



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: 28 January 2019

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 7
FEBRUARY 2019 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 1st February 2019.

- 4 **MINUTES OF THE EXECUTIVE AND RESOURCES PDS COMMITTEE MEETING HELD ON 8TH JANUARY 2019 (EXCLUDING EXEMPT ITEMS)** (Pages 5 - 14)
- 5 **MATTERS ARISING AND WORK PROGRAMME** (Pages 15 - 20)
- 6 **RISK MANAGEMENT** (Pages 21 - 30)
- 7 **FORWARD PLAN OF KEY DECISIONS** (Pages 31 - 36)

HOLDING THE RESOURCES, COMMISSIONING AND CONTRACTS 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, Commissioning and Contracts 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 1st February 2019.

- 9 **RESOURCES, COMMISSIONING AND CONTRACTS PORTFOLIO - PRE-DECISION SCRUTINY**

Portfolio Holder decisions for pre-decision scrutiny.

- a **TREASURY MANAGEMENT - ANNUAL INVESTMENT STRATEGY 2019/20 AND QUARTER 3 PERFORMANCE 2018/19**_(Pages 37 - 80)
- b **MODERN.GOV SYSTEM: ANNUAL SUPPORT CONTRACT**_(Pages 81 - 84)

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 **SCRUTINY OF THE RESOURCES, COMMISSIONING AND CONTRACT MANAGEMENT EXECUTIVE ASSISTANT**
- 12 **SECTION 106 AGREEMENTS: UPDATE** (Pages 85 - 102)
- 13 **EXPENDITURE ON CONSULTANTS 2017/18 AND 2018/19** (Pages 103 - 132)

PART 2 AGENDA

14 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

15 EXEMPT MINUTES OF THE MEETING HELD ON 8TH JANUARY 2019 (Pages 133 - 136)

16 PRE-DECISION SCRUTINY OF EXEMPT RESOURCES, COMMISSIONING AND CONTRACTS PORTFOLIO HOLDER REPORTS

17 PRE-DECISION SCRUTINY OF EXEMPT EXECUTIVE REPORTS

18 SECTION 106 AGREEMENTS: UPDATE (Pages 137 - 148)

Information relating to the financial or business affairs of any particular person (including the authority holding that information)

This page is left intentionally blank

EXECUTIVE, RESOURCES AND CONTRACTS POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Minutes of the meeting held at 7.00 pm on 8 January 2019

Present:

Councillor Simon Fawthrop (Chairman)
Councillors Gareth Allatt, Julian Benington,
Nicholas Bennett J.P., Ian Dunn, Robert Evans,
Will Harmer, Harris, Christopher Marlow, Russell Mellor,
Keith Onslow (Vice-Chairman) and Michael Rutherford

Also Present:

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

90 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies for absence were received from Cllr Mary Cooke, Cllr David Cartwright, Cllr Angela Wilkins, and Cllr Stephen Wells. Cllr Harris attended as substitute for Cllr Cooke.

Cllr Will Harmer submitted apologies for lateness.

91 DECLARATIONS OF INTEREST

Cllr Simon Fawthrop and Cllr Will Harmer both declared interests as employees of BT.

In relation to Item 17 on the PDS agenda, Cllr Rutherford declared a pecuniary interest in respect of Royal Mail and left the meeting during consideration of the Mail Services contract.

92 QUESTIONS FROM COUNCILLORS AND MEMBERS OF THE PUBLIC ATTENDING THE MEETING

No questions had been received.

8 January 2019

93 MINUTES OF THE EXECUTIVE AND RESOURCES PDS COMMITTEE MEETINGS HELD ON 22 NOVEMBER 2018 AND 11 DECEMBER 2018 (EXCLUDING EXEMPT ITEMS)

The minutes of the meetings held on 22nd November 2018 and 11th December 2018, were agreed and signed as a correct record.

**94 MATTERS ARISING AND WORK PROGRAMME
Report CSD19001**

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

The Director of Corporate Services was reminded that the Committee had requested a briefing note regarding the rules around and constraints on the use of the electoral register in relation to cross referencing empty properties.

RESOLVED: That:

- 1. Progress on matters arising from previous meetings be noted; and**
- 2. The 2018/19 Work Programme be noted.**

**95 RISK MANAGEMENT
Report FSD19002**

The Committee considered a report which provided Members with the most recent Risk Registers for the areas falling under the Committee's remit. Members noted that issues around financial risks were addressed in the Budget Report within the Executive Agenda.

Referring to the effective governance and management of contracts, the Chairman questioned whether training was being further rolled out. In response, the Director of Finance confirmed that the Assistant Director of Governance and Contracts was currently overseeing the roll out of training. The Committee requested that the Assistant Director of Governance and Contracts provide an update of when the risk in light of the existing controls in place to mitigate the risk may be moved to 'Amber' or 'Green'.

Action Point 22: That the Assistant Director of Governance and Contracts provide an update of when the risk in light of the existing controls in place to mitigate the risk may be moved to 'Amber' or 'Green'.

Members noted that within Appendix B of the report, any reference to the Commissioning Board would need to be amended in relation to the Council's Transformation Agenda. A Member sought and received assurances that the commissioning of services would continue once the process of service redesign had taken place.

The Vice-Chairman noted that in relation to the Pension Fund investment pools would be a significant risk to the Council going forward. The Director of Finance confirmed that the risk rating would be evaluated once all the issues had been considered.

RESOLVED: That the report be noted.

96 FORWARD PLAN OF KEY DECISIONS

The Committee noted the Forward Plan of Key Decisions covering the period January 2019-April 2019.

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

There were no questions.

98 RESOURCES, CONTRACTS & COMMISSIONING PORTFOLIO - PRE-DECISION SCRUTINY

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

**a CAPITAL PROGRAMME MONITORING - 2ND QUARTER 2018/19
Report FSD19003**

The Committee considered a report summarising the current position on capital expenditure and receipts following approval of the revised Capital Programme for the four year period 2018/19 to 2021/22 by the Executive on 28th November 2018.

REOLVED: that the Portfolio Holder be recommended to note and conform the changes agreed by the Executive on 28th November 2018.

99 PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS

The Committee considered the following reports on the Part 1 agenda for the meeting of the Executive on 16th January 2019:

**6. DRAFT BUDGET AND UPDATE ON COUNCIL'S FINANCIAL STRATEGY 2020/23
Report FSD19001**

The Committee considered a report seeking the approval of the initial draft 2019/20 Budget including the full year effect of changes agreed as part of the 2018/19 Council Tax report including savings approved during the year with

8 January 2019

the resultant impact on the Council's medium term "budget gap". The report also provided details of the final year of the four year Local Government Financial settlement (2016/17 to 2019/20), the impact of the Chancellor's Autumn Budget 2018 and the Provisional Local Government Financial Settlement 2019/20.

