



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

TELEPHONE: 020 8464 3333

CONTACT: Philippa Gibbs

*Philippa.Gibbs@bromley.gov.uk*

DIRECT LINE: 020 8461 7638

FAX: 020 8290 0608

DATE: 3 October 2018

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

Councillor Simon Fawthrop (Chairman)  
Councillor Keith Onslow (Vice-Chairman)  
Councillors Gareth Allatt, Julian Benington, Nicholas Bennett J.P.,  
David Cartwright QFSM, Mary Cooke, Ian Dunn, Robert Evans, Will Harmer,  
Christopher Marlow, Russell Mellor, Michael Rutherford, Stephen Wells and  
Angela Wilkins

A meeting of the Executive, Resources and Contracts Policy Development and  
Scrutiny Committee will be held at Bromley Civic Centre on **THURSDAY 11  
OCTOBER 2018 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 and must relate to the work of the scrutiny committee. Please ensure questions are received by the Democratic Services Team by 5pm on 5th October 2018.

- 4 **MINUTES OF THE EXECUTIVE AND RESOURCES PDS COMMITTEE MEETING HELD ON 5TH SEPTEMBER 2018 (EXCLUDING EXEMPT ITEMS)** (Pages 5 - 14)
- 5 **MATTERS ARISING AND WORK PROGRAMME** (Pages 15 - 22)
- 6 **RISK MANAGEMENT** (Pages 23 - 32)
- 7 **FORWARD PLAN OF KEY DECISIONS** (Pages 33 - 38)

**HOLDING THE RESOURCES, COMMISSIONING & CONTRACT MANAGEMENT PORTFOLIO HOLDER TO ACCOUNT**

- 8 **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 and must relate to the work of the Portfolio. Please ensure questions are received by the Democratic Services Team by 5pm on 5<sup>th</sup> October 2018.

- 9 **RESOURCES, COMMISSIONING & CONTRACT MANAGEMENT PORTFOLIO - PRE-DECISION SCRUTINY**

Portfolio Holder decisions for pre-decision scrutiny.

- a **INSURANCE FUND - ANNUAL REPORT 2017/18** (Pages 39 - 48)

**HOLDING THE EXECUTIVE TO ACCOUNT**

- 10 **PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS**

Members of the Committee are requested to bring their copy of the agenda for the Executive meeting on

**POLICY DEVELOPMENT AND OTHER ITEMS**

- 11 **CONTRACT MONITORING: TOTAL FACILITIES MANAGEMENT (AMEY)** (Pages 49 - 74)
- 12 **SCRUTINY OF THE CHIEF EXECUTIVE**
- 13 **COST OF AGENCY STAFF** (Pages 75 - 84)
- 14 **CONTRACTS REGISTER AND CONTRACTS DATABASE UPDATE (TO FOLLOW)**

## **PART 2 AGENDA**

**15 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**

**16 EXEMPT MINUTES OF THE MEETING HELD ON 5TH SEPTEMBER 2018 (Pages 85 - 92)**

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

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

**19 COST OF AGENCY STAFF APPENDIX (Pages 93 - 94)**

**20 CONTRACTS REGISTER AND CONTRACTS DATABASE EXEMPT UPDATE**

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

Minutes of the meeting held at 7.00 pm on 5 September 2018

### **Present:**

Councillor Simon Fawthrop (Chairman)  
Councillors Julian Benington, Nicholas Bennett J.P.,  
Mary Cooke, Ian Dunn, Robert Evans, Will Harmer,  
Christopher Marlow, Russell Mellor, Keith Onslow (Vice-  
Chairman), Chris Pierce, Michael Rutherford, Kieran Terry,  
Stephen Wells and Angela Wilkins

### **Also Present:**

Councillor Graham Arthur, Portfolio Holder for Resources,  
Contracts and Commissioning  
Councillor Colin Smith, Leader of the Council

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

Apologies were received from Councillor Allatt and Councillor Cartwright.  
Councillor Terry and Councillor Pierce attended as their respective alternates.

Councillor Mellor apologised as he had to leave the meeting at 9.20pm

### **32 DECLARATIONS OF INTEREST**

Councillor Simon Fawthrop and Councillor Will Harmer both declared interests  
as employees of British Telecom (BT) and left the room during consideration  
of Item 11 (Minute 41) – BT ICT Contract Monitoring Report. Councillor  
Onslow took the Chair for the duration of this item.

In respect of Item 11 of the Executive Agenda (Gateway 1 – Social Care Case  
Management System), Councillors Fawthrop and Harmer declared an interest  
as employees of BT and reported that they had both received a dispensation  
from the Monitoring Officer to allow them to participate in the scrutiny of the  
item.

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

No questions had been received.

*5 September 2018*

**34 MINUTES OF THE EXECUTIVE AND RESOURCES PDS COMMITTEE MEETING HELD ON 5 JULY 2018 (EXCLUDING EXEMPT ITEMS)**

The Minutes of the meeting held on 5<sup>th</sup> July 2018, excluding Part 2 (exempt) information, were agreed and signed as a correct record.

**35 MATTERS ARISING AND WORK PROGRAMME  
CSD18126**

The Committee considered a report setting out matters arising from previous meetings and the Committee's work plan for 2018/19.

In relation to the Chairman's request at the previous meeting that the Committee should receive action plans detailing how any 'red' actions would be moved to 'green', the Vice Chairman reported that he sat on the Corporate Risk Management Group. At the last meeting of that Group it had been agreed that the 'Actions' column that currently featured on the Risk Register should be completed in the future. The Vice-Chairman emphasised that it was for the Directorates themselves to fill in the actions. By way of follow up, the Chairman also requested that any risks marked as 'red' needed to be presented to each meeting of the relevant PDS Committee for monitoring until they were no longer red. It was agreed that the relevant 'red' risks for the ERC PDS Committee would be reviewed at the next meeting on 11<sup>th</sup> October 2018.

In response to a question, the Chairman confirmed that he had been provided with details of the November 2017 Penetration Test and it was agreed that this should be circulated to the Committee.

*Action Point 11: That the details of the November 2017 provided to the Chairman be circulated to the Committee.*

It was noted that the list of Universal Credit contact numbers had not been circulated to Members and this would be followed up after the meeting.

*Action Point 12: That the list of Universal Credit Contact Numbers be circulated following the meeting.*

In relation to the report concerning the Cost of Agency Staff which was due to be considered at the next meeting on 11<sup>th</sup> October 2018, the Chairman requested that the report detail the top 25 staff by spend.

**RESOLVED: That**

- 1. Progress on matters arising from previous meetings be noted;**
- 2. Any risks marked as 'red' to be presented to each meeting of the relevant PDS Committee for monitoring until they are no longer red.**

**3. The relevant 'red' risks for the ERC PDS Committee to be reviewed at the next meeting on 11<sup>th</sup> October 2018; and**

**4. The 2018/19 work programme be noted.**

**36 FORWARD PLAN OF KEY DECISIONS**

The Committee noted the Forward Plan of Key Decisions covering the period September 2018-December 2018.

**37 MINUTES OF THE CONTRACTS AND COMMISSIONING SUB-COMMITTEE MEETINGS HELD ON 25 JUNE 2018 AND 17 JULY 2018**

The Committee received the minutes of the Contracts and Commissioning Sub-Committee meetings held on 25 June 2018 and 17 July 2018.

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

There were no questions.

**39 RESOURCES PORTFOLIO - PRE-DECISION SCRUTINY**

The Committee considered the following report(s) where the Resources Portfolio Holder was recommended to take a decision.

- a GATEWAY 1 MEMBERS REPORT. FORMAL CONSULTATION ON OUTLINE SERVICE PROPOSALS AND PROCUREMENT STRATEGY - COUNTER FRAUD SERVICES. FSD18065-1**

The Committee considered a report setting out options for the investigation of fraud. The Council currently had a partnership agreement in place with the Royal Borough of Greenwich for the investigation of fraud. There had been various exemptions and extensions to the partnership agreement, the latest of which was due to expire on 31 March 2019.

Details of the procurement strategy and the justification for the contract award were set out in detail in the Part 2 (exempt report). The Committee discussed the report and recommendations in detail in Part 2 of the agenda.

**RESOLVED: That the report be noted and that the Portfolio Holder be recommended to endorse the recommendations outlined in the Part 2 report (FSD18065-2)**

*5 September 2018*

**b EMPLOYEE BENEFITS  
CSD18128**

The Committee considered a report setting out a summary of the outcome of a soft market testing exercise into employee benefits undertaken by Officers and the business case for entering into the Crown Commercial Services CCS framework for a new employee benefits provider.

The Council's current Employee Benefits contract was provided by Sodexo (formerly P&MM). The contract had been with Sodexo since September 2007 with the current contract due to expire on 9<sup>th</sup> December 2018.

In considering the report Members felt that the option for staff to purchase additional annual leave should be investigated and if possible progressed at this early stage.

In response to a question concerning whether salary sacrifice could be utilised for additional pension contributions, the Director of Corporate Services reported that the rules around pension contributions were governed by the relevant local government pension legislation and as such this would need to be carefully investigated prior to any proposals being made. There were currently mechanisms in place to enable members of the Local Government Pension Scheme to make additional voluntary contributions.

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

- 1. Agree to investigate and if possible progress annual leave purchasing at this early stage;**
- 2. Agree to enter into the CCS Framework and engage with Edenred to provide Employee Benefits services for the total contract value of up to £544,150. The total contract value includes the vouchers for the merited rewards; and**
- 3. Agree the contract term as set out in para 3.25 of the report for a period of 4 years.**

**c CAPITAL PROGRAMME MONITORING - 1ST QUARTER  
2018/19  
FSD18067**

The Committee considered a report setting out the revised Capital Programme for the Resources, Commissioning and Contracts Management Portfolio. On 11<sup>th</sup> July 2018, the Executive received a report summarising the current position on capital expenditure and receipts following the 1<sup>st</sup> quarter of 2018/19 and agreed a revised Capital Programme for the four year period 2018/19 to 2021/22.



A Member noted that the report included proposals for capital funding to support the roll out of Window 7 and Office 2000, very outdated IT software. The Member cautioned against the use of such out of date software which was unlikely to be supported in the future. The Member sought assurances that there were no security risks associated with the use of the out of data software. In response the Director of Corporate Services confirmed that in the coming months a report would be presented to the Committee outlining proposed IT Strategies going forward and this report would address the concerns that had been raised.

**RESOLVED: That the Portfolio Holder be recommended to note and confirm the changes agreed by the Executive on 11<sup>th</sup> July 2018.**

**d      TREASURY MANAGEMENT - QUARTER 1 PERFORMANCE  
2018/19  
FSD18068**

The Committee considered a report summarizing treasury management activity during the first quarter of 2018/19. The report 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 2018 totalled £303.6m and there was no outstanding borrowing. For information and comparison, the balance of investments stood at £284.8m as at 31<sup>st</sup> March 2018, £320.1m as at 30<sup>th</sup> June 2017, and at the time the report was written (20<sup>th</sup> August 2018) it stood at £319.4m.

**RESOLVED: that the Portfolio Holder be recommended to note the Treasury Management performance for the first quarter of 2018/19.**

**40            PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS**

The Committee considered the following reports on the Part 1 agenda for the meeting of the Executive on 12<sup>th</sup> September 2018:

**(6)      BROMLEY PRIVATE SECTOR LEASING SCHEME AND COUNCIL  
OWNED TEMPORARY ACCOMMODATION MANAGEMENT  
SERVICES – CONTRACT EXTENSION**

The Committee scrutinised a report seeking permission to extend by 2 years Bromley's formal contract for the procurement and management of private sector leased properties and management of Council owned temporary accommodation.

Members expressed concern that the report had not been scrutinised by the Renewal, Recreation and Housing PDS Committee. As there was no indication that the decision was urgent it was agreed that Executive should be recommended to defer its decision to enable thorough scrutiny by the Renewal, Recreation and Housing PDS Committee.

*5 September 2018*

*RESOLVED: that the Executive be recommended to defer its decision to enable thorough scrutiny by the Renewal, Recreation and Housing PDS Committee.*

**41 BT ICT CONTRACT MONITORING REPORT  
Report CSD16105**

The Chairman and Councillor Will Harmer, having declared an interest, left the room prior to the start of this item. Cllr Keith Onslow, as Vice-Chairman, chaired the meeting during the Chairman's absence.

The Committee received the third performance report of the British Telecom (BT) ICT contract utilising the Pan London Framework. Nick Adams and Andrew Gee from BT attended the meeting to respond to questions. Overall, the contractor was performing very well, with only a very limited number of cases where KPI's had not been met. The Committee noted the cumulative sum of £13.5k service credit provided by BT to LBB as a result of KPI breaches within the reporting period. The breaches were detailed in the report and centred on performance around looking after back office servers. The volume of calls in this area was very low and in one case the KPI was breach following one missed call.

The Vice-Chairman noted that Councillors had not been included in the customer satisfaction survey that had been undertaken. In response the Head of ICT confirmed that on this occasion, due to the timing of the survey which had been undertaken just after the Members' Induction, it had encompassed staff registered as IT Administrators. The next survey would include Councillors and the wider Council Staff. A Member suggested that Members' responses should be listed separately as their experience of IT support could be very different to that of staff.

The Head of ICT confirmed that the "gain/share" arrangement that had been agreed as part of the new services would deliver £90k savings for the Council over 3 years.

In response to a question from the Vice-Chairman concerning how the KPIs were audited, Mr Gee explained that for each case an underlying set of data was presented to the auditors for inspection.

The Head of ICT confirmed that the Contracts Database reflected the strict Change Control Notices. There had also recently been an audit of the contract and no Priority 1 actions had been raised. It was noted that the outcome of the Audit would be presented to the Audit Sub-Committee in due course.

The Vice-Chairman noted that that Table 3a (Project Ester Performance November 2017 to May 2018) within BTs report demonstrated a number of

occasions where KPIs were not met. Mr Gee confirmed that this reflected periods of staff training and performance had since improved.

The Vice-Chairman thanked Nick Adams and Andrew Gee for attending the meeting.

**RESOLVED: That the report be noted.**

## **42 SCRUTINY OF THE LEADER**

The Leader of the Council, Councillor Colin Smith, attended the meeting to respond to questions from the Committee. Councillor Smith gave a brief introduction highlighting the following issues:

- The Member Induction was now complete and new Members were settling into their new role.
- Work was on going around the Children's Services agenda and it was hoped that the forthcoming Ofsted Inspection would recognise the good progress was being made. The Leader thanked Members who had attended the successful Corporate Parenting Fun Day.
- In relation to Adults Services, issues arising from the poor Ombudsman report were being closely reviewed to ensure that lessons were learnt.
- Within the Renewal, Recreation and Housing Portfolio, work was being undertaken to identify how more housing could be secured across the Borough. It was essential to look at reducing levels of homelessness which if not properly managed would have an adverse impact on the budget.
- The Local Plan continued to evolve and would provide a solid basis for planning decisions. The Leader reported that over the Autumn the Council would be considering the Mayor of London's Plan.
- Turning to Traveller Incursions; a Borough-wide injunction had now been put in place with the aim of addressing the recent surge in incursions. The Leader thanked Councillor Kate Lymer, the Portfolio Holder for Public Protection and Enforcement, for her contribution to this.
- Policies across the Environment Portfolio were being reviewed.
- The main challenges for the Local Authority continued to centre around resources. Work was underway to address the future budget deficit.
- The Leader highlighted the financial challenges facing other Local Authorities such as Northamptonshire, Somerset, and East Sussex.
- The Leader reported that he was broadly optimistic that the message regarding the pressures facing Local Government was slowly getting through to Central Government and as a result of this additional, targeted funding (especially around Adult Social Care) would be provided.

*5 September 2018*

Councillor Smith then responded to questions, making the following comments:

- The issue of Traveller incursions had been recognised as a national issue and raised with MPs. It was recognised that stronger legislation was required which recognised the limited resources available to Local Government to deal with the issues.

