



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

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DATE: 2 October 2017

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

Councillor Simon Fawthrop (Chairman)  
Councillor Keith Onslow (Vice-Chairman)  
Councillors Nicholas Bennett J.P., Mary Cooke, Ian Dunn, Robert Evans,  
Samaris Huntington-Thresher, David Livett, Russell Mellor, Alexa Michael,  
Tony Owen, Ian F. Payne, Michael Rutherford, Stephen Wells and Angela Wilkins

A meeting of the Executive and Resources Policy Development and Scrutiny Committee will be held at Bromley Civic Centre on **WEDNESDAY 11 OCTOBER 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/>

## **PART 1 AGENDA**

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

### **STANDARD ITEMS**

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

In accordance with the Council's Constitution, questions to the Chairman of 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 5<sup>th</sup> October 2017.
- 4 MINUTES OF THE EXECUTIVE AND RESOURCES PDS COMMITTEE MEETING HELD ON 7 SEPTEMBER 2017 (EXCLUDING EXEMPT ITEMS) (Pages 5 - 14)**

**5 MATTERS ARISING FROM PREVIOUS MEETINGS (Pages 15 - 18)**

**6 CONTRACTS SUB-COMMITTEE: MEMBERSHIP (Pages 19 - 20)**

**7 FORWARD PLAN OF KEY DECISIONS (Pages 21 - 28)**

**8 CONTRACTS REGISTER AND CONTRACTS DATABASE UPDATE (Pages 29 - 36)**

Copies of the Contracts Register covering the Resources Portfolio will be circulated under separate cover.

**HOLDING THE RESOURCES PORTFOLIO HOLDER TO ACCOUNT**

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

In accordance with the Council's Constitution, questions to the Resources Portfolio Holder 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 5<sup>th</sup> October 2017.

**10 RESOURCES PORTFOLIO - PRE-DECISION SCRUTINY**

Portfolio Holder decisions for pre-decision scrutiny:

**a INSURANCE FUND - ANNUAL REPORT 2016/17\_(Pages 37 - 44)**

**POLICY DEVELOPMENT AND OTHER ITEMS**

**11 BT/ICT CONTRACT MONITORING REPORT *(to follow)***

**12 SCRUTINY OF THE CHIEF EXECUTIVE**

**13 TFM CONTRACT (AMEY) *(to follow)***

**14 COUNCIL TAX RECOVERY PROCESS (Pages 45 - 52)**

**15 HOUSING BENEFIT CLAIMS TAKING A HIGH NUMBER OF DAYS TO PROCESS (Pages 53 - 56)**

**16 CONTRACT CHANGE CONTROLS *(to follow)***

**17 WORK PROGRAMME (Pages 57 - 64)**

## **PART 2 AGENDA**

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

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

#### **Items of Business**

#### **Schedule 12A Description**

- |           |  |   |
|-----------|--|---|
| <b>19</b> | <b>EXEMPT MINUTES OF THE MEETING HELD ON 7 SEPTEMBER 2017 (Pages 65 - 66)</b>    | Information relating to the financial or business affairs of any particular person (including the authority holding that information) |
| <b>20</b> | <b>CONTRACTS REGISTER AND CONTRACTS DATABASE UPDATE - PART 2 (Pages 67 - 70)</b> | Information relating to the financial or business affairs of any particular person (including the authority holding that information) |

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

Minutes of the meeting held at 7.00 pm on 7 September 2017

### **Present:**

Councillor Simon Fawthrop (Chairman)  
Councillors Julian Benington, Nicholas Bennett J.P.,  
Mary Cooke, Ian Dunn, Robert Evans, William Huntington-  
Thresher, David Livett, Russell Mellor, Alexa Michael,  
Keith Onslow (Vice-Chairman), Tony Owen, Ian F. Payne,  
Stephen Wells and Angela Wilkins

### **Also Present:**

Councillor Graham Arthur, Portfolio Holder for Resources  
Councillor Stephen Carr, Leader of the Council

#### **48 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**

Apologies for absence were received from Councillor Rutherford. Councillor Benington attended the meeting as his substitute.

#### **49 DECLARATIONS OF INTEREST**

Councillor Fawthrop declared interests by virtue of his employment with BT Group plc and his wife's employment as an IT trainer with the London Borough of Bromley.

Councillor Benington declared that he was a Trustee of Biggin Hill Memorial Museum.

#### **50 QUESTIONS FROM COUNCILLORS AND MEMBERS OF THE PUBLIC ATTENDING THE MEETING**

No questions had been received.

#### **51 MINUTES OF THE EXECUTIVE AND RESOURCES PDS COMMITTEE MEETING HELD ON 13 JULY 2017 (EXCLUDING EXEMPT ITEMS)**

In relation to Minute 36c (Document Management – Amended Request for Release of Funding), in response to a query surrounding the action that had been taken to address the concerns that had been raised by the Committee

the Portfolio Holder for Resources confirmed that the decision had been modified to take account of the views of the Committee.

In relation to Minute 39 (Revenues Service Monitoring Report), a Member noted that the Committee had requested that further information surrounding the policy for council tax recovery be provided to the Committee. The Chairman requested that this information in addition to a report setting out the reasons for delays in processing new claims and changes in circumstances be provided to the Committee at its next meeting on 11<sup>th</sup> October.

*Action Point 1: That further information surrounding the policy for council tax recovery be provided to the Committee at its next meeting on 11<sup>th</sup> October in addition to a report setting out the reasons for delays in processing new claims and changes in circumstances. (Action by Head of Benefits)*

In relation to minute 36a and the reference to £50,000 for Legal counsel costs related to an inquest, the Committee noted that the insurers had been fully appraised and informed of the outcome of the inquest. Members were advised that the insurers had been put on notice but there was still no claim against the Council.

**RESOLVED that the minutes of the meeting held on 13 July 2017, excluding exempt information, be confirmed.**

**52            MATTERS ARISING FROM PREVIOUS MEETINGS**  
**Report CSD17127**

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

In relation to Minute 435 (from the meeting on 15<sup>th</sup> March 2017), the Chairman noted that a report setting out the findings from the review of a possible merger of the Adult Passenger and SEN transport vehicle fleets was due to be considered by the Education, Children and Families Budget and Performance Monitoring Sub-Committee in the Autumn cycle of meetings.

Turning to the Total Facilities Management Contract Update, the Chairman requested that representatives from Amey attend the Committee's meeting on 11<sup>th</sup> October 2017, to answer questions from Members.

*Action Point 2: that representatives from Amey be invited to attend the Committee's meeting on 11<sup>th</sup> October 2017, to answer questions from Members (Action by Director of Regeneration)*

The Committee noted that the issue of utility debt had been referred to the Environment PDS Committee for further consideration. The Leader reported that he had arranged a meeting between himself, the Portfolio Holder for Resources and representatives from BT which would be held on Tuesday 12<sup>th</sup> September 2017. The issue of outstanding utility debt would be discussed at this meeting.

A Member reported that in 2015, the Council had disposed of a piece of land at 29 Chesterfield Close for £130,000. The Member had noted in a recent planning report that, on appeal, permission had been granted for 3 houses on the site. The Member suggested that this indicated that the sale price of £130,000 received by the Council had not represented the true value of the land as developers now appeared to be making a profit of over 100%. The Member questioned the quality of the advice that the Council had received at the time. The Portfolio Holder for Resources stressed that the Local Authority had a legal obligation to maximise any return on assets. In the past there had been pressure to move more swiftly with property disposals and it was therefore imperative that the circumstances surrounding this sale be adequately investigated to identify whether a mistake had indeed been made prior to drawing any conclusions. The Committee requested that following the meeting an update be provided on this particular site and the circumstances around the sale of the land.

*Action Point 3: that an update be provided on 29 Chesterfield Close and the circumstances around the sale of the land. (Action by Head of Legal Services)*

It was agreed that Cushman and Wakefield should be invited to give a presentation to the Committee in the New Year.

*Action Point 4: that Cushman and Wakefield be invited to give a presentation to the Committee in the New Year (Action by Senior Property Manager)*

**RESOLVED that**

- 1. Representatives from Amey be invited to attend the Committee's meeting on 11<sup>th</sup> October 2017 for the Total Facilities Management Contract Update;**
- 2. An update on the circumstances surrounding the sale of the land at 29 Chesterfield Close be provided to Members following the meeting; and**
- 3. Cushman and Wakefield be invited to give a presentation to the Committee in the New Year.**

**53 FORWARD PLAN OF KEY DECISIONS**

The Committee noted the Forward Plan of Key and Private Decisions published on 15<sup>th</sup> August 2017.

The Chairman of the Education, Children and Families Select Committee requested that scrutiny of the decision relating to In-house Nursery Provision scheduled for October 2017 be undertaken at the Executive and Resources PDS Committee on 11<sup>th</sup> October 2017.

The Committee noted that there were a number of items listed as requiring decision by the Executive on 13<sup>th</sup> September 2017, which did not appear on the agenda for the Executive meeting. Members requested that these decisions be progressed in a timely manner and added to the Executive agenda in October 2017 to avoid further delay.

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

No questions had been received.

**55 RESOURCES PORTFOLIO - PRE-DECISION SCRUTINY**

The Committee considered the following reports where the Resources Portfolio Holder was recommended to take a decision.

**a CAPITAL PROGRAMME MONITORING - 1ST QUARTER 2017/18**  
**Report FSD17070**

The report set out changes agreed by the Executive in respect of the Capital Programme for the Resources Portfolio. The revised programme for the Portfolio was set out in Appendix A to the report, detailed comments on scheme progress as at the end of the first quarter of 2017/18 were shown in the revised Appendix B which had been tabled at the meeting, and details of the 2016/17 outturn were included in Appendix C to the report.

**RESOLVED: That the Portfolio Holder be recommended to note and confirm the changes agreed by the Executive on 19<sup>th</sup> July 2017.**

**b TREASURY MANAGEMENT - QUARTER 1 PERFORMANCE 2017/18**  
**Report FSD17075**

The report summarised treasury management activity during the first quarter of 2017/18, and ensured that the Council was implementing best practice in accordance with the CIPFA Code of Practice for Treasury Management. Investments as at 30<sup>th</sup> June 2017 totalled £292.3m and there was no external borrowing. The balance of investments stood at £269.9m as at 31<sup>st</sup> March 2017, £285.2m as at 30<sup>th</sup> June 2016, and at £329.6m on 22<sup>nd</sup> August 2017.

The Committee noted that the Markets in Financial Instruments Directive II (MiFID II), which was due to come into force on 3<sup>rd</sup> January 2018 required investment firms to assess the categorisation of their clients for investment purposes, except for 'simple' investments such as term deposits with banks and building societies, directly owned properties and a few other types of investments that were outside the scope of MiFID II. Following the release of a new Policy Statement by the Financial Conduct Authority (FCA) on 3rd July



2017, Local Authorities would be classed as 'Retail' investors by default. This would result in the authority being limited to investments in instruments defined by the FCA as 'non-complex'. Retail investors may also have to pay higher fees for an equivalent investment than professional investors. It was therefore likely that being classed as a Retail investor would result in an overall reduction to the investment return achieved by the Council. However, under the Directive, retail clients were provided more protection than professional clients, such as a suitability report, assessment of appropriateness, level of information provided, services of the Financial Ombudsman Service, and the Financial Services Compensation Scheme (although this would not apply to the Council). Members noted that the Council was currently classed as a per-se professional client, and therefore did not currently have these protections. To be classed as a professional client for the purposes of treasury management activities, the Council was required to satisfy both a quantitative test and a qualitative test, the criteria for which were set out in detail within the report. In order to opt-up to elective professional status, an assessment questionnaire/application had to be submitted to all counterparties it currently invested with or may wish to invest with, including investment advisers. The Resources Portfolio Holder was requested to delegate authority to the Director of Finance to submit the relevant requests to opt-up to elective professional status.

Members were advised that the MiFID II arose from EU legislation and under the Directive local authorities were automatically categorised as 'Retail' investors and this limited the scope of investment. The report proposed that the Council elect to opt-up to 'Professional' client status. It was felt that being classed as a Retail investor would result in an overall reduction to the investment return achieved by the Council. The only potential advantage of remaining as a Retail investor was the benefit of additional protections such as level of information provided and the services of the Financial Ombudsman Service, although as the Council was currently classed as a per-se professional client it did not currently have these protections. The changes did not affect the current Regulatory Framework which limits the level of risk associated with the Council's treasury management activities.