The Committee discussed whether, in light of Central Government's decision to move towards the CPI inflation measure, it would be more sensible to move away from RPIx and focus more on a CPI inflationary measure when awarding contracts. The Director of Finance confirmed that where possible the Council was moving towards a CPI measure, unless there was a strong business case otherwise.

The Chairman of the Education, Children and Families Select Committee emphasised that the Select Committee had produced two reports in relation to the budget for the Children, Education and Families Portfolio. The Chairman of the Select Committee sought assurances that the recommendations would be taken on board as part of the budget setting process.

The Director of Finance reported that whilst the Council was financially well placed, debt free and had some reserves it was important that consideration was given to developing a financial plan for 4 years' time which evaluated all options.

In response to a question from the Chairman, the Director of Finance confirmed that following the letting of contracts, responsibility for contract management was now being transferred back to Departments and this was reflected in the propose budget for commissioning and procurement. Whilst there were no changes in the numbers of staff within commissioning and procurement, the Committee noted that as part of the wider review of staff savings the structure of all departments would need to be reviewed.

The Director of Finance reported that the increase in the ECS Repairs and Maintenance Budget reflected fire risk issues and the additional funding was to ensure that the Council was meeting its obligations. The wider issues around the Grenfell Tower fire had highlighted that there was more work to be done around fire risk assessments.

The Chairman of the Education, Children and Families Select Committee reported that the Children's Service Improvement Governance Board had identified issues in relation to the quality of staff accommodation. The Director of Finance confirmed that the proposal was to develop the Well Bar into a comfortable break out area for staff.

In response to a question, the Director of Finance confirmed that in relation to concessionary fare, usage information was used to determine the allocation for the Borough once use of the Mayor of London's Freedom Passes had been discounted.

RESOLVED: That the Executive be recommended to:

- 1. Agree the initial draft 2019/20 Budget;**
- 2. Refer the initial draft 2019/20 Budget for each portfolio to the relevant PDS Committees for consideration;**
- 3. Note the financial projections for 2020/21 to 2022/23;**
- 4. Note that there are still areas of financial uncertainty which will impact on the final 2019/20 Budget and future year forecasts;**
- 5. Delegate the setting of the schools budget, mainly met through Dedicated Schools Grant, to the Education, Children and Families Portfolio Holder, allowing for consultation with head teachers, governors and the Schools Forum;**
- 6. Note that the outcome of consultation with PDS Committees will be reported to the next meeting of the Executive;**
- 7. Consider the outcome of the public consultation meetings detailed in Appendix 9 of the report;**
- 8. Agree the proposed contribution of £248,886 in 2019/20 to the London Boroughs Grant Committee;**
- 9. Note the outcome of the Provisional Local Government Financial Settlement 2019/20 as detailed in the report;**
- 10. Note the significant budget gap remaining of an *estimated £32.2m* per annum by 2022/23 and that any decisions made for the 2019/20 Budget will have an impact on the future year projections;**
- 11. Note that any final decision by Executive on recommended council tax and social care precept levels to Council will normally be undertaken at the next meeting of Executive;**
- 12. Agree to proceed with the London Business Rate Pilot 2019/20 and delegate authority to the Director of Finance in consultation with the Director of Corporate Services, Leader of the Council and the Portfolio Holder for Resources, Commissioning and Contracts Management, in relation to the operational details of the London Business Rate Pilot pooling arrangements with the participating authorities.**

8 January 2019

**8. AWARD OF CONTRACT FOR CCYV MONITORING AND MAINTENANCE (PART 1)
Report ES19001**

The Committee noted the Part 1 report providing details of the tenders received for the CCTV Monitoring and Maintenance contracts. The report made recommendations for the award of both contracts.

RESOLVED: That the Executive be recommended to:

- 1. Award the CCTV Monitoring Contract and the CCTV Maintenance Contract to the providers specified in the part 2 report to commence from 1st April 2019 for a period of 5 years, with an option to extend for a further period of 4 years.**
- 2. Delegate the option to extend the contract by one year increments, under the terms of the contract, to the Executive Director of Environment and Community Services subject to consultation with the Director of Commissioning, the Director of Finance, the Director of Corporate Services and the Public Protection and Enforcement Portfolio Holder.**

100 SCRUTINY OF THE RESOURCES, COMMISSIONING & CONTRACT MANAGEMENT PORTFOLIO HOLDER

The Portfolio Holder for Resources, Contracts and Commissioning, Cllr Graham Arthur, addressed the Committee highlighting that at the start of the year, 2019 promised to be an exciting year of significant change. The successful outcome of the Ofsted Inspection of Children's Services had rightly provided a boost to Staff and Members across the organisation.

- On 16th January 2019, the Executive would approve the 2019/20 budget and four year financial forecast. The report to the Executive also identified the three major financial challenges facing the Council which were: homelessness, learning disabilities, and adults social care.
- Within the Portfolio, the increased workload in the Legal Service would need to be monitored.
- Whilst the budget for 2019/20 was effectively balanced, the medium term budget deficit would need to be addressed.
- Three areas of growth pressure that had been identified were: homelessness, learning disabilities, and adults social care.
- 8 years ago the Council had undertaken a core service review which had identified statutory, desirable and discretionary services. This had saved operating costs of £9m per year. However, as a result of achieving these early savings the Council was now very efficient and opportunities for savings were much more limited.

- The recent sale of the Old Town Hall had brought in some additional revenue.
- There would need to be a major overhaul of working practices in property in order to address increases in demand in relation to temporary accommodation.
- The Boundary Commission would be undertaking a review of Member numbers. The Portfolio Holder noted that over the last 10 years the Council had gone through many changes yet the Councillor and Staffing Structure had largely remained unchanged and this needed to be reviewed and a process of transformation was required.

The Portfolio Holder concluded his presentation by affirming that the Council was well placed for what promised to be a very successful year.

In response to questions from Members, the Portfolio Holder made the following points:

- Benefits of approximately £6m per year had been generated by the Mears Scheme. Under the programme the Council had acquired 400 properties which were let to tenants for 2 years. This meant that it was still classified as temporary accommodation. A discussion now needed to take place around those tenants whose tenancies were coming to an end. Consideration needed to be given to the next steps, such as selling the properties to the tenants on a shared ownership basis. The Portfolio Holder confirmed that this would not impact the pension scheme as the Council would always look to retain 400 properties. If a second iteration of the scheme were to be embarked upon consideration would need to be given to the new model as it was unlikely that there would be a need to gift it to the pension fund.
- The Portfolio Holder acknowledged that Artificial Intelligence was something to which the Council needed to give more consideration. Whilst some staff had basic knowledge it was likely that in order to pursue the use of Artificial Intelligence the Council would need to bring in additional expertise. The Portfolio Holder had visited LB Harrow with some staff. Harrow was seen as Best Practice in this area and it was hoped that some knowledge could be shared going forward.
- The Portfolio Holder recognised that as part of the commissioning process it made sense for PDS Committees to be provided with the scoring evaluation matrices as part of contract award reports. The Committee agreed to recommend that detailed evaluation matrices should be included in future award of contract reports.