Members expressed their thanks to the Director of Corporate Services and his Team for the work that had been done in this area.

- In terms of the provision of transitory land, detailed consideration would need to be given to whether there would still be high clean-up costs and whether there was sufficient evidence to suggest that transitory land would be utilised if it were to be provided.
- The issues highlighted in the Ofsted report of Children's Services had not been a result of poor resourcing and the Commissioner's report had made this clear. It was noted that a number of Local Authorities had not taken difficult revenue funding decisions early enough and the affect of this were now emerging.
- Currently the Local Authority was debt free. Senior Leaders at the Council continued to engage around fairer funding as it was clear that the situation in relation to local government funding was getting desperate.
- In relation to funding the Aeronautical College at Biggin Hill, London and South East Colleges was capable of borrowing money if it wanted. As a result of the merger of the College, if the Council were to provide funding it would be de facto funding Bexley and Greenwich residents attending the college. The Council had made an offer of a loan to the College and no response had yet been received.
- In relation to Westcamp at Biggin Hill, the Leader recognised that this was a wasted asset and all options would need to be considered in relation to the site.
- Turning to housing, the Local Plan had provision for 641 housing units per year. The Borough would not be able to sustain the 1400 units advocated by the Mayor of London. It was possible that if the Mayor continued to press for such high levels of housing provision year-on-year it was possible that he would face a legal challenge from outer-London Boroughs. This threat to the character of outer-London boroughs was at the top of the agenda and there would be an interesting debate over the next 3 to 4 years.
- In terms of transport infrastructure, it was hoped that the DLR would be extended to Bromley North. It was important that the existing connectivity remained unchanged, what was needed was greater connectivity for Bromley and to this end, going forward it would be important to highlight the regional benefits of increased connectivity in Bromley.

- A robust communications strategy was in place for Children's Service's.
- Further integration with health services was under consideration and in recent months there appeared to be increased appetite from health partners to further engage with the Local Authority. If there were to be further integration with health services it would have to be clear that the Local Authority would not share risks around finances as any such risk was unquantifiable. As Members and Officers considered future options they would need to be focused on the legal implications of what was under consideration.

The Chairman thanked the Leader for his presentation to the Committee.

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

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

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

**44 EXEMPT MINUTES OF THE MEETING HELD ON 5 JULY 2018**

The Part 2 (exempt) minutes of the meeting held on 5<sup>th</sup> July 2018 were agreed, and signed as a correct record.

**45 EXEMPT MINUTES OF THE CONTRACTS AND COMMISSIONING SUB-COMMITTEE MEETINGS HELD ON 17 JULY 2018**

The Committee received the Part 2 (exempt) minutes of the Contracts and Commissioning Sub-Committee meeting held on 17<sup>th</sup> July 2018.

**46 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:

*5 September 2018*

**a GATEWAY 1 MEMBERS REPORT. FORMAL CONSULTATION ON OUTLINE SERVICE PROPOSALS AND PROCUREMENT STRATEGY - COUNTER FRAUD SERVICES.  
FSD18065-2**

The Committee considered a report setting out options for the investigation of fraud. Details of the procurement strategy and the justification for the contract award were set out in detail in the Part 2 (exempt report). The Committee discussed the report and recommendations in detail in Part 2 of the agenda.

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

The Committee considered the following reports on the Part 2 agenda for the meeting of the Executive on 12<sup>th</sup> September 2018:

**(10) AWARD OF CONTRACT FOR WORKS AT OAKLANDS PRIMARY SCHOOL (PHASE 1)  
Report ED13067**

The Committee considered the report and supported the recommendations.

**(11) GATEWAY 1: SOCIAL CARE CASE MANAGEMENT SYSTEM  
Report ED18068**

The Committee considered the report and supported amended recommendations.

**(12) GATEWAY REPORT: ONE OFF FUNDING FOR CHILDREN AND YOUNG PEOPLE'S SPEECH AND LANGUAGE THERAPY**

The Committee considered the report and supported the recommendations.

The Meeting ended at 9.55 pm

Chairman

Report No.  
CSD18141

London Borough of Bromley

PART ONE - PUBLIC

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**Decision Maker:** Executive, Resources & Contracts PDS Committee

**Date:** 11<sup>th</sup> October 2018

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

**Title:** **MATTERS ARISING & FORWARD WORK PROGRAMME**

**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

This report deals with the Committee's business management including:

- Monitoring progress against actions arising from previous meetings;
  - Developing the 2017/18 Forward Work Programme; and
  - A schedule of Sub-Committees and Working Groups across all PDS Committees
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2. **RECOMMENDATION(S)**

That PDS Committee reviews and comments on:

1. Progress on matters arising from previous meetings;
2. The 2018/19 work programme, indicating 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
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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 Services
  4. Total current budget for this head: £350,650
  5. Source of funding: 2018/19 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



### 3. COMMENTARY

#### Matters Arising from Previous Meetings

- 3.1. **Appendix 1** provides a progress update on requests made by the Committee at previous meetings. This list is checked after each meeting so that any outstanding issues can be addressed at an early stage and timely progress made.

#### Work Programme

- 3.2 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. ERC PDS Committee has the additional role of providing a lead on scrutiny issues and co-ordinating PDS work.
- 3.3 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.
- 3.4 **Appendix 2** sets out the ERC PDS Committee Work Programme for 2018/19, including: the provisional report title (or activity); the lead division; and Committee's role. Committee is invited to comment on the proposed schedule and suggest any changes it considers appropriate.
- 3.5 Other reports will be added to the 2018/19 Work Programme as items arise. In addition, there may also be references from other committees, the Resources Portfolio Holder, or the Executive.

#### Sub-Committees and Working Groups

- 3.6 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.
- 3.7 A schedule of Sub-Committees and Working Groups across all PDS Committees is attached as **Appendix 3** to this report. This will be updated for future meetings as other PDS Committees meet and confirm the appointment of Working Groups.

**Appendix 1**

<b>Minute Number/Title/Date</b>	<b>Action/PDS Request</b>	<b>Update</b>	<b>Action by</b>	<b>Expected Completion Date</b>
35 Matters Arising and Work Programme (5 September 2018)	That the details of the November 2017 provided to the Chairman be circulated to the Committee.	An email was circulated to all Members of the Committee on 06.09.18	Democratic Services Officer	06.09.18
35 Matters Arising and Work Programme (5 September 2018)	That the list of Universal Credit Contact Numbers be circulated following the meeting.	The information was circulated following the meeting.	Director of Finance	27.09.18

**EXECUTIVE, RESOURCES & CONTRACTS PDS COMMITTEE  
WORK PROGRAMME 2018/19**

<b>Meeting Date: 22 November 2018</b>	<b>Division</b>	<b>Committee Role</b>
Matters Arising/Work Programme/Forward Plan	Democratic Services	Standard Items
Executive Agenda	Various	Pre-decision scrutiny
Treasury Management - Quarter 2 Performance 2018/19 & Mid-Year Review	Finance	Pre-decision scrutiny (PH)
Benefits Service Monitoring Report	Revenues & Benefits	PDS Committee – Monitoring Report
Revenues Service Monitoring Report	Revenues & Benefits	PDS Committee – Monitoring Report
Customer Services - Contract Performance Report	Customer Services	PDS Committee – Monitoring Report
Exchequer Service - Contract Performance Report	Finance	PDS Committee – Monitoring Report
Risk Register	Audit	PDS Committee
Contracts Database Presentation	Procurement	PDS Committee
<b>Meeting Date: 10 January 2019</b>	<b>Division</b>	<b>Committee Role</b>
Matters Arising/Work Programme/Forward Plan	Democratic Services	Standard Items
Executive Agenda	Various	Pre-decision scrutiny
Capital Programme Monitoring - 2nd Quarter 2018/19	Finance	Pre-decision scrutiny (PH)
Scrutiny of the Resources, Commissioning & Contract Management Portfolio Holder	N/A	PDS Committee
Risk Register (Red Risks)	Audit	PDS Committee
<b>Meeting Date: 7 February 2019</b>	<b>Division</b>	<b>Committee Role</b>
Matters Arising/Work Programme/Forward Plan	Democratic Services	Standard Items
Executive Agenda	Various	Pre-decision scrutiny

Scrutiny of the Chief Executive	Chief Execs	PDS Committee
Contracts Register and Contracts Database Update	Procurement	PDS Committee
Section 106 Agreements: Update	E&CS	PDS Committee
Risk Register (Red Risks)	Audit	PDS Committee
<b>Meeting Date: 20 March 2019</b>	<b>Division</b>	<b>Committee Role</b>
Matters Arising/Work Programme/Forward Plan	Democratic Services	Standard Items
Executive Agenda	Various	Pre-decision scrutiny
Scrutiny of the Leader	N/A	PDS Committee
Annual PDS Report 2018/19	Democratic Services	PDS Committee
Risk Register (Red Risks)	Audit	PDS Committee

\*Part 2 (Exempt) Report

**PDS SUB-COMMITTEES AND WORKING GROUPS 2018/19**

<b>SUBJECT</b>	<b>DATE OF NEXT MEETING</b>	<b>MEMBERSHIP</b>
<b>EXECUTIVE, RESOURCES &amp; CONTRACTS PDS</b>		
Contracts and Commissioning Sub-Committee	11 December 2018	Cllr Wells, Cllr Marlow, Cllr Mellor, Cllr Reddin, Cllr Tickner, Cllr G. Stevens, Cllr Wilkins.
<b>CARE SERVICES PDS</b>		
Health Scrutiny Sub-Committee	17 October 2018	Cllr Cooke, Cllr Allatt, Cllr Cuthbert, Cllr Dunn, Cllr Ellis, Cllr Evans, Cllr Jeffereys, Cllr McIlveen, Cllr Page.
Any 2018/19 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 Ellis, Cllr McIlveen.
<b>EDUCATION, CHILDREN AND FAMILIES SELECT COMMITTEE</b>		
Education, Children and Families Budget and Performance Monitoring Sub-Committee	30 <sup>th</sup> October	Cllr Reddin, Cllr Ahmad, Cllr Bennett, Cllr Ellis, Cllr Rowlands, Cllr Wells
Any 2018/19 Working Groups of the Education Select Committee or Education Budget Sub-Committee to be appointed by the parent bodies.		
<b>ENVIRONMENT PDS</b>		
Any 2018/19 Working Groups of the Environment Committee to be appointed by the parent body.		
<b>PUBLIC PROTECTION AND SAFETY PDS</b>		
Enforcement Task and Finish Group	Meetings until end of September 2018	Cllr Cartwright, Cllr Michael, Cllr.; Pierce, Cllr Bance
<b>RENEWAL AND RECREATION PDS</b>		
Beckenham Working Group		Cllr Tickner, Cllr Allen, Cllr Dunn, Cllr Mellor, Cllr Wells, Cllr King, Cllr Wibberley

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Report No.  
FSD18077

London Borough of Bromley

PART ONE - PUBLIC

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

**Date:** Thursday 11 October 2018

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

**Title:** RISK MANAGEMENT

**Contact Officer:**

Mark Bowen, Director of Corporate Services – Chief Executive’s Risk Register  
Tel: 020 8313 4461 E-mail: mark.bowen@bromley.gov.uk

Lesley Moore, Director of Commissioning and Procurement – Commissioning  
Risk Register  
Tel: 020 8313 4663 E-mail: lesley.moore@bromley.gov.uk

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

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

**Ward:** (All Wards)

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1. Reason for report

At the 5<sup>th</sup> September 2018 meeting of the Executive, Resources and Contracts PDS Committee, it was resolved, under the ‘Matters arising and work programme’ item (report CSD 18126) that the relevant ‘red’ risks for the ERC PDS Committee be reviewed at the next meeting on 11<sup>th</sup> October 2018.

This report provides Members with the Gross ‘High’ (Red) rated risks from the Chief Executive’s, Commissioning and Finance department’s risk register. There are currently no Gross ‘High’ (Red) rated risks on the Human Resources Risk Register.

2. **RECOMMENDATION**

**Members of the Executive, Resources and Contracts Policy, Development and Scrutiny Committee are requested to note the attached Risk Registers extracts.**

### Impact on Vulnerable Adults and Children

1. Summary of Impact: There are no direct implications for Vulnerable Adults and Children arising from the attached risk registers although failure of the Council to meet its commitments in any risk area could indirectly impact on life chances.
- 

### Corporate Policy

1. Policy Status: Not Applicable:
  2. BBB Priority: Excellent Council:
- 

### Financial

1. Cost of proposal: Not Applicable:
  2. Ongoing costs: Not Applicable:
  3. Budget head/performance centre: Finance, Chief Executive's, Commissioning and Human Resources divisions
  4. Total current budget for this head: Not Applicable
  5. Source of funding: Not Applicable
- 

### Personnel

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

### Legal

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

### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): This report is intended primarily for the benefit of members of the Executive, Resources and Contracts Policy, Development and Scrutiny Committee
- 

### Ward Councillor Views

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



### **3. COMMENTARY**

3.1 As resolved at the 5th September 2018 meeting of the Executive, Resources and Contracts PDS Committee (Matters arising and work programme – report CSD 18126), this report provides Members of the Committee with the Gross ‘High’ (Red) rated risks on the following Risk Registers.

- Chief Executive’s (Appendix A)
- Commissioning (Appendix B)
- Finance (Appendix C)

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

4.1 There are no direct implications for Vulnerable Adults and Children arising from the attached risk registers, although failure of the Council to meet its commitments in any risk area could indirectly impact on life chances.

### **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 suite of Risk Registers supports delivery of all of the aims.

### **6. FINANCIAL IMPLICATIONS**

6.1 The Finance Division Risk Register is attached as Appendix C. Where applicable, the risk category in all registers is reflected as ‘Financial, Operational’.

### **7. PERSONNEL IMPLICATIONS**

7.1 Where applicable, the risk category in all registers is reflected as ‘Personnel, Operational’.

### **8. LEGAL IMPLICATIONS**

8.1 Where applicable, the risk category in all registers is reflected as ‘Legal, Operational’.

### **9. PROCUREMENT IMPLICATIONS**

9.1 The Commissioning Division Risk Register is attached as Appendix B. Where applicable, the risk category in all registers is reflected as ‘Contractual and Partnership’.

