 3 of the Regeneration Plan.
- 7.8 It should be noted that as the Council has accepted the GLA funding of £2m, it has made the commitment to reinvest any income generated as a result of this capital funding, back into the park and not directly use it to subsidise revenue provision.

8. PERSONNEL IMPLICATIONS

- 8.1 The delivery of the Regeneration Plan will continue to be resource heavy and requires the continued employment of two additional staff on fixed term contracts.
- 8.2 The existing allocation of £495k capital funding will continue to cover the cost of staffing until March 2018. After this time further budget will be required to fund staffing, as identified in the table in paragraph 3.27; however the make-up of the staff team may change at this time depending on the progression of the business plan and governance strategy.

9. LEGAL IMPLICATIONS

9.1 Section 123 Local Government Act 1972

Section 123 (2A) of the Local Government Act 1972 provides that a Council cannot dispose of any land consisting or forming part of an open space unless they first publish notice of their intention to do so for two consecutive weeks in a local newspaper, and then consider any objections to the proposed disposal which may be made. Therefore, before the Council can make a final decision to grant a lease of the park to the proposed Trust; to sell any part of the Sydenham site which currently forms part of the park; or to sell or lease the proposed museum site, it will be necessary to advertise as required, and to report back on any objections received.

9.2 The Caravan Club

The Caravan Club lease contains a notice provision allowing the Council to terminate the lease early by notice once every 30 years if it proposes to redevelop the site. The next termination date is 31st December 2018; under the lease the Council has to give not less than 24 months' notice ie notice had to be served before 31st December 2016. Notice was served on 21st November 2016.

However, because the lease is protected by the Landlord and Tenant Act 1954, the Council also has to comply with the statutory notice requirements in the Act. Normally this would be done by a single notice for both purposes but under the Act the maximum notice period is 12 months. Consequently, a further notice to terminate the lease under s25 of the Act will have to be served in January 2018. If the Council does not want to grant a

new lease then it must comply with one of the statutory grounds in the Act - redevelopment is one of those grounds. The tenant has a right to object to the notice and to refer the matter to the local county court where the landlord has to be able to show (*at the point of the court hearing, not when the notice is served*) a fixed and settled intention to do what it says it intends to do (ie redevelop) and a reasonable prospect of being able to do so. As it now appears that the Council will not offer the Caravan Club a lease of an alternative site in the Park it is highly likely that they will oppose the notice. If they are quick off the mark, they could even serve their own notice under s26 of the Act first, although the effect will be the same.

In this case, evidence of member decisions to proceed with a sale for redevelopment purposes would be good evidence of intention (as would having gone through the s123(2A) process mentioned above), while having agreed terms or exchanged contracts with a developer who is seeking or has obtained planning permission would provide evidence of there being a reasonable prospect of proceeding. As there is a good 18 months before any court hearing is likely to take place this ought to be feasible.

Failing to convince the court of a fixed and settled intention and a reasonable prospect of redeveloping the site could result in the court ordering the grant of a new lease. They cannot make an order for a lease with a term of more than 14 years, but the risk of not getting everything lined up in case of a contested hearing is that the redevelopment could be delayed by a period of up to 14 years. Members should also note that the Club will be entitled to statutory compensation of twice the rateable value of the site on leaving.

9.3 Terminating other leases to enable redevelopment to proceed

One O’Clock Club:

This lease is in the standard form for the Mytime contract and so is outside the protection of the Landlord and Tenant Act 1954 and contains an early termination clause allowing the Council to terminate on 12 months’ notice provided there has been a members’ decision to demolish or reconstruct the building or a substantial part of it or carry out substantial works of construction on it.

St John’s Ambulance:

This lease is also outside the protection of the Landlord and Tenant Act 1954 and contains a provision allowing the Council to terminate on not less than 6 months’ notice at any time after 9th June 2007.

Non-Applicable Sections:	[List non-applicable sections here]
Background Documents: (Access via Contact Officer)	Report DRR17/016 – Crystal Palace Park Regeneration Plan Update Report DRR16/009 – Crystal Palace Park Regeneration Plan Report DRR15/020 – Crystal Palace Park Appendix A – Capital scheme indicative site plan Appendix B – Regeneration Plan Appendix C – Implementation Plan (commercially sensitive and available to Members on request) Appendix D – Programme Appendix E – Subway and museum building footprint plan from 2007 Masterplan Appendix F – Draft business model and ten year profit and loss forecast (commercially sensitive and available to Members on request) Appendix G – Risk register

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Report No.
DRR17/036

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE, WITH PRE-SCRUTINY BY THE RENEWAL & RECREATION POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Date: R&R PDS - Wednesday 5 July 2017
Executive - Wednesday 19 July 2017

Decision Type: Non-Urgent Executive Non-Key

Title: ORPINGTON BUSINESS IMPROVEMENT DISTRICT (BID) PROPOSAL – RENEWAL FOR 2018-2023

Contact Officer: Martin Pinnell, Head of Town Centre Management and Business Support
Tel: 020 8313 4457 E-mail: martin.pinnell@bromley.gov.uk

Chief Officer: Executive Director of Environment & Community Services

Ward: Orpington; Petts Wood & Knoll; Cray Valley East

1. Reason for report

This report updates Members on the progress to date on the development of a proposed Second Term for the existing Business Improvement District (BID) in Orpington Town Centre and its potential implications for the Council; Introduces the outline Orpington BID Proposal 2018 – 2023 which has been presented to the Council by the Orpington First Ltd (the Orpington BID company) and requests delegated authority for the Portfolio Holder for Renewal and Recreation to review the final version of the BID Proposal in order to authorise a Ballot to be held on the renewal of the Orpington BID in November 2017.

2. **RECOMMENDATION(S)**

Members of the Executive are asked to:

2.1 Note the draft Orpington BID Proposal 2018 – 2023 (summarised in 3.11 below but provided in full as part of a report on Part 2 of this agenda) which details the progress to date on the development of the BID, including the level of consultation with businesses, and outlines the BID levy rules and emerging key priorities of the BID for its second term.

2.2 Agree in principle, on the basis of the outline BID Proposal that the Council's Ballot Holder may be instructed to hold a ballot in November 2017, according to the Business Improvement District Regulations (England) 2004, being satisfied that the BID Proposal does not conflict with any of the Council's priorities and plans, and that its geographic scope is

within the boundaries of the London Borough of Bromley (see map of draft BID boundary in APPENDIX 1).

2.3 Agree delegated authority to the Portfolio Holder for Renewal & Recreation to review the FINAL version of the BID Proposal which is expected to be delivered to the Authority by 13 September 2017 and provided that this still meets the criteria outlined in 2.2 above, instructs the Ballot Holder to run the BID ballot, on behalf of the Executive.

2.4 Agree that the Portfolio Holder for Renewal and Recreation nominates an officer to vote 'Yes' on behalf of the Council for eligible Council-occupied hereditaments which fall within the proposed BID area (these are listed in paragraph 5.2).

2.5 Subject to a BID 'yes' vote, authorise the Director of Corporate Services to enter into all legal agreements necessary to renew and operate the BID, and that the agreements ensure that the BID company acts at all times in the best interests of the town centre. The draft agreements, which are still to be finalised, are included as part of APPENDIX 2.

Corporate Policy

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

Financial

1. Cost of proposal: One-off costs: £6.25k
 2. Ongoing costs: Approx. £4k per annum
 3. Budget head/performance centre: Town Centre Management Initiative Fund
 4. Total current budget for this head: £24.5k
 5. Source of funding: Existing Controllable Revenue Budget 2017/18
-

Staff

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

Legal

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

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Businesses within Orpington Town Centre, especially up to 350 business rates payers who are likely to be BID Levy Payers from April 2018 – March 2023
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments: At time of finalising this report, comments have been received from Councillor Botting (Orpington Ward), Cllr Page (Cray Valley East Ward) and Cllr Pierce (Cray Valley East Ward). All were strongly in support of Orpington BID and its continuation into a second term.

3. COMMENTARY

Background

- 3.1 The Orpington First BID, covering Orpington High Street environs, was the first Business Improvement District (BID) to be established within the London Borough of Bromley. It was launched in April 2013 after a successful ballot of business rate payers which took place in November 2012. The ballot and the campaign were led by the Council's Town Centre Management team but fully supported by the Orpington Business Forum and a wide range of local stakeholders including the management of the Walnuts Shopping Centre. The Orpington First BID was set up to run for five years, which is the maximum allowable term for a BID under the BID Regulations. The current term of the BID therefore ceases on 31 March 2018.
- 3.2 In preparation for the end of the current BID term, the BID Board and management team undertook some initial feasibility work and confirmed that there is an appetite amongst the local businesses for renewal of the BID mandate to continue for a further 5 years. The Board therefore approved the issuing of a notice of the intention to hold a ballot to the Secretary of State (as required by BID Regulations) which was sent and acknowledged in April 2017. The Board also approved that further work, including consultation with levy payers, was undertaken by BID staff in preparation for a ballot to be held in October 2017.
- 3.3 In proposing a renewal of the BID, Orpington 1st Ltd (the BID company) has taken on the bulk of the work involved in preparing for the Ballot with light-touch support and advice from Central Management Services (CMS) and from the Council's Town Centre Management Team. Based on advice from CMS, the BID is using a standard and well proven 5-stage approach to setting up a BID, consisting of the following:
- Feasibility Stage – involving establishing the need for a BID, assessing business interest, testing the financial feasibility based on business rates data and raising awareness of the process
 - Planning Stage – including establishing the vision, undertaking research and in-depth consultation, modelling the potential BID levy rules and creating the Proposal
 - Local Authority Stage – including developing Operating and Baseline agreements, agreeing and setting up the ballot process and agreeing a ballot timetable, creating a voter database and agreeing BID levy collection processes. This Stage involves some input from various Council teams, with the lead taken by the Head of Town Centre Management & Business Support.
 - Campaign Stage – Involving establishing the voters at each business, communications with voters, ballot monitoring and agreeing contingency for failure at ballot
 - Establishment Stage – including preparation for launch, setting up billing procedures, governance arrangements, staffing and recruitment

Because the timescales for delivery are short the Planning Stage and the Local Authority Stage activities are being run in parallel to ensure that the statutory deadlines for undertaking a BID ballot and setting up the BID are met within a timescale to enable the ballot to take place in October / November 2017.

- 3.4 A copy of the outline Orpington BID Proposal 2018 – 2023 report containing a summary of the consultations, the proposed BID levy rules and the activities to be delivered through the BID are provided as APPENDIX 1, but are summarised in the sections below.