Action Pont 23: That detailed evaluation matrices should be included in future award of contract reports.

- On the Civic Centre site both Joseph Lancaster and Anne Springman were now up for sale.

8 January 2019

The Committee thanked the Portfolio Holder for his update.

**101 CONTRACTS REGISTER AND CONTRACTS DATABASE
UPDATE
Report CEO18006**

At the start of the meeting the Committee had received a presentation from officers which outlined the functionality of the Council's Contracts Database.

The Committee considered an extract from November 2018's Contracts Register. The Committee also receive a detailed update on the contracts register within Part 2 of the agenda.

Members noted that once the extension to the Mail Services Contract had been agreed there would be a further report and Gateway review. The Head of Performance and Corporate Projects confirmed that the flag on the contract should have been removed when the next cycle of the Contracts Register was presented to the Committee.

Members noted that whilst the Commissioning Board was not currently operating, reports were still being reviewed and signed off through the commissioning process.

In response to a question, the Head of Performance and Corporate Projects explained that factors such as the results of soft market testing and discussions with colleagues in procurement and legal determined the duration of a contract.

RESOLVED: That the report be noted.

**102 REVIEW OF CONTRACTS AND COMMISSIONING SUB-
COMMITTEE TERMS OF REFERENCE**

The Chairman noted that as a result of the Council's transformation agenda the Committee had requested a review of the terms of reference of the Contracts and Commissioning Sub-Committee. Councillor Marlow had reviewed the terms of reference and had made a number of suggested changes. The Chairman requested that following the meeting the proposed changes be circulated to the Members of the Committee for review.

A Member expressed concern that it had recently been drawn to his attention that Officers were being called to the Contracts and Commissioning Sub-Committee in relation to the performance of contracts. It was noted that there was nothing in the Sub-Committee terms of reference which allocated responsibility to the Sub-Committee to scrutinise the performance of contracts. It was agreed that there was a need to clearly emphasise that scrutiny of the performance of contracts was the responsibility of PDS

Committees. The Chairman stressed that there was a need to ensure that the Sub-Committee focused on the key strategic issues.

The Leader of the Council noted that there was a need for some form of rationalisation in order to ensure that a great deal of time and effort was saved. The Portfolio Holder for Resources, Contracts and Commissioning highlighted that the Reablement Contract had been presented at five Committees. Members questioned whether this was a good use of Officer and Member time. It was suggested that each PDS Committee should be questioning the value that was being added by any additional scrutiny.

RESOLVED: That following the meeting proposed changes to the Terms of Reference of the Contracts and Commissioning Sub-Committee be circulated.

103 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**

104 EXEMPT MINUTES OF THE MEETING HELD ON 11 DECEMBER 2018

The Part 2 (exempt) minutes of the meeting held on 11th December 2018, were agreed and signed as an accurate record.

105 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 16th January 2019:

**12. AWARD OF CONTRACT FOR CCTV MONITORING AND MAINTENANCE (PART 2)
Report ES19001**

The Committee noted the report and made recommendations to the Executive.

8 January 2019

**15. GATEWAY 1 REPORT - PROCUREMENT OF LEASE CARS AND
LIGHT COMMERCIAL VEHICLES
Report ES19002**

The Committee noted the report and made recommendations to the Executive.

The Meeting ended at 9.10 pm

Chairman

Report No.
CSD19024

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Executive, Resources & Contracts PDS Committee

Date: 7th February 2019

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);

1. Reason for report

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

- Monitoring progress against actions arising from previous meetings;
 - Developing the 2018/19 Forward Work Programme; and
 - A schedule of Sub-Committees and Working Groups across all PDS Committees
-

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
-

Corporate Policy

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

Financial

1. Cost of proposal: No Cost
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Democratic Services
 4. Total current budget for this head: £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.
-

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.
-

Ward Councillor Views

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

Non-Applicable Sections:	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

Minute Number/Title/Date	Action/PDS Request	Update	Action by	Expected Completion Date
78 Revenues Service Monitoring Report (22 November 2018)	To provide a briefing note for the Committee regarding the rules around and constrains on the use of the electoral register in relation to cross referencing empty properties.	A briefing note will be circulated prior to the Committee's meeting on 7 th February.	Director of Corporate Services	07/02/19
79 Exchequer Service - Contract Performance Report (22 November 2018)	To write to Members of the Committee to provide a date for when the debt management system will be implemented and consideration given to late payment charges for commercial debt.		Assistant Director, Exchequer Services	
95 Risk Management (8 th January 2019)	That the Assistant Director of Governance and Contracts provide an update of when the risk in light of the existing controls in place to mitigate the risk may be moved to 'Amber' or 'Green'.	The Commissioning Risk Register has been reviewed and updated. The Likelihood Rating of all identified risks has been reduced based on the controls implemented and embedded over the past two years. The Risk Register is on the agenda for E&R PDS on 8 th February 2019.	Assistant Director of Governance and Contracts	25/01/19

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

Meeting Date: 7 February 2019	Division	Committee Role
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
Scrutiny of the Resources, Commissioning and Contract Management Executive Assistant	N/A	PDS Committee
Section 106 Agreements: Update	E&CS	PDS Committee
Expenditure on Consultants	Finance	PDS Committee
Risk Register (Red Risks)	Audit	PDS Committee
Meeting Date: 20 March 2019	Division	Committee Role
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

SUBJECT	DATE OF NEXT MEETING	MEMBERSHIP
EXECUTIVE, RESOURCES & CONTRACTS PDS		
Contracts and Commissioning Sub-Committee	2 April 2019	Cllr Wells, Cllr Marlow, Cllr Mellor, Cllr Reddin, Cllr Tickner, Cllr G. Stevens, Cllr Wilkins.
CARE SERVICES PDS		
Health Scrutiny Sub-Committee	3 April 2019	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.
EDUCATION, CHILDREN AND FAMILIES SELECT COMMITTEE		
Education, Children and Families Budget and Performance Monitoring Sub-Committee	10 April 2019	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.		
ENVIRONMENT PDS		
Any 2018/19 Working Groups of the Environment Committee to be appointed by the parent body.		
PUBLIC PROTECTION AND SAFETY PDS		
Any 2018/19 Working Groups of the PPE PDS Committee to be appointed by the parent body		
RENEWAL, RECREATION & HOUSING PDS		
Any 2018/19 Working Groups of the RRH PDS Committee to be appointed by the parent body		

Report No.
FSD 19017

London Borough of Bromley

PART ONE - PUBLIC

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

Date: Thursday 7 February 2019

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

Laurence Downes, Assistant Director, Governance and Contracts –
Commissioning Risk Register
Tel: 020 8313 4805 E-mail: laurence.downes@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);

1. Reason for report

This report provides Members of the Executive, Resources and Contracts Policy, Development and Scrutiny Committee with the Gross ‘High’ (Red) rated risks from the Chief Executive’s, Commissioning and Finance departmental Risk Registers. There are currently no Gross ‘High’ (Red) rated risks on the Human Resources Risk Register.