Non-Applicable Sections:	None
Background Documents: (Access via Contact Officer)	Minutes of Report CSD 18126 Executive, Resources and Contracts PDS Committee 5thSeptember 2018

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## Chief Executive's (CEX) Risk Register - Gross 'High' (Red) Risks Extract - Appendix A

											DATE LAST REVIEWED:	13/09/2018	
REF	DIVISION	RISK TITLE & DESCRIPTION (a line break - press alt & return - must be entered after the risk title)	RISK CAUSE & EFFECT	RISK CATEGORY	GROSS RISK RATING (See next tab for guidance)			EXISTING CONTROLS IN PLACE TO MITIGATE THE RISK	CURRENT RISK RATING (See next tab for guidance)			FURTHER ACTION REQUIRED	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING		
1	Corporate Services	<b>IT Security failure</b>	<b>Cause(s):</b> Failure of IT Security (responsibility across Bromley & BT) to manage risk of attack or intrusion leading to potential corruption / loss of data / loss of systems  <b>Effect(s):</b> Loss of service, potential fines, resident dissatisfaction	Data and Information	4	5	20	-Application of effective security management including effective application of anti-virus protection and security measures through the Facilities Management (FM) Contract with BT - Regular Penetration Testing undertaken	2	2	4		Vinit Shukle
2	Corporate Services	<b>Telecommunications failure</b> Prolonged telecoms / switchboard failure	<b>Cause(s):</b> Power surge, contractor failure, malicious attack, IT failure  <b>Effect(s):</b> Widespread disruption across the Council	Data and Information	3	5	15	- Stand-by arrangements available so that in the event of failure highest priority services can be recovered - Technical design takes into account the criticality of systems and ensures, where justified, that additional resilience is built in - All Critical Services now have additional independent lines as contingency (if not their first line) - Additional resilience in use of LBB mobile phones - The ICT Disaster Recovery Plan is in progress	3	3	9	- Working with BT to implement disaster recovery arrangements as part of new backup contract - Effective application of anti-virus protection and security measures through the Facilities Management (FM) contract with BT - Virtualisation project will help facilitate disaster recovery provision - Secondary Session Initiation Protocol (SIP) connection being added to provide resilience.	Vinit Shukle
3	Corporate Services	<b>IT System Failure (partial loss)</b> Partial loss of IT systems	<b>Cause(s):</b> Failure of Outlook or similar applications Failure of Novell Filing Registry system which carries details of all departmental files  <b>Effect(s):</b> Widespread disruption across the Council	Data and Information - Operational	4	4	16	- Effective incident management / support and resilient systems in use so that single points of failure are minimised - Technical design that takes into account the criticality of systems and ensures, where justified, that additional resilience is built in - Ensure proactive monitoring tools are in place to highlight potential issues before there is a major incident - System now migrated to the server - No longer dependent on Win7 - all services successfully transferred. However, the Novell filing registry/Regnet system has no further upgrade options and is not compatible with Win10 which will be deployed before December 2019 (Win7 support expiry date)	4	3	12	- Awaiting an update from IS on the ability to migrate the original filing registry Novell / Regnet system onto the Windows 7 environment. Dependent on their advice this may well upgrade the risk and present the Legal team with an operational issue of new file allocations etc.	Vinit Shukle
4	Corporate Services	<b>IT System Failure (total loss)</b> Complete failure of IT systems resulting in widespread disruption across the Council	<b>Cause(s):</b> Complete loss of data centre and related hardware  <b>Effect(s):</b> Widespread disruption across the Council Financial loss Reputational impact	Data and Information - Operational	3	5	15	- Effective incident management / support and resilient systems in use so that single points of failure are minimised - Technical design that takes into account the criticality of systems and ensures, where justified, that additional resilience is built in - Ensure proactive monitoring tools are in place to highlight potential issues before there is a major incident - Backup power arrangements in the event of power issues (most likely) - Server room has fire suppression, water detection and significant physical security measures have been undertaken.	2	4	8	- Property are planning additional works to resolve the issues that caused the outages, but until then we remain at an elevated risk.	Vinit Shukle

## Chief Executive's (CEX) Risk Register - Gross 'High' (Red) Risks Extract - Appendix A

										DATE LAST REVIEWED:	13/09/2018		
REF	DIVISION	RISK TITLE & DESCRIPTION <small>(a line break - press alt &amp; return - must be entered after the risk title)</small>	RISK CAUSE & EFFECT	RISK CATEGORY	GROSS RISK RATING <small>(See next tab for guidance)</small>			EXISTING CONTROLS IN PLACE TO MITIGATE THE RISK	CURRENT RISK RATING <small>(See next tab for guidance)</small>			FURTHER ACTION REQUIRED	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING		
15	Corporate Services	<b>Data Protection Breach</b>	<b>Cause(s):</b> Failure to adapt to the upcoming change in legislation (GDPR) Failure to ensure the confidentiality, integrity, and availability of information assets.	Data and Information - Operational	4	5	20	- LBB is currently compliant with the Public Services Network Code of Connection (PSN CoCo) and Connecting for Health Information Governance Toolkit (CfH IGT). The LBB Information Governance Board formally accepted the CfH IGT as the basis of LBB's internal information governance program at their meeting in August 2012. Both standards are based on the ISO27001 international best practice standard for managing information security and are therefore fit for purpose for assessing and managing the Council's information risk	2	3	6		Director of Corporate Services

Remember to consider current Internal Audit priority one recommendations when identifying, assessing and scoring risks.

## Commissioning Risk Register - Gross 'High' (Red) Risks Extract - Appendix B

											DATE LAST REVIEWED:	14/09/2018	
REF	DIVISION	RISK TITLE & DESCRIPTION (a line break - press alt & return - must be entered after the risk title)	RISK CAUSE & EFFECT	RISK CATEGORY	GROSS RISK RATING (See next tab for guidance)			EXISTING CONTROLS IN PLACE TO MITIGATE THE RISK	CURRENT RISK RATING (See next tab for guidance)			FURTHER ACTION REQUIRED	RISK OWNER
					LIKELIHOOD	D	IMPACT		RISK RATING	LIKELIHOOD	D		
1	Commissioning	Failure to deliver the Council's Target Operating Model as a "Commissioning Organisation"	<p><b>Cause(s):</b></p> <ul style="list-style-type: none"> <li>- Unclear (or lack of) commissioning strategies</li> <li>- Poor commissioning activities</li> <li>- Inability to undertake full commissioning cycles</li> <li>- Failure to engage and develop markets</li> </ul> <p><b>Effect(s):</b></p> <ul style="list-style-type: none"> <li>- Service cuts required if balanced budget is not met</li> <li>- Reputational damage</li> </ul>	Procurement & Contracts	5	4	20	<ol style="list-style-type: none"> <li>1. Commissioning Work Plan agreed and reported to COE as part of Performance Management.</li> <li>2. Commissioning Reviews linked to 4 year Financial Forecast to ensure all growth in services are supported by service reviews/proposals to help mitigate growth.</li> <li>3. Contract Register now produced using new database including automatic alerting to officers etc.</li> <li>4. Commissioning Team represented at senior level across the Council.</li> <li>5. Commissioning Work Plan &amp; Contracts Register reported to COE quarterly and also Commissioning &amp; Contract Sub Committee – with alerts from Director of Commissioning.</li> <li>6. Weekly Commissioning Board meetings.</li> <li>7. Training for members and officers rolled out and published on Managers Toolkit.</li> <li>8. All Guidance Notes available to officers on the Managers Toolkit – covering the commissioning and contracting cycle.</li> <li>9. Lessons Learnt from all commissioning and contracting proposals covered at mandatory training with staff.</li> </ol>	4	3	12	<ol style="list-style-type: none"> <li>1. Proposals relating to the individual services to be submitted to the respective PDS Committees for scrutiny and approval in a timely manner linked to four year financial forecast.</li> <li>2. Growth pressures identified as part of the four year forecast to allow service reviews/redesign to help mitigate cost pressures</li> </ol>	Service Directors supported by Director of Commissioning
2	Commissioning	Effective governance and management of contracts	<p><b>Cause(s):</b></p> <ul style="list-style-type: none"> <li>- Lack of clear management across contracts</li> <li>- Capacity and capability</li> <li>- Contract management processes ineffective</li> <li>- Organisational culture and understanding</li> </ul> <p><b>Effect(s):</b></p> <ul style="list-style-type: none"> <li>- Financial losses</li> <li>- Service disruptions</li> <li>- Poor quality services</li> </ul>	Procurement & Contracts	4	4	16	<ol style="list-style-type: none"> <li>1. Review of contract management and Commissioning &amp; Contract monitoring controls including any issues identified by internal audit</li> <li>2. Database alerts to assist in monitoring</li> <li>3. Contract Sub Committee</li> </ol>	4	4	16	<p>Mandatory Training in place for all contract managers and commissioners along with quarterly mandatory meetings chaired by Director of Commissioning to cover any new guidance issued, lessons learnt and internal audit issues. Once the Director of Commissioning is confident that practice is embedded in the organisation, the current risk rating will reduce.</p>	Service Directors supported by Director of Commissioning

Remember to consider current Internal Audit priority one recommendations when identifying, assessing and scoring risks.

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## Finance Risk Register - Gross 'High' (Red) Risks Extract - Appendix C

											DATE LAST REVIEWED:	13/09/2018	
REF	DIVISION	RISK TITLE & DESCRIPTION (a line break - press alt & return - must be entered after the risk title)	RISK CAUSE & EFFECT	RISK CATEGORY	GROSS RISK RATING (See next tab for guidance)			EXISTING CONTROLS IN PLACE TO MITIGATE THE RISK	CURRENT RISK RATING (See next tab for guidance)			FURTHER ACTION REQUIRED	RISK OWNER
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING		
2	Finance	<b>Financial Market Volatility</b> Financial loss arising from the volatility of financial markets.	<b>Cause(s):</b> Market volatility, recession, banking failure  <b>Effect(s):</b> We do not maximise our interest earnings on balances and could also suffer the following issues - Liquidity, Interest rate, Exchange rate, Inflation, Credit and counterparty, Refinancing, legal and regulatory risks	Financial - Operational	3	5	15	1. Regular strategy meetings 2. Use of external advisors 3. Internal Audit review of activities 4. Quarterly reporting to E&R PDS Committee (Members) 5. Adoption of CIPFA Treasury Management Code of Practice 6. Regular meetings / discussions with external auditors 7. Treasury management strategy	2	4	8		James Mullender
4	Finance	<b>Pension Fund</b> The pension fund not having sufficient resources to meet all liabilities as they fall due	<b>Cause(s):</b> 1. Investment markets fail to perform in line with expectations 2. Market yields move at a variance with assumptions 3. Investment managers fail to achieve their targets over the longer term 4. Longevity horizon continues to expand 5. Deterioration in pattern of early retirements 6. Administering authority unaware of structural changes in an employer's membership e.g. large fall in employee members, large number of retirement 7. Mandatory pooling of investments (London CIV) may result in appointment of poorer performing investment managers.  <b>Effect(s):</b> Financial	Financial - Operational	3	5	15	1. Use of external advice. 2. Financial: Monitoring of investment returns - analysis of valuation reports 3. Demographic: Longevity horizon monitored at triennial reviews - quarterly review of retirement levels 4. Regulatory: Monitor draft regulations and respond to consultations - actuarial advice on potential where appropriate 5. Internal audit review of activities, performance, controls etc. 6. Quarterly reports to Pensions Investment Sub-Committee 7. Funding Strategy Statement 8. Statement of Investment Principles 9. Communications Policy 10. Governance Policy 11. Triennial valuation by actuary 12. Strategic asset allocation review.	2	4	8	Seeking opportunities for future 'gifting'	Director of Finance
5	Finance	<b>Failure to deliver a sustainable Financial Strategy which meets with BBB priorities and failure of individual departments to meet budget</b>	<b>Cause(s):</b> 1. As a consequence of significant Government funding reductions (austerity is expected to continue beyond 2019/20), need to reduce the Council's significant 'budget gap' of £38.7 m per annum by 2021/22. 2. The Government's aim is to transform 'local government, enabling it to be self-sufficient by the end of Parliament' e.g. business rates to be fully devolved to local government by 2020/21. A future national recession could have a significant impact on income generated to fund key services within a fully devolved model. 3. Failure to meet departmental budgets due to increased demand on key services resulting in overspends: (Housing (homelessness and cost of bed and breakfast); Social Care (welfare reform and ageing population); and Waste (growing number of households). 4. The risk of the Council not being able to carry out its statutory duties (e.g. pupil admissions, school improvement, child protection) as a consequence of funding reductions. 5. Dependency on external grants to fund services (schools and housing benefits are ring-fenced) - effect if grant reduces (Public Health services) or ceases. 6. The new national living wage will have cost implications to the Council over the next few years (e.g. care providers and carers). 7. As the local government core grant is fully phased out, local government will take on new funding responsibilities e.g. public health, housing benefit administration for pensioners. With ageing population there will be associated cost pressures. 8. Impact of welfare reforms and the phased roll out of Universal Credit. 9. Failure to identify and highlight frauds and weaknesses in the system of internal control (which invariably have a financial impact). Overall, fraud losses are mainly benefit related (Council Tax Support / Single Person Discount).  <b>Effect(s):</b> - Increased overspends in particular services - Council unable to carry out its statutory duties due to services cuts - Reputational damage - Failure to achieve our Building a Better Bromley priorities.	Financial - Operational	5	5	25	<b>Strategic Controls:</b> 1. Regular update to forward forecast 2. Early identification of future savings required 3. Transformation options considered early in the four year forward planning period 4. Budget monitoring to include action from relevant Director to address overspends including action to address any full year additional cost 5. Mitigation of cost pressures including demographic changes 6. Directors to update commissioning strategies with strategic choices to address financial envelope  <b>Operational Controls:</b> 1. Management of Risks document covering inflation, capping, financial projections etc. attached to budget reports 2. Departmental risk analysis 3. Reporting of financial forecast updates in year to provide an update of financial impact and action required 4. Obtain monthly trend / current data to assist in any early action required 5. Obtain regular updates / market intelligence 6. Reporting full year effect of budget variations 7. Analysis of government plans and changes	4	5	20		Director of Finance

Remember to consider current Internal Audit priority one recommendations when identifying, assessing and scoring risks.

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**LONDON BOROUGH OF BROMLEY**

**FORWARD PLAN OF KEY AND PRIVATE EXECUTIVE DECISIONS PUBLISHED ON: 18<sup>TH</sup> SEPTEMBER 2018**

**PERIOD COVERED: October 2018 - January 2019**

**DATE FOR PUBLISHING NEXT FORWARD PLAN OF KEY AND PRIVATE EXECUTIVE DECISIONS: 30<sup>th</sup> October 2018**

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>						
CHILDREN'S SERVICES IMPROVEMENTS	Executive	17 October 2018  Executive, Resources & Contracts 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>Meeting in public</u>	Oral update
GATEWAY REVIEW - SUPPORTED LIVING - AVENUES - FIVE SCHEMES	Executive	17 October 2018  Adult Care & Health PDS Committee	Meetings	Contact Officer:  Andrew Royle Tel: 020 8461 7601 <a href="mailto:andrew.royle@bromley.gov.uk">andrew.royle@bromley.gov.uk</a>	<u>Meeting in public</u>	Report and relevant background documents
GATEWAY REPORT: SUPPORTED LIVING - JOHNSON COURT	Executive	17 October 2018  Adult Care & Health PDS Committee	Meetings	Contact Officer:  Andrew Royle Tel: 020 8461 7601 <a href="mailto:andrew.royle@bromley.gov.uk">andrew.royle@bromley.gov.uk</a>	<u>Meeting in public</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?
ONE YEAR EXTENSION TO AGREEMENT FOR THE PROVISION OF DIRECT PAYMENTS SUPPORT AND PAYROLL SERVICES	Executive	17 October 2018  Adult Care & Health PDS Committee	Meetings	Contact Officer:  John Webster Tel: 020 8313 4080 <a href="mailto:John.Webster@bromley.gov.uk">John.Webster@bromley.gov.uk</a>	Private meeting - Exempt information - <u>Financial/business affairs of a person or company.</u>	Part 2 Report - confidential
GATEWAY 1 REPORT - PROCUREMENT OF LEASE CARS AND LIGHT COMMERCIAL VEHICLES	Executive	17 October 2018  Environment & Community PDS Committee	Meetings	Contact Officer:  Paul Chilton Tel: 020 8313 4849 <a href="mailto:paul.chilton@bromley.gov.uk">paul.chilton@bromley.gov.uk</a>	Private meeting - exempt information - <u>Financial/business affairs of a person or company</u>	Part 2 Report - Confidential
MEARS UPDATE	Executive	17 October 2018  Executive, Resources & Contracts PDS Committee	Meetings	Contact Officer:  Lesley Moore Tel: 020 8313 4633 <a href="mailto:Lesley.Moore@bromley.gov.uk">Lesley.Moore@bromley.gov.uk</a>	Private meeting - Exempt information - <u>financial/business affairs of a person or company</u>	Part 2 report - confidential
GROWTH FUND REVIEW	Executive	17 October 2018  Executive, Resources & Contracts 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>	Private meeting - exempt information - <u>Financial/business affairs of a person or company</u>	Part 2 Report - confidential