Council decision-making for the establishment of the BID

- 3.5 The Business Improvement District Regulations (England) 2004 require a BID proposer to request that the Local Authority holds a ballot on the BID Proposal. The parameters of this decision are framed by the legislation – and these are set out in paragraph 6.1. However, because of the short timescales involved, the BID Proposal is not yet finalised. The draft BID Proposal will be refined by a further round of consultation, including a business survey of all potential levy payers and 1 to1 meetings with at least 100 levy payers, with a view to providing the Council with the final BID Proposal and Business Plan by 13 September 2017.
- 3.6 Due to the need to run the BID Ballot for 28 days from 6 October to 2 November 2017, the Notice of Ballot will need to be issued by 20th September and there would not be sufficient time for the September meeting of the Executive to review the final version of the Proposal and Business Plan in good time. Therefore, although this report recommends that the Executive agrees in principle with the running of a BID Ballot on the basis of the Outline BID Proposal, Members are also requested to approve delegated authority for the final decision to be accorded to the Portfolio Holder for Renewal & Recreation, who would be provided with the final version of the BID Proposal and Business plan and would therefore be able to instruct the Ballot Holder to proceed at the appropriate time. Additionally the Portfolio Holder will need delegated authority to mandate an Officer to vote in favour of the final BID Proposal in the ballot in respect of hereditaments which are occupied by the Council.

Consultation of Orpington businesses

- 3.7 As the BID has been operating since April 2013, there has been continuous feedback from the levy payers throughout the first term, a process which has been encouraged by the BID Board. This was essential to ensure that project delivery reflects the expectations of the businesses, and to understand the appetite for proceeding to seek a second BID term. Based on this informal feedback from businesses, in March 2017 the Board approved a plan to seek a second term through a ballot of levy payers. In effect this concluded the Feasibility Stage.
- 3.8 The Planning Stage, incorporating a more structured consultation process, started in April 2017 with a BID Forum meeting – an open meeting attended by Board Directors and Orpington BID levy payers – at which the Board’s approach was confirmed. In May 2017, the BID convened a number of sector-specific meetings (covering Hospitality, Retail, Service and Office sectors) which were held to help establish new priorities for the 2nd term. In June 2017 a survey was sent to all BID levy payers with the aim of receiving responses from at least 45% of the businesses. In July a further Forum Meeting will take place at which the results of the survey will be presented, along with the draft Business Plan for the 2nd term. Throughout July and August, one to one meetings with at least 100 levy payers will be convened to consult on the draft Business Plan. As a result of this process the Business Plan and BID budget for the 2nd term will be refined with a view to publishing the final Business Plan on 20 September 2017.
- 3.9 In the early stage consultation, businesses have not been specifically asked as to whether they would vote in favour of a BID since at this stage there was no BID Proposal for them to decide upon. However, those undertaking the work have reported a generally very positive approach to the concept of a continuing BID for Orpington which suggests that the

BID will be successful at ballot. For consultation taking place between June and August businesses will be asked to indicate their voting intentions and the results of this canvassing will be fed back to the Council on a regular basis. A summary of all consultation to be undertaken by the BID in preparation for the renewal Ballot is contained in **APPENDIX 1**.

Outline of BID Proposal

3.10 The consensus amongst levy payers, arising out of the consultation undertaken to date, is for the BID to continue to deliver along the 4 work themes which were the priority during the 1st term, but there has also been clear support from businesses for the BID to introduce a 5th theme 'For Investment', which is related to encouraging and influencing new investment into the town centre. Some of the activities currently undertaken will continue but there are a number of new activity programmes and projects which will deliver to the key themes. The below provides a brief description of each theme.

For Customers

3.11 This theme is about making the town centre more attractive to customers, retaining regular visitors and shoppers, and bringing additional footfall and spend into the town. This encompasses building on the success of the town centre website, extending the reach of the BID e-newsletter for residents and customers, promoting the Orpington loyalty card and maintaining an annual programme of high profile events

For Look and Feel

3.12 This theme is about fostering a safe and pleasant local environment to encourage our visitors and shoppers to keep coming back. The BID will continue to deliver and enhance its activities around community safety and environmental enhancement – supporting the presence of a dedicated town centre police team, promoting the radio safety scheme and other crime reduction initiatives, and will seek to provide additional cleansing services to help keep the town centre clean.

For Access

3.13 This theme is about ensuring the town centre remains accessible to all, is easy for customers to find their way around and that suitable facilities are available within the town. As part of this theme the BID funded the renovation and management of the public toilets, worked with the Council to promote the Car Club, promoted cycling, reviewed car parking in the town and have supported beneficial changes to parking and loading provision. Most of these activities will continue – although the relocation of the public toilets facility into the Walnuts Shopping Centre is expected before the start of the new BID term, which means the existing facilities will close to the public. An additional area of work within this theme in the 2nd term will be to review and improve town centre wayfinding.

For Business

3.14 This theme is about supporting the businesses based within the BID zone to ensure that they can be as competitive and successful as possible. This will continue to involve providing networking opportunities and events such as the quarterly open Forum meetings and monthly networking breakfast meeting; helping businesses save money through the BID's collective purchasing offer for business services, and providing an expanded waste management and recycling service. The BID will continue to play an advocacy role for its members – taking part in regional and national lobbying along with others in the BID

industry and is represented on local partnership bodies such as the Bromley Economic Partnership.

For Investment

- 3.15 The theme is about working with partners to encourage inward investment and development that is beneficial to the town centre and its businesses and residents. It is the only new theme to be introduced in the draft Business Plan but in fact a number of these activities have been delivered by the BID during the first term. Examples include organising the annual Opportunity Orpington expo; working with local agents to promote empty commercial properties to suitable tenants; providing editorial on the town in a variety of property and investment publications and using online information to monitor changes to the town centre retail mix and identify potential gaps and opportunities. In addition to these, in the 2nd term the BID will use the town centre regeneration capacity report commissioned by the Council to produce a comprehensive development plan for the town – in partnership with all relevant stakeholders.
- 3.16 Because the BID Company is an independent private company and their plans for the delivery of services are still under consultation with their own members and levy payers – the BID has asked for the full draft Business Plan and 5-year Budget for the period 2018 – 2023 to be kept confidential at this stage. For this reason the full draft documents are provided to Members as an appendix to a report under Part 2 of this agenda.
- 3.17 In the Feasibility and early Planning stage, assumptions had been made that had been retained throughout the research stages. These were that:
- a. For the new term there would be a threshold of £5,000 rateable beneath which businesses within the area would not be subject to a levy and so would not be balloted. The reason for this is that the levy collected from these very small premises will be so low as to make collection uneconomical.
 - b. There would be a cap of £20,000, being the maximum amount paid by any one hereditament.

The recommended headline BID Rules for Orpington BID (Term 2) are:

The levy rate to be paid by each hereditament is to be calculated at 1.5% of its rateable value as at the Chargeable Day (1 st April in each year).
All hereditaments with a Rateable Value of £5000 or above will be eligible for payment of the levy. (The number of hereditaments liable for payment of the levy is expected to be 325)
Each year the levy rate will be increased by a fixed rate of inflation of 2% per annum.
The levy will be charged annually in advance for each chargeable period, to be April to March each year. No refunds will be made.
The maximum amount payable for any one hereditament each year to be capped at £20k
Owners of untenanted buildings would be liable for the levy.
Occupiers of covered shopping centres, already paying service charges in addition to rent and rates, to pay 75% of the levy that would otherwise apply.
Charitable organisations that are subject to relief on their business rates liability will pay 75%

of the levy that would otherwise apply (excluding those eligible for discount as Shopping centre tenants).
--

The London Borough of Bromley will be responsible for collection of the levy. The parameters of this responsibility, including collection charges to the BID, are to be set out in the Operating Agreement.

On this basis, the renewed Orpington BID would have Year 1 levy income of £184,904 (assuming a collection rate of 98%), increasing by 2% per annum thereafter. In addition, based on experience of the first term, the BID expects to be able to generate additional annual income of circa £36,000. Over the full second term of the BID, the total expected average income to be raised by the BID would be approximately £229k per annum. This would be sufficient to deliver the programme of improvements and activities which are outlined above.

Implications of BID establishment

3.18 Based on the proposed BID levy rules above, and barring any significant changes in the rateable values within the BID area, the total investment which would arise from the BID levy will be £1.14m over the 5 year term. This is a significant level of private sector investment to help ensure that Orpington town centre remains competitive within London and the South East. In terms of financial impact on the businesses, although there are a small number of national businesses who will be making a significant contribution to the BID budget, the average annual levy bill will be just under £590 per hereditament.

It is important to note that for a BID Proposal to be successful at ballot it must meet two key criteria:

a. More than 50% of votes counted must be in favour

AND

b. More than 50% of the rateable value represented by the vote must be in favour

This means that Orpington First BID Board must not only persuade more than 50% of the voters to vote in favour, but also ensure that businesses with multiple hereditaments or properties with large rateable value support the BID in the ballot. One to one engagement is already under way with managers and potential voters at these higher rateable value organisations to understand their needs and requirements for a renewed BID.

3.19 Should the BID ballot be successful, delivery of the activities outlined in the BID Business Plan would be the responsibility of Orpington First Ltd (a Company Limited by Guarantee) as is the case for the current BID term. The board of Directors for this Company will continue to be drawn from amongst a range of businesses – large and small – within the BID area. A full list of the current Board members will be included in the final BID Business Plan. As is currently the case, the Council will have non-voting advisory members on the Board – with one Officer and one Councillor playing this role. These arrangements are to be confirmed as part of the Operating Agreement for the renewed BID.

3.20 The Operating Agreement, a draft of which is included as **APPENDIX 2**, will govern how the London Borough of Bromley and the proposed BID will cooperate on the operation of the BID – including how the BID levy will be collected and passed across to the BID company. Included with the Operating Agreement is what is known as the Baseline

Agreement which defines the services being delivered by the Council within Orpington Town Centre which are expected to continue during the BID term. These will remain the responsibility of the Council but the BID may introduce additional services to enhance the existing baseline – for example additional or specialist cleansing patrols. Further information on the legal aspects of the BID set up is provided in the Legal Implications section below.

4. POLICY IMPLICATIONS

4.1 Because Orpington BID has at its heart the improvement, enhancement and promotion of this major town centre, the BID Proposal is expected to assist in the Council’s ambition to encourage Vibrant Thriving Town Centres. It is therefore recommended that the Council supports the renewal of the Orpington First BID as the best means of ensuring that the town centre continues to be managed effectively – to enable it to flourish and develop positively into the future, in partnership with the Council.

5. FINANCIAL IMPLICATIONS

- 5.1 As part of the Council's statutory duty under the BID Regulations, it has to fund the cost of any BID ballot. For Orpington BID, this is estimated to be £2.5k.
- 5.2 It is also proposed that the Council meets the one-off set up cost for the BID levy collection system for the new term, which is expected to be £3.75k. In total the ballot and start-up costs for the renewed Orpington BID will be £6.25k and this can be funded from the Town Centre Management Initiative budget for 2017/18, which is £24.5k.
- 5.3 The main revenue implication for the Council over the 5 years of the BID, is the liability to pay the BID levy on Council-occupied hereditaments which are located within the BID area. These are listed below – with their rateable value and likely BID levy charge during the first year of operation. Assuming no changes to the Council’s occupation of commercial premises the total potential charge to the Council over the five year period is expected to be £20.2k.