The Committee were advised that the requirement for a suitable level of experience to satisfy the qualitative criteria for categorisation as a 'Professional' investor would be reflected in relevant job descriptions (i.e. the posts of Principal Accountant, Chief Accountant and Director of Finance),.

In relation to presentation of information within the report, the Committee requested that in future, where possible, simple line graphs were used as these were visually clearer than bar charts.

The Committee noted that where the report referred to a potential risk arising from a rise in interest rates, this risk only related to borrowing authorities. As Bromley Council was not a borrowing authority any rise in interest rates would be an opportunity.

In relation to Appendix 3 of the report, the Committee were advised that the total investments held by the Council had increased to £330m as at 22<sup>nd</sup> August 2017.

**RESOLVED: That the Portfolio Holder be recommended to:**

- 1. note the Treasury Management performance for the first quarter of 2017/18; and**
- 2. delegate authority to the Director of Finance to apply to opt-up to elective professional status under MiFID II as detailed in the report.**

## **56 PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS**

The Committee considered the following reports on the part 1 agenda for the meeting of the Executive on 13 September 2017.

### **(6) London Business Rates Pilot Report FSD17067**

Members considered a report setting out a proposal for the Council to join the London Business Rates pool pilot which provided financial incentives. For the pilot to proceed, the unanimous agreement of all London Boroughs and confirmation from Government that a London wide scheme could go ahead was required. The Government had offered an opportunity for Business Rates pilots and included financial incentives by pooling with other local authorities. London Councils were formally seeking consideration of a pan London proposal with details of the options for consideration included within the report. The Committee noted that the key principle underpinning the proposals was that no local authority would be worse off compared to its current position.

Members were advised that whilst it appeared that Bromley would benefit from the proposals there was always a risk that the benefits would not be as advantageous as predicted. The potential additional income used forecast information provided by individual local authorities on their expected business rates income. The Chairman suggested that the bottom line was that it was likely that Bromley would benefit however the Council had to be alert to any potential pitfalls.

Reviewing recommendation 2.1.3, the Chairman suggested that the recommendation be amended to read:

2.1.3a: The Leader seeks to minimise the collective investment contribution;  
and

2.1.3b The Leader obtains assurances from Government that any additional funding received will not be offset by future corresponding reductions in Government funding.

Subject to the amendment to recommendation 2.1.3 outlined above the Committee supported the recommendations.

**(7) Gateway Report – Short Breaks for Disabled Children and Young People**  
**Report ED18016**

Members considered a report which sought approval to enter into a contract with Riverside School for the purpose of providing short breaks for disabled children and young people for a period of three years from 1 April 2018, with a further allowance for a two year contract extension after that date on the basis of an exemption from tendering. The Council had a statutory duty to provide short breaks to those assessed as being eligible for such provision and the duty extended to the Council providing an appropriate and relevant range and choice of short break services.

The Committee were advised that the estimated contract value of £191,492 was the annual value of the contract not the total value of the contract.

The Committee were further advised that benchmarking on value had been undertaken and it was proposed to include a benchmarking clause in the contract in addition to a value for money break clause.

**RESOLVED that the recommendations to the Executive in respect of Item 5 and Item 7 on the agenda for the Executive meeting due to be held on 13 September 2017, be support subject to the amendment to recommendation 2.1.3 to Item 5 (London Business Rate Pilot) outlined above.**

**57 EXPENDITURE ON CONSULTANTS 2016/17 AND 2017/18**  
**Report FSD17077**

The Committee had requested that a full report reviewing expenditure on consultants be submitted each year. The report before the Committee looked at total expenditure in 2016/17 and expenditure to date for 2017/18 for both Revenue and Capital Budgets.

The Committee felt that the Council's Contract Procedure Rules should be amended so that the estimated value for Consultancy Services requiring one oral quotation (confirmed in writing where the Estimated Cost of Value exceeded £1,000) be reduced to £5,000 in line with other services. Members felt that there needed to be consistency across the Council. As this amendment would require approval of Council, it was agreed that this be included in a future report by the Head of Procurement incorporating other changes to existing Contract Procedure Rules.

A Member noted that legal services had been left out of the report and concerns were raised that Counsel's opinion was often sought when there

was in fact an adequate provision of in-house legal advice. In response the Head of Legal Services advised Members that generally Counsel advice was sought in complex cases where advocacy was required. Use of Counsel opinion was strictly controlled with specific criteria and every use of legal Counsel had to be approved and signed off by the Head of Legal Services.

The Committee were advised that consultants were used across the Council to deliver value for money where there was either a specific short-term skills gap within the organisation or for one-off pieces of highly specialist work.

A Member noted that in some cases where consultants were employed the costs were billed to a third party and suggested that it may be helpful in future reports to highlight where any costs were billed to third parties.

The Committee noted the recommendation that the report be referred to other PDS Committees for scrutiny and suggested that detailed questions around the requirements for consultants and whether value for money was achieved could be raised at these committee meetings.

**RESOLVED that**

- 1. Overall expenditure on Consultants as set out in the report be noted;**
- 2. The report referred to the other PDS Committees for further consideration; and**
- 3. Full Council be recommended to agree that the Council's Contract Procedure Rules be amended so that the estimated value for Consultancy Services requiring one oral quotation (confirmed in writing where the Estimated Cost or Value exceeds £1,000) be reduced to £5,000 in line with other services.**

**58            WORK PROGRAMME  
                 Report CDS17126**

Members agreed the Committee's latest 2017/18 work programme.

**59            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 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.**

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

**60 EXEMPT MINUTES OF THE MEETING HELD ON 13 JULY 2017**

The exempt minutes of the meeting held on 13 July 2017 were confirmed.

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

The Committee considered the following reports on the Part 2 agenda where the Resources Portfolio Holder was recommended to take a decision.

**a Extension Of A Short Term Lease To Langley Park  
Academies For Use Of Part Of The Hawes Down Centre  
West Wickham For Langley Park Primary Free School**

The Committee recommended that the Portfolio Holder approve the recommendations within the report.

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

There were no Part 2 reports on the agenda for the meeting of the Executive on 13<sup>th</sup> September 2017.

The Meeting ended at 8.20 pm

Chairman

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Report No.  
CSD17148

London Borough of Bromley

## PART ONE - PUBLIC

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**Decision Maker:** EXECUTIVE AND RESOURCES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

**Date:**

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

**Title:** MATTERS ARISING FROM PREVIOUS MEETINGS

**Contact Officer:** Philippa Gibbs, Democratic Services Officer  
Tel: 0208 313 4508 E-mail: Philippa.Gibbs@bromley.gov.uk

**Chief Officer:** Mark Bowen, Director of Corporate Services

**Ward:** (All Wards)

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1. Reason for report

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

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2. RECOMMENDATION(S)

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

## Impact on Vulnerable Adults and Children

1. Summary of Impact: None
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## Corporate Policy

1. Policy Status: Existing Policy
  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: N/A
- 

## Legal

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

1. Summary of Procurement Implications: N/A
- 

## Customer Impact

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

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

<b>Non-Applicable Sections:</b>	Impact on Vulnerable People and Children/Policy/Financial/Legal/Personnel/Procurement
Background Documents: (Access via Contact Officer)	Minutes of previous meetings



## Appendix 1

Minute Number/Title/Date	Action/PDS Request	Update	Action by	Expected Completion Date
349 (7 September 2016) <b>Contracts Register (TFM/Agency Staff Contracts)</b>	Committee requested that managers for the Total Facilities Management and Agency Staff contracts should attend Committee meetings for scrutiny.	An item/report on Agency Staff was provided for the Committee's meeting on 18 <sup>th</sup> May 2017 and officers are looking to bring a report on Total Facilities Management to the October cycle.	Director of Culture, Renewal and Recreation/Manager, Strategic Property	11 October 2017 for item on TFM Contract
435 (15 March 2017) <b>Pre-Decision Scrutiny of Executive reports (6) Budget Monitoring 2016/17</b>	It was resolved that the recommendations be supported with a further recommendation added that consideration be given to a merger of the Adult Passenger and SEN transport vehicle fleets.	A report for the Education, Children and Families Budget and Performance Monitoring Sub-Committee is planned to be completed by January 2018 covering this and other financial considerations related to SEN transport.	Director of Education/SEN Transport Project Manager	January 2018
36b (13 July 2017) <b>Benefits Service Monitoring Report and Update on Council Tax Support/Reduction</b>	That a report on the reasons delays in processing new claims and change in circumstances be presented to the Committee's next meeting.	The report has been added to the agenda for 11 <sup>th</sup> October 2017	Head of Benefits	11 <sup>th</sup> October 2017
39 (13 July 2017) <b>Revenues Service Monitoring Report</b>	That the Committee review the Policy in relation to debt collection at a future meeting	The report has been added to the agenda for 11 <sup>th</sup> October 2017	Head of Benefits	11 <sup>th</sup> October 2017
52 (7 September 2017) <b>Matters Arising from Previous Meetings</b>	That following the meeting an update be provided on 29 Chesterfield Close and the circumstances	An update was circulated to all Members of the Committee on 15 September 2017.	Head of Legal Services	15 September 2017.

	around the sale of the land			
52 (7 September 2017) <b>Matters Arising from Previous Meetings</b>	That Cushman and Wakefield be invited to give a presentation to the Committee early in 2018	This has been added to the Committee's work programme with a presentation scheduled for January 2018	Head of Asset and Investment	January 2018

Report No.  
CSD17146

London Borough of Bromley

## PART ONE - PUBLIC

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**Decision Maker:** **EXECUTIVE AND RESOURCES  
POLICY DEVELOPMENT AND SCRUTINY COMMITTEE**

**Date:** **Wednesday 11 October 2017**

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

**Title:** **CONTRACTS SUB-COMMITTEE: MEMBERSHIP**

**Contact Officer:** Graham Walton, Democratic Services Manager  
Tel: 0208 461 7743 E-mail: [graham.walton@bromley.gov.uk](mailto:graham.walton@bromley.gov.uk)

**Chief Officer:** Mark Bowen, Director of Corporate Services

**Ward:** N/A

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1. Reason for report

- 1.1 Following the appointment of a new Leader of the Council at a special meeting of the Council on 25<sup>th</sup> September 2017, the majority group announced proposed changes to Committee memberships at the ordinary meeting of the Council on the same evening. This included the appointment of Cllr Samaris Huntington-Thresher to this Committee replacing Cllr William Huntington-Thresher. Changes to various Sub-Committees were also announced by the majority group – these need to be confirmed by the relevant Committee. This Committee is therefore recommended to confirm the following change to the membership of the Contracts Sub-Committee.
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2. **RECOMMENDATION**

**That Councillor Stephen Carr replaces Councillor William Huntington-Thresher as a member of the Contracts Sub-Committee.**

## Impact on Vulnerable Adults and Children

1. Summary of Impact: Not Applicable
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## Corporate Policy

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

1. Cost of proposal: No Cost:
  2. Ongoing costs: Not Applicable:
  3. Budget head/performance centre: Democratic Representation
  4. Total current budget for this head: £1,068,450
  5. Source of funding: 2017/18 Revenue Budget
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## Personnel

1. Number of staff (current and additional): Not Applicable
  2. If from existing staff resources, number of staff hours: Not Applicable
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## Legal

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

1. Summary of Procurement Implications: Not Applicable
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## Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Not Applicable
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## Ward Councillor Views

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

<b>Non-Applicable Sections:</b>	Impact on Vulnerable Adults and Children/Policy/Finance/Personnel/Legal/Procurement
Background Documents: (Access via Contact Officer)	Minutes of Council meeting on 25 <sup>th</sup> September 2017

**LONDON BOROUGH OF BROMLEY**

**FORWARD PLAN OF KEY AND PRIVATE EXECUTIVE DECISIONS PUBLISHED ON: 2<sup>nd</sup> October 2017**

**PERIOD COVERED: October 2017 - January 2018**

**DATE FOR PUBLISHING NEXT FORWARD PLAN OF KEY AND PRIVATE EXECUTIVE DECISIONS: 9<sup>th</sup> October 2017**

WHAT IS BEING DECIDED?	WHO IS THE DECISION MAKER?	WHEN WILL THE DECISION BE MADE AND WHO WILL BE CONSULTED BEFORE THE DECISION IS MADE?	HOW WILL THE CONSULTATION TAKE PLACE?	HOW CAN YOU MAKE COMMENTS ON THE DECISION BEFORE IT IS MADE?	WILL THIS ITEM BE CONSIDERED IN PUBLIC OR IN PRIVATE?	WHAT SUPPORT DOCUMENTS AND OTHER INFORMATION WILL BE AVAILABLE?
<b>COUNCIL</b>						
<b>EXECUTIVE</b>						
BETTER CARE FUND LOCAL PLAN 2017-19	Executive	10 October 2017  Health and Wellbeing Board	Meetings	Contact Officer:  Jackie Goad Tel: 020 8461 7685 <a href="mailto:Jackie.Goad@bromley.gov.uk">Jackie.Goad@bromley.gov.uk</a>	<u>Public Meeting</u>	Report and relevant background documents
IMPROVED BETTER CARE FUND	Executive	10 October 2017  Executive and Resources PDS Committee	Meetings	Contact Officer:  Phil Stephens Tel: 020 8313 <a href="mailto:phil.stephens@bromley.gov.uk">phil.stephens@bromley.gov.uk</a>	<u>Public Meeting</u>	Report and relevant background documents