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?
HOUSING RELATED SUPPORT/SUPPORTED LIVING	Executive	28 November 2018  Renewal, Recreation & Housing PDS Committee	Meetings	Contact Officer:  Sara Bowrey Tel: 020 8313 4013 <a href="mailto:sara.bowrey@bromley.gov.uk">sara.bowrey@bromley.gov.uk</a>	<u>Meeting in public</u>	Report and relevant background documentation
GATEWAY REPORT - MENTAL HEALTH FLEXIBLE SUPPORT SERVICE	Executive	28 November 2018  Adult Care and Health PDS Committee	Meetings	Contact Officer:  Colin Lusted Tel: 0208 461 7650 <a href="mailto:Colin.Lusted@bromley.gov.uk">Colin.Lusted@bromley.gov.uk</a>	<u>Meeting in public</u>	Report and relevant background documents
GATEWAY REVIEW - COMMUNITY WELLBEING SERVICE FOR CHILDREN & YOUNG PEOPLE	Executive	28 November 2018  Adult Care & Health PDS Committee	Meetings	Contact Officer:  Peta Smith Tel: 020 8461 7234 <a href="mailto:Peta.smith@bromley.gov.uk">Peta.smith@bromley.gov.uk</a>	<u>Meeting in public</u>	Report and relevant background documents
PUBLIC HEALTH COMMISSIONING INTENTIONS	Executive	28 November 2018  Adult Care & Health PDS Committee	Meetings	Contact Officer:  Dr Nada Lemic  <a href="mailto:Nada.Lemic@bromley.gov.uk">Nada.Lemic@bromley.gov.uk</a>	<u>Meeting in public</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?
HEALTH SUPPORT TO SCHOOL AGE CHILDREN	Executive	28 November 2018  Executive, Resources & Contracts PDS Committee	Meetings	Contact Officer:  Dr Jenny Selway Tel: 0208 313 4769 <a href="mailto:jenny.selway@bromley.gov.uk">jenny.selway@bromley.gov.uk</a>	<u>Meeting in Public</u>	Report and relevant background documents
OLDER PERSONS STRATEGY	Executive	28 November 2018  Adult Care & Health PDS Committee	Meetings	Contact Officer:  Mark Davison  <a href="mailto:Mark.Davison@bromley.gov.uk">Mark.Davison@bromley.gov.uk</a>	<u>Meeting in Public</u>	Report and relevant background documents
TRANSPORT SERVICES GATEWAY REPORT	Executive	28 November 2018  Adult Care & Health PDS Committee	Meetings	Contact Officer:  Maya Vadgama Tel: 0208 313 4740 <a href="mailto:Maya.Vadgama@bromley.gov.uk">Maya.Vadgama@bromley.gov.uk</a>	<u>Private meeting - exempt information - Financial/business affairs of a person or body</u>	Part 2 Report - confidential
LEISURE CENTRE LEASE PROPOSALS	Executive	28 November 2018  Renewal, Recreation & Housing PDS Committee	Meetings	Contact Officer:  Colin Brand Tel: 0208 313 4107 <a href="mailto:colin.brand@bromley.gov.uk">colin.brand@bromley.gov.uk</a>	<u>Private meeting - Exempt information- Financial/business affairs of a person or company</u>	Part 2 Report - confidential

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?
CONTRACT AWARD - ENVIRONMENTAL SERVICES	Executive	28 November 2018  Environment & Community PDS Committee	Meetings	Contact Officer:  Dan Jones Tel: 0208 313 4211 <a href="mailto:Dan.Jones@bromley.gov.uk">Dan.Jones@bromley.gov.uk</a>	<u>Private meeting - Exempt information - Financial/business affairs of a person or body</u>	Part 2 report - confidential
CONTRACT AWARD - ARBORICULTURAL SERVICES	Executive	28 November 2018  Environment & Community PDS	Meetings	Contact Officer:  Dan Jones Tel: 0208 313 4211 <a href="mailto:Dan.Jones@bromley.gov.uk">Dan.Jones@bromley.gov.uk</a>	<u>Private meeting - Exempt information - Financial/business affairs of a person or body</u>	Part 2 Report - Confidential
CUSTOMER SERVICES IT SYSTEMS	Executive	16 January 2019  Executive, Resources & Contracts 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>Meeting in public</u>	Report and Relevant Background Documents
<b>ADULT CARE &amp; HEALTH PORTFOLIO</b>						
<b>CHILDREN, EDUCATION &amp; FAMILIES PORTFOLIO</b>						
<b>ENVIRONMENT &amp; COMMUNITY SERVICES PORTFOLIO</b>						

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?
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**PUBLIC PROTECTION & ENFORCEMENT PORTFOLIO**

MORTUARY CONTRACT AWARD	Portfolio Holder for Public Protection and Enforcement	Not before 04 December 2018  Public Protection and Enforcement PDS Committee	Meetings	Contact Officer:  Joanne Stowell Tel: 020 8313 4332 <a href="mailto:Joanne.Stowell@bromley.gov.uk">Joanne.Stowell@bromley.gov.uk</a>	<u>Private meeting - exempt information - financial/business affairs of a person or body</u>	Part 2 report - confidential
CONTRACT AWARD - CCTV	Portfolio Holder for Public Protection and Enforcement	Not before 04 December 2018  Public Protection and Enforcement PDS Committee	Meetings	Contact Officer:  Joanne Stowell Tel: 020 8313 4332 <a href="mailto:Joanne.Stowell@bromley.gov.uk">Joanne.Stowell@bromley.gov.uk</a>	<u>Private meeting - exempt information - financial/business affairs of a person or body</u>	Part 2 Report - Confidential

**RENEWAL, RECREATION & HOUSING PORTFOLIO**

**RESOURCES, COMMISSIONING & CONTRACT MANAGEMENT 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)

Report No.  
FSD18076

London Borough of Bromley

PART 1 - PUBLIC

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**Decision Maker:** RESOURCES, COMMISSIONING & CONTRACTS  
MANAGEMENT PORTFOLIO HOLDER

**Date:** For pre-decision scrutiny by the Executive, Resources & Contracts PDS  
Committee on 11th October 2018

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

**Title:** INSURANCE FUND - ANNUAL REPORT 2017/18

**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 2017/18 Audit of Accounts, this report advises Members of the position of the Insurance Fund as at 31<sup>st</sup> March 2018 and presents statistics relating to insurance claims for the last two years. In 2017/18, the total Fund value increased slightly from £3.4m to £3.7m. 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 2019 will remain approximately the same. The position will continue to be monitored throughout the year.
- 

## 2. RECOMMENDATION

- 2.1 The Resources, Commissioning and Contracts Management 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: £3,717k (Fund balance as at 31/03/2018)
  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 Like most organisations, ensuring adequate insurance cover is in place is one of the ways that the Council manages risk. It is the responsibility of the Council to determine the best balance between the level of premiums paid to external insurers and internal self-insurance arrangements paid from the Insurance Fund earmarked reserve.
- 3.1.2 The Council has a number of separate insurance policies, and these policies are subject to excess and stop-loss arrangements so that 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 exceeds the relevant stop-loss. The aggregate stop-loss is designed so that the Insurance Fund is protected in the event of a significant claim or a large number of successful claims.
- 3.1.3 Until 2015/16 when the Fund balance began to increase slightly, the trend in recent years has been a gradual reduction in the Fund, as illustrated in the table in paragraph 4.1. The balance (to cover new claims notified after 31<sup>st</sup> March 2018) stood at £3.7m at 31<sup>st</sup> March 2018.
- 3.1.4 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 2018, the provision stands at £1.3m.
- 3.1.5 In the Insurance Annual Report for 2016/17, Members were informed that, at that stage, it was estimated that the Fund balance would increase to around £3.6m for 2017/18. 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 £3.7m. 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 2018, there were 297 open claims.
- 3.1.6 The position of the Fund has been reviewed as at 28<sup>th</sup> September 2018 and, based on the estimated value of claims received to that date, it is anticipated that the Fund balance will remain at around £3.7m at the end of 2018/19. As at 28<sup>th</sup> September 2018, there were 331 open claims. The position will continue to be monitored throughout the year.

#### **3.2 Insurance Arrangements**

- 3.2.1 The Council has historically handled self-insured claims in-house (with the exception of own fault or disputed motor claims involving a third-party), as well as managing more serious/complex claims in liaison with the insurer. This service has been performed by the Royal Borough of Greenwich (RBG) under a shared service arrangement since January 2014 which is currently due to expire on 31<sup>st</sup> March 2020. This arrangement is 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. Regular client monitoring meetings are held between the Chief Accountant, the Principal Accountant and Greenwich's Insurance Manager.

### 3.2.3 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.
- 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.
- Other – these are minor policies such as school journey insurance.

### 3.2.4 The policy excess and stop-loss figures for 2017/18 were as follows:-

Policy	Excess	Aggregate
	£'000	Stop-Loss £'000
All Risks - General	100	500
- Education	250	
- Storm or Flood	50	
Casualty - Public Liability, Employer's Liability & Officials Indemnity	125	2,500

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 in 2014/15, both of which are in the process of being settled. The total costs of these claims are estimated at £320k, £390k and £215k, and the applicable excess amounts i.e. costs to the Council are £250k, £125k and £125k respectively.

3.2.5 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 a result of this downward trend, the stop-loss was increased in 2017/18 to help balance the increase in insurance premiums, which was mainly due to the significant reduction to the Ogden discount rate for personal injury settlements. 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 £'000	Total Payments £'000	Outstanding Estimate £'000	Total Claims £'000	Under Stop Loss £'000
Travelers	2009/10	01/05/2009	1,250	802	85	887	363
Travelers	2010/11	01/05/2010	1,275	884	0	884	391
Travelers	2011/12	01/05/2011	1,275	932	13	945	330
Travelers	2012/13	01/05/2012	1,326	590	3	593	733
Travelers	2013/14	01/05/2013	1,353	500	71	571	782
Travelers	2014	01/05/14-17/06/14	1,531	95	9	104	1,427
Zurich Municipal	2014/15	17/06/14-01/05/15	1,965	410	151	561	1,404
Zurich Municipal	2015/16	01/05/2015	1,965	156	120	276	1,689
Zurich Municipal	2016/17	01/05/2016	1,965	90	368	458	1,507
Zurich Municipal	2017/18	01/05/2017	2,500	43	619	662	1,838

3.2.6 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.

### 3.3 Insurance Claims

3.3.1 Claims statistics for the main categories of insurance cover for 2016/17, 2017/18 and 2018/19 to date are detailed in the following table. These show claims submitted up to 28<sup>th</sup> September 2018 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.

	2016/17		2017/18		2018/19 to date		Total Outstanding	
	No	£'000	No	£'000	No	£'000	No	£'000
<b>Policies subject to excess / stoploss</b>								
Commercial all risks - Fire & Perils	-	-	1	1	-	-	4	2
- All risks	10	34	7	16	3	50	9	65
Public Liability	271	368	315	608	87	248	257	1,465
Employers Liability	1	25	3	10	-	-	3	59
	<b>282</b>	<b>427</b>	<b>326</b>	<b>635</b>	<b>90</b>	<b>298</b>	<b>273</b>	<b>1,591</b>
Less: Recoveries from insurers		-		-		-		-
Charged to Insurance Fund		<b>427</b>		<b>635</b>		<b>298</b>		<b>1,591</b>
<b>Vehicle policies</b>								
Motor Fleet	7	2	-	-	-	-	5	5
Leased Cars	56	75	35	121	13	28	53	208
Total for vehicles	<b>63</b>	<b>77</b>	<b>35</b>	<b>121</b>	<b>13</b>	<b>28</b>	<b>58</b>	<b>213</b>

3.3.2 Although the number of claims relating to 2016/17 have increased when compared with the figures 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 remained at a similar level as claims have been repudiated or settled at a lower value than initially estimated.

3.3.3 The figures above reflect claims received up to 28<sup>th</sup> September 2018 and will likely increase as further claims are made. The 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. Over the last 10 years, 96% of claims were brought within 1 year of the incident, and 99% within 2 years.

3.3.4 It should be noted that although the total value of outstanding claims is just over £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.

3.3.5 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.

Incident Year	No. of claims	In Progress	Referred to Contractor	Repudiated / Closed	Settled
2009	498	0.6%	3.6%	37.6%	58.2%
2010	539	0.0%	5.8%	35.3%	59.0%
2011	470	0.2%	5.7%	37.4%	56.6%
2012	422	0.5%	5.0%	32.9%	61.6%
2013	457	0.4%	4.8%	45.5%	49.2%
2014	470	2.3%	4.5%	57.9%	35.3%
2015	337	4.5%	2.7%	68.0%	24.9%
2016	368	9.2%	3.3%	60.9%	26.6%
2017	303	27.7%	1.7%	53.1%	17.5%
2018 (to date)	264	66.7%	1.5%	13.3%	18.6%

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). In particular the 2018 figures to date are higher than in recent years, so this downward trend may not continue.

3.3.7 The Charts in Appendix 1 show the number and total value of claims by the year the incident occurred. As indicated in paragraph 3.3.4, and highlighted by the repudiation rate in the table above, a significant proportion of the claims currently shown as outstanding will ultimately not be paid.

3.3.8 Of the claims received, around 60% of the total number numbers, or 70% of the total value relate to Public Liability claims, which are included in the charts in Appendix 2. In particular, the number of claims received and having to be settled relating to poor road conditions (mainly potholes) during 2018 has increased significantly, with part year numbers already at the same level as the previous three years.

### 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 2017/18 under the delegated claims handling arrangements.

3.4.2 The Council's previous insurer Travelers undertook its audit and issued a report in March 2018, which had a TSP (Technical Service Proficiency) score of 83%, a reduction compared to the score of 95% in 2017. For comparison, the TSPs in previous years were: 93% in 2016, 96% in 2015, and 82% in 2014. In relation to the reduction, Travelers acknowledged that given the period since their cover ended, it was to be expected that the remaining claims would be harder to resolve and could result in lower TSP scores achieved.

3.4.3 In August 2017, the Council's current main insurer, Zurich Municipal (ZM) undertook its second audit. The provisional results were included in the 2016/17 annual report, and the final report concluded:

"...a good result during this review with an overall score of 95.23%, scoring very highly in the majority of their claims handling practices. They scored 100.00% for Coverage, Fraud, Litigation, Recovery and Bordereaux, 99.40% for Contact, 99.36% for Evaluation, 98.81% for Notification and Investigation and 94.90% for Negotiation. The two lower scores were File Management with 93.65% and Reserving with 70.35%. No leakage was identified during this review."

3.4.4 Although this was a significant increase over the 89.2% score in the first audit in 2015, the overall rating given was "Needs Improvement", noting that "The number and severity of issues relative to the size and scope of the operation, entity, or process being audited indicate some minor areas of weakness". Officers are hopeful that despite some differences around reserving

policy, the next audit will result in an increase to an Effective rating (the highest ZM rating).

### 3.5 Insurance Policy Procurement

3.5.1 Following the Resources Portfolio Holder's approval in October 2017, the optional extension for the Council's policies (excluding casualty) was exercised, making all policies coterminous on 30<sup>th</sup> April 2019.

3.5.2 As agreed by the Executive on 21<sup>st</sup> May 2018, officers are in the process of undertaking an OJEU tender process for all policies from May 2019, which are expected to be awarded in April 2019. To help inform the tender, and ensure appropriate levels of cover are maintained, an actuarial review of the fund is being undertaken, as well as insurance valuations of the 50 highest value/risk properties insured by the Council. The results of the actuarial review and valuation work may be summarised in the policy award report, with further details provided in the 2018/19 annual report.

3.5.3 As a result of changes to the service profile of the Council, as well as external changes, it may now be appropriate to take out cover for additional risks, such as medical malpractice and cyber, and officers are exploring options for these. It should be noted that some risks, such as fines as a result of a data protection breach are not currently insurable. Details will be reported in the award report that will be presented to the Executive in March 2019.

## 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 2018/19 is also included in the table.

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19 (est.)
	£'000	£'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	3,717
Revenue contribution to Fund	500	1,000	605	1,300	800	800	800	800	800
Interest	77	72	57	35	65	73	81	75	80
Claims (actual and estimated)	-916	-1,266	-605	-1,376	-958	-662	-607	-531	-850
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>3,717</b>	<b>3,747</b>

4.2 In 2011/12 the total value of claims (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. 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).