2. **RECOMMENDATION(S)**

Members of the Executive, Resources and Contracts Policy, Development and Scrutiny Committee are requested to note the attached Risk Register 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 Register extracts although failure to 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: Not Applicable
 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: None:
 2. Call-in: Not Applicable:
-

Procurement

1. Summary of Procurement Implications: The Commissioning department's Risk Register, 'High' (Red) Risk extract, is attached as Appendix B. Where applicable, the risk category in all registers is reflected as 'Contractual and Partnership'.
-

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 July 2018 meeting of the Executive, Resources and Contracts Policy, Development and Scrutiny Committee (Matters arising and work programme – report CDS 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 Register extracts 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 ambition for the borough is set out in Building a Better Bromley and the suite of Risk Registers supports delivery of all the aims.

6. FINANCIAL IMPLICATIONS

6.1 The Finance department’s 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 department’s 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)	None

This page is left intentionally blank

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

										DATE LAST REVIEWED:	09/01/2019		
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	IT Security failure	<p>Cause(s): 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</p> <p>Effect(s): Loss of service, potential fines, resident dissatisfaction</p>	Data and Information	4	5	20	<ul style="list-style-type: none"> - Application of effective security management including effective application of anti-virus protection and security measures through the IT Contract with BT - Regular Penetration Testing undertaken - Information Security Team in place - Patch updates undertaken regularly - IG training programme - PSN Compliant 	2	5	10		Vinit Shukle
2	Corporate Services	Telecommunications failure Prolonged telecoms / switchboard failure	<p>Cause(s): Power surge, contractor failure, malicious attack, IT failure</p> <p>Effect(s): Widespread disruption across the Council</p>	Data and Information	3	5	15	<ul style="list-style-type: none"> - 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 - 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 IT contract with BT 	2	3	6	<ul style="list-style-type: none"> - Virtualisation project will help facilitate disaster recovery provision - Secondary Session Initiation Protocol (SIP) connection being added to provide resilience. 	Vinit Shukle
3	Corporate Services	IT System Failure (partial loss) Partial loss of IT systems	<p>Cause(s): Failure of Outlook or similar applications Failure of Novell Filing Registry system which carries details of all departmental files</p> <p>Effect(s): Widespread disruption across the Council</p>	Data and Information - Operational	4	4	16	<ul style="list-style-type: none"> - 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	The Novell System is currently used by legal team for historical file information only on a 'stand alone' PC. As part of any future platform upgrades, investigation will need to be carried out as to whether this option is still viable (by way of impact assessment) or look at migrating the historical data into Norwel (the current system).	Vinit Shukle
4	Corporate Services	IT System Failure (total loss) Complete failure of IT systems resulting in widespread disruption across the Council	<p>Cause(s): Complete loss of data centre and related hardware</p> <p>Effect(s): Widespread disruption across the Council Financial loss Reputational impact</p>	Data and Information - Operational	3	5	15	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - 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) Risk Extract - Appendix A

										DATE LAST REVIEWED:	09/01/2019		
REF	DIVISION	RISK TITLE & DESCRIPTION <small>(a line break - press alt & 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	Data Protection Breach	Cause(s): Failure to adapt to the upcoming change in legislation (GDPR) Failure to ensure the confidentiality, integrity, and availability of information assets. Effect(s): 1. Distress and/or physical impact on wellbeing of customers 2. Impact on operational integrity 3. Reputational damage to services and the authority as a whole 4. Liability in law 5. Economic damage to authority and/or customers 6. Impact on service take up due to reduced confidence from the public	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 - GDPR Training programme in place - Induction programme in place - Additional resources to manage 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:	29/01/2019	
REF	DIVISION	RISK TITLE & DESCRIPTION <small>(a line break - press alt & 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		
1	Commissioning	Failure to deliver the Council's Target Operating Model as a "Commissioning Organisation"	Cause(s): - Unclear (or lack of) commissioning strategies - Poor commissioning activities - Inability to undertake full commissioning cycles - Failure to engage and develop markets Effect(s): - Service cuts required if balanced budget is not met - Reputational damage	Procurement & Contracts	5	4	20	1. Commissioning Work Plan agreed and reported to COE as part of Performance Management. 2. Contract Register established with regular reports on actions required and alerts issued to Officers 3. Commissioning Team represented at senior level across the Council. 4. Commissioning Work Plan & Contracts Register reported to COE quarterly and also Commissioning & Contract Sub Committee – with alerts from Director of Commissioning (or delegate). 5. Review of Commissioning Work Plan through Commissioning Board (or equivalent) and/or ongoing monitoring through the Assistant Director Governance & Contracts 6. Training for members and officers rolled out and published on Managers Toolkit. 7. All Guidance Notes available to officers on the Managers Toolkit – covering the commissioning and contracting cycle. 8. Lessons Learnt from all commissioning and contracting proposals covered at mandatory training with staff.	3	4	12	1. Ongoing maintenance, monitoring and review of Commissioning Work Plan through Commissioning Board (or equivalent) and/or through the Assistant Director Governance & Contracts 2. Transformation Programme (through Chief Executive) embedded and projects progressed. 3. Regular review of accuracy and completeness of Contracts Database to ensure effectiveness as a tool. 4. Ongoing effective use of Contracts Database via shared knowledge, alerts etc. 5. Lessons Learnt from all commissioning and contracting proposals covered at mandatory training with staff.	Service Directors supported by Director of Commissioning (or delegate)
2	Commissioning	Effective governance and management of contracts	Cause(s): - Lack of clear management across contracts - Capacity and capability - Contract management processes ineffective - Organisational culture and understanding Effect(s): - Financial losses - Service disruptions - Poor quality services	Procurement & Contracts	4	4	16	1. Review of contract management and Commissioning & Contract monitoring controls including any issues identified by internal audit 2. Database alerts to assist in monitoring 3. Contract Sub Committee 4. Member Scrutiny	3	4	12	1. Contract Management guidance on toolkit to be reviewed. 2. Ongoing monitoring of compliance with Contract Procedure Rules requirements with Practice Notes issued as required. 3. Improvement in production and scrutiny of Annual Contract Monitoring reports. 4. Staff training - repeat sessions arranged regularly. 5. Contracts Database authorisation function tested, embedded and reviewed.	Service Directors supported by Director of Commissioning (or delegate)