WHAT IS BEING DECIDED?	WHO IS THE DECISION MAKER?	WHEN WILL THE DECISION BE MADE AND WHO WILL BE CONSULTED BEFORE THE DECISION IS MADE?	HOW WILL THE CONSULTATION TAKE PLACE?	HOW CAN YOU MAKE COMMENTS ON THE DECISION BEFORE IT IS MADE?	WILL THIS ITEM BE CONSIDERED IN PUBLIC OR IN PRIVATE?	WHAT SUPPORT DOCUMENTS AND OTHER INFORMATION WILL BE AVAILABLE?
INTEGRATED CARE NETWORKS UPDATE	Executive	10 October 2017  Care Services PDS Committee	Meetings	Contact Officer:  Alicia Munday  <a href="mailto:Alicia.Munday@bromley.gov.uk">Alicia.Munday@bromley.gov.uk</a>	<u>Public Meeting</u>	Report and relevant background documents
DISCHARGE TO ASSESS - SUPPORT	Executive	10 October 2017  Care Services PDS Committee	Meetings	Contact Officer:  Josepha Reynolds, Tel: 020 8461 7395 <a href="mailto:Josepha.Reynolds@bromley.gov.uk">Josepha.Reynolds@bromley.gov.uk</a>	<u>Public Meeting</u>	Report and relevant background documents
PROGRESS IN IMPLEMENTING CHILDREN'S SERVICE IMPROVEMENTS	Executive	7 November 2017  Executive & Resources PDS Committee	Meetings	Contact Officer:  Janet Bailey Tel: 020 8313 4779 <a href="mailto:Janet.Bailey@bromley.gov.uk">Janet.Bailey@bromley.gov.uk</a>	<u>Public Meeting</u>	Report and relevant background documents
MARKET ENGAGEMENT UPDATE	Executive	7 November 2017  Renewal & Recreation PDS Committee	Meetings	Contact Officer:  Alicia Munday  <a href="mailto:Alicia.Munday@bromley.gov.uk">Alicia.Munday@bromley.gov.uk</a>	<u>Public Meeting</u>	Report and relevant background documents

WHAT IS BEING DECIDED?	WHO IS THE DECISION MAKER?	WHEN WILL THE DECISION BE MADE AND WHO WILL BE CONSULTED BEFORE THE DECISION IS MADE?	HOW WILL THE CONSULTATION TAKE PLACE?	HOW CAN YOU MAKE COMMENTS ON THE DECISION BEFORE IT IS MADE?	WILL THIS ITEM BE CONSIDERED IN PUBLIC OR IN PRIVATE?	WHAT SUPPORT DOCUMENTS AND OTHER INFORMATION WILL BE AVAILABLE?
PROCUREMENT STRATEGY FOR SUBSTANCE MISUSE	Executive	7 November 2017  Care Services PDS Committee	Meetings	Contact Officer:  Mimi Morris-Cotterill  <a href="mailto:mimi.morris-cotterill@bromley.gov.uk">mimi.morris-cotterill@bromley.gov.uk</a>	<u>Public Meeting</u>	Report and relevant background documents
ASSET MANAGEMENT STRATEGY	Executive	7 November 2017  Executive & Resources PDS Committee	Meetings	Contact Officer:  Michael Watkins Tel: 020 8313 4178 <a href="mailto:Michael.Watkins@bromley.gov.uk">Michael.Watkins@bromley.gov.uk</a>	<u>Public meeting</u>	Report and relevant background documents
WEST WICKHAM LEISURE CENTRE - REDEVELOPMENT	Executive	7 November 2017  Renewal & Recreation PDS Committee & Executive & Resources PDS Committee	Meetings	Contact Officer:  Michael Watkins Tel: 020 8313 4178 <a href="mailto:Michael.Watkins@bromley.gov.uk">Michael.Watkins@bromley.gov.uk</a>	<u>Public meeting</u>	Report and relevant background documents

WHAT IS BEING DECIDED?	WHO IS THE DECISION MAKER?	WHEN WILL THE DECISION BE MADE AND WHO WILL BE CONSULTED BEFORE THE DECISION IS MADE?	HOW WILL THE CONSULTATION TAKE PLACE?	HOW CAN YOU MAKE COMMENTS ON THE DECISION BEFORE IT IS MADE?	WILL THIS ITEM BE CONSIDERED IN PUBLIC OR IN PRIVATE?	WHAT SUPPORT DOCUMENTS AND OTHER INFORMATION WILL BE AVAILABLE?
BROMLEY BEACON ACADEMY - AWARD OF CONTRACT FOR PHASE 2 WORKS	Executive	7 November 2017  Executive & Resources PDS Committee	Meetings	Contact Officer:  Robert Bollen Tel: 020 8313 4697 <a href="mailto:Robert.Bollen@bromley.gov.uk">Robert.Bollen@bromley.gov.uk</a>	<u>Private meeting - Exempt information - Financial/business affairs of a person or body</u>	Part 2 Report - Confidential
EXTENSION OF HIGHWAYS CONTRACTS	Executive	7 November 2017  Environment PDS Committee	Meetings	Contact Officer:  Garry Warner Tel: 020 8313 4929 <a href="mailto:garry.warner@bromley.gov.uk">garry.warner@bromley.gov.uk</a>	<u>Private Meeting - Exempt information - Financial/business affairs of a person or body.</u>	Part 2 Report - Confidential
SITE G, BROMLEY TOWN CENTRE	Executive	7 November 2017  Renewal & Recreation PDS Committee	Meetings	Contact Officer:  Kevin Munnelly Tel: 020 8313 4582 <a href="mailto:kevin.munnelly@bromley.gov.uk">kevin.munnelly@bromley.gov.uk</a>	<u>Part 2 Report - Confidential</u>	Private Meeting - Exempt Information - Financial/business affairs of a person or body
CHURCHILL THEATRE/CENTRAL LIBRARY - REPLACEMENT OF CLADDING	Executive	6 December 2017  Executive & Resources PDS Committee	Meetings	Contact Officer:  Catherine Pimm Tel: 020 8461 7834 <a href="mailto:Catherine.Pimm@bromley.gov.uk">Catherine.Pimm@bromley.gov.uk</a>	<u>Public meeting</u>	Report and relevant background documents



WHAT IS BEING DECIDED?	WHO IS THE DECISION MAKER?	WHEN WILL THE DECISION BE MADE AND WHO WILL BE CONSULTED BEFORE THE DECISION IS MADE?	HOW WILL THE CONSULTATION TAKE PLACE?	HOW CAN YOU MAKE COMMENTS ON THE DECISION BEFORE IT IS MADE?	WILL THIS ITEM BE CONSIDERED IN PUBLIC OR IN PRIVATE?	WHAT SUPPORT DOCUMENTS AND OTHER INFORMATION WILL BE AVAILABLE?
CHIPPERFIELD ROAD, ST PAUL'S CRAY - REGENERATION SCHEME	Executive	6 December 2017  Renewal & Recreation PDS Committee & Executive & Resources PDS Committee	Meetings	Contact Officer:  Michael Watkins Tel: 020 8313 4178 <a href="mailto:Michael.Watkins@bromley.gov.uk">Michael.Watkins@bromley.gov.uk</a>	<u>Private meeting - Exempt information - Financial/business affairs of a person or body</u>	Part 2 report - confidential
BECKENHAM AND PENGE BUSINESS IMPROVEMENT DISTRICT (BID) PROPOSAL FOR 2018-2023	Executive	6 December 2017  Renewal and Recreation PDS Committee	Meetings	Contact Officer:  Lorraine McQuillan  <a href="mailto:Lorraine.McQuillan@bromley.gov.uk">Lorraine.McQuillan@bromley.gov.uk</a>	<u>Public Meeting</u>	Report and relevant background documents
BROMLEY'S HOMELESSNESS STRATEGY	Executive	6 December 2017  Care Services PDS Committee	Meetings	Contact Officer:  Tracey Wilson  <a href="mailto:tracey.wilson@bromley.gov.uk">tracey.wilson@bromley.gov.uk</a>	<u>Public meeting</u>	Report and relevant background documents

WHAT IS BEING DECIDED?	WHO IS THE DECISION MAKER?	WHEN WILL THE DECISION BE MADE AND WHO WILL BE CONSULTED BEFORE THE DECISION IS MADE?	HOW WILL THE CONSULTATION TAKE PLACE?	HOW CAN YOU MAKE COMMENTS ON THE DECISION BEFORE IT IS MADE?	WILL THIS ITEM BE CONSIDERED IN PUBLIC OR IN PRIVATE?	WHAT SUPPORT DOCUMENTS AND OTHER INFORMATION WILL BE AVAILABLE?
CUSTOMER SERVICES SYSTEMS REVIEW	Executive	6 December 2017  Executive and Resources PDS Committee	Meetings	Contact Officer:  Duncan Bridgewater Tel: 0208 461 7676 <a href="mailto:Duncan.Bridgewater@bromley.gov.uk">Duncan.Bridgewater@bromley.gov.uk</a>	<u>Public Meeting</u>	Report and relevant background documents
STEWART FLEMING PRIMARY SCHOOL - AWARD OF CONTRACT FOR PHASE 2 WORKS	Executive	7 February 2018  Executive & Resources PDS Committee	Meetings	Contact Officer:  Robert Bollen Tel: 020 8313 4697 <a href="mailto:Robert.Bollen@bromley.gov.uk">Robert.Bollen@bromley.gov.uk</a>	<u>Private meeting - Exempt information- Financial/business affairs of a person or body.</u>	Part 2 Report - Confidential
<b>CARE SERVICES PORTFOLIO</b>						
<b>EDUCATION &amp; CHILDREN'S SERVICES PORTFOLIO</b>						
<b>ENVIRONMENT PORTFOLIO</b>						
HIGHWAY INVESTMENT	Portfolio Holder for Environment	Not before 5 October 2017  Environment PDS Committee	Meetings	Contact Officer:  Paul Redman Tel: 020 8313 4930 <a href="mailto:Paul.Redman@bromley.gov.uk">Paul.Redman@bromley.gov.uk</a>	<u>Public Meeting</u>	Report and relevant background documents

WHAT IS BEING DECIDED?	WHO IS THE DECISION MAKER?	WHEN WILL THE DECISION BE MADE AND WHO WILL BE CONSULTED BEFORE THE DECISION IS MADE?	HOW WILL THE CONSULTATION TAKE PLACE?	HOW CAN YOU MAKE COMMENTS ON THE DECISION BEFORE IT IS MADE?	WILL THIS ITEM BE CONSIDERED IN PUBLIC OR IN PRIVATE?	WHAT SUPPORT DOCUMENTS AND OTHER INFORMATION WILL BE AVAILABLE?
TFL FUNDED WORK PROGRAMME FOR 2018/19	Environment Portfolio	Not before 5 October 2017  Environment PDS Committee	Meetings	Contact Officer:  David Bond Tel: 020 8313 4555 <a href="mailto:David.Bond@bromley.gov.uk">David.Bond@bromley.gov.uk</a>	<u>Public Meeting</u>	Report and relevant background documents
PUBLIC PROTECTION AND SAFETY PORTFOLIO						
RENEWAL AND RECREATION PORTFOLIO						
RESOURCES PORTFOLIO						

London Borough of Bromley: 020 8464 3333 [www.bromley.gov.uk](http://www.bromley.gov.uk)

Contact Officer: Graham Walton, Chief Executive's Department: 020 8461 7743, [graham.walton@bromley.gov.uk](mailto:graham.walton@bromley.gov.uk)

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Report No.  
CSD 17143

## London Borough of Bromley

### PART ONE - PUBLIC

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**Decision Maker:** EXECUTIVE & RESOURCES PDS COMMITTEE

**Date:** 11 OCTOBER 2017

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

**Title:** Contract Register & Contracts Database Update

**Contact Officer:** Dave Starling, Head of Commissioning & Procurement  
Tel: 020 8313 4639 E-mail: [Dave.Starling@bromley.gov.uk](mailto:Dave.Starling@bromley.gov.uk)

**Chief Officer:** Lesley Moore, Director of Commissioning & Procurement  
Tel: 020 8313 4633 E-mail: [Lesley.Moore@bromley.gov.uk](mailto:Lesley.Moore@bromley.gov.uk)

**Ward:** All Wards

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1. Reason for report

- 1.1 This report presents an extract from September 2017's Contracts Register for scrutiny by PDS Committee – all PDS committees will receive a similar report each cycle.
  - 1.2 This report is based on information, covering all Portfolios, which was presented to Contracts Sub Committee on 21 September 2017.
  - 1.3 The Contracts Register appended to the corresponding 'Part 2' report (CSD 17144) includes a commentary on each contract.
  - 1.4 This report also updates PDS Committee on progress with the Council's new Contracts Database (which generates the Contract Registers among other things).
- 

2. RECOMMENDATIONS

That PDS Committee:

- 2.1 reviews the appended £50k Contracts Register (which also forms part of the Council's commitment to data transparency) and
- 2.2 notes that the Contracts Register appended to the corresponding Part 2 report (CSD 17144) contains additional, potentially commercially sensitive, information in its commentary.