4.3 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 further top-up of £0.5m at the end of 2013/14.

4.4 The Fund balance remained broadly stable at £2.9m in 2014/15, and has since increased to £3.1m, £3.4m and £3.7m over the three years to 2017/18. This is mainly due a reduction in the level of claims paid during these years and amounts outstanding at the year ends.

4.5 Although the Fund balance is projected to increase slightly during 2018/19, 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.

4.6 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**

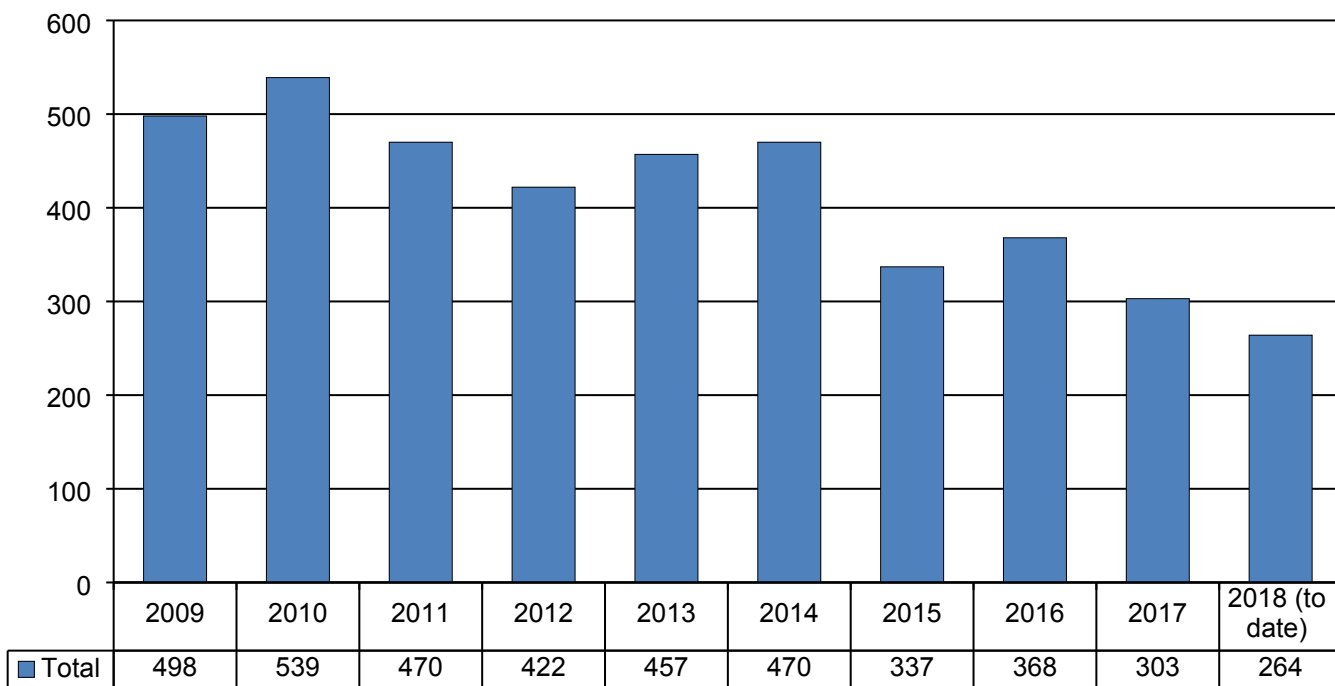
5.1 To maintain appropriate levels of insurance cover to ensure adequate cover for Council properties, assets and services.

**6. PERSONNEL IMPLICATIONS**

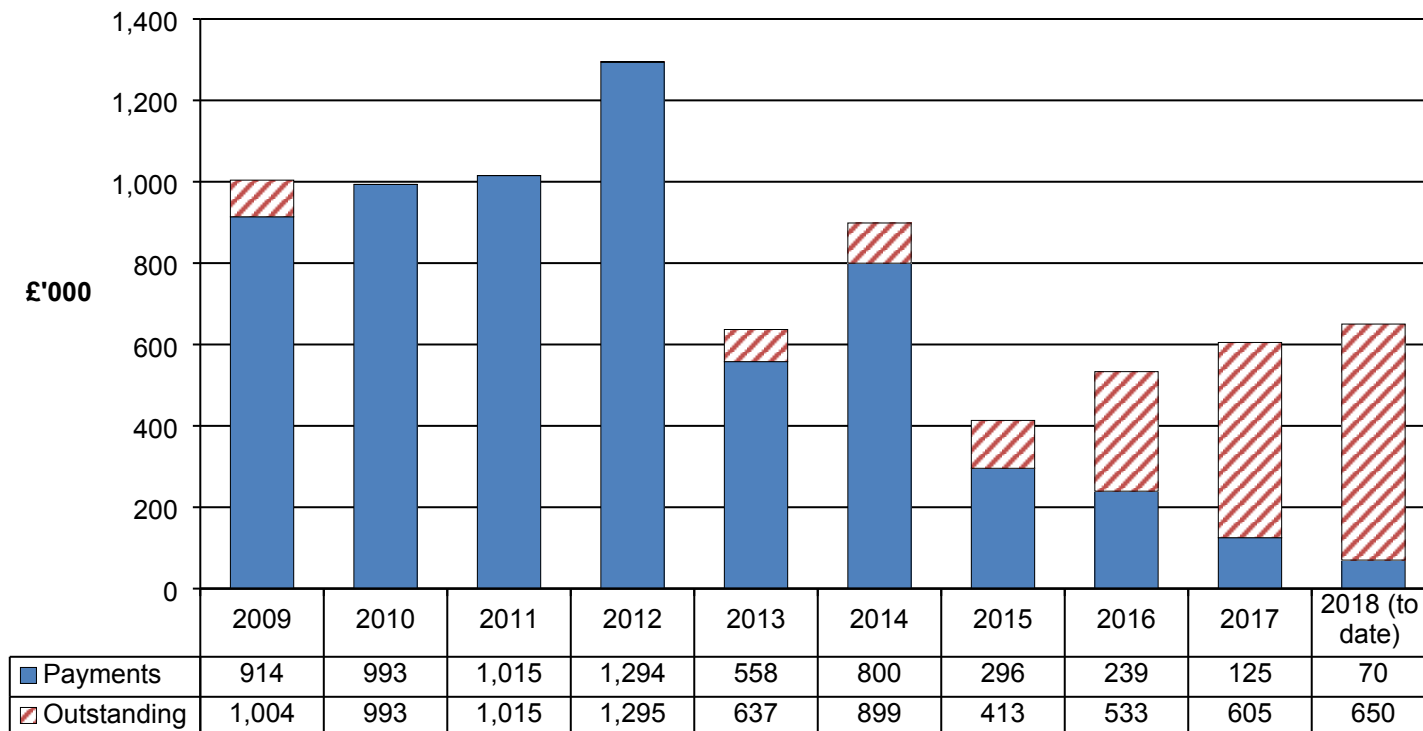
6.1 An insurance claims handling service is provided by staff from the Royal Borough of Greenwich under a shared services arrangement.

<b>Non-Applicable Sections:</b>	Legal Implications
Background Documents: (Access via Contact Officer)	Formal Consultation on the Procurement Strategy for Insurance Policies – Executive, 21 <sup>st</sup> May 2018 Insurance Fund – Annual Report 2016/17, Executive and Resources PDS Committee, 10 <sup>th</sup> October 2017 Provision of Insurance Service – Royal Borough of Greenwich, Executive and Resources PDS Committee, 4 <sup>th</sup> February 2015

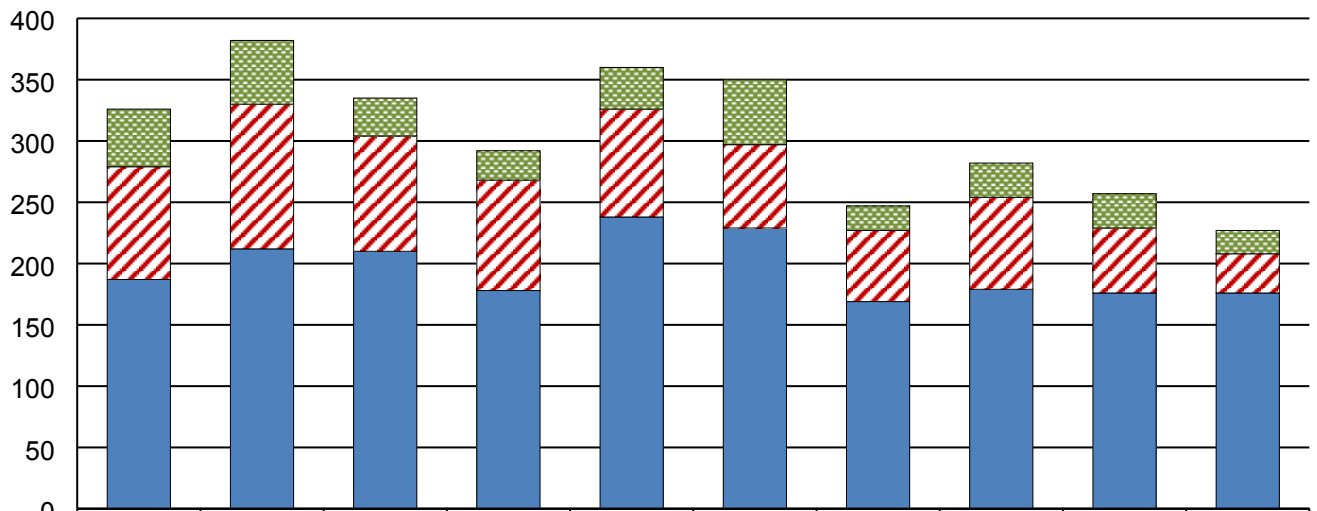
### Number of Insurance Claims



### Cost of Insurance Claims

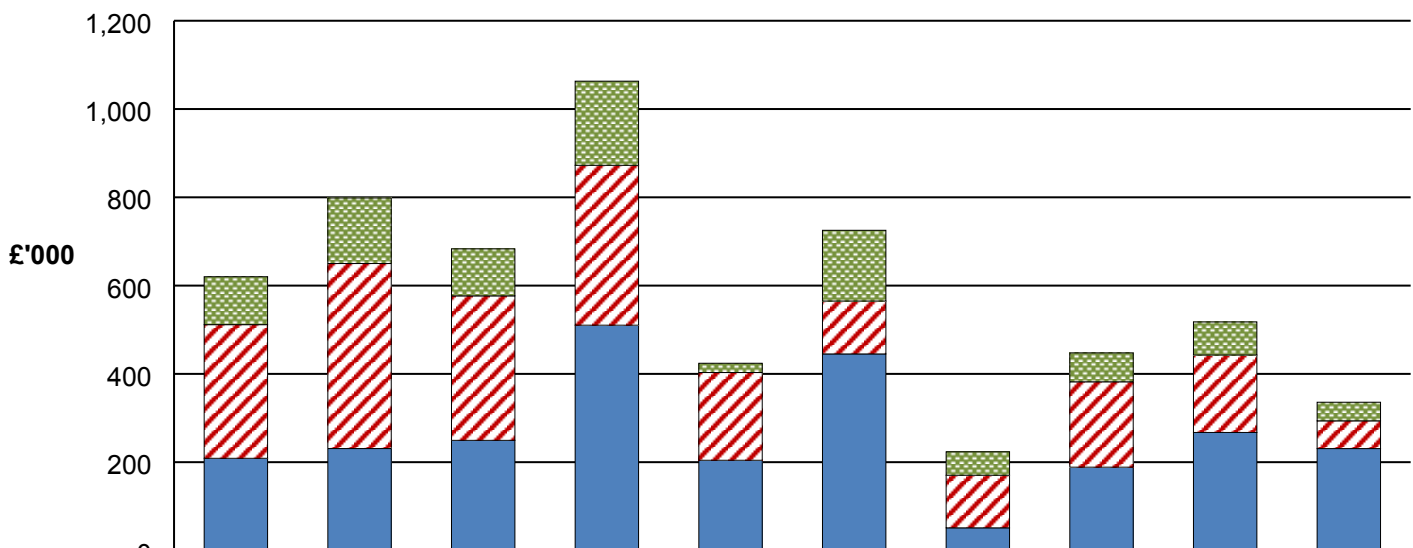


### Public Liability Claim Numbers



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 (to date)
Highways	187	212	210	178	238	229	169	179	176	176
Trees	279	330	304	268	326	297	227	254	229	208
Other PL	326	382	335	292	360	350	247	282	257	227

### Public Liability Claim Costs



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 (to date)
Highways	209	231	249	510	204	445	51	189	267	231
Trees	512	650	577	872	403	565	170	382	443	294
Other PL	620	799	683	1,063	424	725	223	448	518	336



Report No.  
DRR 18/044

London Borough of Bromley

Agenda  
Item No.

PART 1 - PUBLIC

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**Decision Maker:** Executive, Resources and Contracts PDS Committee

**Date:** 11 October 2018

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

**Title:** TOTAL FACILITIES MANAGEMENT CONTRACT- CONTRACT PERFORMANCE REPORT

**Contact Officer:** Michael Watkins, Head of Asset and Investment Management  
Tel: 020 8313 4178 E-mail: michael.watkins@bromley.gov.uk

**Chief Officer:** Colin Brand, Director of Regeneration

**Ward:** All

---

**1. Reason for report**

- 1.1 This report provides information on the performance of the Total Facilities Management (TFM) Contract provided by Amey Community Limited for the period 1<sup>st</sup> August 2017 to 31<sup>st</sup> August 2018.
- 

**2. RECOMMENDATION(S)**

The Executive, Resources and Contracts PDS is requested to note and comment on the information contained within this report.

### Corporate Policy

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

### Financial

1. Cost of proposal: N/A
  2. Ongoing costs: N/A.
  3. Budget head/performance centre: TFM Contract
  4. Total current budget for this head: £4.181m
  5. Source of funding: Existing revenue budget 2018/19
- 

### Staff

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

### Legal

1. Legal Requirement: No statutory requirement or Government guidance.
  2. Call-in: Call-in is not applicable.
- 

### Customer Impact

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

### Ward Councillor Views

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

### 3. COMMENTARY

#### BACKGROUND

3.1 The July 2016 Executive agreed to award to Amey Community Limited the following areas of work as part of the Total Facilities Management Contract.

**Planned:** Statutory Compliance tests and inspections  
Business Critical Systems maintenance  
Planned Maintenance Programme (Corporate and Education)

**Reactive:** Breakdowns and faults  
Mail services  
Committee room support  
Event support  
Porters and attendants  
Print management  
Cleaning  
Security

3.2 The contract went live in respect of Operational Property and Facilities on 1<sup>st</sup> October 2016 with Amey and with Cushman and Wakefield in respect of Strategic Property on 1<sup>st</sup> December 2016.

#### SERVICE PERFORMANCE

3.3 Services have been on the whole delivered as per specification and without impact to the efficient running of the Councils business. There have been a number of matters which have raised concern and these were reported to the Executive and Resources PDS on 21 March 2018 and related to:

3.4 Cleaning: Concerns relating to the provision of cleaning services at the Civic Centre were raised to the Amey Account Management team. This was added to the Agenda of the Sept 2017 Dep Rep committee meeting where Amey gave assurances that a plan was being developed to address the concerns. Amey were subsequently invited to attend the December 2017 Dep Rep Committee meeting to obtain feedback following the implementation of the improvements. This proved successful in terms of managing expectations and outcomes and resulted in an overall acceptance that the service had improved as expected. This service line still requires close management to ensure standards are maintained.

3.5 Helpdesk Reporting Concerns: Amey have been transitioning to a new structure at its Kensington based Service desk. The Service desk has taken a new shape and increased the number of operatives to deal with the volumes of planned and reactive tasks raised from across its London Client base. The transition has caused problems with the on-site team receiving work orders in a timely manner which has impacted in service delivery in January and February. Prior to this the overall performance of reactive maintenance was deemed acceptable.