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

This page is left intentionally blank

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

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)			DATE LAST REVIEWED:	29/01/2019
					LIKELIHOOD	IMPACT	RISK RATING		LIKELIHOOD	IMPACT	RISK RATING		
					FURTHER ACTION REQUIRED						RISK OWNER		
2	Finance	Financial Market Volatility Financial loss arising from the volatility of financial markets.	Cause(s): Market volatility, recession, banking failure Effect(s): 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	
4	Finance	Pension Fund The pension fund not having sufficient resources to meet all liabilities as they fall due	Cause(s): 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 retirements 7. Mandatory pooling of investments (London CIV) may result in appointment of poorer performing investment managers. Effect(s): 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		Director of Finance
5	Finance	Failure to deliver a sustainable Financial Strategy which meets with BBB priorities and failure of individual departments to meet budget	Cause(s): 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 over £35m per annum by 2022/23. 2. Part of the devolution of funding, business rates will be devolved to Local Government from 2021 (75% of the total national business rate monies). The outcome of the Government's awaited Spending Review and Fair Funding Review will impact on the 2020/21 and future years budget and creates financial uncertainty. A future national recession could have a significant impact on income generated to fund key services within a more 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). Effect(s): - 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	Strategic Controls: 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 Operational Controls: 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	The council is undertaking a review to determine the core statutory minimum service requirements and exploring transformation opportunities to help meet the ongoing budget gap	Director of Finance

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

This page is left intentionally blank

LONDON BOROUGH OF BROMLEY

FORWARD PLAN OF KEY AND PRIVATE EXECUTIVE DECISIONS PUBLISHED ON: 15 JANUARY 2019

PERIOD COVERED: February 2019 - May 2019

DATE FOR PUBLISHING NEXT FORWARD PLAN OF KEY AND PRIVATE EXECUTIVE DECISIONS: 26th February 2019

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?
COUNCIL						
COUNCIL TAX LEVEL 2019/20	Council	25 February 2019 Executive, PDS Committees, Business Community and Local Residents	Meetings	Contact Officer: Peter Turner Tel: 020 8313 4668 peter.turner@bromley.gov.uk	<u>Meeting in public</u>	Report and relevant background documents
REVENUE BUDGET 2019/20	Council	25 February 2019 Executive, PDS Committees, Business Community and Local Residents	Meetings	Contact Officer: Peter Turner Tel: 020 8313 4668 peter.turner@bromley.gov.uk	<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?
CAPITAL STRATEGY 2019-2023	Council	25 February 2019 Executive and key stakeholders	Meetings	Contact Officer: Jo-Anne Chang-Rogers Tel 020 8313 4292 jo-anne.chang-rogers@bromley.gov.uk	<u>Meeting in public</u>	Report and relevant background documents
ANNUAL INVESTMENT STRATEGY 2019/20	Council	25 February 2019 Executive, Resources and Contracts PDS Committee	Meetings	Contact Officer: Jo-Anne Chang-Rogers Tel 020 8313 4292 jo-anne.chang-rogers@bromley.gov.uk	<u>Meeting in public</u>	Report and relevant background documents
EXECUTIVE						
CHILDREN'S SERVICES IMPROVEMENTS	Executive	13 February 2019 Executive, Resources & Contracts PDS Committee	Meetings	Contact Officer: Janet Bailey Tel: 020 8313 4779 Janet.Bailey@bromley.gov.uk	<u>Meeting in public</u>	Oral update

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?
OPPORTUNITY SITE G - APPROVAL FOR USE OF IN PRINCIPLE CPO PURCHASE POWERS	Executive	13 February 2019 Renewal, Recreation & Housing PDS Committee	Meetings	Contact Officer: Kevin Munnelly Tel: 020 8313 4582 kevin.munnelly@bromley.gov.uk	<u>Meeting in public</u>	Report and relevant background documents
OPERATIONAL BUILDING MAINTENANCE BUDGETS AND PLANNED PROGRAMME 2019/20	Executive	13 February 2019 Executive, Resources & Contracts PDS Committee	Meetings	Contact Officer: Catherine Pimm Tel: 020 8461 7834 Catherine.Pimm@bromley.gov.uk	<u>Meeting in public</u>	Report and relevant background documents
STEP UP TO SOCIAL WORK	Executive	13 February 2019 Education, Children & Families Select Committee	Meetings	Contact Officer: Shakeela Shourie Tel: 020 8313 4382 Shakeela.Shourie@bromley.gov.uk	<u>Part 2 Report - Confidential</u>	Private Meeting - Exempt information - financial/business affairs of a person or company
INTEGRATED MENTAL HEALTH STRATEGY	Executive	27 March 2019 Adult Care and Health PDS Committee	Meetings	Contact Officer: Charles Oseghare Tel: 020 8461 7228 Charles.Oseghare@bromley.gov.uk	<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?
AGEING WELL STRATEGY	Executive	27 March 2019 Adult Care & Health PDS Committee	Meetings	Contact Officer: Gerry Clark Tel: 020 8313 4024 Gerry.Clark@bromley.gov.uk	<u>Meeting in Public</u>	Report and relevant background documents
CUSTOMER SERVICES IT SYSTEMS	Executive	27 March 2019 Executive, Resources & Contracts PDS Committee	Meetings	Contact Officer: Duncan Bridgewater Tel: 0208 461 7676 Duncan.Bridgewater@bromley.gov.uk	<u>Meeting in public</u>	Report and Relevant Background Documents
AWARD OF CONTRACT FOR INSURANCE POLICIES	Executive	27 March 2019 Executive, Resources & Contracts PDS Committee	Meetings	Contact Officer: James Mullender Tel: 020 8313 James.Mullender@bromley.gov.uk	<u>Private meeting - exempt information - Financial/business affairs of a person or company</u>	Part 2 Report - Confidential
WEST WICKHAM LEISURE CENTRE & LIBRARY DEVELOPMENT	Executive	21 May 2019 Renewal, Recreation & Housing PDS Committee	Meetings	Contact Officer: Alicia Munday Alicia.Munday@bromley.gov.uk	<u>Meeting in public</u>	Report and relevant background documents
TRANSPORT SERVICES GATEWAY REPORT	Executive	21 May 2019 Education, Children & Families Select Committee	Meetings	Contact Officer: Maya Vadgama Tel: 0208 313 4740 Maya.Vadgama@bromley.gov.uk	<u>Private meeting- Exempt information - financial or business affairs of a person or body.</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?
ADULT CARE & HEALTH PORTFOLIO						
CHILDREN, EDUCATION & FAMILIES PORTFOLIO						
ENVIRONMENT & COMMUNITY SERVICES PORTFOLIO						
PUBLIC PROTECTION & ENFORCEMENT PORTFOLIO						
RENEWAL, RECREATION & HOUSING PORTFOLIO						
RESOURCES, COMMISSIONING & CONTRACT MANAGEMENT PORTFOLIO						