### Impact on Vulnerable Adults and Children

1. Summary of Impact: The appended Contracts Register covers services which may be universal or targeted. Addressing the impact of service provision on vulnerable adults and children is a matter for the relevant procurement strategies, contracts award and monitoring reports, and service delivery rather than this report.
- 

### Corporate Policy

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

### Financial

1. Cost of proposal: -
  2. Ongoing costs: -
  3. Budget head/performance centre: Commissioning & Procurement
  4. Total current budget for this head: -
  5. Source of funding: -
- 

### Personnel

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

### Legal

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

### Procurement

1. Summary of Procurement Implications: Improves the Council's approach to contract management
- 

### Customer Impact

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

### Ward Councillor Views

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

### 3. COMMENTARY


#### Contracts Register Background

- 3.1 The appended Contracts Register details key information concerning Resource's Portfolio contracts with a Total Contract Value (TCV) greater than £50k (as of 11 September 2017).
- 3.2 The Register is generated from the Council's new Contracts Database (CDB) which is administered by Commissioning & Procurement Directorate and populated by the relevant service managers (Contract Owners) and approved by their managers (Contract Approvers).
- 3.3 As a Commissioning Council, this information is vital to facilitate a full understanding of the Council's procurement activity and registers are reviewed by the Commission Board, the Corporate Leadership Team, and Contracts Sub-Committee as appropriate.
- 3.4 It is anticipated that the information will be updated four times a year following Contract Sub Committee meetings in: September 2017; November 2017; March 2018 and June 2018.
- 3.5 Each PDS committee will undertake detailed scrutiny of its contracts – including scrutinising suppliers – and hold the Portfolio Holder to account on service quality and procurement arrangements.


#### Contract Register Summary

- 3.6 The table below summarises key data from September's £50k+ Contracts Register Report for all six portfolios (including this portfolio).

#### All Portfolios

Issue	Data	Number	Percentage
<b>Contracts (&gt;£50k)</b>	All Portfolios	265	100%
<b>Flagged as a concern</b> 	All Portfolios	11	6.1%
<b>Contracts by Portfolio</b>	Care Services	106	40%
	Environment	20	7.5%
	Education, Children & Families	60	22.6%
	Public Protection & Safety	6	2.3%
	Renewal & Recreation	19	7.2%
	Resources	54	20.4%
<b>TOTALS</b>		<b>265</b>	<b>100%</b>
<b>Contracts by Risk Index</b>	Red	19	7.17%
	Amber	95	35.85%
	Yellow	123	46.42%
	Green	28	10.57%
<b>TOTALS</b>		<b>265</b>	<b>100%</b>
<b>Contracts by Procurement Status</b>	Red	96	29.25%
	Amber	73	31.13%
	Yellow	29	19.81%
	Green/Black/New	67	19.81%
<b>TOTALS</b>		<b>265</b>	<b>100%</b>


3.7 Key information, for this Portfolio, extracted from September's £50k+ Contracts Register.

Issue	Data	Number	Percentage
Contracts	£50k+	54	100%
Concern Flag		0	0%
Risk Index	Red	1	1.6%
	Amber	15	27.8%
	Yellow	26	48.2%
	Green	12	22.2%
<b>Portfolio Total</b>		<b>54</b>	<b>100%</b>
Procurement Status	Red	9	16.6%
	Amber	11	20.4%
	Yellow	4	7.4%
	Green/Black/New	30	55.6%
<b>Portfolio Total</b>		<b>54</b>	<b>100%</b>

*Resources has 54 (20.4%) of the Council's 265 contracts (valued at greater than £50k)*

### Contract Register Key

3.8 A key to the Corporate Contracts Register (which was output from the Contract Database for the first time on 11 September 2017) is set out in the table below.

Register Category	Explanation
<b>Risk Index</b>	A colour-ranking system reflecting eight automatically scored and weighted criteria providing a final score (out of 100) / colour (red, amber, yellow, green) reflecting the contract's intrinsic risk
<b>Contract ID</b>	Each contract has a unique reference which is to be used in related committee reports and authorisations
<b>Owner</b>	Manager / commissioner with budgetary / service responsibility
<b>Approver</b>	Owner's manager, responsible for approving information quality
<b>Contract Title</b>	Commonly used or formal title
<b>Supplier</b>	Main contractor or supplier responsible for service provision
<b>Portfolio</b>	Relevant portfolio for receiving procurement, contract monitoring and budget monitoring reports
<b>Total Contract Value (TCV)</b>	Contract's value from commencement to expiry of formally approved period (i.e. excluding any extensions which have yet to be approved)
<b>Original Annual Value</b>	Value of the contract its first year (which may be difference from the value in subsequent years due to contract commencement costs etc)
<b>Budget</b>	Approved budget for the current financial year
<b>Projection</b>	The expected spend by the end of the financial year
<b>Procurement Status</b>	Automatic ranking system based on value and proximity to expiry designed to alert Owners to take procurement action. Red ragging typically means the contract is nearing expiry.
<b>Start &amp; End Dates</b>	Approved dates excluding extensions yet to be authorised
<b>Months duration</b>	Contract term in months
<b>Attention </b>	Red flag to denote Commissioning & Procurement Directorate concern (also see Commentary)
<b>Commentary</b>	Owners provide a comment where Risk Index or Procurement Status is ragged red or amber. C&P Directorate has added a comment where appropriate <i>Commentary only appears in the Part 2 report</i>
<b>Capital</b>	Most of the Council's contracts are revenue-funded but capital contracts are separately identified (and listed at the foot of the register) because different reporting / accounting rules apply

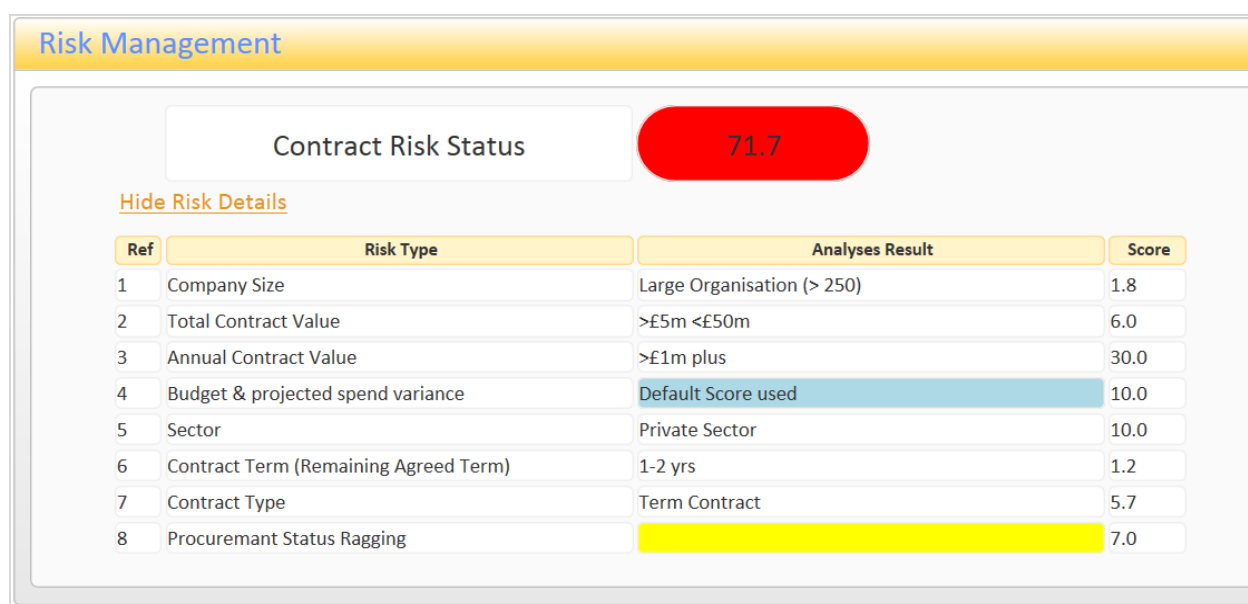


## Contract Register Order

- 3.9 The Contracts Register is output in Risk Index order. It is then ordered by Procurement Status, Portfolio, and finally Contract Value. Capital contracts appear at the foot of the Register and contracts of concern (to Commissioning & Procurement Directorate) are flagged at the top.





## Risk Index

- 3.10 The Risk Index is designed to focus attention on contracts presenting the most significant risks to the Council. All contracts involve some risk and these may be broadly categorised in relation to finance, service, health & safety, reputation or compliance.
- 3.11 Risk needs to be controlled to an acceptable level (our risk appetite) rather than entirely eliminated and so the issue is how best to assess and mitigate contract risk. Contract risk is assessed (in the CDB) according to eight separate factors and scored and weighted to produce a Risk Index figure (out of 100). These scores are ragged to provide a visual reference.



## Procurement Status

- 3.12 A contract's Procurement Status is a combination of its Total Contract Value and number of months to expiry. The table below is used to assign a ragging colour. Contracts ragged red, amber or yellow require action – which should be set out in the Commentary.

		Procurement / Commissioning Status					
Period	3 months						 Requires an agreed plan  Develop / test options  Consider options  No action required
	6 months						
	9 months						
	12 months						
	18 months						
		£5k - £50k	£50k - £100k	£100k - £173k	£173k - £500k	>£500k	
		Total Contract Value					

## Contracts Database

- 3.13 The Contracts Database (CDB) was developed from the former contract registers previously received by Contracts Sub and the individual Contract Monitoring Summaries. Those

documents, while useful, had limited utility and it was agreed to develop a database rather than rely on a collection of documents and spreadsheets.

- 3.14 The Contracts Database aims to improve the Council's contract management (in response to procurement rules not always being followed) and corporate memory by creating a live documentary system with all key contract information being accessible from one location.
- 3.15 The CDB can be accessed (directly or from Team Contract Management) from any LB Bromley computer (or via CITRIX) using the secure 'single sign-in' system. It is the Contract Owners' responsibility to ensure that contract records are kept up-to-date, accurate and fully populated. In particular, Contract Owners will ensure their records are updated for each contract reporting cycle. It is the 'Approvers' responsibility to approve the 'commentary' at each reporting cycle and to generally quality-assure the contract information.
- 3.16 The Contract Owners and Approvers were trained in how to use the Contracts Database during July and August 2017 and the activity was generally well received. Indeed, many suggestions were volunteered regarding how to improve the Database's utility and these may be incorporated into its future development.
- 3.17 Contracts are listed as a single line summary in a 'directory format' (not dissimilar to the Contracts Register). More detailed information is held for each contract in the following sections
- Main Contract Details
  - Dates & Values
  - Financials
  - Supplier Details
  - Council Contacts
  - Supplier Contacts
  - Contract Register Commentary
  - Contract Documents
  - Risk Management
  - Linked Services/Contracts (to be developed)
  - Linked Strategies/Plans (to be developed)
  - Regulatory Requirements (to be developed)
  - Approver Sign-off (to be developed)

#### **Contract Database Next Steps**

- 3.18 Now that Workstream One has been completed, the Programme Board will take a view on the priority order in which to address the Programme's next stages which include: alerting; authorisation; credit-checking; usability; monitoring; document storage; insurance and funding.