3.6 The lack of a Pro-active approach: Amey's performance in managing some aspects of the service was considered poor in that Amey had taken a purely reactive approach to fault resolution rather than a pro-active one. In order to rectify this a Service Delivery Action Plan was initiated at the end of March 2018 which has seen performance return to acceptable standards.

3.7 Officers have identified this failure and requested that Amey put in place a process to ensure that the Helpdesk function for the Bromley Account actually supports the Bromley Amey team. In addition a Service Improvement Plan was produced by Amey which has placed an emphasis on seeking out faults prior to them being raised by staff. This work has taken place and Amey

now provide a weekly review to outstanding reactive maintenance issues. This has seen an increase in the number of faults reported by Amey and an improvement in service delivery.

- 3.8 The contract specifies a number of Service Level Agreement (SLA) Timescales for attendance to reactive fault reports. The various SLA's are detailed on Page 3 of Appendix 1. Whilst the KPI's are being met concern has previously been raised as to why there are sometimes obvious faults which have not been reported – usually in common areas – which Amey operatives would have observed if they were taking a pro-active/ownership approach to the estate. The Service Delivery Action Plan referred to at 3.6 has addressed this in that Amey now have placed an emphasis on seeking out faults prior to them being raised by staff.
- 3.9 Attached at Appendix 2 is a Flow Diagram which details how a fault is progressed by Amey once reported to resolution. The Council has access to Amey's Computer Assisted Facilities Management System and can also track fault progress if required.
- 3.10 The contractual relationships are in a satisfactory state – the contractual governance in place supports this and the relationship has been one of collaboration and seeking solutions to issues as they arise.
- 3.11 Since the letting of this contract the needs of the business have not changed.

## **RISK**

- 3.12 Since their appointment, Amey has been carrying out a major review of our maintenance budgets and compliance. They have reviewed the Council's obligations and the previous cyclical, asbestos and water hygiene (legionella) schedules. They have identified two major concerns with the Council's regimes for water hygiene and cyclical maintenance and have recommended an increase in the budget costs against these two budget heads. A report was considered at the 22 March 2017 Executive and appropriate measures and budget increases were approved for the 2018/19 Financial Year. It should be noted that this action was as a direct consequence of Amey reviewing the Council's portfolio and bringing in professional commercial expertise.
- 3.13 Following the tragedy at Grenfell Tower, Amey were asked to rapidly undertake Fire Risk Assessments (FRA's) to 171 Operational Properties across the estate to ensure that the Council was fully compliant.
- 3.14 The Council now has a fully compliant tested portfolio. The ongoing risk for non-compliance failure is reviewed monthly. The Planned Maintenance Programme and associated inspections provide for a robust mitigation process in this regard.

## **BENEFITS**

- 3.15 The TFM Contract identified full year revenue savings of £210k for TFM services effective from the date of transfer.
- 3.16 The contract has also delivered a number of improvements which are detailed below:
- 3.17 Fire Risk Assessments (FRA's): Amey were commissioned to undertake the Fire Risk Assessments across the Operational Estate (see 3.13). A plan was devised capturing all buildings by risk categorisation depending on occupancy levels and public use. All FRA's were then undertaken and the actual risk rating captured of all buildings and individual remedial actions. Amey are now working closely with LBB H&S as well as the Client team to improve building occupant's fire safety awareness, competencies, roles and responsibilities.

- 3.18 Tenant Compliance Workshops: In December 2017 Amey created and delivered a series of Tenant Compliance Workshops. The intention of the sessions was to enhance the Tenants understanding of their Statutory Compliance obligations. The sessions were well attended and a further workshop is currently being planned for later in 2018.
- 3.19 Emergency Planning: A relationship with the LBB Emergency Planning team has developed over the last 6 months and as a result Amey currently play an active part in assisting in revising the Emergency procedures.
- 3.20 Direct Delivery of Services: Amey have now transitioned to a direct delivery solution for mechanical, electrical and building fabric maintenance. This provides greater control of resource and allocation of workload, less reliance on supply chain along with financial efficiencies.

## **MANAGEMENT**

- 3.23 The key personnel involved in contract management/'intelligent customer' roles are all staff in post and the team is not incurring additional third party support or carrying any vacancies. The teams focus is that of managing the TFM Contract and ensuring that performance is monitored and managed to its conclusion. This is being achieved through strict adherence to the governance process set out within in the contract and by building collaborative relationships with the key Amey team.
- 3.24 The client side team has the necessary resources to manage the contract successfully.

## **CONTRACT GOVERNANCE**

- 3.25 Monthly minuted Service Operations Board meetings are held jointly with the Amey Accountant Managers to review performance measures and identify issues and review remedies. In addition progresses on major projects are also monitored and issues arising investigated. These meetings also review the Amey Invoice for the preceding month and deal with any cost variations.
- 3.26 A monthly Works in Progress meeting is also held with the Amey Projects team which links into the above Service Operations Board cycle.
- 3.27 A six monthly Strategic Partnership Board is scheduled with senior representation from Amey together with the Directors of Regeneration and Commissioning, the Resources Portfolio Holder and the contract management/'intelligent- client' lead. This Board reviews progress of the contract and reviews measures to ensure that contractual obligations are met and if required variance orders or additional scope requests are considered and authorised. The Service Operations Board also can escalate matters to the Strategic Operations Board.

## **REVIEW OF CONTRACT PURPOSE**

- 3.28 The Council continues to occupy property for its own purposes and hold various interests in other property assets. Consequently there is an ongoing requirement to ensure that the management of the Councils property assets is undertaken in a professional, compliant and value for money driven approach. The TFM Contract allows for this approach to be delivered.

## **4.0 IMPACT ON VULNERABLE ADULTS AND CHILDREN**

- 4.1 It is not considered that this contract has a direct impact on Vulnerable Adults and Children.

## **5. SERVICE PROFILE / DATA ANALYSIS**

- 5.1 Attached at Appendix 1 is a Report from Amey detailing the service offering from 1<sup>st</sup> August 2017 to 31<sup>st</sup> August 2018.
- 5.2 During the reporting period Amey undertook over 9,500 reactive and planned tasks. A detailed breakdown of these is attached at Appendix 1.
- 5.3 The service operating to defined parameters. There are financial penalties which can be applied to incentivise the supplier to improve performance and these have been implemented against poor performance in January 2018 to the sum of £1,042. An Action Plan was put in place by Amey to ensure this was not repeated and this is monitored on a weekly basis.

## **6 PLANS FOR ONGOING IMPROVEMENTS IN PERFORMANCE**

- 6.1 Amey has undertaken a series of reviews into Service Areas in conjunction with Officers to ensure that processes and business needs are fully understood. These reviews have led to the delivery of a number of Service Delivery Plans which have enabled the Council to operate under an agreed set of operating procedures. This allows for resilience in business and contract continuity.
- 6.2 The Service Delivery Action Plan which has been in operation since April 2018 has seen an improvement in service particularly in relation to Amey taking ownership of the state and consequently that methodology will be continued as part of the standard offering on a business as usual basis.

## **7 PLANS FOR ONGOING IMPROVEMENTS IN VALUE FOR MONEY**

- 7.1 The TFM Contract identified full year revenue savings of £210k for TFM services effective from the date of transfer.

## **8. USER/STAKEHOLDER SATISFACTION**

- 8.1 The Amey Management team hold scheduled monthly stakeholder meetings with the key Departments and Service Providers including MyTime, Libraries, Housing, Environment and Social Care. This enables Amey to seek to prioritise key concerns and plan workloads.
- 8.2 Amey has attended the Council's Dep Rep Forum on a number of occasions to discuss performance matters such as cleaning and fault response. The concerns raised have been addressed and have subsequently been acknowledged by the Forum. Amey have offered to attend the Dep Rep Forum to provide future updates and build on relationships.
- 8.3 Amey also undertakes a number of feedback calls to staff as to how faults were handled on a monthly basis and these are discussed at the monthly Service Operations Board meeting.

## **9. SUSTAINABILITY/IMPACT ASSESSMENTS**

- 9.1 The Amey Supply Chain ensures that wherever possible local suppliers will be utilised – currently three out of the seven prime sub-contractors are Bromley based with the other four being national suppliers with regional (SE London) bases.
- 9.2 Amey also provides services to the London Borough of Bexley and as such there are synergies which are currently being investigated to ensure operational optimization linked to local contractors.

## 10. POLICY CONSIDERATIONS

10.1 Moving to a Commissioning Authority is in line with the Council's Corporate Operating Principles and is key to achieving the Building a Better Bromley 2020 Vision in ensuring that services continue to be provided as efficiently and effectively as possible, in light of the financial pressures facing the Council over the next few years.

## 11. COMMISSIONING & PROCUREMENT CONSIDERATIONS

11.1 The TFM Contract commenced on 1<sup>st</sup> October 2016 for a term of five years with an option to extend for a further 3 years.

11.2 The contract contains provisions for the transfer of services at such time as a new provider is identified, however at this stage these are not being pursued due to the early stage of life of this contract.

## 12. FINANCIAL CONSIDERATIONS

12.1 At this moment in time, no variation is projected for the 2018/19 revenue budget for the TFM contract of £4.181m.

## 13. LEGAL CONSIDERATIONS

14.1 This report is a contract performance report for the Total Facilities Management Contract.

14.2 Rule 23 of the Contract Procedure Rules requires an annual update to be submitted to the Council when the value of the contract is in excess of £1 million. This is part of the monitoring arrangements.

<b>Non-Applicable Sections:</b>	Personnel Implications
Background Documents: (Access via Contact Officer)	Appendix 1 – Amey Report Sept 2018 Appendix 2 – Amey Reactive Task Flow Diagram
	Version CP@5/16

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Appendix 01

**LONDON BOROUGH BROMLEY TFM**

E&R PDS Report

Sept 2018



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## **Contents:**

### Section

1. Introduction
2. Performance Aug 2017 – Aug 2018
3. Key Performance Indicators (KPI's)
4. Conclusion

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## **1 - Introduction**

This report has been developed for presentation to the Policy Development & Scrutiny Committee in order to provide an overview of the performance of the Total Facilities Management Contract provided by Amey. The report provides a summary for the period of August 2017 to August 2018.

The work streams provided under the contract are:

### **Planned**

Statutory Compliance tests and inspections

Business Critical System maintenance

Planned Maintenance Programme (Corporate & Education)

### **Reactive**

Breakdowns and faults

Mail services

Committee Room Support

Event Support

Porters and attendants

Print management

Cleaning

Security

## 2 - Service Performance – Planned and Reactive

The contract specifies a number of Service Level Agreements for attendance following notification of a fault. These are set out in the table below:

### 2.1 Service Level Agreements (SLA's)

Item	SLAs
Lift emergency	Attend 30m
Priority 1 (P1)	Attend 4h
Priority 2 (P2)	Attend 1d
Priority 3 (P3)	Attend 1w
Priority 4 (P4)	Attend 2w

#### Examples of Building related category types (Operational Property)

P1 – Health & Safety, Building Security, No hot water, No heating

P2 – Multiple lights out, water leak, blocked sink, Heating fault

P3 – Faulty tap, light not working

P4 – Key cutting, fencing

#### Examples of Soft Services related category types (Facilities & Support)

P1 – WC's not cleaned, fluid on floor

P2 – Stairs not vacuumed, sanitary bins full

P3 – Printing request, Paper request, confidential waste request

P4 – Not particularly used

All the above Service Level Agreements are the response times to reported faults.

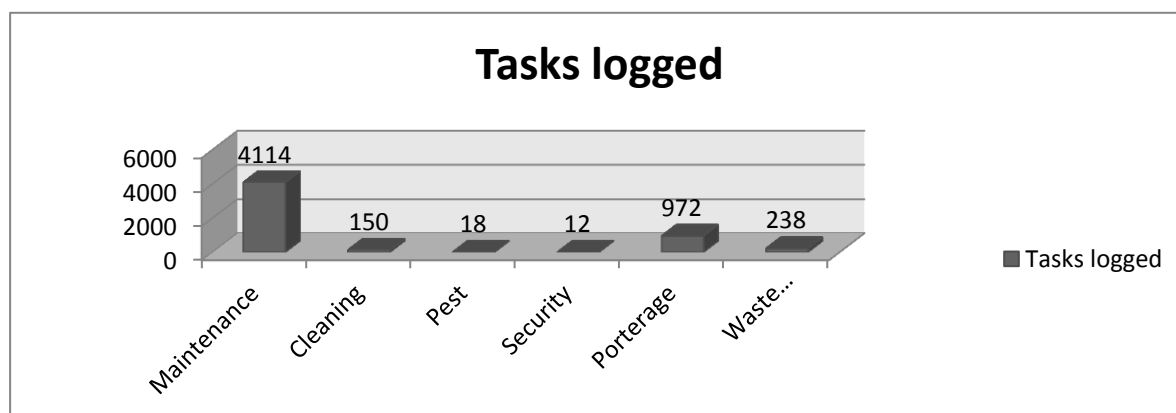
Should there be an event that could impact business continuity we have a site presence and can therefore act immediately.

When the end user reports a fault they are given a unique task number that identifies the fault they have logged. They will receive a further update once resource is assigned and an indication of timescales. They will receive a final update on completion of the task – See Appendix 02

**See attached Appendix 02 – Process map for reactive repairs**

## Reactive Work-stream Volumes

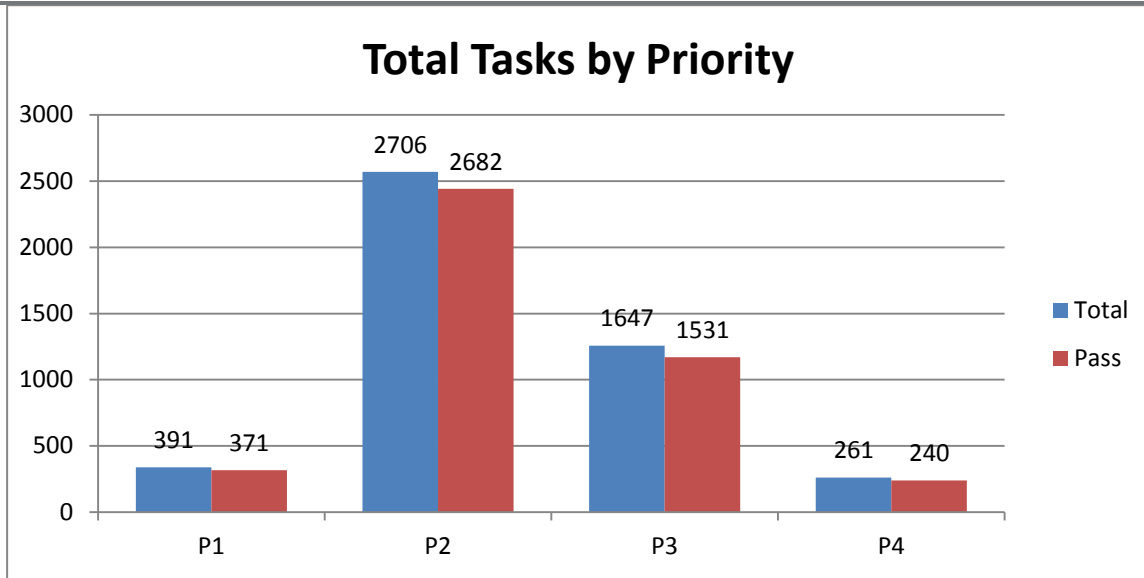
The table below represents the volume of reactive Facilities Management tasks logged via our Helpdesk by service stream for the period of this report, August 2017 – August 2018 which totals 5504