Council Building	Department Responsible	Rateable Value (RV) £	Bid Levy in First Year £	Estimated 5 Year Total £
2nd Floor Council Offices, The Walnuts	ECHS	57,000	855	4,449
Saxon Centre (part), Lych Gate Road	ECHS	14,250	214	1,114
Orpington Library, The Walnuts	ECS	99,000	1,485	7,728
The Former Library, Church Hill *	ECS	59,500	893	4,648
The Priory Museum, Church Hill *	ECS	29,500	443	2,306
Total			3,890	20,245

* **NOTE:** The two hereditaments listed above which are in the Priory Building are due to be taken over by a new leaseholder, after which point the Council will no longer be liable for the levy, saving £1.3k per annum. The totals provided above are therefore 'worse case scenario'.

5.4 The Orpington BID is expected to generate nearly £221k in the first year of operation and will invest approximately £1.14m into the town centre in the new 5-year term.

6. LEGAL IMPLICATIONS

6.1 Whilst there is no statutory obligation on the Council to establish BIDS there is a statutory process to follow if the decision is made to promote one. These are set out in the Business Improvement District Regulations (England) 2004. This requires approval of the Council be

given for a ballot on the proposed BID and this approval is being sought from the Executive Committee. Through this process the Authority is to satisfy itself that the BID Proposal does not conflict with any Council policies or priorities, has been generated in accordance with the BID Regulations and is within its jurisdiction (i.e. the proposed BID boundary falls wholly within the Local Authority's boundary). These are the only criteria on which a Local Authority can reject an application for a BID ballot or veto the outcome of a ballot.

6.2 Orpington First Ltd, which has been responsible for the delivery of the Orpington BID from 2013 – 2018, is the body which will be formally requesting the Council approval to go to ballot for the further 5 year term – from April 2018 to March 2023.

6.3 Additionally Council Officers have been working with Orpington First Ltd to draft and finalise two legal agreements which are required for the formation of the BID, as follows:

- Operating Agreement – The Operating Agreement covers the arrangements for the billing, collection and payment of the BID levy collected to the BID Company. This will place an obligation on the Council to take certain steps to secure payment of the levy and in the event of failure to follow the specified steps to pay the relevant sums to the BID Company itself. A draft version of this Agreement is provided in APPENDIX 2
- Baseline Agreement – The Baseline Agreement forms a Schedule to the Operating Agreement and summarises those statutory and standard non-statutory services provided by the Council which may potentially overlap with services to be provided by the BID. This provides reassurance to the BID company and levy payers that the levy income is funding additional services, not those currently being provided. The baseline agreement describes the services provided by the Council at this point in time and will not, save to the extent that any services amount to a statutory requirement, constitute a binding commitment on the Council to continue to provide these in the future. A draft version of the Baseline Agreement is included in APPENDIX 2.

6.4 Should there be a requirement for Orpington First Ltd to take up any other services from the Council, then Legal will draft a further agreement for any additional services which the Council may provide (for example the operation of the High Street Markets and Promotions).

6. PERSONNEL IMPLICATIONS

7.1 The Council's only ongoing staff input for the Orpington BID is to provide an Officer as an advisory member of the board and this Officer (Head of Town Centre Management and Business Support) is responsible for monitoring the delivery of the BID programme and the associated legal agreements – an arrangement which is expected to continue. The administration of the levy collection involves both Liberata and Council staff – and this is expected to continue during the renewed BID term. Costs related to these services will be recharged annually to the BID company. There will be no staffing changes as a result of the successful renewal of the Orpington BID.

Non-Applicable Sections:	None
Background Documents: (Access via Contact Officer)	Business Improvement District Proposal for Orpington 12 Sept 2012 (DRR12/106)

Dear Cllrs.

Orpington 1st Ltd is the Business improvement district (BID) which represents over 300 town centre Businesses.

It is owned and led by local employers and was established in April 2013 becoming the first BID within the borough of Bromley.

It is financed by a mandatory levy in accordance with the Business Improvement Districts (England) regulations 2004.

The BID was elected for an initial 5 year term 2013-2018 after which another ballot is necessary for it to continue.

The Board of Directors have approved the option to renew the BID for a second term 2018-2023 and are therefore seeking local authority approval to hold a ballot in November 2017.

The BID Board are proposing to continue with the main themes set out and established during the original consultation.

First for Customers | First for Look & Feel | First for Access | First for Business

This has/will be refreshed with feedback from the current consultation process and with the experience gained in the delivery of projects during the BID's first term.

First for Investment

Is the additional theme which has been included reflecting business feedback. The extensive development programme that is either taking place or is planned for the town centre is changing the structure of the business community and the demands of its customers and has therefore become a focus for both independents and national brands.

Please find enclosed the following documents.

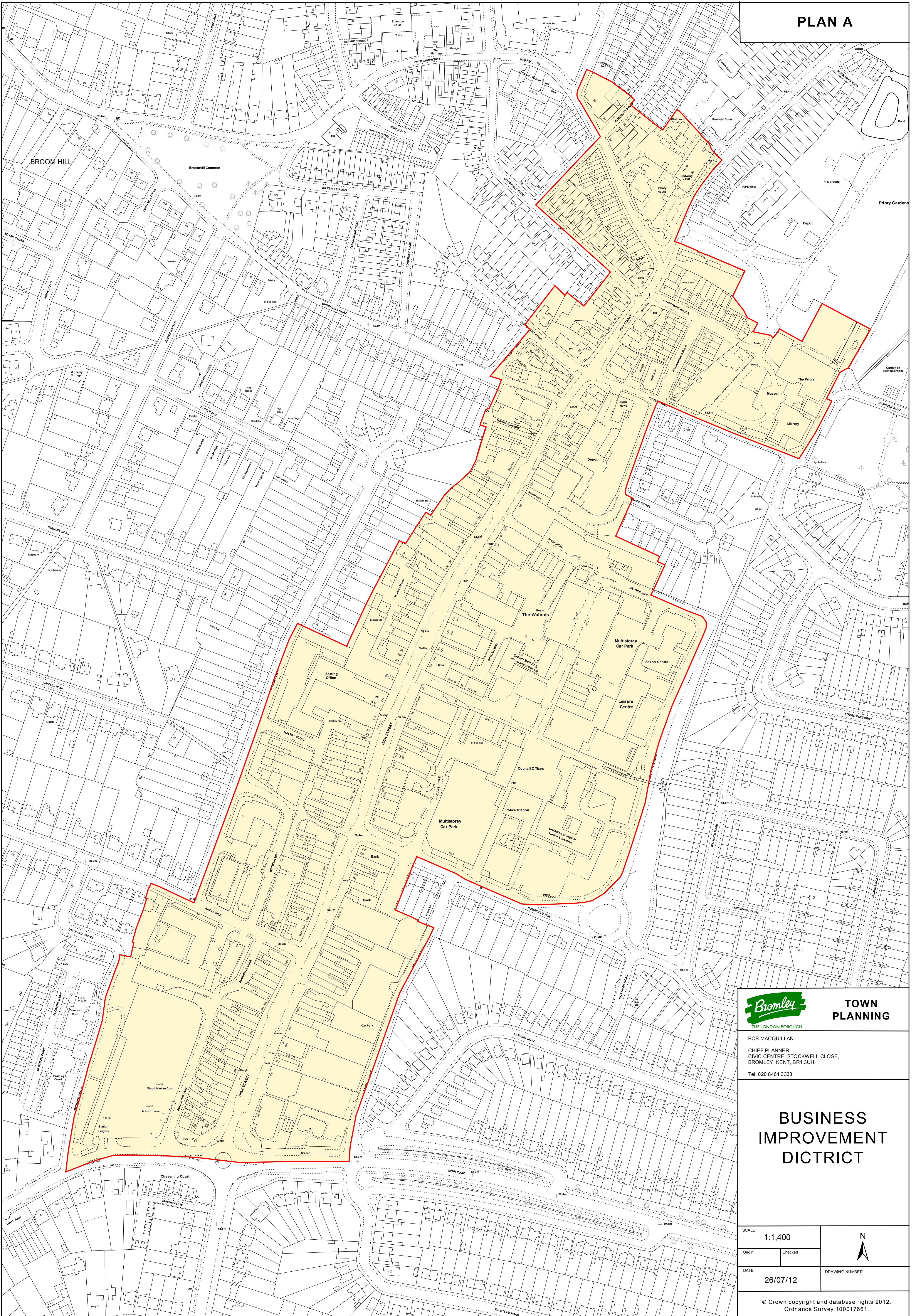
BID Boundary Map, Levy Rules, Consultation Summary, Draft BID Proposal, 5 Year Budget

Kind regards,

Sharon Baldwin,

Orpington 1st BID Executive Director

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Bromley THE LONDON BOROUGH

TOWN PLANNING

BOB MACQUILLAN
 CHIEF PLANNER,
 CIVIC CENTRE, STOCKWELL CLOSE,
 BROMLEY, KENT, BR1 3UH.
 Tel: 020 8464 3333

BUSINESS IMPROVEMENT DISTRICT

SCALE	1:1,400	N ↑
Origin	Checked	
DATE	26/07/12	DRAWING NUMBER

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 Ordnance Survey 100017661.

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BID Rules

In developing the rules that will apply to the renewed BID, consideration has been given to 'The 2017 Industry Criteria and Guidance Notes for BIDs' published by British BIDs on behalf of the British Retail Consortium, ATCM, intu, British Property Federation, ACS & Revo.

Ballot

1. The Electoral Reform Society (ERS), on behalf of The London Borough of Bromley, will send those responsible for properties or hereditaments to be subject to the BID a ballot paper prior to Friday 6th October 2017.
2. Each property or hereditament subject to the BID will be entitled to one vote in respect of this BID proposal in a 28 day postal ballot which will commence on Friday 6th October 2017, and close at 5pm on Thursday 2nd November 2017. Ballot papers received after 5pm on Thursday 2nd November 2017 will not be counted. The result of the ballot is due to be announced on the following day.
3. In order for the proposal to be successful at ballot the result will need to meet, as a minimum, two independent criteria which are: (a) of those ballots returned by the close, those voting in favour of the proposal must exceed those voting against it, and (b) of those ballot papers returned by the close, the total rateable value of those properties or hereditaments which vote in favour, must exceed the total of those voting against.
4. If successful at ballot, the BID will commence delivery of services in April 2018 and will continue for a period of 5 years to March 2023.