#### **4. IMPACT ON VULNERABLE ADULTS & CHILDREN**

- 4.1 The Corporate Contracts Register covers all Council services: both those used universally by residents and those specifically directed towards vulnerable adults and children. Addressing the impact of service provision on the vulnerable is a matter for the relevant procurement strategies, contracts, and delivery of specific services rather than this summary register.

#### **5. POLICY IMPLICATIONS**

- 5.1 The Council's renewed ambition for the borough is set out in the 2016-18 update to [Building a Better Bromley](#) and the Contracts Database (and associated Contract Registers) help in delivering all of the aims but especially in delivering the aim of being an 'Excellent Council'. For

an 'Excellent Council', this activity specifically helps by 'ensuring good contract management to ensure value-for-money and quality services'.

## **6. PROCUREMENT IMPLICATIONS**

- 6.1 Most of the Council's (£50k plus) procurement spend is now captured by the Contracts Database. The database will help in ensuring that procurement activity is undertaken in a timely manner, that Contract Procedure Rules are followed, and that Members are able to scrutinise procurement activity in a regular and systematic manner.

## **7. FINANCIAL IMPLICATIONS**

- 7.1 The Contracts Database and Contract Registers are not primarily financial tools – the Council has other systems and reports for this purpose such as FBM and the Budget Monitoring reports.
- 7.2 However, the CDB and registers do contain financial information both in terms of contract dates and values and also budgets and spend for the current year.
- 7.3 A sum of £50k was originally set aside for the development of the Contract Database and to date not all of this has been fully committed. The next stage will be more complex as it relates to the Authorisation Process, to address the issues raised by Internal Audit, and so a further sum is likely to be required for this to be fully implemented. It is proposed that £50k is set aside from Central Contingency to be used as required.

## **8. PERSONNEL IMPLICATIONS**

- 8.1 There are no direct personnel implications but the Contracts Database is useful in identifying those officers directly involved in managing the Council's contracts.

## **9. LEGAL IMPLICATIONS**

- 9.1 There are no direct legal implications but the Contracts Database does identify those contracts which have a statutory basis and also those laws which should be complied with in delivering the contracted services.
- 9.2 A list of all (irrespective of value) the Council's contracts may be found on [Bromley.gov.uk](http://Bromley.gov.uk) to aid transparency.

<b>Non-Applicable Sections:</b>	None
Background Documents: (Access via Contact Officer)	Contracts Register Reports to <a href="#">Contracts Sub-Committee</a>

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Report No.  
FSD17082

## London Borough of Bromley

### PART 1 - PUBLIC

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**Decision Maker:** Resources Portfolio Holder

**Date:** For pre-decision scrutiny by Executive and Resources PDS Committee on 11th October 2017

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

**Title:** INSURANCE FUND - ANNUAL REPORT 2016/17

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

**Chief Officer:** Director of Finance

**Ward:** All

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#### 1. Reason for report

- 1.1 Following the conclusion of the 2016/17 Audit of Accounts, this report advises Members of the position of the Insurance Fund as at 31<sup>st</sup> March 2017 and presents statistics relating to insurance claims for the last two years. In 2016/17, the total Fund value increased slightly from £3.1m to £3.4m. A mid-year review of the Fund has also been carried out and, at this stage, it is estimated that the final Fund value as at 31<sup>st</sup> March 2018 is likely to increase further to around £3.6m. The position will continue to be monitored throughout the year.

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#### 2. RECOMMENDATION(S)

- 2.1 The Resources Portfolio Holder is requested to note the contents of the report.

### Corporate Policy

1. Policy Status: Existing policy. To maintain appropriate levels of insurance cover to ensure adequate cover for Council properties, assets and services.
  2. BBB Priority: Excellent Council.
- 

### Financial

1. Cost of proposal: N/A
  2. Ongoing costs: N/A.
  3. Budget head/performance centre: Insurance Fund
  4. Total current budget for this head: £3,373k (Fund balance as at 31/03/2017)
  5. Source of funding: Insurance Fund - contributions from revenue, interest earned on balance
- 

### Staff

1. Number of staff (current and additional): N/A
  2. If from existing staff resources, number of staff hours: Insurance claims are handled under a shared services arrangement with the Royal Borough of Greenwich
- 

### Legal

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

### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Approx. 450 claims are received each year across all insurance covers.
- 

### Ward Councillor Views

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

### **3. COMMENTARY**

#### **3.1 Background**

- 3.1.1 The Council's Insurance Fund is an earmarked reserve which provides for the self-insurance of all losses up to a maximum in any year of £500k for material damage claims and £1,965k for Employers and Public Liability claims. External insurers are used to provide for losses in excess of these sums.
- 3.1.2 With the exception of 2015/16 and 2016/17, the trend in recent years has been a gradual reduction in the Insurance Fund balance, as illustrated in the table in paragraph 4.1, and the balance (to cover new claims notified after 31<sup>st</sup> March 2017) stood at £3.4m at 31<sup>st</sup> March 2017. Very little guidance is given on a prudent level of reserves for insurance claims, but the Financial Conduct Authority generally supports the principal that it should be based on a realistic assessment of the value of known unsettled claims. Accordingly, in addition to the Fund balance, the Council carries a provision on its Balance Sheet for the estimated proportion of claims received that will be settled. As at 31<sup>st</sup> March 2017, the provision stands at £1.7m.
- 3.1.3 In the Insurance Annual Report for 2015/16 to the Executive and Resources PDS Committee in October 2016, Members were informed that, at that stage, it was estimated that the Fund balance would increase to around £3.4m for 2016/17. The level and value of claims for the rest of the year matched the projections fairly closely, and the remaining balance at year end was in line with the estimate. The increase in fund value was mainly due to claims settled during the year being lower than the total of interest accrued to the fund, the annual contribution from the revenue budget and the movement in the estimated value of unsettled claims. As at 31<sup>st</sup> March 2017, there were 319 open claims.
- 3.1.4 The position of the Fund has been reviewed as at 25<sup>th</sup> September 2017 and, based on the estimated value of claims received to that date, it is anticipated that the Fund balance will increase to around £3.6m at the end of 2017/18. As at 25<sup>th</sup> September 2017, there were 251 open claims. The position will continue to be monitored throughout the year.

#### **3.2 Insurance Arrangements**

- 3.2.1 Since January 2014, the Council's insurance function has been performed under a shared service arrangement with the Royal Borough of Greenwich. Initially for an interim arrangement from 1<sup>st</sup> January 2014 until 31<sup>st</sup> March 2015, on 4<sup>th</sup> February 2015, following a review of the shared service arrangement after its first year, the Executive and Resources PDS Committee considered and supported an extension to the arrangement for a period of 5 years, from 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2020, and this was subsequently approved by the Resources Portfolio Holder. This would be subject to an annual review by officers from both authorities with a 3 month notice period being required from either party should they wish to terminate the agreement.
- 3.2.2 The client function at Bromley is undertaken by the Principal Accountant, who is responsible for the management of the overall service including the authorisation of higher value claims, annual reviews of insurance cover and performance monitoring in line with the terms of the service specification that has been drawn up and agreed by both parties. This post also retains responsibility for the quarterly reconciliation of the Insurance Fund and all accounting requirements.
- 3.2.3 Regular client monitoring meetings are held between the Chief Accountant, the Principal Accountant and Greenwich's Insurance Manager. As evidenced by this year's audit reviews (see section 3.4), claims handling has improved now that the service has settled in.
- 3.2.4 The Council's insurance is categorised across the following 'business classes':-

- Employer's Liability – all employers are required to insure their staff during the course of their employment, both for their actions and against injury.
- Public Liability – This covers a wide range of risks for injury and damage that the public may be exposed to as a result of Council actions or omissions.
- Motor Vehicle – this includes the Council's vehicles and minibuses, and staff leased cars.
- Property – this is for the property issues for Council assets such as subsidence, fire, storm and floods. Where an incident occurs such as leaks these are met by the internal insurance fund and the cost of repair falls below the Council excess while the insurer will meet any amount above the excess for a major incident.
- Terrorism – this covers physical loss or damage to property, loss of rental income and increased cost of working (business interruption) on a first loss basis, for any act of terrorism or sabotage. This was a new policy from 1<sup>st</sup> August 2016 as agreed by the Resources Portfolio Holder on 8<sup>th</sup> June 2016.
- Other – these are minor policies such as school journey insurance.

3.2.5 Under the policies subject to excess/stop-loss arrangements, claims are only chargeable to the insurers if the cost of an individual claim is greater than the excess and/or if the aggregate of all claims in a particular class exceeds the relevant stop-loss. The excess and stop-loss figures for 2016/17 were as follows:-

Policy	Excess		Aggregate Stop-Loss
	£'000		£'000
All Risks - General	100	)	
- Education	250	)	500
- Storm or Flood	50	)	
Casualty – Public Liability, Employer's Liability & Officials' Indemnity	125		1,965

Since 1994/95, the excess has been exceeded three times; the fire at Magpie Youth Centre in December 2001, which was settled in 2004/05, subsidence/tree root damage to St. Luke's Scout Group HQ in 2011/12, and a serious injury as a result of trip from a hole in the pavement, both of which are in the process of being settled. The total estimated costs of these claims are £320k, £275k and £283k, and the applicable excess amounts i.e. costs to the Council are £250k, £125k and £125k respectively.

3.2.6 Since 2012/13 the difference between the estimated total cost of casualty claims versus the stop loss has increased reflecting the general downward trend in the number of claims received, and the number of those that are settled, as illustrated in the table in para 3.3.5. As this difference increases, the likelihood that the stop loss will be breached in any year becomes more remote, which should reflect favourably when the policies are due to be renewed.

Insurer	Policy Year	Start Date	Stop loss	Total Payments	Outstanding Estimate	Total Claims	Under Stop Loss
			£'000	£'000	£'000	£'000	£'000
Travelers	2009/10	01/05/2009	1,250	725	107	832	418
Travelers	2010/11	01/05/2010	1,275	884	6	890	385
Travelers	2011/12	01/05/2011	1,275	932	13	945	330
Travelers	2012/13	01/05/2012	1,326	599	2	601	725
Travelers	2013/14	01/05/2013	1,353	423	213	636	717
Travelers	2014	01/05/14-17/06/14	1,531	43	77	120	1,411
Zurich Municipal	2014/15	17/06/14-01/05/15	1,965	341	162	503	1,462
Zurich Municipal	2015/16	01/05/2015	1,965	90	135	225	1,740
Zurich Municipal	2016/17	01/05/2016	1,965	46	571	617	1,348



3.2.7 Internal recharges are made to the revenue budget for both the insurance premiums and the contribution to the Insurance Fund to cover the cost of claims met by the Council. The recharge basis takes account of claims records and premium charges for individual service areas. The cost of claims is met directly from the Fund until the stop-loss is reached.

3.2.8 As agreed by the Resources Portfolio Holder following scrutiny by the Executive and Resources PDS Committee in June 2016, contracts for the Council's insurance cover, with the exception of casualty (employers and public liability and officials indemnity), were awarded for the period 1<sup>st</sup> August 2016 to 30<sup>th</sup> April 2018 with the option to extend for a further year. Approval for this extension is currently in being requested, which will make all Council policies conterminous on 30<sup>th</sup> April 2019. Officers will be exploring the possibility of a joint procurement with Royal Borough of Greenwich, whose policies expire at the same time.

### 3.3 Insurance Claims

3.3.1 The estimated claims statistics for the main categories of insurance cover for 2015/16, 2016/17 and 2017/18 to date are detailed in the following table. These show claims submitted up to 25<sup>th</sup> September 2017 in respect of incidents/accidents taking place, but not necessarily reaching settlement, in these financial years. The table also shows the total number of outstanding claims for all years and the estimated value.