London Borough of Bromley: 020 8464 3333 www.bromley.gov.uk

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

This page is left intentionally blank

Report No.
FSD19018

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker: Resources, Commissioning and Contracts Management
Portfolio Holder
Council

Date: For pre-decision scrutiny by Executive, Resources and Contracts PDS
Committee on 7th February 2019
Council 25th February 2019

Decision Type: Non-Urgent Executive Key

Title: **TREASURY MANAGEMENT - ANNUAL INVESTMENT
STRATEGY 2019/20 AND QUARTER 3 PERFORMANCE
2018/19**

Contact Officer: Jo-Anne Chang-Rogers, Principal Accountant
Tel: 020 8313 4292 E-mail: jo-anne.chang-rogers@bromley.gov.uk

Chief Officer: Director of Finance

Ward: All

1. Reason for report

1.1. This report summarises Treasury Management activity during the third quarter of 2018/19 and presents the Treasury Management Strategy and the Annual Investment Strategy for 2019/20, which are required by the CIPFA Code of Practice for Treasury Management in the Public Services to be approved by the Council. The report also includes prudential indicators and the MRP (Minimum Revenue Provision) Policy Statement, both of which require the approval of the Council. For clarification, the Council is required by statute to agree and publish prudential indicators, primarily to confirm that the Council's capital expenditure plans are affordable and sustainable. As Members will be aware, Bromley does not borrow to finance its capital expenditure and, as a result, many of the indicators do not have any real relevance for the Council. The 2018/19 strategy, agreed by Council in February 2018, was updated in December 2018 as outlined in paragraphs 3.1.2 and 3.1.6. The proposed changes to update the 2019/20 Strategy are outlined in paragraph 3.4.6.

2. RECOMMENDATION(S)

2.1. The Resources, Commissioning and Contracts Management Portfolio Holder is requested to:

a) note the report, and

- b) note the Treasury Management performance for the third quarter of 2018/19**
- c) recommend that Council approves an increase in the limit to £50 million for investments with Housing Associations, as set out in Section 3.4.6**
- d) recommend that Council agrees that the Treasury Management Strategy be amended to clarify that only the ring-fenced components of Royal Bank of Scotland be included for future investments, as set out in section 3.4.6**
- e) recommend that Council agrees to adopt the Treasury Management Statement and the Annual Investment Strategy for 2019/20 (Appendix 4 on pages 17-41 of this report), including the prudential indicators (summarised on page 41) and the Minimum Revenue Provision (MRP) policy statement (page 21).**

2.2. Council is requested to:

- a) note the report, and**
- b) approve an increase in the limit to £50 million for investments with Housing Associations, as set out in section 3.4.6**
- c) agree that the Treasury Management Strategy be amended to clarify that only the ring fenced components of Royal Bank of Scotland be included for future investments, as set out in section 3.4.6**
- d) agree to adopt the Treasury Management Statement and the Annual Investment Strategy for 2019/20 (Appendix 4 on pages 17-41 of this report), including the prudential indicators (summarised on page 41) and the Minimum Revenue Provision (MRP) policy statement (page 21).**

Corporate Policy

1. Policy Status: Existing policy. To maintain appropriate levels of risk, particularly security and liquidity, whilst seeking to achieve the highest rate of return on investments.
 2. BBB Priority: Excellent Council
-

Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A
 3. Budget head/performance centre: Interest on balances
 4. Total current budget for this head: £3,491k (net) in 2018/19, £3,291k draft budget for 2019/20
 5. Source of funding: Net investment income
-

Staff

1. Number of staff (current and additional): 0.25 fte
 2. If from existing staff resources, number of staff hours: 9 hours per week
-

Legal

1. Legal Requirement: Non-statutory - Government guidance.
 2. Call-in: Call-in is 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? N/A.
2. Summary of Ward Councillors comments:

3. COMMENTARY

3.1. General

- 3.1.1. Under the requirements of the CIPFA Code of Practice on Treasury Management, the Council is required, as a minimum, to approve an annual treasury strategy in advance of the year, a mid-year review report and an annual report following the year comparing actual activity to the strategy. In practice, the Director of Finance has reported quarterly on treasury management activity for many years, as well as reporting the annual strategy before the year and the annual report after the year-end.
- 3.1.2. The original 2018/19 annual Treasury Management, including the Minimum Revenue Provision (MRP) Policy Statement and prudential indicators was originally approved by Council in February 2018. The Annual Report for the financial year 2017/18 was submitted to Executive, Resources and Contracts PDS on 5 July 2018 and to Council on 16 July 2018.
- 3.1.3. The mid-year review for 2018/19 was reported to this PDS Committee in November and was approved by Council in December. It was agreed that Treasury Management in year monitoring will be incorporated into the three reports required by the Code of Practice. This effectively means that Quarter One will no longer be reported, unless there are any matters that require reporting. Details of treasury management activity during the quarter ended 31st December 2018 are now included in with this Treasury Management Strategy report. This report also presents the annual strategy (Appendix 4), including the MRP Policy Statement (page 11) and prudential indicators (summarised on page 31) for 2019/20 to 2021/22.
- 3.1.4. On 10th December 2018 Council also approved the inclusion of the Low Volatility Net Asset Value (LVNAV) money market funds into the Treasury Management Strategy and these are now incorporated within the Strategy Statement in Appendix 4..”

3.2. Treasury Performance in the quarter ended 31th December 2018

- 3.2.1. Recent changes in the regulatory environment place a much greater onus on Members to undertake the review and scrutiny of treasury management policy and activities. This report is important in that respect, as it provides details of the actual position for treasury activities and highlights compliance with the Council’s policies previously approved by Members.
- 3.2.2. The Council has monies available for Treasury Management investment as a result of the following:
- Positive cash flow
 - Monies owed to creditors exceed monies owed by debtors;
 - Receipts (mainly from Government) received in advance of payments being made;
 - Capital receipts not yet utilised to fund capital expenditure;
 - Provisions made in the accounts for liabilities e.g. provision for outstanding legal cases which have not yet materialised;
 - General and earmarked reserves retained by the Council
- 3.2.3. Some of the monies identified above are short term and investment of these needs to be highly “liquid”, particularly if it relates to a positive cash flow position, which can change in the future. Future monies available for Treasury Management investment will depend on the budget position of the Council and whether the Council will need to substantially run down capital receipts and reserves. Against a backdrop of unprecedented cuts in Government funding (which will require the Council to make revenue savings to balance the budget in

future years), there is a likelihood that such actions may be required in the medium term, which will reduce the monies available for investment

3.2.4. **Borrowing:** The Council's healthy cashflow position continues and, other than some short-term borrowing at the end of 2015/16, no borrowing has been required for a number of years.