Levy

1. The levy rate to be paid by each property or hereditament is to be calculated as 1.5% of its rateable value as at the 'chargeable day' (1st April each year).
2. Only properties or hereditaments with a rateable value of £5,000 or more will be eligible for payment of the levy.
3. The number of properties or hereditaments liable for the levy is approximately 325.
4. Each year the levy rate will be increased by the fixed rate of inflation of 2% per annum.
5. The levy will be charged annually in advance for each chargeable period to be April to March each year, starting in 2018. No refunds will be made.
6. The maximum amount payable for any one hereditament each year is capped at £20,000.
7. The owners of untenanted properties or hereditaments will be liable for payment of the levy. This includes listed buildings.
8. Occupiers within covered shopping or centres (in this case the Walnuts Shopping Centre) that are subject to a service charge will pay 75% of the levy that would otherwise apply.
9. Charitable organisations that are subject to relief on their business rates liability will pay 75% of the levy that would otherwise apply (excluding those eligible for discount as per clause 8).
10. London Borough of Bromley will be responsible for collection of the levy. The collection charge will be £TBC* based on circa 325 bills raised; this equates to TBC%* of anticipated billed levy and £TBC* per hereditament.

*we are awaiting confirmation on the levy collection costs. We anticipate this being no more than that which is stated as a maximum in the British BIDs 2017 Industry Criteria & Guidance, 3% of annual billed levy.

Finances

1. A cautious approach has been adopted to budgeting for the BID term, based upon national averages.
2. A levy collection rate of 98% has been assumed and this is in line with national trends.
3. The average annual levy available to be spent by the BID for the term is £191,632
4. A contingency provision on expenditure, together with the availability of reserves, provides for an anticipated surplus of £48,828 by the end of the renewed term. This equates to 4.3% of expenditure.
5. Annual core costs of the BID are estimated at 13%.

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Summary of consultation

Continuous feedback has been sought from all levy payers during the BID's first term to ensure that project delivery reflects business expectation, and to understand the appetite for continuing the BID and proposing a ballot to secure a second term.

The following is a list of the structured consultation process which that has resulted in.

March 2017	BID Board	Approval to propose a second term to levy payers.
April 2017	Forum meeting	confirmation of their approval to proceed.
May 2017	Sector Meetings	held to establish new priorities for a second term.
June 2017	AGM	notice given confirming ballot Proposal.
June 2017		Business survey sent to all levy payers
July 2017	Forum meeting	consultation on survey results and presentation of draft proposal for discussion.
July 2017/August		a further 100 businesses contacted 1.1 to consult on content of draft business plan.
September 2017		Proposal document & Business plan published.
October 6 th – November 2 nd		Ballot

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DATED

201_

THE MAYOR AND BURGESSES OF THE LONDON BOROUGH OF BROMLEY

AND

ORPINGTON FIRST LIMITED LIMITED

**OPERATING AGREEMENT FOR A BUSINESS IMPROVEMENT DISTRICT IN
ORPINGTON**

Contents

1	Definitions
2	Statutory Authorities
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10	Payment of the BID Levy to the BID Company
11	Accounting Procedures and Monitoring
12	Termination
13	Confidentiality
14	Notices
15	Miscellaneous
16	Exercise of the Council's powers
17	Contracts (Rights of Third Parties)
18	Law and Dispute Resolution
19	Freedom of Information
	SCHEDULE 1: BID Area Map
	SCHEDULE 2: BASELINE AGREEMENT
	SCHEDULE 3: BID LEVY RULES

THIS DEED is made the day of 201__

BETWEEN

- (1) **THE MAYOR AND BURGESSES OF THE LONDON BOROUGH OF BROMLEY** of Civic Centre, Stockwell Close, Bromley BR1 3UH (the "Council"); and
- (2) **ORPINGTON FIRST LIMITED** (the "BID Company") registered as company limited by guarantee in England with number 08139594 whose registered office is at The Walnuts Management Suite, High Street, Orpington, Kent, BR6 0TW

RECITALS

- A. The Council is the billing authority for the purposes of the Local Government Act 2003 and is responsible for the imposition, collection, recovery and application of the BID Levy and administering the BID Revenue Account which shall be used towards the operation of the BID within the area in the local authority and the funding of the BID Arrangements
- B. The BID Company is responsible for the operation of the BID and for using the BID Levy for the purposes of achieving the objectives and aspirations set out in the BID Arrangements
- C. Both parties wish to confirm the arrangements by which the BID Levy shall be collected, together with general arrangements as to the relationship to be established between the Council and the BID Company for the duration of the BID.
- D. The purpose of this agreement is to:
- Establish the procedure for setting the BID Levy
 - Confirm the basis upon which the Council or its agents will be responsible for collecting the BID Levy
 - Set out the enforcement mechanisms available for collection of the BID Levy
 - Set out the procedures for accounting the transfer of the BID Levy
 - Provide for the monitoring and review of the collection of the BID Levy
 - Confirm the manner in which the Council's expenses incurred in collecting the BID Levy shall be paid.

IT IS HEREBY AGREED:

1. Definitions

Administrative Expenses means costs incurred by the Council and/or its agents in the imposition, administration, collection and recovery of the BID Levy and all reasonable costs incurred by the Council arising out of compliance with its obligations under this agreement and the Regulations during each year of the duration of this agreement.

the Annual Report means a report to be prepared by the Council or its agent which details the following:

- (i) the total amount of the BID Levy collected during the relevant Financial Year;
- (ii) details of the success rates for the collection of the BID Levy;
- (iii) the Council's proposals (if any) to help improve its efficiency in the collection and enforcement of the BID Levy;
- (iv) details of those BID Levy Payers who have paid the BID Levy and those who have not paid the BID Levy; and
- (v) the Council's proposals for bad or doubtful debts

Bad or Doubtful Debts for the purposes of this agreement means any unpaid BID Levy in respect of which the Council has sought recovery in accordance with clause 8.3 of this agreement and that BID Levy remains unpaid.

the BID has the meaning given in the Regulations that is the Business Improvement District and is that area within which the BID operates as edged red on the plan attached to this Agreement in Schedule 1.

BID Area means the area within which the BID operates as edged red on the plan attached to this Agreement in Schedule 1

BID Arrangements means those arrangements to be put in place pursuant to the Regulations for the operation of the BID Company

BID Business Plan means the Orpington First BID Business Plan 2018 to 2023

the BID Company's Report means a report for each Financial Year to be prepared by the BID Company which detail the following:

- (i) The total income and expenditure of the BID Levy;
- (ii) Other income and expenditure of the BID Company not being the BID Levy;
- (iii) A statement of actual and pending deficits; and
- (iv) The various initiatives and scheme upon which the BID Levy has been expended by the BID Company

BID Levy means the charge to be levied and collected within the BID area pursuant to the Regulations

the BID Company's Termination Notice means a notice to be served by the BID Company on the Council pursuant to clause 12.7

BID Levy Payer(s) means the non-domestic rate payers who are liable for paying the BID Levy

BID Levy Rules means the rules set out in the BID Proposals, which defines how the BID Levy will be calculated, details of Exempt or Discounted

Properties and other requirements related to the BID Levy. For the sake of clarity these have been set out in Schedule 3 of this Agreement.

BID Proposals has the same meaning as in the Regulations

BID Revenue Account means the account to be set up in accordance with Regulation 14 of the Regulations

BID Term means 1st April 2018 to 31st March 2023

BID Financial Year means the period from 1st April to 31st March

the Council's Termination Notice means the notice to be served by the Council on the BID Company pursuant to Clause 12.1

Chargeable Day means any one of the following days

- 1st April 2018
- 1st April 2019
- 1st April 2020
- 1st April 2021
- 1st April 2022

Commencement Date is the date of signing of this Agreement.

Contributors means the BID Levy Payers or other Contributors making voluntary contributions or funds available to the BID Company.

Demand Notice shall have the same meaning given in paragraph 3 of Schedule 4 of the Regulations

District Auditors Costs means the sum charged by an auditor appointed by the Audit Commission or any successor in carrying out an audit of the BID Revenue Account

Enforcement Expenses means the costs which are incurred by the Council in obtaining Liability Orders and Summons and all associated administrative expenses which may be incurred in recovering unpaid BID, including Bailiff charges.

Electronic Communication means a communication transmitted (whether from one person to another, from one device to another or from a person to a device or visa versa):

- (i) by means of a telecommunication system (within the meaning of the Telecommunications Act 1984); or
- (ii) by other means but while in electronic form].

the Exceptions means the circumstances in which the Council shall not be required to seek to enforce payment of the BID Levy where a BID Levy Payer

has failed to make payment pursuant to a Demand Notice. The exceptions shall be as agreed by the parties from time to time.

Exempt or Discounted Properties means that class, or classes of, property as identified in the BID Levy Rules which shall be either exempt from any requirement to pay the BID Levy or are permitted a discount on the BID Levy.

Hereditament shall have the same meaning as defined in the Regulations

Hereditament Start Date means the date when the amendment to the Valuation List takes effect

Liability Order has the meaning given in the Regulations

Maximum Amount For any particular Financial Year means the amount of BID Levy for which Demand Notices are issued (excluding replacement or amended Demand Notices)

Monitoring Group means the group to be set up to monitor the collection and enforcement of the BID Levy (as referred to in Clause 11); the group is to consist of representatives of the Council and the BID Company

NNDR means National Non-Domestic Rates under the Local Government Finance Act 1988

NNDR Payer means the person or organisation who has a liability to pay the non-domestic rate

Proposal means the plan voted for by the BID Levy Payers in a ballot which sets out the objectives of the BID and identifies the various projects which will be undertaken using funds raised by the BID Levy and/or Contributions to achieve those objectives and 'Renewal Proposals' has the same meaning save that 'ballot' shall be replaced with 'renewal ballot' and "Alteration Proposals" has the same meaning save that 'ballot' shall be replaced with 'alteration ballot'

the Levy Payers Meeting means the meeting to be held of all BID Levy Payers pursuant to a Notice issued under clause 12

the Regulations means the Business Improvement Districts (England) Regulations 2004 and such amendments made by the Secretary of State pursuant to Section 48 of the Local Government Act 2003 (from time to time).

Revaluation The revaluation of the rateable values of all business and non-domestic property in England and Wales which takes place from time to time.

Single Instalment Due Date means the date by which the BID Levy as set out in the Demand Notice must be paid

Sum(s) Unpaid means the amount of the BID Levy which is unpaid after the Single Instalment Due Date.

Summons means the process issued in the Magistrates' Court upon Complaint by the Council or by the County Court upon application by the Council regarding unpaid BID Levy

Valuation List means a list of all NNDR properties in the local authority area

Valuation Officer means the person appointed by the Commissioners of the Inland Revenue to compile and maintain the Valuation List

Winding Up means an order pursuant to s125 of the Insolvency Act 1986

Write Off means a decision by the Council that an unpaid BID Levy will not be recovered.

Working Day means any day of the week other than a Saturday, a Sunday or a Bank Holiday

Data Processor shall have the same meaning as set out in the Data Protection Act 1998.

Data Protection Legislation the Data Protection Act 1998, the EU Data Protection Directive 95/46/EC, the Regulation of Investigatory Powers Act 2000, the Telecommunications (Lawful Business Practice) (Interception of Communications) Regulations 2000 (SI 2000/2699), the Electronic Communications Data Protection Directive 2002/58/EC, the Privacy and Electronic Communications (EC Directive) Regulations 2003 and all applicable laws and regulations relating to processing of personal data and privacy, including where applicable the guidance and codes of practice issued by the Information Commissioner.