## Summary of Reactive tasks by month

Category	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
<b>Maintenance Requests</b>	208	229	279	337	247	233	306	239	306	394	432	426	478	<b>4114</b>
<b>Cleaning Requests</b>	19	14	11	13	12	11	19	13	11	8	6	8	5	<b>150</b>
<b>Pest Control Issues</b>	1	4	7	3	1	0	0	0	0	0	2	0	0	<b>18</b>
<b>Security Requests</b>	0	2	1	0	3	1	1	1	0	1	0	1	1	<b>12</b>
<b>Portorage Requests</b>	183	82	36	94	76	62	42	102	75	74	47	37	62	<b>972</b>
<b>Waste Collection Requests</b>	16	12	10	13	12	18	29	9	14	21	25	28	31	<b>238</b>
<b>Total</b>	<b>427</b>	<b>343</b>	<b>344</b>	<b>460</b>	<b>351</b>	<b>325</b>	<b>397</b>	<b>364</b>	<b>406</b>	<b>498</b>	<b>512</b>	<b>500</b>	<b>577</b>	<b>5504</b>

The below chart shows all reactive tasks undertaken in the period broken down by priority:

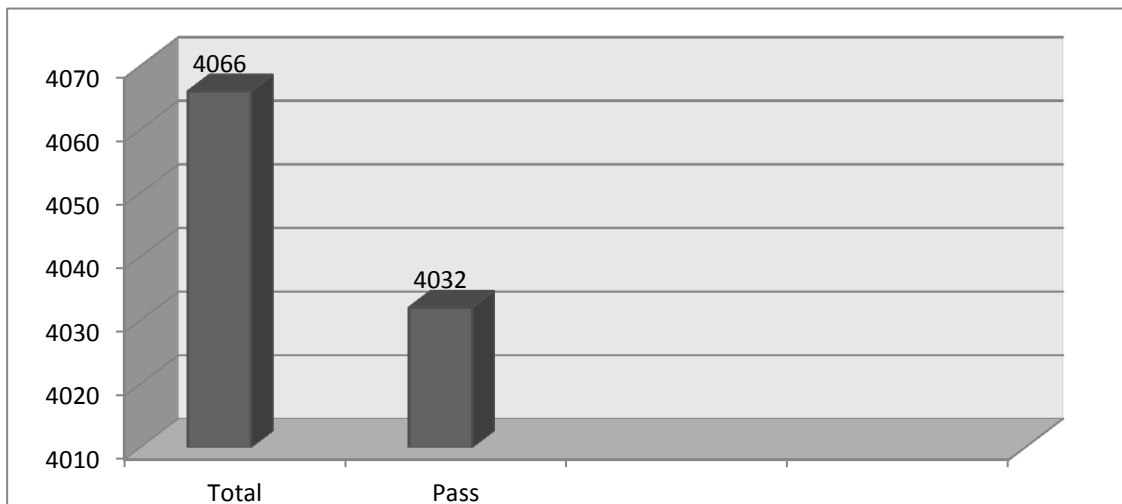


The below illustrates the number of faults and repairs logged by Amey staff by month. There has been an increase in the volume since the implementation of the Service Improvement Plan

Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
94	69	120	100	73	111	90	113	109	128	101	154	164

### Planned Tasks Issued and Completed

The table below represents the volume of planned tasks issued and completed within SLA for the period of this report, August 2017 – August 2018 which totals 4066



### Summary of Planned Preventative Maintenance tasks by month

**PPM**

SLA	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
<b>Total</b>	311	263	300	250	302	323	306	239	306	394	432	334	306	<b>4066</b>
<b>Pass</b>	310	263	297	248	302	321	305	233	299	393	429	334	298	<b>4032</b>
<b>Fail</b>	1	0	3	2	0	2	1	6	7	1	3	0	8	<b>34</b>
<b>%</b>	<b>99</b>	<b>100</b>	<b>99</b>	<b>99</b>	<b>100</b>	<b>99</b>	<b>99</b>	<b>98</b>	<b>98</b>	<b>99</b>	<b>99</b>	<b>100</b>	<b>97</b>	<b>99</b>

### 3 - Key Performance Indicators (KPI'S)

The contract specifies that Amey report against the contractual KPI's on a monthly basis with analysis of performance. The minimum requirement is a score of 95% and any score below 95% attracts a financial penalty.

The KPI's are based on a balanced scorecard which enables the measurement to be weighted ensuring those areas deemed as most important to hold the greatest weighting and measured across the key areas of contractual delivery and compliance as below:

KPI Category	Monthly	Weighting	Quarterly	Weighting
1. Health & Safety	✓	18%		N/A
2. Contract compliance	✓	16%		N/A
3. Hard FM	✓	17%		N/A
4. Soft FM	✓	17%		N/A
5. Finance	✓	16%		N/A
6. Projects	✓	16%		N/A
7. Strategic		N/A	✓	100%

**Health and Safety** – includes any notifiable incidents or breaches in accordance with relevant legislation

#### Component

1. Report number of accidents and/or incidents - Monthly
2. Late actions, percentage due in month - Monthly
3. Injury severity rate (Reporting of Incidents Diseases and Dangerous Occurrences Regulations, RIDDOR) - Monthly
4. Visual Felt Leadership (Senior Management Team) Site Visits - Monthly
5. Subcontractor audits – adherence to schedule - Quarterly

#### Source of measurement

1. Amey to follow Council's internal reporting procedures for H&S. To report monthly against accidents and close calls
2. Agreed report will detail actions required and timescale. All actions updated and carried out within Airsweb timescale (%)
3. All RIDDOR's must be reported as required by HSE.
4. Amey to submit proof. Minimum initial target of 1 per month and actions complete
5. Amey to submit proof. 1 per quarter

KPI	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
1	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

All Health & Safety KPI's have been achieved in this period

We are satisfied with our performance in this area and would attribute the positive results to our aim for zero harm, near miss recording and lessons learned sharing along with our relationship with LBB Corporate H&S advisors

**Contract Compliance** – relates to the management of the contract in terms of Governance processes, capability and escalation routes.

Component

1. Staff competency matrix is updated at all times. - Monthly
2. Contract governance - Monthly
3. 100% of Statutory Compliance Certificates available to client within 30 days of task completion - Monthly
4. Strategic Plans – Quarterly
5. Customer complaints - Monthly

Source of measurement

1. Amey to maintain a staff competency matrix on a monthly basis, highlighting changes at the Monthly Service Operation Board.
2. Amey to provide evidence that contractual governance has been adhered to on a monthly basis.
3. Where statutory compliance certificates are submitted to Amey after the end of the quarter but the routine is evidenced the KPI shall be deemed as met.
4. Annual review of plans to include Service Delivery Plan's, Business Continuity Plan & FM delivery sustainability to be undertaken and agreed in line with contractual requirements
5. All complaints to be recorded, acknowledged and initial investigation undertaken concluding with an action plan notified to complainant within 5 days.

KPI	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
1	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

All Contract Compliance KPI's have been achieved in this period. There have been a number of complaints that have been closed in accordance with the KPI requirements – volumes can be seen in the below table

Volumes of complaints by month:

Aug 2017	Sept 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018
15	21	12	15	4	4	3	1	3	1	1	1	7

A high percentage of complaints relate to cleaning. A large number of the complaints related to the cleanliness of toilet facilities some of which we have since carried out minor refurbishments within. This has resulted in the number of complaints reducing dramatically. Since the employment of our new Civic Centre Janitor in April 2018 we have received positive feedback via the Dep Rep forum. Amey management attend bothy Dep Rep meetings and staff forums to continually gauge staff



perception service standards across the estate. In the period of August we received an increase in the number of complaints and list below for clarity. 2 complaints were regarding curtains not being hung, a task was raised on a high priority and was resolved.

2 were regarding the same security door not functioning which has now been resolved.

2 were regarding the cleanliness of the public toilets which has now also been looked into by our cleaning supervisor and resolved.

1 related to a complaint regarding an outstanding lamp post in the car park

**Strategic** – includes built environment assets and risk management, including protection of critical services (such as power outages and impact of core services)

#### Component

1. Built Environment Asset Management - Quarterly
2. Efficiencies / savings - Quarterly
3. Critical services interruption - Quarterly
4. Risk management - Quarterly

#### Source of measurement

1. To rank assets by category/condition – to incorporate into the Asset Strategy and report separately on a quarterly basis ensuring that both prime and key sub-contractor input and jointly review
2. Report and record all efficiency savings and increases in value made and all additional income achieved to date.
3. Any planned outages of critical services to be announced with appropriate risk analysis at least 3 months in advance.
4. Production and population of a Contract Risk Register to be jointly reviewed quarterly at SOB

KPI	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
1	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

All Strategic KPI's have been achieved in this period. We operate a joint Risk Register which is reviewed at the monthly Service Operations Board meetings. There are a number of managed risks on the register such as Statutory compliance and Business Continuity which are continually monitored on a monthly basis. Amey have transitioned to a direct delivery model to provide building repairs which has provided financial efficiencies. We have also re-procured the Civic Centre office paper provision that has provided a cost saving to the Council

**Hard FM** - includes Statutory Planned Maintenance and Reactive Services to agreed Service Level Standards.

#### Component

1. Reactive calls completed within SLA (Refer to 2.1) - Monthly
2. Conduct Quality assurance - Monthly
3. Planned Programme - Annually
4. Statutory Planned tasks and routines completed to schedule - Monthly
5. Compliance auditing - Quarterly

#### Source of measurement

1. Amey to provide a report showing all tasks and the response times with analysis
2. Amey to provide a report on a sample (5%) of site visits, inspections & audits within each month
3. Amey to provide an annual draft Planned Programme showing all recommended improvement expenditure by end of December
4. Amey to provide a report recording the %age of tasks complete. The %age measure will be taken as of the final day of the quarter. Where certificates are submitted to Amey after the end of quarter but the routine is evidenced the KPI shall be deemed as met.
5. Conduct quarterly review and analysis of Statutory compliance and record keeping with outcomes and remedial action plan

KPI	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
1	✓	✓	✓	✓	✓	x	x	x	✓	✓	✓	✓	✓
2	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x
3	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Hard FM KPI's 2, 3, 4 & 5 were achieved within this period. However, KPI 1 was not achieved in Jan, Feb & March. This was at the time the help desk function was centralised and bedding in. As a result of this drop in performance a Service Improvement Plan was implemented which has since shown an improvement in performance as can be seen from April to July. In August 2018 KPI 2 was not met as the Hard FM team did not achieve 5% quality audits.

**Soft FM** – includes Cleaning, security, portage, printing and associated management.

#### Component

1. All scheduled cleaning tasks completed to agreed specification - Monthly
2. Reactive task management - Monthly
3. Provision of Security services - Monthly
4. Elections & Event support - Monthly
5. Security incidents - Monthly
6. Site Security access audit - Annually
7. Site Security Access response times - Monthly
8. Print & Design Democratic Services - Monthly
9. Print & Design All others - Monthly
10. Post - - Monthly

#### Source of measurement

1. Properties cleaned to be inspected each month. Joint audit to be completed at time of cleaning wherever possible
2. Reactive tasks relating to Soft FM service to be completed as per agreed SLA's
3. Security duties to be provided to the agreed standards as identified in the assignment instructions and audited monthly
4. Resource to be provided to support high profile events in line with agreed schedule and plans provided by stakeholders via the client team
5. The Service Provider must notify LBB of any Security incidents / breaches relating to risk of site intrusion or actual intrusion within 1 hr of event entering escalation chain
6. Ensure the Authority only has 'live' cardholders on its SMS database by conducting an annual audit following instruction from LBB and agreed timescale. Customer to advise on entries to be removed and Service Provider to update and cleanse the list within 2 working days.
7. Access and parking cards to be activated or deactivated within five working days of receiving notification
8. All items for distribution to councillors to be prepared for the required day., providing agreed timescale are met by the customers schedule
9. Print and design works to be completed within specified timescales in line with process agreed with Customer Client team.
10. All external post and mail items to be sorted and ready for collection daily and figures input for PPI

KPI	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
1	✓	✓	✓	✓	✓	x	x	✓	✓	✓	✓	✓	✓
2	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	✓	✓	✓
3	✓	✓	✓	✓	✓	x	x	✓	✓	✓	✓	✓	✓
4	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
10	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Soft FM KPI's 4 to 10 were achieved within this period. However, KPI's 1, 2 & 3 were not achieved in Jan & Feb. This was at the time the help desk function was centralised and bedding in. As a result of this drop in performance a Service Improvement Plan was implemented which has since shown an improvement in performance as can be seen from April to July. There was a recent incident whereby a member of the public was brandishing a meat cleaver outside the front entrance to the Civic Centre, our security team dealt with the situation and called the police who arrested the man in the park opposite.

The below sets out the volumes of print work generated via the print room in the period:

<b>General Printing</b>	<b>Volumes</b>	<b>Committee Printing</b>	<b>Volumes</b>
No of print jobs	284	No of print jobs	222
No of sheets of paper	363,863	No of sheets of paper	654,949
No of reams of paper	727	No of reams of paper	1309
No of boxes of paper	145	No of boxes of paper	261

**Finance** – relates to the measurement of value for money, procurement processes and accuracy of financial information given.

#### Component

1. Value for Money / procurement process - Monthly
2. Final Monthly invoice 100% accurate - Monthly
3. Accuracy of financial management information - Monthly
4. Accuracy of financial management information - Monthly
5. Self-Audit - Annually

#### Source of measurement

1. Client Team to audit up to ten percent of cases where fees are applied to ensure compliance to the Councils procurement policy for VFM (where applicable).
2. The monthly invoice is to match the agreed application for payment
3. All financial management information provided is accurate and provided in the agreed time scale.
4. Invoke the process to provide resolution to any financial disputes within 28 days of identification and acknowledgement of the disputed amount
5. Undertake and provide evidence of outcomes of annual audit and associated mitigation strategies

KPI	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
1	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

All Finance KPI's have been achieved in this period. There have been no disputes for resolution. We have developed a robust monthly process with the client team that includes scrutiny of financial management information, accuracy of invoicing as well as sampling for value for money.

**Projects** – relates to the delivery of individual Capital and Major Works delivered via the Contract to agreed Service Level Standards.

#### Component

1. Risk reduction - Monthly
2. Reports - Monthly
3. Capital Projects - Monthly
4. Capital scheme monitoring - Monthly
5. Stakeholder management - Quarterly

#### Source of measurement

1. To populate and manage a risk register.
2. To produce and submit reports in an agreed timeframe
3. Production of capital projects programme including education capital projects and delivering works against this plan.
4. To provide the client with a breakdown of all capital expenditure for authorisation of invoice payments.
5. To implement project management procedures as required by the budget holders and to utilise the agreed protocol for escalations

KPI	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
1	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

All Projects KPI's have been achieved in this period. A monthly Work In Progress meeting is facilitated between Amey and LBB where a review of delivery against programme, any key risks and financial status is undertaken. We are now delivering a far higher volume of projects than in previous years due to the relationships built with internal LBB Departments (See below)

The below identifies the number of projects delivered outside of the Planned maintenance programme:

Total Value within the reporting period - £560,000.00

Total Number of Projects within the reporting period – 50

Average project Value - £11,200.00

Customers Include;

Environmental Services, Children and Family Centres, Education, Children & Social Care, Adult Care Services, Housing, Corporate, Libraries and Insurance Claims

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#### **4 – Conclusion**

Our Health and Safety record is excellent and we have a clear goal and strategy to achieve Zero Harm. Contract Compliance is strong with monthly minuted Service Operations Board meetings and six monthly Strategic Partnership Board meetings taking place along with regular informal operational meetings. Our strategic approach to built environment asset management has delivered value to LBB in terms of delivering more projects within the overall budget. Whilst we acknowledge that there have been some service delivery issues specifically relating to the provision of reactive faults and repairs during this period, since implementing a Service Improvement Plan we are content that we will maintain the improved performance. We have a robust financial process in place jointly with the client management team that allows for a measurement of accuracy, value and scrutiny. Regular Work In Progress meetings with the client management team ensure that all project related risks are captured and resolutions agreed along with ensuring adherence to programme and financial performance.

Whilst the LBB Total Facilities Management contract offers many challenges we work collaboratively with the client management team to ensure service delivery is maintained to the standards specified by the contract.