3.2.5. **Investments:** The following table sets out details of investment activity during the third quarter of 2018/19 and 2018/19 year to date:-

	Qtr ended 31/12/18		2018/19 year to date		Paragraph
	Deposits	Ave Rate	Deposits	Ave Rate	
Balance of "core" investments b/f	180.00	1.21	180.00	1.27	
New Investments made in period	45.00	1.22	105.00	1.16	
Investments redeemed in period	-25.00	1.33	-85.00	1.30	
'Core' investments at end of period	200.00	1.25	200.00	1.20	
Money Market Funds	56.60	0.68	56.60	0.57	3.3.1
CCLA Property Fund *	40.00	10.95	40.00	7.32	3.3.4.5
Diversified Growth Funds *	10.00	-7.60	10.00	-1.04	3.3.4.7
Multi-Asset Income Fund *	30.00	-7.53	30.00	1.44	3.3.4.11
Project Beckenham Loan	2.30	6.00	2.30	6.00	3.3.3
'Alternative' investments at end of period	138.90	1.36	138.90	2.66	
Total investments at end of period	338.90	1.26	338.90	1.80	

* The rates shown in here are the total return, i.e. the dividend income received, plus the change in capital value. A more detailed breakdown of the rates for these investments is shown in the relevant paragraphs

3.2.6. Details of the outstanding investments at 31th December 2018 are shown in maturity date order in Appendix 2 and by individual counterparty in Appendix 3. An average return of 1% was assumed for new investments in the 2018/19 budget in line with the estimates provided by the Council's external treasury advisers, Link Asset Services, and with officers' views. The return on the five new "core" investments placed during the third quarter of 2018/19 was 1.22%, compared to the average LIBID rates of 0.58% for 7 days, 0.79% for 3 months, 0.91% for 6 months and 1.05% for 1 year.

3.2.7. Reports to previous meetings have highlighted the fact that options with regard to the reinvestment of maturing deposits have become seriously limited in recent years following bank credit rating downgrades. Changes to lending limits and eligibility criteria, as well as the introduction of pooled funds and housing associations have alleviated this to some extent, but there are still not many investment options available other than placing money with instant access accounts at relatively low interest rates.

3.2.8. Despite this, the Council's treasury management performance compares very well with that of other authorities; the Council was in the top decile nationally for 2014/15, 2015/16 and 2016/17 (the most recent CIPFA treasury management statistics available), and officers continue to look for alternative investment opportunities both within the current strategy and outside, for consideration as part of the ongoing review of the strategy.

3.2.9. Active UK banks and building societies on the Council's list now comprise Lloyds, RBS, HSBC, Barclays, Santander UK, Goldman Sachs International Bank, Standard Chartered, and Nationwide and Skipton Building Societies, and all of these have reduced their interest

rates significantly in recent years. The Director of Finance will continue to monitor rates and counterparty quality and take account of external advice prior to any investment decisions.

3.2.10. The chart in Appendix 1 shows total investments at quarter-end dates back to 1st April 2004 and shows how available funds have increased steadily over the years. This has been a significant contributor to the over-achievement of investment income against budgeted income in recent years.

3.3. Other accounts

3.3.1. Money Market Funds

3.3.1.1. The Council currently has 7 AAA-rated Money Market Fund accounts, with Prime Rate, Aberdeen Standard, (formerly known as Ignis), Insight, Blackrock, Fidelity, Morgan Stanley and Legal & General, all of which have a maximum investment limit of £15m. In common with market rates for fixed-term investments, interest rates on money market funds have fallen considerably in recent years. The Aberdeen Standard, Prime Rate, Insight and Legal & General funds currently offer the best rate at around 0.70%, which compares to around 0.48-0.50% in March, reflecting the effect of the base rate rise in August as maturities are re-invested.

3.3.1.2. The total balance held in Money Market Funds has varied during the year to date, moving from £22.5m as at 31st March 2018, to £47.2m at 30th September 2018 and £56.6m as at 30th December 2018, and currently stands at £62.2m (as at 25th January 2019). The Money Market Funds currently offer the lowest interest of all eligible investment vehicles with the exception of the Government Debt Management Account Deposit Facility, or shorter dated (less than three months) fixed term investments; however they are the most liquid, with funds able to be redeemed up until midday for same day settlement.

Money Market Funds	Date Account Opened	Actual balance 31/03/18 £m	Actual balance 30/12/18 £m	Ave. Rate Q3 2018/19 %	Latest Balance 25/01/19 £m	Ave. Daily balance to 25/01/19 £m	Latest Rate 25/01/19 %
Prime Rate	15/06/2009	-	15.00	0.73	15.00	14.34	0.77
Aberdeen Standard (Ignis)	25/01/2010	15.0	15.00	0.71	15.00	13.66	0.78
Insight	03/07/2009	7.5	15.00	0.71	15.00	14.36	0.77
LGIM	23/08/2012	-	11.60	0.71	15.00	13.90	0.76
Blackrock	16/09/2009	-	0.0	0.62	0.00	0.0	0.68
Fidelity	20/11/2002	-	0.0	0.65	2.20	4.57	0.69
Morgan Stanley		-	-		-	-	
TOTAL		22.5	56.60	0.69	62.20	8.69	

3.3.1.3. Current balances in MMFs are higher than usual for several reasons; mainly £20m being held for a further Multi-Asset Income Fund investment (see para 3.4.4.11), which is now in the final stages of completing US tax exemption forms, £10m for a fixed term forward deal with a County Council, at a particularly good rate and funds being held to cover cashflow requirements in February and March when income from Council Tax and Business Rates is significantly lower than the rest of the year, as well as ensuring the Council has sufficient liquidity to cover any 'non-standard' expenditure.

3.3.2. Housing Associations

3.3.2.1. Following the reduction of the counterparty rating criteria to A- for Housing Associations approved by Council in June 2017, deposits of £10m each were placed with Hyde Housing Association (A+) and Places for People Homes (A) for two years at rates of 1.30% and 1.60% respectively. More recently, a deposit of £5m was placed with Metropolitan Housing Trust (A+) in April 2018 for two years at a rate of 1.75%. Section 3.4.6 of this reports requests changes to the 2019/2020 Strategy. To increase the limit for investments with Housing Associations from £25m to £50m.

3.3.3. Loan to Project Beckenham

3.3.3.1. At the same meeting, Council also approved the inclusion in the strategy of the secured loan to Project Beckenham relating to the provision of temporary accommodation for the homeless that had previously been agreed to be advanced from the Investment Fund. This loan was made in June 2017, at a rate of 6%, although that may increase to 7.5% if the loan to value ratio exceeds a specified value.

3.3.4. Pooled Investment Schemes

3.3.4.1. In September 2013, the Portfolio Holder and subsequently Council approved the inclusion of collective (pooled) investment schemes as eligible investment vehicles in the Council's Investment Strategy with an overall limit of £25m and a maximum duration of 5 years. The limit was subsequently increased to £40m by Council in October 2015, £80m in June 2017 and £100m in December 2017. Such investments would require the approval of the Director of Finance in consultation with the Resources, Commissioning and Contracts Management Portfolio Holder.