Personal Data: shall have the same meaning as set out in the Data Protection Act 1998.

Staff means all (if any) persons employed by the BID to perform its obligations under the agreement together with the BID's servants, agents, suppliers and Sub-Contractors used in the performance of its obligations under the agreement.

2. Statutory Authorities

2.1. This Agreement is made pursuant to Section 2 and Part IV of the Local Government Act 2003 and Section 111 of the Local Government Act 1972 and all other enabling powers.

3. Commencement

3.1. This Agreement shall be effective from the Commencement Date and in any event shall determine and cease to be of any further effect in the event that:

3.1.1. The BID Term expires.

3.1.2. Either party exercises its discretion to terminate the BID Arrangements in exercise of powers under Clause 12.

4. Setting the BID Levy

4.1. As soon as possible after the Commencement of this agreement the Council shall:

(i) calculate the BID Levy in accordance with the Regulations and the BID Levy Rules.

(ii) Confirm in writing to the BID Company the BID Levy payable annually by each BID Levy Payer.

5. The BID Revenue Account

5.1. Pursuant to Clause 47 of the Local Government Act 2003, the Council shall establish a BID Revenue Account by the start of the BID Term.

6. Payments of the Council's Administrative Expenses

6.1. The Council shall invoice the BID Company in advance for the administrative charges as set out below. This will be done on an annual basis at the start of each BID Year. The invoice shall provide the BID Company with a breakdown of the costs incurred including VAT.

6.2. The expected annual administrative charges will include the following:

(i) Cost of collection of BID levy based upon circa 325 bills raised will be £[AMOUNT].

(ii) Annual accountancy and management fee of up to £[AMOUNT]

6.3. These charges will be adjusted on an annual basis at a rate equal to RPIX.

7. Collecting the BID Levy

7.1. The Council shall use all reasonable endeavours to collect the BID Levy on the Chargeable Day and thereafter on an annual basis

throughout the BID Term in a manner consistent with its usual procedures for the collection of non-domestic rates and in accordance with the procedure set out in Schedule 4 of the Regulations.

7.2. Pursuant to clause 7.1 the Council shall serve a Demand Notice or Amended Demand Notice on each BID Levy Payer and thereafter shall continue to calculate the BID Levy and serve the Demand Notices throughout the BID Term.

7.3. It is the responsibility of the Council to ensure that the BID Levy Rules are applied accurately.

7.4. The Council shall maintain a list that identifies payment and/or non-payment of the BID Levy that shall be made available to the BID Company at intervals of not less than once a quarter.

7.5. The Council shall liaise with the BID Company in carrying out an annual review of each Hereditament within the BID Area and in the event of any change in the occupier of each Hereditament or the merger or division of a Hereditament (or provision of an additional Hereditament) shall serve an updated list of BID Levy Payers upon the BID Company. Such changes will be reflected in the next annual calculation of the BID Levy and subsequent Demand Notices.

7.6. The BID Company shall be responsible for reviewing any appeals received against the payment of the BID Levy and the application of the BID Levy Rules.

7.7. Notwithstanding clauses 7.4 and 7.5 information provided to the BID Company pursuant to clauses 7.4 and 7.5 shall not include the provision of any Personal Data other than that which the Council may provide pursuant to the Regulations

8. Procedures available to the Council for enforcing payment of the BID Levy

8.1. In the event that the BID Levy is not paid in full within fourteen days from the Chargeable Day, then (subject to the Exceptions or as may otherwise be agreed by the parties) the Council shall, at no cost to the BID Company, serve up to two reminder notices ('Reminder Notices') on the defaulting BID Levy Payer, each of which shall:

- (i) identify the sum payable;
- (ii) provide a further 14 (fourteen) days for payment to be made; and
- (iii) confirm the Council may thereafter make an application to the Magistrates Court for a Liability Order to recover the unpaid sum (together with costs).

8.2. In the event that the BID Levy is not paid in full within 14 (fourteen) days of the service of the 2nd Reminder Notice in accordance with

clause 8.1, then the Council shall immediately inform the BID Company of such further failure to pay (subject to the Exceptions). The Council will consider any comments made by the BID Company before deciding whether to make an application to the Magistrates Court for a Liability Order. The Council will normally then make an application to the Magistrates Court for a Liability Order to recover the outstanding sum of the BID Levy as is permitted by the Regulations and by the Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989, as amended. The Council will bear the cost of any application for summons and will recover these costs from the revenue generated through any such action.

8.3. In the event that the BID Company requests that the Council does not undertake the full range of recovery action against a defaulting BID Levy Payer (as outlined in 8.1 and 8.2) the Council may write off the outstanding Bad or Doubtful Debt. Should any outstanding Enforcement Expenses remain unrecovered due to a request for the cancellation of recovery action by the BID Company, the Council will recover these costs from the BID Company.

8.4. In the event that, after all recovery action has taken place, any portion of the BID Levy is still unrecovered, the remaining Bad or Doubtful Debt may be written off. Any related Enforcement Expenses which remain unrecovered will be chargeable to the BID Company.

8.5. Where payments become due to the Council pursuant to clause 8.3 and 8.4, the Council must provide an account of the proposed charges to the BID Company. The Council will provide a VAT invoice to the BID Company to request payment of these charges.

9. Refunds on the BID Levy

9.1 Refunds will be payable by the Council on the BID Levy in the event of the over payment of the Levy by a BID Levy payer. Examples of reasons for over payment include:

9.1.1 Payment of same Levy bill more than once in error

9.1.2 Where, subsequent to payment, the Valuation Office Agency (VOA) reviews a hereditament and reduces the Rateable Value (RV), and backdates this change to before the billing date. This may result in a reduced BID levy liability or (where new RV is below the BID Levy threshold) a removal of the affected hereditament from BID Levy billing altogether.

9.1.3 Were hereditaments within the BID are split or merged prior to the chargeable day, and one or more of the properties are removed from the ratings list, but the Levy bill related to these removed properties has already been paid.

9.2. In the event that refunds become due to a Levy Payer on the basis of the reason set out in 9.1 these shall be payable only upon receipt of a written request from the Levy Payer, or their agents.

9.3. The amounts paid out during financial years 1 to 4 will be deducted from the BID Levy Account – and the payments made to the BID Company will be net of these refunds.

9.4. In final year of the BID Term, the Council will retain up to £1000 from the BID Revenue Account to be held against the possible need to pay levy refunds after the end of the BID term. This will be paid to the BID Company upon completion of a successful renewal ballot.

10. Payment of the BID Levy to the BID Company

10.1. The Council shall pay to the BID Company in accordance with the Regulations:

- i. On 15th April (the chargeable day) in each BID Year (2018, 2019, 2020, 2021, 2022) 50% of the invoiced debt less any repayments to BID Levy Payers under clause 9 of this agreement.
- ii. By 1st day of each subsequent quarter in each BID Year, a payment of further balance collected as at the previous month end, less any repayments to BID Levy Payers under clause 9 of this agreement.
- iii. By 30 April in each year, a final payment of balance for the previous financial year collected less any repayments to BID Levy Payers under clause 9 of this agreement.
- iv. At the end of the 2nd year of the BID Term, the Council will make known to the BID Company the number of accounts and amount of Levy still in arrears from the 1st year of the BID Term, and will request agreement of the BID Company for write off of all of these aged debts (except where ongoing discretionary payment arrangements are in place). Where the BID Company request further reconciliation for any of the debts incurred during this year, the Council reserves the right to levy an administration charge to cover staffing which may be required to administer these aged debts during the 3rd and subsequent years. The same procedure will be in place at the end of the 3rd year (in respect of the 2nd year accounts), at the end of the 4th year (in respect of the 3rd year accounts) and so on until the final year of the BID term. In each case, where the BID requests continued chasing and administration of aged debts, the Council will estimate the likely additional staff time required and levy a separate administration charge on the BID Company (the amount to be agreed between the parties).

The following worked example seeks to clarify this clause:

- Assuming the start date of the BID term is 1 April 2018, at the end of the financial year 2019/20 (year 2) the Council will reconcile all the BID monies from bills related to the financial years 2018/19 and 2019/20 (net of refunds). However, unless requested to by the BID Company, arrears outstanding on bills raised for the 2018/19 financial year will no longer be pursued or reconciled during 2020/21 (year 3) or subsequent years.

- 10.2. The BID Company shall issue to the Council a VAT invoice for the payment of the BID Levy income upon advice from the Council of the amount due.
- 10.3. The BID Company shall provide the Council with details of its own bank account into which the BID Levy shall be transferred electronically
- 10.4. In the event that a BID Levy Payer is entitled to a repayment of a BID Levy pursuant to paragraph 8(4) of Schedule 4 of the Regulations and in the event that the Council has paid such BID Levy to the BID Company including all of the contingency relating to that BID Levy the Council shall request such repayment sum from the BID Company and the BID Company shall pay the repayment sum to the Council by way of reduction in the quarterly payments, as scheduled in 10.1, and the Council shall thereafter repay the repayment sum to the BID Levy Payer.
- 10.5. The BID Company may only spend the BID Levy in accordance with the BID Proposals; except that if the BID is varied then from the date of the variation takes effect the BID Company may only spend the BID Levy in accordance with the varied BID Proposals.
- 10.6. In the event of an overpayment by the Council to the BID Company, the Council will subtract the owed amount from the next scheduled payment of the BID Levy. In the event that the overpayment falls due after the Council has paid the last quarterly payment within the BID Term, the BID Company shall reimburse the Council forthwith unless the amount is less than £1,000.

11. Accounting Procedures and Monitoring

- 11.1. In addition to the information outlined in clauses 7.4 and 7.5, every quarter during the BID Term, the Council shall provide the BID Company with a breakdown of:
- (i) the amount of the BID Levy for each individual BID Levy Payer
 - (ii) the BID Levy collected in relation to each BID Levy Payer

- (iii) details, together with the outstanding unpaid sum) of those BID Levy Payers who have not paid the BID Levy during the course of that month,

PROVIDED THAT this clause shall not apply to the provision of any Personal Data other than that which the Council may provide pursuant to the Regulations

- 11.2. The BID Company shall request information from the Council that it considers relevant to their business and the Council shall consider disclosure and shall not unreasonably withhold such information.
- 11.3. Upon the expiry of the sixth month of the BID Term and every 6 (six) months thereafter (for the duration of the BID Term) the BID Company shall provide the Council in respect of those 6 (six) month periods with:
 - (i) the amount received by the BID Company from Contributors and BID Levy Payers;
 - (ii) the total expenditure of the BID Company.
- 11.4. Within 1 (one) month from the start of the BID Term, the parties shall set up the Monitoring Group.
- 11.5. The Monitoring Group shall meet no less than quarterly in any one BID Year.
- 11.6. At each meeting, the Monitoring Group shall:
 - (i) Review the effectiveness of the collection and enforcement of the BID Levy; and
 - (ii) review and assess the information provided by the parties regarding the progress being made in achieving the aims set out in the BID Business Plan.
- 11.7. Within 1 (one) month after the date of the end of the Financial Year, the Council shall provide the Annual Report to the BID Company
- 11.8. The BID Company shall provide the BID Company Report to the Council two weeks prior to the Annual General Meeting of the BID Directors and Members.
- 11.9. The Council will provide at least one, and no more than two, representatives to the Board of the BID Company. The Council representatives will be non-voting advisory members of the Board.
- 11.10. Within 60 days of a successful ballot to establish the BID, the BID Company and the Council will enter into a Service Level Agreement which will define in more detail matters related to collection and enforcement of the levy and any other details related to the operation of the BID including staffing and accommodation arrangements, as required.