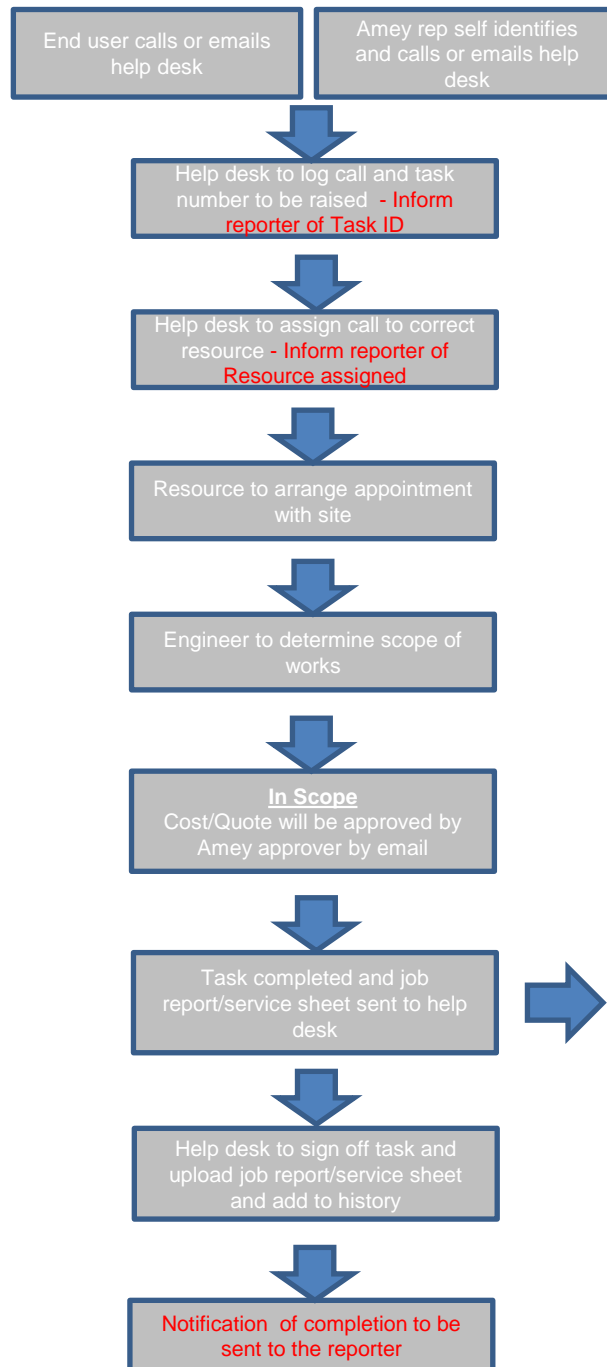
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# Reactive Task

## Appendix 01



**No Report sheet**  
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Report No.  
FSD18066

London Borough of Bromley

## PART ONE - PUBLIC

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

**Date:** 11<sup>th</sup> October 2018

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

**Title:** COST OF AGENCY STAFF

**Contact Officer:** Angela Huggett, Head of HR Strategy and Education/ David Bradshaw, Head of Education, Care & Health Services Finance  
Tel: 020 8313 4029/4807 E-mail:  
angela.huggett@bromley.gov.uk/David.Bradshaw@bromley.gov.uk

**Chief Officer:** Charles Obazuaye, Director of HR/ Peter Turner, Director of Finance

**Ward:** (All Wards);

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### 1. Reason for report

1.1 The Chairman of the ER & C PDS requested a report for information on the use of Agency staff across the Council and in particular the spend on senior appointments (highest paid 25 agency workers). This information is being provided for Members taking into account our duty of care for affected individuals and the requirements of the DPA/GDPR Regulations 2018.

### RECOMMENDATION(S)

2.1 The Executive, Resources & Contracts PDS committee are invited to:

- (i) Note and comment on the contents of the report;
- (ii) Refer any queries back to the appropriate Chief Officer for comment and action.

### Corporate Policy

1. Policy Status: Not Applicable
  2. BBB Priority: Health and Integration
- 

### Financial

1. Cost of proposal: Not Applicable:
  2. Ongoing costs: Not Applicable:
  3. Budget head/performance centre: Various across the Portfolios
  4. Total current budget for this head: £Not Applicable
  5. Source of funding: Core
- 

### Staff

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

### Legal

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

### Customer Impact

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

### Ward Councillor Views

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

### **3. COMMENTARY**

- 3.1** This report identifies and focusses on the costs of temporary staff across the Council and particularly in relation to the Education Care and Health Services department. Whilst it is appropriate that budgetary spend is monitored it is equally important to consider this not in isolation but in a climate of national recruitment shortages and to recognise the steps that have already been taken to reduce the Council's reliance on temporary agency staff.
- 3.2** Permanent recruitment of qualified experienced social work practitioners in the current climate is a challenge for most London Authorities. Largely driven by a buoyant locum market, the ability to attract, permanently recruit and retain such staff remains an ongoing pressure.
- 3.3** There will always be a need for the use of temporary staff and in particular across our social care functions where statutory provision applies however the recruitment of permanent staff remains a key aim of the Department's recruitment and retention strategy. Since the CSC Ofsted inspection in Bromley an increased focus on recruiting qualified permanent staff has been a top priority.
- 3.4** In delivering the Executive Director of ECHS's vision for the future, strong leadership is required. Senior Managers have been recruited on a temporary/agency basis and this strategy has enabled quick and sustained improvements to be made essential to the journey of improving failing services in light of the poor Ofsted outcome previously. These individuals have strong proven track records of delivering excellent services and appointments made are often on the strong recommendations of Inspectors. These appointments will inevitably be made at the "market rate" but the quality and quantity (hours worked) far exceeds the cost incurred. The rapid improvement and the ongoing direction of travel is something that has been positively commented on by Ofsted.

### **4. BROMLEY CONTEXT**

- 4.1** The Council has a Managed Service Provider for engaging temporary staff and this arrangement is procured through the ESPO Framework contract as part of the London Collaboration ensuring that the Council achieves best value for money.

**4.2** Managers are required to make a business case to support the use of agency staff and to demonstrate that they have failed to recruit by normal methods.

An agency appointment should be for a maximum of a six month period except in relation to ECHS social care services where the national recruitment shortage means that the use of temporary agency staff is much more prevalent and there is a necessity to ensure statutory obligations are met.

**4.3** Detailed below is the agency spend across the Council broken down over the last 5 years. During that time there have been changes to the various Portfolio's such as the creation of an Education & Children's Services Portfolio in 2017/18, prior to this agency spend will have been captured under the Care & Education Portfolio's:

**Table 1**

	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Care Services	3,872	4,982	6,025	8,349	4,122
Education & Childrens	0	0	0	0	7,822
Education	117	524	803	693	0
Environmental Services	570	647	617	754	872
Renewal & Recreation	375	352	363	414	367
Public Protection & Safety	0	0	36	93	105
Resources	575	489	527	932	605
<b>TOTAL EXPENDITURE</b>	<b>5,509</b>	<b>6,994</b>	<b>8,371</b>	<b>11,235</b>	<b>13,893</b>

4.4 The tables below detail the highest paid 25 agency workers:

**Table 2\***

Post	Post Title	Daily Agency Rate	
		£	
MG 2	Director of Education	715	
MG 2	Director of Children's Services	619	
MG2	Director of Programmes	641	
N/A	Head of Service Planning & Development	884	
MG4	Head of SEN and Disability	842	
<b>No of Agency Staff</b>			
8		£250 - £350	
5		£351 - £450	
4		£451 - £550	
3		£551 - £650	
<u>20</u>			

(\* As previously mentioned in paragraph 1.1 this table has been produced in this manner in order to balance the valid Members request for information/scrutiny whilst taking into account the Council's responsibilities pursuant to the DPA and GDPR 2018 Regulations and the Local Government Transparency Code 2015. Further and more detailed information can be found in the Part 2 Appendix 1 to this report).

## 5. PAN LONDON CONTEXT

5.1 The table below shows agency spend across the London Borough's following a recent survey by London Council's:

Borough	Cost of agency workers 2017-18
1.	£15,500,000
2.	
3.	£7,206,805
4.	£13,427,266
5. Bromley	See Table 1 in paragraph 4.3 above for Bromley figure.
6.	£20,334,674
7.	£6,985,690

8.	£31,521,750
9.	£21,100,000
10.	£30,554,905
11.	£15,800,000
12.	£40,200,000
13.	£17,400,000
14.	£15,225,106
15.	£21,966,683
16.	£19,264,577
17.	£18,082,436
18.	£7,382,677
19.	£27,112,857
20.	£14,640,819
21.	
22.	£23,553,258
23.	£24,219,345
24.	
25.	£20,996,865
26.	£18,382,553
27.	£27,454,552
28.	£22,645,267
29.	
30.	£29,459,506
31.	£21,252,176
32.	£15,260,584

*(2018 Human Capital Metrics survey results courtesy of London Councils' – please note that figures give only a general guide and do not provide a "like for like" comparison due to the varying size of Council's and the structure of service. The grey shaded cells indicate a nil response to the survey).*

## **6. KEY WORKFORCE STREAMS TO REDUCE RELIANCE ON THE USE OF AGENCY STAFF**

**6.1** Detailed below are some of the key workforce streams currently being undertaken to create a permanent stable workforce particularly across the Children's and Adult's service functions.

### **6.2. Workforce update**

**6.2 .1** The mix of recruitment initiatives has successfully produced 121 perm staff since January 2017 averaging 6 perms per month. This position is encouraging even though the challenge of retaining experienced quality staff especially at the senior social worker level in particular means that we have to resource the retention strategy/initiatives as well, in order to maintain a stable workforce.



### **6.3. Recruitment and Retention Board**

**6.3.1** A recruitment and retention board was established in January 2017 jointly chaired by the Deputy Chief Executive/Executive Director ECHS and the Director of Human Resources. A work plan has been established to address current issues of staffing and consider initiatives to attract staff to Bromley. As well as recruitment and retention initiatives the board looks at workforce development issues to ensure staff receive the best training and development and have opportunities to progress in different roles across the service. Targets have also been set for the recruitment of qualified permanent staff.

### **6.4. Recruitment Campaigns and new Recruitment Branding**

**6.4.1** The benefits of a permanent and stable Children's Social Care workforce are numerous and as a result recruitment campaigns are always ongoing for Social Workers, Senior Practitioners and Team Managers. As well as always advertising on the Bromley website our advertising campaigns run on national websites including *Guardian Jobs* and *Jobs Go Public*.

**6.4.2** Bromley's recruitment microsite giving potential jobseekers information about working in CSC at Bromley was launched in June 2017. The microsite which also features video content about working for Bromley details information about salary, benefits, the teams within CSC, career progression pathways, information about living and working in Bromley as well as information on Bromley's Roadmap to Excellence and Social Work Practice standards.

**6.4.3** We are currently undertaking a refresh of our microsite together with updates to our Recruitment Video's to include Adult Care Services. Our aim is to make the candidate access and application experience as streamlined as possible.

### **6.5. Benefits**

**6.5.1** Bromley Council in conjunction with a number of other London Borough's, has signed and committed to the Memorandum of Understanding for both Children's and Adult's services. This means that hourly rates for Social Workers are consistent across the board and this in turn helps to stabilise the market and keep costs to a minimum.

**6.5.2.** As part of its R&R strategy the Council offers an attractive salary and benefits package although it is recognised that this needs further work particularly in relation to Adult Services.

## **6.6. NQSW Recruitment Campaign**

- 6.6.1** For September 2018 Bromley has recruited a total of 45 new 'Newly Qualified Social Workers' (NQSW) across Adult and Children's services, this number has increased significantly from the 10 recruited in 2017.
- 6.6.2.** The current NQSWs are progressing well and are all expected to pass their Assessed & Supported Year in Employment (ASYE). They are being well supported throughout the year in order to maximise retention rates, including mentoring and peer support which they receive in addition to the core training delivered as part of the ASYE programme.

## **6.7. Locum Recruitment drive**

- 6.7.1.** A drive to convert locum Social Workers to join Bromley on a permanent basis remains ongoing. Two events were held in 2017 and a further event in March 2018 for locum Social Workers explaining the various salary and benefits received by permanent Social Workers at Bromley. If Social Workers have been with Bromley for a period of two months or more they can convert directly without the need for a further interview/assessment.
- 6.7.2** Converting locums to permanent staff is an ongoing priority; Heads of Service continue to identify staff who may be interested in becoming permanent. Events aimed at current locum staff to sell them the benefits of becoming permanent take place approximately every four months. Due to the impending summer break the next event is planned to take place in October/November.
- 6.7.3** In June 2018 a meeting was held with the Council's Managed Service Provider and a few key agencies who have a successful track record of supplying such staff to ensure the momentum of quality CV's and candidates being submitted for consideration.

## **6.8. Permanent agency recruitment**

- 6.8.1** As part of the drive for a permanent workforce a number of employment agencies are engaged to provide experienced candidates for roles across the service. Whilst it is always preferable that candidates apply to Bromley directly this is a way of increasing candidates. As a result of the buoyant job market for Children's Social Workers, job seekers often do not wish to spend the time applying for roles directly and prefer to be represented/submitted via an agency. A fee is only paid to the agency only once the employee starts in post.

**6.8.2** In June 2018 a special meeting was held with a select number of permanent agencies with the aim of increasing the volume of permanent appointments.

## **6.9. Retention Measures**

**6.9.1** Our new Exit Survey platform launched in July and our new “On Boarder” survey will hopefully provide better data/information which will enable us to understand the drivers for staff turnover and help us to identify measures to reduce/mitigate the loss of staff.

**6.9.2** We are also looking at a number of other initiatives to help retain staff and these have been formulated into an action plan monitored by the Recruitment and retention Board.

## **7. CONCLUSION**

**7.1** The spend on temporary agency staff is monitored and proportionate in a climate of national shortage. Much work continues to be undertaken by the Council to reduce the reliance and ultimate spend on agency staff in the future.

## **8. FINANCIAL CONSIDERATIONS**

**8.1** The main financial considerations are contained within the body of the report and the appendix which is a part 2 addendum to this report.

## **9. LEGAL IMPLICATIONS**

**9.1** The legal implications are as set out in the report.

## **10. PERSONNEL IMPLICATIONS**

**10.1** There are no direct personnel implications arising from the report mainly because the Council, irrespective of how agency workers are procured, is not the employer of agency staff. However in some landmark employment law cases individual agency staff have successfully argued employment status due to their working relationship with the end user client. As stated above, the Agency Workers’ Regulations 2010 (AWR) impose significant duties and obligations on hirers (end users) of agency staff as well as the employment agencies. In a nutshell, the aim of the AWR is to ensure that agency workers receive equal treatment in respect of some aspects of employment. The regulations were effective from 1

October 2011. There are two main rights now available to agency staff, namely

a) Day one rights giving agency staff the right to communal facilities e.g. canteen, car parking facilities, etc. and the right to vacancy information;

b) Week 12 rights i.e. the right to the same basic pay and terms and conditions of service as directly employed staff.

**10.2** Consequently hirers turn to recruitment agencies and in particular Neural Vendor or Managed Service providers to provide the solution to work within the AWR, as an alternative to dealing directly with employment agencies – thus minimising all the risks associated with hiring agency staff. This arrangement complements the current Special Recruitment Measures agreed by Chief Officers to ensure that employment opportunities are ring fenced to redundant/displaced staff first before agency staff, in line with the Council’s legal obligation to minimise compulsorily redundancies and will also mitigate the employment risks associated with engagement of non- standardised workers.

**10.3** This arrangement also assists in the interim whilst the Council continues to review its current Recruitment and Retention Strategy for Children’s Social Care in light of the Ofsted outcome to ensure that Bromley remains competitive and an employer of first choice. The anticipated impact of this review is likely to reduce the Council’s reliance on temporary workers for permanent social care positions in the longer term.

<b>Non-Applicable Sections:</b>	Procurement Implications Policy Implications Customer Implications
Background Documents: (Access via Contact Officer)	

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By virtue of paragraph(s) 2 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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