	2015/16		2016/17		2017/18 to date		Total Outstanding	
	No	£'000	No	£'000	No	£'000	No	£'000
<b>Policies subject to excess / stoploss</b>								
Commercial all risks - Fire and perils	13	42	-	-	-	-	6	14
- All risks	4	9	10	44	-	-	4	32
Public Liability	247	181	264	610	57	180	177	1,334
Employers Liability	7	44	-	-	2	10	8	278
	271	276	274	654	59	190	195	1,658
Less: Recoveries from insurers		-		-		-		-
Charged to Insurance Fund		276		654		190		1,658
<b>Vehicle policies</b>								
Motor Fleet	15	10	7	20	-	-	-	-
Leased Cars	60	131	55	65	3	1	45	100
Total for vehicles	75	141	62	85	3	1	45	100

3.3.2 Although the number of claims relating to 2015/16 have increased when compared with the estimates included in last year's annual report, reflecting the fact that claims are often received some time after the occurrence of an incident, the total amount outstanding has reduced significantly as claims have been repudiated or settled at a lower value than initially estimated. Deadlines for submitting claims are as follows: injuries can be notified up to 3 years after the incident occurred (or up to the age of 21 for minors at the time), property claims up to 6 years, and without limit for historic mesothelioma, abuse, noise related or repetitive injury claims. Courts can also waive limitation periods e.g. when the claimant has mental health issues. The figures above reflect claims received up to 25<sup>th</sup> September 2017 and will likely increase as further claims are made.

3.3.3 It should be noted that although the total value of outstanding claims is just under £1.8m, this is unlikely to be the actual cost to the Council of these claims. The Council will settle the claim if it believes that it is liable or it does not have a defence in law; otherwise the claim will be repudiated. There will be some uncertainty following the Council's decision to repudiate as this may be challenged through the legal process.

3.3.4 As can be seen in the table in paragraph 4.1, the total value of claims in 2011/12 (actual settlements and outstanding) was higher than in previous years (£1.3m in total) and, even with a further top-up of £0.5m, the Fund balance reduced from £3.2m to just below £3.0m during 2011/12. This was generally due to a high volume of claims, particularly in the last few months of the year, and included one very large tree root claim (£145k). During 2012/13, the Fund balance remained at around £3.0m, but, in 2013/14, following a detailed data cleansing exercise and a complete review of all outstanding claims, the estimated value of outstanding claims increased significantly again (to £1.4m), which resulted in a request for a further top-up of £0.5m at the end of 2013/14 (approved by the Executive in June 2014). In 2014/15, the Fund balance remained broadly stable at £2.9m, and increased slightly to £3.1m and £3.4m in 2015/16 and 2016/17 respectively due a reduction in the level of claims paid during the year and outstanding at year end. At the time of writing this report, it is estimated that it will increase to around £3.6m at the end of 2017/18.

3.3.5 The table below provides a summary of the claims received by year showing those that are still in progress, referred to a contractor, repudiated or settled.

<b>Financial Year</b>	<b>Number of claims</b>	<b>In progress</b>	<b>Referred to Contractor</b>	<b>Repudiated / Closed</b>	<b>Settled</b>
2009/2010	550	0.4%	4.0%	38.0%	57.6%
2010/2011	508	0.4%	5.5%	38.0%	56.1%
2011/2012	444	0.5%	5.6%	32.4%	61.5%
2012/2013	439	0.9%	6.6%	34.6%	57.9%
2013/2014	466	1.7%	3.0%	52.8%	42.5%
2014/2015	421	5.0%	4.3%	58.9%	31.8%
2015/2016	343	11.4%	2.3%	65.3%	21.0%
2016/2017	331	27.8%	3.6%	51.4%	17.2%
2017/2018	83	90.6%	0.0%	3.5%	5.9%

3.3.6 Although the figures are encouraging and suggest a downward trend in the number of claims received, and the proportion of those that are settled, it should be noted that these figures are still likely to change as claims in progress are concluded and new claims are submitted relating to previous years (as detailed in paragraph 3.3.2).

### **3.4 Reviews of the Insurance Service**

3.4.1 The Insurance Section was subject to two audit reviews by the Council's insurers during 2016/17 under the delegated claims handling arrangements.

3.4.2 The Council's previous insurer Travelers undertook its audit and issued a report in March 2017, and concluded that "A TSP (Technical Service Proficiency) of 95% was achieved on this occasion ... This reflects improvement when compared to last year." The 2016 audit recorded a 93% TSP, the 2015 audit recorded a 96% TSP, and the 2014 audit recorded a score of 82%.

3.4.3 In August 2017, the Council's current main insurer, Zurich Municipal (ZM) undertook its second audit. Although the draft report has not yet been received for management review, the provisional scores have been provided; the overall score of 95.3%, shows good improvement from the 2015 overall score of 89.2%, and was broken down as follows: Notification 98.8%, Coverage 100%, Contact 99.4%, Investigation 98.8%, Evaluation 99.4%, Fraud 100%, Reserving 70.4%, Negotiation 94.9%, Litigation 100%, Recovery 100%, File management 94.3%, Bordereau 100%. It should be noted that these are initial scores only and subject to discussions between the Council and ZM, as well as their own management review.

#### 4. FINANCIAL IMPLICATIONS

- 4.1 The table below shows movements into and out of the Insurance Fund in recent years and gives an indication of the volatility and unpredictability of the value of claims settled and outstanding each year. An estimate of the position for 2017/18 is also included in the table.

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 (est.)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fund balance b/f	3,498	3,159	2,965	3,022	2,981	2,888	3,099	3,373
Revenue contribution to Fund	500	1,000	605	1,300	800	800	800	800
Interest	77	72	57	35	65	73	81	81
Claims (actual and estimated)	-916	-1,266	-605	-1,376	-958	-662	-607	-675
Fund balance c/f	<b>3,159</b>	<b>2,965</b>	<b>3,022</b>	<b>2,981</b>	<b>2,888</b>	<b>3,099</b>	<b>3,373</b>	<b>3,579</b>

- 4.2 Although the Fund balance is projected to increase in 2017/18, due to the unpredictability of insurance claims, officers are not recommending any change to the level of revenue contribution to the Fund at this point. The position will be kept under review, and any proposals to change the contribution will be reported to Members as part of the annual budget process.
- 4.3 In addition, some authorities are concerned about the risk of potentially significant increases to their insurance premiums, and although this hasn't been reflected in the Council's most recent renewal premiums, this may become a pressure in future years.

#### 5. POLICY IMPLICATIONS

- 5.1 To maintain appropriate levels of insurance cover to ensure adequate cover for Council properties, assets and services.

#### 6. PERSONNEL IMPLICATIONS

- 6.1 An insurance claims handling service is provided by staff from the Royal Borough of Greenwich under a shared services arrangement.

<b>Non-Applicable Sections:</b>	Legal Implications
Background Documents: (Access via Contact Officer)	Insurance Renewals 2016/17 – Award of Contracts, Executive and Resources PDS Committee, 8 <sup>th</sup> June 2016 Insurance Fund – Annual Report 2015/16, Executive and Resources PDS Committee, 12 <sup>th</sup> October 2016 Provision of Insurance Service – Royal Borough of Greenwich, Executive and Resources PDS Committee, 4 <sup>th</sup> February 2015

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Report No.  
FSD17080

London Borough of Bromley

PART ONE - PUBLIC

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**Decision Maker:** EXECUTIVE AND RESOURCES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

**Date:** Wednesday 11 October 2017

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

**Title:** COUNCIL TAX RECOVERY PROCESS

**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)

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1. Reason for report

- 1.1 At the 13 July 2017 meeting of the Executive & Resources PDS it was requested that the current recovery process for collection of Council Tax debt be presented for discussion at a future meeting.

---

2. RECOMMENDATION(S)

- 2.1 The PDS is requested to note the current procedure for collection of Council Tax debt.

### Impact on Vulnerable Adults and Children

1. Summary of Impact: The Revenues Service impacts on all residents in the Authority, including vulnerable adults and/or those with children.
- 

### Corporate Policy

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

### Financial

1. Cost of proposal: Not Applicable
  2. Ongoing costs: Not Applicable:
  3. Budget head/performance centre: Exchequer - Revenues
  4. Total current budget for this head: £3.78m
  5. Source of funding: Not Applicable
- 

### Personnel

1. Number of staff (current and additional): 2 plus Liberata staff
  2. If from existing staff resources, number of staff hours: Not Applicable
- 

### Legal

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

### Procurement

1. Summary of Procurement Implications: Not Applicable
- 

### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The service covered in this report affects all approximately 140,000 households.
- 

### Ward Councillor Views

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

### 3. COMMENTARY

#### **Collection Rates**

- 3.1 The Council Tax levied for 2017/18 was in excess of £201m, with the sum needed to be collected from just under 140,000 households.
- 3.2 The in-year collection rate for 2016/17 was 97.93% which was an improvement of 0.14% on the previous year. Based on DCLG records, which are rounded to one decimal point, Bromley's collection was 0.9% above the average for Outer London and 1.9% above the average for London as a whole.
- 3.3 The collection rate on current year and arrears was 97.87% which was an improvement of 0.38% on the previous year. There is no comparative data for other Local Authorities. This does not reflect the ultimate collection rate which is higher.

#### **Recovery**

- 3.4 Below is reproduced the recovery action taken in 2016/17 to obtain the improved collection rate:

	2016/17
Reminders	55,553
Final Reminders	14,459
Summonses	14,052
Liability Orders	10,338
14 day letter – Enforcement Agent warning	8,247
Accounts passed to Enforcement Agent	All at 14 day stage

- 3.5 Attached to this document at Appendix 1 is a copy of the Authority's recovery procedure. Please note that there are several stages/contacts before the issuing of a summons.

#### **High End Recovery**

- 3.6 The Authority uses a range of recovery methods to collect Council Tax, including bankruptcy and Charging Orders.
- 3.7 At Bromley's request the London Revenues Group have recently surveyed London Authorities about the use of Bankruptcy and Charging Orders. Unfortunately, only 6 responses were received, but all used Bankruptcy and Charging Orders as a means of collecting outstanding Council Tax.
- 3.8 In order to initiate bankruptcy proceedings a minimum of £5,000 needs to be owed. Since July 2012 the Council has instructed 189 bankruptcy cases for debts totalling £884k. 86 of these debts were paid in full prior to bankruptcy being granted and a further 50 once bankruptcy had been granted.
- 3.9 Further details on the 189 bankruptcy cases are contained in Appendix 2.

- 3.10 The Council's policy is that there needs to be an aggregated balance on Council Tax Liability Orders of over £1,000 before an application is made to place a Charge on the property. It should be noted that Charging Orders are not a means of enforcement, but secure the debt for recovery from future sale proceeds.
- 3.11 On debts over £5,000 where a Charging Order is in place an application can be made to the court for an Order of Possession and Order of Sale. The Council Tax contractor requires authorisation from the Authority before making an application to force the sale.
- 3.12 To date, the Council has applied for Charging Orders on 137 cases covering debts of £585k. Of these cases, over 40% have settled their debts whilst a further 5% have agreed to a payment arrangement.
- 3.13 Further details on the 137 Charging Order cases are contained in Appendix 3.
- 3.14 Whilst the collection rate on bankruptcy is higher than that of Charging Orders, the costs for the debtor are also higher. Below, are tabled indicative costs of both means of recovery:

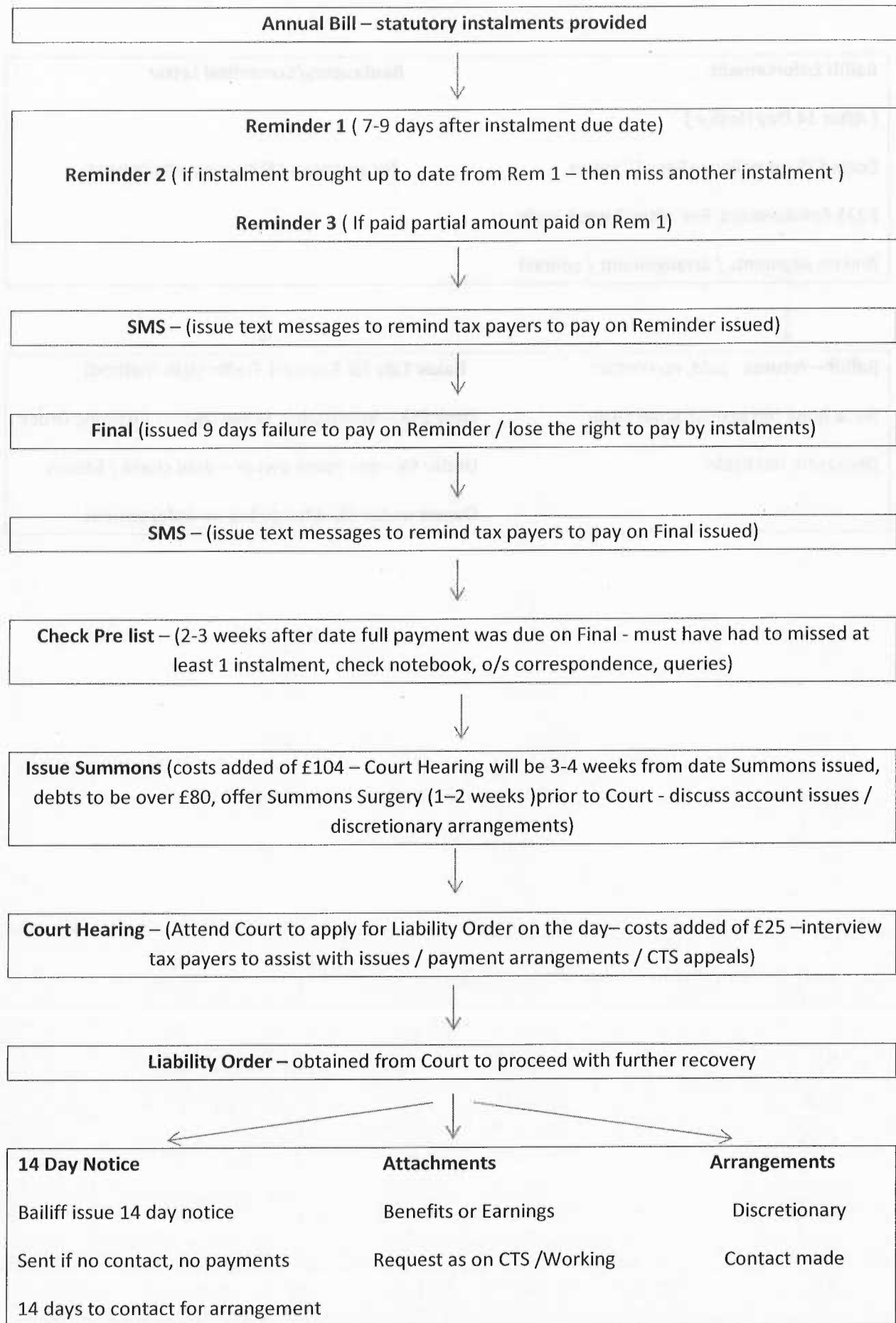
Bankruptcy Case	Charging Orders
Costs based on the time spent by the solicitors (excluding trustee costs) – between £1,500 and £2,000 on a basic case where there is one undefended case where made bankrupt at first hearing.  Challenges or failure to engage can lead to significant escalation of costs.	Costs based on time spend by the solicitors – approximately £380 for a Charging Order and further £680 for an Order for Sale

## 4 FINANCIAL IMPLICATIONS

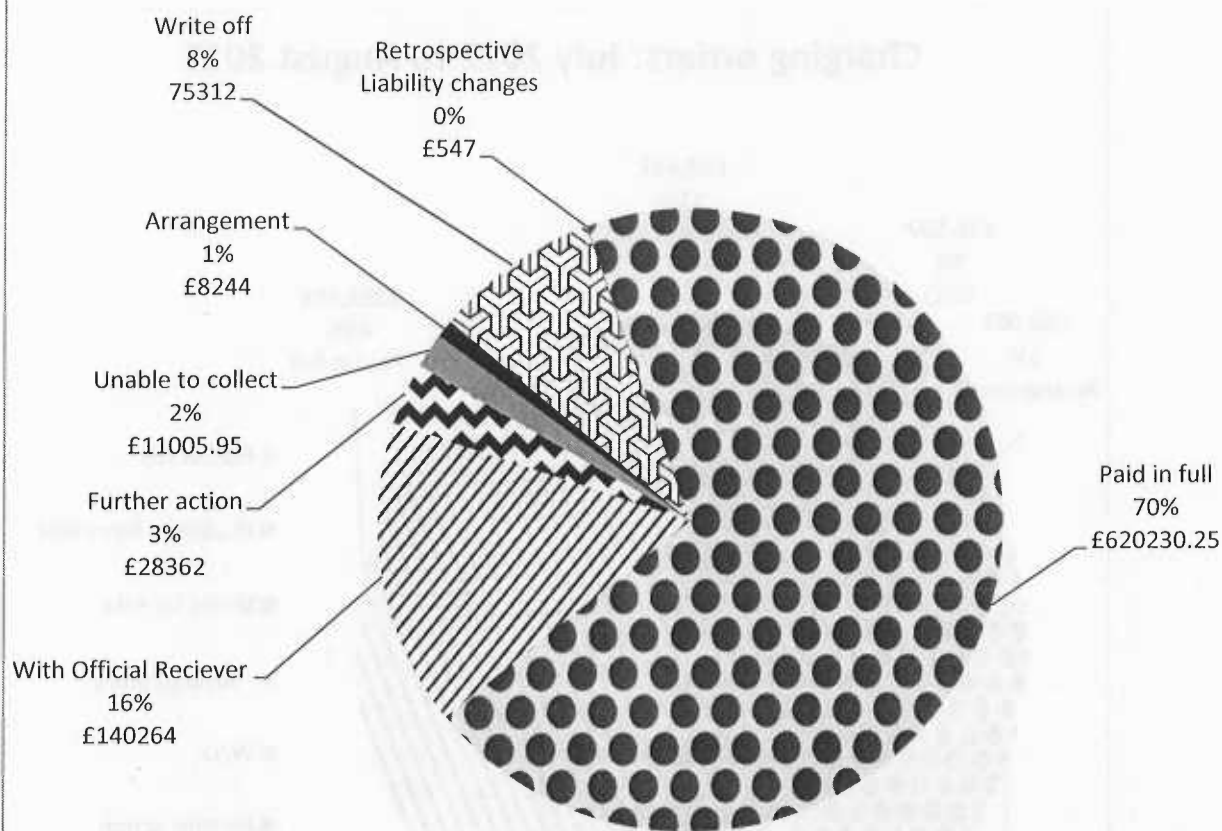
- 4.1 The report refers to the collection of Council Tax in excess of £201m undertaken through the Exchequer Services contract with Liberata.
- 4.2 It is important to maximise Council Tax collection as this has a direct effect on the Authority's budget.

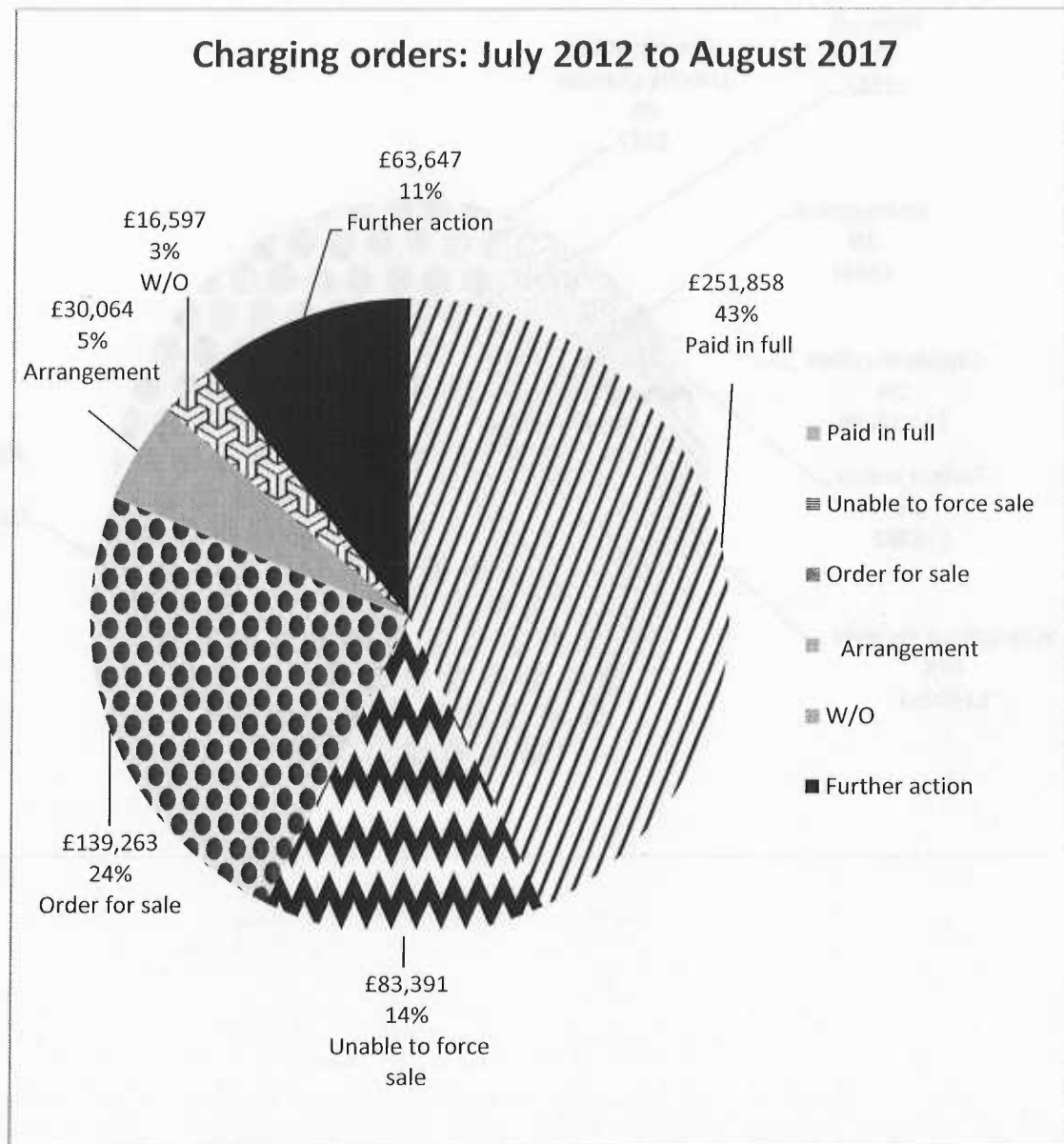
<b>Non-Applicable Sections:</b>	Impact on Vulnerable Adults and Children, Policy, Personnel. Legal and Procurement
Background Documents: (Access via Contact Officer)	





<b>Bailiff Enforcement</b>	<b>Bankruptcy/Committal Letter</b>
<b>( After 14 Day Notice )</b>	
Costs £75 Compliance Fee -1 <sup>st</sup> Letter	No payment / failure on attachments
£235 Enforcement Fee after 3 week cycle	
And no payments / arrangement / contact	
↓	↓
<b>Bailiff – returns - paid, no contact</b>	<b>Baker Tilly for Review ( Traffic Light method)</b>
Nulla Bona (no goods), gone away	<b>Over £5k – Bankruptcy, Home owner- Charging Order</b>
Deceased, not liable	<b>Under 5k - non home owner – debt chase / Means</b>
	<b>Owner under 5k –Charge but no enforcement</b>

**Bankruptcy cases form July 2012 to August 2017**



Report No.  
FSD17081

## London Borough of Bromley

### PART ONE - PUBLIC

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**Decision Maker:** EXECUTIVE AND RESOURCES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

**Date:** Wednesday 11 October 2017

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

**Title:** HOUSING BENEFIT CLAIMS TAKING A HIGH NUMBER OF DAYS TO PROCESS

**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);

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1. Reason for report

1.1 At the 13 July 2017 meeting of the Executive & Resources PDS it was requested that further investigation be undertaken as to the reasons why a number of claims were showing a high number of days to process.

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2. RECOMMENDATION(S)

2.1 The PDS is requested to note the explanations provided for the claims being recorded as taking in excess 100 days to process.

### Impact on Vulnerable Adults and Children

1. Summary of Impact: The Benefit Service impacts on all benefit recipients including vulnerable adults and/or those with children.
- 

### Corporate Policy

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

### Financial

1. Cost of proposal: Not Applicable
  2. Ongoing costs: Not Applicable
  3. Budget head/performance centre: Exchequer - Benefits
  4. Total current budget for this head: £3.94m
  5. Source of funding: Existing revenue budget 2017/18 including Government Grants and Subsidy
- 

### Personnel

1. Number of staff (current and additional): 4 plus Liberata staff
  2. If from existing staff resources, number of staff hours: Not applicable
- 

### Legal

1. Legal Requirement: Statutory Requirement  
The main pieces of legislation covering the Benefits Service are:  
The Housing Benefit Regulations 2006  
The Council Tax Reduction Scheme Regulations 2012  
Local Government Finance Act 2012
  2. Call-in: Applicable
- 

### Procurement

1. Summary of Procurement Implications: The Benefit Service is provided by Liberata as part of the Exchequer Services contract. The contract runs until April 2020.
- 

### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 17,000 Housing Benefit recipients (approx).
- 

### Ward Councillor Views

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

### 3. COMMENTARY

#### **Performance Indicators**

- 3.1 The New Claims indicator measures the length of time taken between receipt of a completed application for Housing Benefit (HB) and the date on which the claim is processed. This includes the time taken by the claimant and/or third-party in supplying information and/or responding to enquiries. Where a person advises of their intention to claim HB and completes an application form within a calendar month of the date of issue, the starting point is the earlier date.
- 3.2 For the Change of Circumstances indicator the measure is the number of days between the notification of the change and the date on which it was processed. This includes any subsequent periods where we are awaiting information from the claimant and/or third-party.
- 3.3 At the time of drafting the specification for the 2011 Exchequer Services contract the national indicator for measuring processing performance was the Right Time Indicator (RTI). RTI was a combination of the new claims and change of circumstances indicators.
- 3.4 The speed of new claim and change of circumstance processing will be performance indicators in the specification for the 2020 contract.