12. Termination

12.1. In the event that either Party is of the opinion:

- (i) they are unable to due to a cause beyond their control to provide the works or services secured as part of the BID arrangements: or
- (ii) they believe that there are insufficient finances available to the BID Company to meet its liabilities for the purposes of any BID Arrangements; or
- (iii) the works or services under the BID Arrangements are no longer required;

then they shall serve a Levy Payers Meeting Notice on the other Party and the BID Levy Payers and the meeting shall take place no later than 14 days after service of that Notice.

12.2. The Levy Payers Meeting Notice shall contain the agenda for the meeting which shall be limited to the following items:

- (i) a review by all present of the inadequacy of works or services that can be done, why they cannot be done and whether those works and services are so fundamental that the BID cannot continue; and
- (ii) whether other works or services will be an acceptable alternative to the BID Company; and
- (iii) the financial position and whether there are sufficient funds to continue as well as whether additional funds can be raised; and
- (iv) a time scale (if appropriate) within which these issues can be resolved.

12.3. In the event that those present at the meeting cannot resolve the issue, then the Party calling the meeting shall table a motion that the BID be wound up no sooner than 28 days after such a resolution is passed by a simple majority of those present and entitled to vote.

12.4 In the event of termination of the BID Arrangements the Council shall forthwith review whether there is any credit standing to the account of the BID Revenue Account. If there is sufficient credit to pay to each of the BID Levy Payers not less than £5 (after deduction of any outstanding administrative costs to include the costs of winding up), the Council shall:

- (i) calculate the amount to be refunded to each BID Levy Payer, and
- (ii) ensure that the amount to be refunded is calculated by reference to the contribution of that Levy Payer for the last full chargeable period, and
- (iii) arrange for the amount to be set against outstanding liabilities of that BID Levy Payer (if any), and

- (iv) refund the net amount to the BID Levy Payer.

12.5 Upon termination of the BID Arrangements for any reason, the BID Company shall forthwith notify the Council of such termination in accordance with Regulation 18(5) and the Council will notify the BID Levy Payers in accordance with Regulation 18(6). The Council will simultaneously advise the BID Levy Payers as to the repayment of any part of the BID Levy in accordance with clause 12.4

13. Confidentiality

13.1 Subject to Clause 19 below the parties shall agree to keep confidential and not to divulge to any person without the prior written consent of the other party all information (written or oral) concerning the business affairs of the other nor any information which has been exchanged about the BID Levy Payers or Contributors or about any third parties which it shall have obtained or received as a result of operating the BID. This obligation shall survive the termination or lapse of the BID Arrangements.

14. Notices

14.1 Any Notice or other written communication to be served or given to or upon any party to this Agreement or the other shall be in writing and shall be sent to the address provided for above or such substitute address in England as may from time to time have been notified by that party

14.2 A Notice may be served by

- (i) delivery to the Director of Environment & Community Services, London Borough of Bromley at the address specified above
- (ii) delivery to the Directors at the BID Company's address specified above
- (iii) first class post
- (iv) Electronic Communication (provided that it is in legible form and is capable of being used for subsequent reference) to such addresses which shall require a confirmed read receipt, save that no court proceedings arising from this contract may be served electronically.

14.3 Any notice served shall be deemed to have been validly served or given at the time any ordinary business would have received such post.

15. Miscellaneous

15.1 For the avoidance of doubt where any part of this Agreement is incompatible with the Regulations or any other regulations which the Secretary of State may issue pursuant to Part IV of the Local Government Act 2003 then such part shall be struck out and the balance of this agreement shall remain.

- 15.2 The heading appearing in this Agreement are for ease of reference only and shall not affect the construction of this Agreement
- 15.3 For the avoidance of doubt the provisions of this Agreement (other than those contained in this clause) shall not have any effect until this document has been signed and delivered.
- 15.4 Where reference is made to a clause, part, or recital, such reference (unless the context requires otherwise) is a reference to a clause, part, plan or recital attached to this Agreement
- 15.5 References to the Council include any successors to its functions as a local authority
- 15.6 References to statutes, bye-laws, regulations, orders, delegated legislation shall include any such instrument re-enacting or made pursuant to the same power.

16. Exercise of the Council's Powers

- 16.1 Nothing contained in this Agreement or implied in it shall prejudice or affect the rights, discretions, powers, duties and obligations of the Council under all statutes, bye-laws, statutory instruments, orders and regulations in the exercise of its functions as a local authority.

17. Contracts (Rights of Third Parties)

- 17.1 The provisions of the Contracts (Rights of Third Parties) Act 1999 shall not apply to this Agreement.

18. Law and Dispute Resolution

- 18.1. The Agreement is made under and shall be construed by reference to English Law.
- 18.2. Should any dispute arise between the Parties, it shall first be referred to a Director of the Council and to the Directors of the BID and they shall use their best endeavours to resolve the issue by negotiation.
- 18.3. If they are unable to resolve the dispute within 28 days of the referral, then the Parties shall appoint a Mediator. If the Parties cannot agree on the identity of as Mediator, then they shall apply to the Centre for Effective Dispute Resolution ("CEDR") to make such an appointment.
- 18.4. Within 14 days of the appointment of a Mediator, the Parties representatives shall meet together with the Mediator to agree a programme for the conduct of the mediation, including (but not limited

to) a timetable, exchange of documents and the structure for meetings as well as the costs of the mediation.

- 18.5. All proceedings of the mediation shall be held in strict confidence and shall be Without Prejudice to any future proceedings that may become necessary.
- 18.6. Nothing in this mediation procedure shall prevent either Party from seeking from a Court of competent jurisdiction an interim order to the other Party either preventing or compelling the commission of some act.
- 18.7. If the Parties reach an agreed resolution of the dispute in the mediation, that agreement shall be reduced to writing, signed by representatives of both Parties and shall be binding on both Parties.
- 18.8. If the mediation fails to achieve an agreed resolution, then the Parties hereby irrevocably agree that the dispute shall be referred to the English Courts.
- 18.9. The performance of all services shall continue during the mediation process

19. Freedom of Information

- 19.1 The BID Company acknowledges that the Council is subject to the requirements of the Freedom of Information Act 2000 (FOIA) and shall assist and cooperate with the Council (at the BID Company's expense) to enable the Council to comply with its disclosure requirements and the Council shall notify the BID Company of any such requests.
- 19.2 The Council may determine in its absolute discretion whether any information is exempt from disclosure in accordance with the provisions of FOIA or is to be disclosed in response to a request for information, and for the avoidance of doubt where the Council has received a request under the FOIA and it has notified the BID Company of the request, in no event shall the BID Company respond directly to a request for information connected with such a request to the Council unless expressly authorised to do so by the Council.
- 19.3 The BID Company acknowledges that the Council may, acting in accordance with the Secretary of State for Constitutional Affairs' Code of Practice on the discharge of public authorities' functions under Part 1 of FOIA, be obliged under FOIA to disclose information following consultation with the BID Company and having taken its views into account.
- 19.4 The BID Company shall ensure that all information produced in the course of or relating to this Agreement is retained for disclosure and

shall permit the Council to inspect such records as requested from time to time.

- 19.5 The BID Company acknowledges that any lists of confidential information provided by it are of indicative value only and that the Council may nevertheless be obliged to disclose confidential information in accordance with this clause.
- 19.6 The obligations set out in clause 19 of this Agreement shall survive the termination or lapse of the BID Arrangements

20. Data Protection

- 20.1 The BID shall (and shall procure that any of its Staff involved in the provision of the agreement) comply with any notification requirements under the Data Protection Legislation and both parties will duly observe all their obligations under the Data Protection Legislation, which arise in connection with this Agreement.
- 20.2 Notwithstanding the general obligation in clause 20.1, where the BID is processing Personal Data as a Data Processor for the Council, the BID shall ensure that it has in place appropriate technical and contractual measures to ensure the security of the Personal Data (and to guard against unauthorised or unlawful processing of the Personal Data and against accidental loss or destruction of, or damage to, the Personal Data), as required under the Seventh Data Protection Principle in Schedule 1 to the Data Protection Act 1998; and
- (a) provide the Council with such information as the Council may reasonably require to satisfy itself that the BID is complying with its obligations under the Data Protection Legislation;
 - (b) promptly notify the Council of any breach of the security measures required to be put in place pursuant to clause 20.2; and
 - (c) ensure it does not knowingly or negligently do or omit to do anything which places the Council in breach of the Council's obligations under the Data Protection Legislation.
- 20.3 The provisions of this clause shall apply during the continuance of the agreement and indefinitely after its expiry or termination.

21 BID Baseline Agreement

- 21.1 The Council agrees to carry out the services contained in the BID Baseline Agreement, set out in Schedule 2.

In witness whereof this Agreement has been executed by the parties hereto as a Deed and delivered on the day and year first before written

Executed as a Deed by affixing
the Common Seal of The Mayor and
Burgesses of the London Borough of
Bromley in the presence of:

Mayor/Councillor

Director of Corporate Services/Senior Solicitor

Executed as a Deed by Orpington First BID Limited
In the presence of

Director

Director/Company Secretary

SCHEDULE 1: MAP OF BID AREA

[TO BE INSERTED]

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SCHEDULE 2: BASELINE AGREEMENT

The London Borough of Bromley delivers the following services within the BID area where the BID intends to provide additional services.

The London Borough of Bromley will endeavour to continue to deliver the following services within the BID area. Where any of the listed services are planned to be reduced or discontinued, the Council agrees not to reduce provision of its services disproportionately, compared to any changes made elsewhere within the Borough for the duration of the BID term.

Baseline activity: Highways Management (High Street Area)
Responsible authority: London Borough of Bromley
Head of Service: Garry Warner

<p>Current level of service provided including aim of service, and frequency of service provision</p>	<ul style="list-style-type: none"> • Maintain public highway areas to remain fit for purpose. This includes statutory highway safety inspections, condition surveys, recording of defects and complete repairs to maintain public safety, including emergency repairs within and outside normal working hours. • Street lighting maintenance. • Highways and street lighting term contracts are available as required both for reactive and planned maintenance. • Technical surveys of all lamp columns to assess structural integrity and electrical function. Night surveys to assess defective lighting. • Street works co-ordination and approval for maintenance activities, and licencing of temporary structures on highways including, scaffolding, skips, banners and other structures. • Manage rising bollards for controlling access to and from the High Street. • Signage preventing cycling in the pedestrianised area. • Routine maintenance of signs, lines and highway drainage assets. • Co-ordination with others for the maintenance of the bridges and anti-vermin measures, e.g. pigeon nuisance. • Enabling and managing parking provision and control including taxi ranks, disabled parking. • Winter maintenance operations include treatment to prevent ice from forming and clearance of snow from pre-defined priority routes
<p>Specification</p>	<ul style="list-style-type: none"> • Defect repairs undertaken within investigatory levels of the Highways Code of Practice. • Frequency of highway safety inspections align with Highways Code of Practice. • Management of Public Utility Street Works within the framework of the Traffic Management Act 2004 and the New Roads and Street Works Act.
<p>Performance Measure</p>	<p>Service measured by:</p> <ul style="list-style-type: none"> • Regular inspections, compliance with completion times of works, quality of repairs • Response to customer enquiries • Contractors' key performance indicators.
<p>Non-compliance procedure</p>	<ul style="list-style-type: none"> • Contractor may be required to re-do work. • Corrective actions/training with contractors/staff. • Financial penalties issued to the contractor. • Managed through Contract Meetings.
<p>Future level of service provision</p>	<ul style="list-style-type: none"> • Maintenance of the highways structure and fabric as well as street furniture to existing standards. • Current service provision for reactive repairs provided through a contract

	valid until March 2019.
Other relevant information	There are no plans to reduce or increase current level of service.

Baseline Activity: Street Cleansing (High Street Area)
Responsible Authority: London Borough of Bromley
Responsible Officer: John Bosley

Current level of service provided including aim of service, and frequency of service provision	<ul style="list-style-type: none"> • Routine schedules of daily-street cleaning provided between normal working hours 06:00 and 22:00 hours, utilising both mechanical and manual cleaning operations. • Litterbin emptying once or more per day, and washed (internal and external) three times per year. • Graffiti removal service including proactive and reactive removal from street furniture and private buildings that are on, or are within 50metres of, a street boundary regardless of whether it is on property that is in public or private ownership. • Provision of an urgent or emergency response service for cleaning related matters, during the normally permitted working hours as stated. • Tasks which constitute provision of additional plant and labour, during the normally permitted working hours, in support of voluntary groups and other organisations engaged in "one-off clean-ups" for environmental or charitable purposes.
Specification	<ul style="list-style-type: none"> • The minimum quality standard of cleanliness which the Contractor shall deliver through each routine scheduled activity shall be commensurate with Grade A as defined in the Code of Practice on Litter & Refuse 2006 (EPA 1990). Any fly-tipping, fly-posting and materials on the highway shall be removed as part of the scheduled activity for cleansing of the street. The contractor shall maintain the standard of cleanliness from immediately after completion of the first scheduled daily cleanse until 22:00 hours, on each day of the week including Public Holidays (excl. Christmas Day). Completion of the first scheduled cleanse shall be 8:00 hours. • The standard of cleanliness shall not be allowed to fall to Grade B (as defined in the CoP on Litter & Refuse) for more than two hours thereafter before restoring to Grade A. If the cleanliness falls to Grade C or below, at any time during normal working hours, the area shall be restored to Grade A within one hour. • Removal of unwanted vegetation. • Standard of graffiti removal set as 95% completion of all reactive works within two working days. Racist or offensive graffiti shall be removed within two hours or any period instructed between two hours and 24 hours. • Removing debris following road accidents including the provision of sand and or oil dispersants as required to ensure the cleanliness and safety of the affected area; • Removing all fly-posting including commercial advertising signs and fixing materials from any street furniture.
Performance Measures	<p>Service measured by:</p> <ul style="list-style-type: none"> • Regular inspections, compliance with completion times of works, quality of cleaning. • Response to customer enquiries • Contractors' key performance indicators.

Non-Compliance procedures	<ul style="list-style-type: none"> • Contractor may be required to re-do work. • Corrective actions/training with contractors/staff. • Financial penalties issued to the contractor. • Managed through Contract Meetings.
Future level of service provision	<ul style="list-style-type: none"> • Cleansing standards of the highways as well as street furniture to existing standards. • Street washing would be an enhanced additional service requirement. • Current service provision provided through a contract valid until March 2019.
Other relevant information	There are no plans to reduce or increase current level of service.

Baseline Activity: Regulatory Services
Responsible Authority: London Borough of Bromley
Responsible Officer: Paul Lehane Head of Food, Safety & Licensing
Robert Vale Head of Trading Standards

Service provided, number of staff & equipment	<p>Regulatory Services</p> <p>The Council's Public Protection Division offer a statutory minimum service focusing on enforcement and significant complaint investigation with limited provision of support and advice to the local business community. These services are offered across the borough and include the following:</p> <ul style="list-style-type: none"> • Licensing • Food Safety , Food Standards & Infectious disease • Health & Safety • Trading Standards • Environmental Protection <p>Officers undertake work in accordance with risk based inspection programmes as well as using complaint and other information to prioritise service delivery in an increasingly intelligence-led approach, which targets resources to the highest risk activities. Advice services for consumers in respect of Trading Standards matters is provided via a national call centre operated by the Citizens Advice Bureau.</p> <p>Officers work extensively with partners including the Police, Community Safety Teams and other internal and external partners to collectively tackle issues affecting crime and disorder, anti-social behaviour and other matters relating to the overall aims of the Council</p> <p>The Council has published policies relating to the licensing of alcohol/regulated entertainment and late night refreshment (Licensing Act 2003) and Gambling premises (Gambling Act 2005).</p>
Specification	<ul style="list-style-type: none"> • Statutory and other nationally agreed frameworks for risk based inspection programmes • Regulatory Services service delivery in accordance within statutory framework • Relevant involvement in Local / Regional / National intelligence led project work

	<ul style="list-style-type: none"> Investigations undertaken in accordance with the published Enforcement Policy
Future level of service provision	<ul style="list-style-type: none"> Service provision will continue to be undertaken within the statutory framework and other nationally agreed frameworks Local and national regulatory priorities will dictate priority service delivery
Performance Measures	<ul style="list-style-type: none"> Compliance with risk based inspection programmes Response to customer complaints / requests for service Complaint investigations compliance with Enforcement Policy
Non Compliance procedures	<ul style="list-style-type: none"> Regular performance monitoring Flexible approach to targeting resources to priority work areas
Boundary area	<ul style="list-style-type: none"> London Borough of Bromley

Baseline Activity: CCTV
Responsible Authority: London Borough of Bromley
Responsible Officer: William Ogg, CCTV Manager

Service provided, number of staff & equipment	<ul style="list-style-type: none"> 13 fully functioning digital CCTV cameras covering Orpington Town Centre BID area, operational 24 hours a day 7 days a week. The Council may add, remove or reposition cameras within the BID area at its own discretion. 2 full time staff monitoring all the CCTV cameras in the borough 24 hours a day, seven days a week. Plus one CCTV Supervisor, who is also a trained operator, working 8am – 5pm 5 days a week. CCTV staff also monitor the Town Centre Shop Safe Radios and the Police Radio.
Specification	<ul style="list-style-type: none"> The cameras are used for monitoring and recording incidents of crime and disorder as well as for moving traffic and parking offences. Governed and protected by the Data Protection Act 1998 and the Operating Guidelines issued by the Information Commissioner. Recorded images can only be released to those legally entitled to them. All recordings are kept for a period of 31 days. Documentation detailing CCTV recorded incidents is archived for a period of 3 years.
Future level of service provision	<ul style="list-style-type: none"> Current service provision provided through a contract valid until 31 March 2018. Subject to a two year extension period at the discretion of the authority.
Performance Measures	<p>Service measured by:</p> <ul style="list-style-type: none"> Contractors' key performance indicators.

Non Compliance procedures	<ul style="list-style-type: none"> • Regular performance monitoring • Managed through Contract meetings
Boundary area	<ul style="list-style-type: none"> • London Borough of Bromley

Baseline Activity: Grounds Maintenance
Responsible Authority: London Borough of Bromley
Responsible Officer: Robert Schembri

Current level of service provided including aim of service, and frequency of service provision	<ul style="list-style-type: none"> • Grounds Maintenance Routine schedules of grass cutting and floral display maintenance working hours 07:00 and 4pm.. • <u>Hanging baskets</u> Orpington High Street Summer provision - 42 hanging baskets
Specification	<ul style="list-style-type: none"> • Hanging basket to be watered to ensure that the plants are in good conditions • Maintain parks & greenspace areas within the contract specification including grass cutting, floral bedding areas, shrub areas, bin emptying, litter picking and collection and path cleaning
Performance Measures	<p>Service measured by:</p> <ul style="list-style-type: none"> • Regular inspections to monitor quality. • Response to customer enquiries • Contractors' key performance indicators.
Non-Compliance procedures	<ul style="list-style-type: none"> • Contractor may be required to re-do work. • Corrective actions/training with contractors/staff. • Financial penalties issued to the contractor. • Managed through Contract Meetings.
Future level of service provision	<ul style="list-style-type: none"> • Current service provision provided through a contract valid until 31 March 2019.