#### **Performance**

- 3.4 In the July 2017 service monitoring report data was provided on HB claim processing times for 2016/17. In respect of new claims, 13 out of the 4895 (0.27%) claims processed were recorded as taking more than 100 days to process. For change of circumstances, 184 out of 81,247 (0.23%) changes took in excess of 100 days to process.
- 3.5 Tabled below are the results of our investigation into the causes for claims showing a high number of days to be processed.

##### New claims

All 13 cases were reviewed:

<b>Reason why claim was processed in excess of 100 days</b>	<b>Number of claims</b>
Additional time was given for the claimant to provide information	9
Universal credit transfer	1
Incorrect data input	3
Total	13

##### Change in circumstances

The 100 cases with the highest number of days were reviewed:

<b>Reason why claim was processed in excess of 100 days</b>	<b>Number of claims</b>
Additional time was given for the claimant to provide information	13
Universal credit transfer	16
Advance notification of a change	68
Late action on notified change (see note)	3

Note: the actual late processing of the changes had no effect of the claimants' entitlement as they were already receiving the maximum permitted award.

- 3.6 A significant number of those claims recorded as taking in excess of 100 days to process are showing the cause as being advance notification of a change. Whilst this error distorted the information provided in the July monitoring report, it had no impact on the level of assistance provided to the claimant or the speed of processing. That being said, refresher training is being provided to staff on notification and effective dates in an attempt to improve the accuracy of data.
- 3.6 In preparation for this report, we have reviewed the cases taken in excess of 100 days to process during the period 1 April 2017 to 31 August 2017. Our records indicate that no claim out of the 1,789 new claims processed took in excess of 100 days to assess. Of the 29,226 change of circumstances processed, 4 (0.014%) took in excess of 100 days to process.
- 3.7 Future monitoring reports will provide an analysis of cases taking in excess of 100 days to process.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1 The 2016/17 budget included in excess of £127 million for Housing Benefit. Good performance is important to meeting the customers' needs and any deterioration could result in:
- an increase in " Local authority error " overpayments , leading to receipt of reduced subsidy from Central Government
  - a potential increase in overpayments that may not be able to be recovered.

<b>Non-Applicable Sections:</b>	Impact on Vulnerable Adults and Children, Policy, Personnel, Legal and Procurement
Background Documents: (Access via Contact Officer)	



Report No.  
CSD17149

London Borough of Bromley

## PART ONE - PUBLIC

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**Decision Maker:** **EXECUTIVE AND RESOURCES  
POLICY DEVELOPMENT AND SCRUTINY COMMITTEE**

**Date:**

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

**Title:** **WORK PROGRAMME 2017/18**

**Contact Officer:** Philippa Gibbs, Democratic Services Officer  
Tel: 020 8461 7638 E-mail: Philippa.gibbs@bromley.gov.uk

**Chief Officer:** Mark Bowen, Director of Corporate Services

**Ward:** (All Wards);

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1. Reason for report

- 1.1 This report offers the Committee an opportunity to further consider its work programme for 2017/18, including scheduled meetings and PDS working groups. Committee meeting dates for 2017/18 are set out at Appendix 1 with a draft list of items to be considered.

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2. **RECOMMENDATIONS**

**The Committee is requested to consider its work programme and indicate any changes or particular issues that it wishes to scrutinise for the year ahead.**

### Impact on Vulnerable Adults and Children

1. Summary of Impact: None
- 

### Corporate Policy

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

### Financial

1. Cost of proposal: 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: Not applicable
- 

### Legal

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

### Procurement

1. Summary of Procurement Implications: None
- 

### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): This report is intended primarily for the benefit of committee members in setting their future work programme.
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### Ward Councillor Views

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

### 3. COMMENTARY

#### Meeting Schedule

- 3.1 Each PDS Committee determines its own work programme, balancing the roles of (i) pre-decision scrutiny and holding the Executive to account, (ii) policy development and review and (iii) external scrutiny. E&R PDS Committee has the additional role of providing a lead on scrutiny issues and co-ordinating PDS work.
- 3.2 PDS Committees need to prioritise their key issues. The work programme also needs to allow room for items that arise through the year, including Member requests, call-ins and referrals from other Committees. Committees need to ensure that their workloads are realistic and balanced, allowing sufficient time for important issues to be properly scrutinised. Members also need to consider the most appropriate means to pursue each issue – the current overview and scrutiny arrangements offer a variety of approaches, whether through a report to a meeting, a time-limited working group review, a presentation, a select committee style meeting focused on a single key issue, or another method.
- 3.3 A schedule of the Committee's meetings in 2017/18 is attached at [Appendix 1](#), along with draft lists of reports. The timing of meetings is tied to the need to pre-scrutinise Executive agendas. As in previous years, question sessions with the Leader, Resources Portfolio Holder and Chief Executive will be held (dates scheduled at Appendix 1).

#### Sub-Committees and Working Groups

- 3.4 The Policy Development and Scrutiny Toolkit suggests that each Committee should aim to carry out no more than two or three full scale reviews each year, and it offers guidance and techniques for prioritising reviews. At a time of pressure on Member and officer resources it is important that any additional work is carefully targeted at priority issues where improvements can be achieved. In recent years, this Committee has examined a number of issues through its Working Groups - part of the Committee's workload may include follow-up work on some of these reviews.
- 3.5 A schedule of Sub-Committees and Working Groups across all PDS Committees is attached as [Appendix 2](#) to this report. This will be updated for future meetings as other PDS Committees meet and confirm the appointment of Working Groups.

<b>Non-Applicable Sections:</b>	Impact on Vulnerable Adults and Children/Policy/Financial/Legal/Personnel/Commissioning
Background Documents: (Access via Contact Officer)	Previous work programme reports

**COMMITTEE MEETING SCHEDULE 2017/18**

**Meeting 1: Thursday 18<sup>th</sup> May 2017**

Standard items (Matters Arising/Forward Plan/Executive Agenda/PDS Updates/Work Programme)  
Contract for Agency Staff

**Meeting 2: Wednesday 14<sup>th</sup> June 2017**

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

**Meeting 3: Thursday 13<sup>th</sup> July 2017**

Standard items (Matters Arising/Forward Plan/Executive Agenda/ PDS Updates/Work Programme)  
Scrutiny of the Resources Portfolio Holder  
Monitoring Report: Customer Services  
Monitoring Report: Revenues Service  
Monitoring Report: Benefits Service  
Monitoring Report: Exchequer Services  
Monitoring Report: Section 106

**Meeting 4: Thursday 7<sup>th</sup> September 2017**

Standard items (Matters Arising/Forward Plan/Executive Agenda/PDS Updates/Work Programme)  
Expenditure on Consultants 2016/17 and 2017/18

**Meeting 5: Wednesday 11<sup>th</sup> October 2017**

Standard items (Matters Arising/Forward Plan/ Executive Agenda/PDS Updates/Work Programme)  
Contracts Register (contracts covered by the Resources Portfolio)  
Scrutiny of the Chief Executive  
TFM Contract (Amey)  
Policy in relation to Council Tax Recovery  
Benefit Service: Reasons for Delays in Progressing New Claims and Change in Circumstances

**Meeting 6: Tuesday 31<sup>st</sup> October**

Standard items (Matters Arising/Forward Plan/ Executive Agenda/PDS Updates/Work Programme)  
Scrutiny of Executive agenda

**Meeting 7: Wednesday 29<sup>th</sup> November 2017**

Standard items (Matters Arising/Forward Plan/Executive Agenda/PDS Updates/Work Programme)  
Scrutiny of the Leader  
Contracts Register (contracts covered by the Resources Portfolio)  
Risk Register (or any updates to the Register should it have been previously seen by Audit Sub-Committee)

**Meeting 8: Thursday 4<sup>th</sup> January 2018**

Standard items (Matters Arising/Forward Plan/Executive Agenda/Work Programme)  
Scrutiny of the Resources Portfolio Holder  
Presentation from Cushman and Wakefield  
Monitoring Report: Customer Services  
Monitoring Report: Revenues Service  
Monitoring Report: Benefits Service  
Monitoring Report: Exchequer Services  
Monitoring Report: Section 106

**Meeting 9: Thursday 1<sup>st</sup> February 2018**

Standard items (Matters Arising/Forward Plan/Executive Agenda/PDS Updates/Work Programme)  
Scrutiny of the Chief Executive  
Contracts Register (contracts covered by the Resources Portfolio)

**Meeting 10: Wednesday 21<sup>st</sup> March 2018**

Standard items (Matters Arising/Forward Plan/Executive Agenda/PDS Updates/Work Programme)  
Scrutiny of the Leader  
Annual PDS Report for 2017/18

**PDS SUB-COMMITTEES AND WORKING GROUPS 2017/18**

<b>SUBJECT</b>	<b>DURATION</b>	<b>MEMBERSHIP</b>
<b>EXECUTIVE AND RESOURCES PDS</b>		
Contracts Sub-Committee	Next meeting scheduled for 30 <sup>th</sup> November 2017.	Cllr Simon Fawthrop Cllr William Huntington-Thresher Cllr Russell Mellor Cllr Keith Onslow Cllr Neil Reddin (Vice-Chairman) Cllr Stephen Wells (Chairman) Cllr Angela Wilkins
Working Group on Revenue Generation .	Task and Finish Working Group for 2017/18	Cllr Simon Fawthrop Cllr William Huntington-Thresher. (Remaining Membership to be confirmed).
<b>CARE SERVICES PDS</b>		
Health Scrutiny Sub-Committee	Next meeting scheduled for 7 <sup>th</sup> November 2017.	Cllr Ruth Bennett Cllr Mary Cooke (Chairman) Cllr Ian Dunn Cllr Judi Ellis Cllr Robert Evans Cllr Will Harmer Cllr David Jefferys Cllr Terence Nathan Cllr Charles Rideout Cllr Pauline Tunnicliffe (Vice-Chairman)
Any 2017/18 Working Groups of Care Services PDS or the Health Scrutiny Sub-Committee to be appointed by the parent bodies.		
Our Healthier South East London Joint Health Overview and Scrutiny Committee (with Bexley, Greenwich, Lambeth, Lewisham & Southwark)		Cllr Ian Dunn Cllr Judi Ellis
<b>EDUCATION, CHILDREN AND FAMILIES SELECT COMMITTEE</b>		
Education, Children and Families Budget and Performance Monitoring Sub-Committee	Next meeting scheduled for 17 <sup>th</sup> January 2018.	Cllr Nicholas Bennett Cllr Alan Collins Cllr Mary Cooke Cllr Neil Reddin (Chairman) Cllr Nicky Dykes (Vice-Chairman) Cllr Angela Wilkins Plus Co-opted Members as

		appropriate including Mr Emmanuel Arbenser (Special Schools Parent Governor).
Any 2017/18 Working Groups of the Education Select Committee or Education Budget Sub-Committee to be appointed by the parent bodies.		
<b>ENVIRONMENT PDS</b>		
Any 2017/18 Working Groups to be appointed by the Environment PDS Committee.	Working Groups likely to be appointed.	
<b>PUBLIC PROTECTION AND SAFETY PDS</b>		
Any 2017/18 Working Groups to be appointed by the Public Protection and Safety PDS Committee.		
<b>RENEWAL AND RECREATION PDS</b>		
Beckenham Working Group	Next meeting to be held on 22 <sup>nd</sup> June 2017.	Current appointments - Cllr Michael Tickner (Chairman) and Ward Councillors - to be confirmed at next meeting of the R&R PDS Committee on 5 <sup>th</sup> July 2017.

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