Baseline activity: Parking Enforcement and Car Park Management
Responsible authority: London Borough of Bromley
Head of Service: Ben Stephens

Current level of service provided including aim of service, and frequency of service provision	<ul style="list-style-type: none"> • To achieve compliance of parking restrictions by the enforcement of on street parking restrictions and off street council car parks. • Managing bay suspensions and parking dispensations, including processing applications and erecting signs. • Car park maintenance, including cleaning, repairing pot holes, height barriers, safety barriers. • Salting, gritting and snow clearance in council car parks. • Management and repair of pay and display machines.
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	<ul style="list-style-type: none"> • Processing parking permits and visitors voucher applications. • Cashless parking provision. • Enforcement of Blue Badge misuse.
Specification	<ul style="list-style-type: none"> • Enforcement carried out within the framework of the Traffic Management Act 2004 and associated legislation. • Cleaning of car parks as defined in the Code of Practice on Litter and Refuse issued under section 89(7) of the Environmental Protection Act 1990.
Performance Measure	<ul style="list-style-type: none"> • Various key performance indicators on contracted levels of performance.
Non-compliance procedure	<ul style="list-style-type: none"> • Corrective actions/training with contractors/staff. • Financial penalties issued to the contractor. • Managed through Contract Meetings.
Future level of service provision	<ul style="list-style-type: none"> • There are no plans to reduce or increase current level of service. • Current service provision for contract is valid until April 2027.
Other relevant information	New parking contract was awarded to APCOA Ltd and started on the 3 rd April 2017

Baseline Activity: Planning
Responsible Authority: London Borough of Bromley
Responsible Officer: Jim Kehoe

Current level of service provided including aim of service, and frequency of service provision	<ul style="list-style-type: none"> • Planning applications • Planning Enforcement • Building Control Applications • Long term development plans and policies
Specification	<ul style="list-style-type: none"> • Statutory and other nationally agreed frameworks for service provision • Regulatory Services delivery in accordance within statutory framework • Investigations undertaken in accordance with the published Enforcement Policy • Enforcement carried out within the framework of the Planning Acts and associated legislation.
Performance Measures	Service measured by: <ul style="list-style-type: none"> • National targets • Response to customer complaints / requests for service • Complaint investigations consistent with Planning Enforcement Policy
Non-Compliance procedures	<ul style="list-style-type: none"> • Regular performance monitoring. • Corrective actions as necessary
Future level of service provision	<ul style="list-style-type: none"> • Service provision will continue to be undertaken within the statutory framework and other nationally agreed frameworks

SCHEDULE 3: BID LEVY RULES

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Report No.
CS18018

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE

Date: For Pre-Decision Scrutiny by the Care Services Policy Development and Scrutiny Committee on Tuesday 4th July 2017

Decision Type: Non-Urgent Executive Key

Title: CONTRACT AWARD FOR PRIMARY AND SECONDARY INTERVENTION SERVICES

Contact Officer: Josepha Reynolds, Joint Commissioning Development Lead, LBB and CCG
Tel: 020 8461 7395 E-mail: josepha.reynolds@bromley.gov.uk

Chief Officer: Ade Adetosoye, Executive Director, ECHS

Ward: Borough-wide

1. Reason for report

- 1.1 This report recommends a contract award for the Primary and Secondary Intervention Services. These services are being jointly commissioned by the London Borough of Bromley (the Council) and NHS Bromley Clinical Commissioning Group (the CCG).
- 1.2 The report should be read in conjunction with the Part Two report "Contract Award for Primary and Secondary Intervention Services".
-

2. RECOMMENDATIONS

- 2.1 The Care Services PDS Committee is asked to note and comment on the contents on this report prior to the Council's Executive being requested to:
- i) Approve the contract award for Primary and Secondary Intervention Services for a period of 3 years from 1st October 2017, with the potential to extend for a further period of up to 2 years;
 - ii) Delegate to the Chief Officer or Executive Director of Education, Care & Health Services in consultation with the Portfolio Holder for Care Services, the authorisation to extend the Contract for a period of up to 2 years;
 - iii) Agree that the contract will be entered into and held by the Council, and that there will be joint monitoring with the CCG;
 - iv) Note that the contributions from the CCG and the Better Care Fund are secured through an agreement with the CCG under section 75 of the NHS Act 2006; and,
 - v) Note that the CCG will also be recommended to support the contract award at Clinical Executive Group on the 29th June and Governing Body on the 20th July.

Corporate Policy

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

Impact on Vulnerable Adults and Children

1. Summary of Impact: The contract award will ensure that there are services in the community to support vulnerable adults and children and young people
-

Procurement

1. Summary of Procurement Implications: The Tender process has been undertaken in accordance with the Council's Financial Regulations and Contract Procedure Rules and completed in compliance with the requirements of the Public Contract Regulations 2015 "Light Touch Regime".
-

Personnel

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

Legal

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

Financial

1. Cost of proposal: £2.7 million p/a
 2. Ongoing costs: Recurring Cost:
 3. Budget head/performance centre: Various
 4. Total current budget for this head: £2.751m
 5. Source of funding: Core LBB/CCG/BCF
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 5000
-

Ward Councillor Views

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

3. COMMENTARY

BACKGROUND

- 3.1. In September 2016 the Executive approved (report no. CS17033) commissioning Primary and Secondary Intervention Services with the CCG. These services would be funded using existing Council and CCG funding for Strategic Partner, Carers and Welfare Benefits contracts, and additional funding from the Better Care Fund.
- 3.2. The Council currently has 15 active contracts with the Third Sector to support people in the community. 5 of these are jointly funded with the CCG. This large number of small contracts does not represent value for money and does not provide the targeted outcomes needed by health and social care in the current climate.
- 3.3. The new Primary and Secondary Intervention Services represent a more strategic approach. These will deliver a cohesive set of targeted preventative services where the impact can be evidence and measured by tracking service users through the NHS number.
- 3.4. The Primary and Secondary Intervention Services are comprised of eight services:
 - Single Point of Access (incorporating previous welfare benefit advice)
 - Services to Residents with Long Term Health Conditions
 - Services to Elderly Frail
 - Carers Support Services
 - Services to Residents with Learning Disabilities
 - Services to Residents with Physical Disabilities
 - Mental Health Support Services
 - Support to the Sector
- 3.5. The outcomes of the new services are:
 - To reduce the requirement for unplanned care resulting emergency admissions;
 - To prevent and delay the requirement for long term care packages;
 - To support service users to remain independent in their local communities;
 - To build capacity and capability in local communities by demonstrating social and economic impact;
 - To leverage in further external funding to the sector;
 - To shape local services to facilitate social benefit to service users creating added value.
- 3.6. The Primary and Secondary Intervention services are universal but are targeted at vulnerable groups. The services sit in front of eligible services and manage demand to reduce increasing demographic pressure on social care and health services.
- 3.7. Primary and Secondary Intervention services provide people with ongoing support within the community, which makes people resilient and less likely to enter crisis and need statutory services intervention.
- 3.8. 15% of the total funding envelope will be kept as an innovation fund. This is to encourage innovation within the service and respond to any changing or developing needs for service users. This will promote sustainability and allow flexibility within the service provision.
- 3.9. These services will work within a larger system in order to provide effective Primary and Secondary Intervention for Bromley residents. The BCCG Out of Hospital Transformation Strategy outlines the creation of an integrated and sustainable programme to keep people within their community, primarily through the work of the ICNs. The Primary and Secondary Intervention Services link with the Care Navigator role is a fundamental part of the ICN development. The navigators signpost residents to the appropriate channels for support,

including for these services, thereby avoiding more formal interventions from social care and health.

THE TENDER PROCESS AND PROCUREMENT IMPLICATIONS

- 3.10 The Tender process has been undertaken in accordance with the Council's Financial Regulations and Contract Procedure Rules and completed in compliance with the requirements of the Public Contract Regulations 2015 "Light Touch Regime". Once the Council has made the decision, the Authority will need to issue the appropriate Award Notices, observe the mandatory Standstill Period and issue an OJEU and Contracts Finder Award Notice as provided for in the Regulations.
- 3.11 The procurement process for the services commenced in November 2016 using 'Competitive Dialogue'. The tender was released in November and a Provider Day was held two weeks later.
- 3.12 See Part 2 (Exempt) report for further detail on the tender process and procurement implications.

JUSTIFICATION FOR AWARD

- 3.13 Please see Part 2 (Exempt) report for the justification for award.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 4.1 This will have a positive impact on vulnerable residents. The Primary and Secondary Intervention Services are designed to prevent vulnerable residents from going into crisis by providing the necessary ongoing support within the community.

5. POLICY IMPLICATIONS

- 5.1 The Care Act 2014 (section 2) outlines statutory duties for Local Authorities and health that:
- Contribute towards preventing or delaying the development by adults in its area of needs for care and support
 - Contribute towards preventing or delaying the development by carers in its area of needs for support
 - Reduce the needs for care and support of adults in its area
 - Reduce the needs for support of carers in its area
- 5.2 The Care Act (section 3) also outlines that this preventative provision must be undertaken with a view to improving the integration of health and social care provision to:
- Promote the wellbeing of adults in its area with needs for care and support and the wellbeing of carers in its area
 - Contribute to the prevention or delay of the development by adults in its area of needs for care and support or the development by carers in its area of needs for support
 - Improve the quality of care and support for adults, and of support for carers, provided in its area (including the outcomes that are achieved from such provision)
- 5.3 The Care Act put carers on an equal footing with the cared for and required health and social care services to be proactive in identifying and supporting them. The Council is obligated to fulfil the statutory requirements to carers in line with the following legislation:
- Care Act 2014 (section 2)
 - Children and Families Act 2014 (section 96)

- Carers (Recognition and Services) Act 1995
 - Children’s Act 1989 (section 17 in regards to supporting children and young people)
- 5.4 Health also has a number of policy directives around these services which make joint commissioning and joint funding timely. The NHS 5 year forward view (chapter 2) identified that the health system has problems ‘with limited engagement with the wider community, a short-sighted approach to partnerships and under-developed advocacy and action on the broader influencers of health and wellbeing’. Targeted prevention is a key tool that is laid out.
- 5.5 The NHS 5 year forward view (chapter 2) is clear that the Third Sector is crucial to engaging with communities and improving health outcomes for people through targeted prevention, instead of continuing to use a purely clinical outlook.
- 5.6 The Government’s mandate to NHS England for 2016-17 focuses on Primary and Secondary Intervention and lays out a range of objectives for health up to 2020 including:
- To help create the safest, highest quality health and care service [with a focus on independence and service users managing their own conditions]
 - To lead a step change in the NHS in preventing ill health and supporting people to live healthier lives
 - To improve out of hospital care
- 5.7 Local policy also aligns with this new way of working. Building a Better Bromley outlines supporting independence and having a healthy Bromley as two key outcomes. Primary and Secondary Intervention services are designed to help residents remain independent and within their communities through an integrated health and social care perspective.
- 5.8 The Bromley JSNA 2015 identified that the older people and people with long term health conditions are becoming a higher proportion of the population. These demographics would benefit from more Primary and Secondary Intervention services that would help them maintain their independence by receiving a degree of personalised support.
- 5.9 These outcomes are also reflected by the CCG in their local policy objectives. The Bromley Out of Hospital Transformation Strategy outlines the creation of an integrated and sustainable out of hospital programme that will keep people within their community and prevent hospital admissions. This is being developed through the ICNs which will be rolled out from October 2016.
- 5.10 The Joint Strategy for Carers 2016 to 2020 is a joint LBB and BCCG strategy that commits to funding carers services within the borough until 2020. This was developed in response to the new health and social care legislation. The overarching outcome is: ‘it is our vision that over the next five years Bromley will have a thriving carer community where carers are heard, connected and supported’. Five key short term priorities were identified, the most immediate of which was to commission and then deliver new carers support services from April 2017.

6. FINANCIAL IMPLICATIONS

- 6.1 Please see Part 2 (Exempt) report for the financial implications.

7. LEGAL IMPLICATIONS

- 7.1 The service is a “light touch” services under the Public Contracts Regulations 2015 (Regulations). As the contract value is in excess of the relevant threshold it was procured in compliance with the Regulations and competitive tendering requirements under the Council’s Contract Procedure Rule 8.2.

Non-Applicable Sections:	N/A
Background Documents: (Access via Contact Officer)	Commissioning Strategy for Primary and Secondary Intervention Services, September 2016, Executive report no. CS17033

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