3.3.4.2. Until March 2018, accounting rules required that the change in capital value of these investments be held in the Available for Sale Financial Assets Reserve, and only recognised in revenue on the sale of the investment. In year projections for interest on balances therefore only reflected the dividends from these investments.

3.3.4.3. However, from 2018/19 onwards, local authorities have to account for financial instruments in accordance with IFRS9. One of the results of this is that changes in the capital value of pooled fund investments would have to be recognised in revenue in-year.

3.3.4.4. To mitigate the effect of this, and to smooth the volatility in these investments, interest/dividend earnings above 2.5% (£1,086k) during 2017/18 relating to the CCLA Property Fund and Fidelity Multi-Asset Income Fund were set aside in an Income Equalisation earmarked reserve. MHCLG have since issued regulations providing a statutory override to reverse the impact of IFRS9, which came into force in December 2018, when it is intended for movements in value to be recognised in year. The regulations are currently only applicable for a period of five years to March 2023, when it is intended for movements in value to be recognised in year. Due to the regulations being time limited and the potentially volatile nature of these investments, it is proposed to continue setting aside interest/dividend earnings above 2.5% into the earmarked reserve. This will protect the council against unexpected variations in the capital value of these investments and any timing issues arising from the expiry of the statutory override.

CCLA Property Fund

3.3.4.5. Following consultation between the Director of Finance and the then Resources Portfolio Holder, an account was opened in January 2014 with the CCLA Local Authorities' Property Fund and an initial deposit of £5m was made, followed by further deposits of £5m in July 2014, £5m in March 2015, £10m in October 2015, £5m in October 2016 and £10m in October 2017. The investment in the CCLA Fund is viewed as a medium to long-term investment and dividends are paid quarterly. A breakdown of the dividend earned and capital growth is provided in the table below.

	Dividend %	Capital Growth %	Total Return %
Annualised net return			
01/02/2014 - 31/03/14	4.29	-29.64	-25.34
01/04/2014 - 31/03/15	5.03	3.44	8.47
01/04/2015 - 31/03/16	5.02	1.63	6.65
01/04/2016 - 31/03/17	4.55	-2.5	2.05
01/04/2017 - 31/03/18	4.59	2.41	7.00
01/04/2018 - 31/12/18	4.42	2.9	7.32
Cumulative	4.63	1.16	5.79

3.3.4.6. The negative "growth", particularly in the first two months, was mainly a result of the bid-offer spread that is inherent in property funds when the original and subsequent investments were made. This has less of an effect over the longer term that these investments are expected to be held, and overall there has been modest capital growth of 1.16%.

Diversified Growth Funds

3.3.4.7. In October 2014, Council approved the inclusion of investment in Diversified Growth Funds in the investment strategy and, in December 2014, £5m was invested with both Newton and Standard Life. In accordance with the Council decision, 27% of the total return will be transferred to the Parallel Fund, set up in 2014/15 with an opening balance of £2.7m to mitigate the potential revenue impact of future actuarial Pension Fund valuations.

3.3.4.8. The Funds both performed very well in just over three months to 31st March 2015, with returns over 21%. Performance has not been so impressive since, with net returns of -1.98% in 2015/16, 1.25% in 2016/17, -0.81% in 2017/18 and -1.04% in the first three quarters of 2018/19, with overall net returns since inception of 0.86%, as shown in the table below.

	Newton %	Standard Life %	Combined %
Annualised net return			
22/12/2014 - 31/03/15	21.25	21.64	21.44
01/04/2015 - 31/03/16	0.81	-4.77	-1.98
01/04/2016 - 31/03/17	2.08	0.37	1.25
01/04/2017 - 31/03/18	-2.23	0.71	-0.81
01/04/2018 - 31/12/18	3.33	-5.60	-1.04
Cumulative return	2.28	-0.56	0.86

3.3.4.9. The downturn in performance echoes that seen in the Pension Fund's DGFs (and Global Equities Funds to an extent) during 2015/16 and subsequent rebound during 2016/17 and

2017/18. However, it should be noted that these types of investments should be considered as longer term investments over a three to five year period.

3.3.4.10. As previously reported, to reflect the changes to the Pension Fund asset allocation strategy, and on the basis of Multi-Asset Income Funds being a better income related investment with lower volatility, it is currently intended that the DGF investments will be sold and the funds invested in further Multi-Asset Income Funds.

Multi Asset Income Fund

3.3.4.11. Following the approval by Council in June 2017, the limit for pooled investment schemes was increased to £80m, and an investment of £30m was made on 12th July 2017 in the Fidelity Multi-Asset Income Fund following the agreement of the Resources, Commissioning and Contracts Management Portfolio Holder. The fund return in the first three quarters of 2018 was capital growth of -3.08% and dividends of 4.3% paid, resulting in a total return of 1.38%. Since inception, dividends paid have totalled 4.36%, the capital value has decreased by 4.58%, resulting in a total return of -0.21%, as shown in the table below. It should be noted that this would represent a longer term investment of around five years.

Annualised net return	Dividend %	Capital Loss %	Total Return %
12/07/2017 - 31/03/18	4.42	-6.27	-1.85
01/04/2018 - 30/12/18	4.30	-3.08	1.38
Cumulative return	4.36	-4.58	-0.21

3.3.5. Investment with Heritable Bank

Members will be aware from previous updates to the Resources, Commissioning and Contracts Management Portfolio Holder and the Executive that the Council had £5m invested with the Heritable Bank, a UK subsidiary of the Icelandic bank, Landsbanki. In October 2008, the bank was placed in administration and the investment was frozen. To date, a total of £4,985k has been received (98% of the total claim of £5,087k), leaving a balance of £102k (2%). Officers and the Council’s external advisers remain hopeful of a full recovery.

3.4. Treasury Management Strategy Statement and Annual Investment Strategy 2019/20

3.4.1. Appendix 4 sets out the Treasury Management Strategy Statement and Annual Investment Strategy for 2019/20. This combines the requirements of the CIPFA Code of Practice for Treasury Management in the Public Services (revised in 2009 and updated in 2011 and 2017) and the Prudential Code. The Strategy includes throughout details of proposed prudential indicators, which are summarised in Annex 3 (page 31) and will be submitted for approval to the February Council meeting. Many of the indicators are academic as far as the Council is concerned, as they seek to control debt and borrowing (generally not applicable for Bromley), but they are a statutory requirement.

3.4.2. Members will be aware that, since the Icelandic bank crisis in October 2008, the Council has approved a number of changes to the eligibility criteria and maximum exposure limits (both monetary and time) for banks and building societies. The rating criteria use the **lowest common denominator** method of selecting counterparties and applying limits. This means that the application of the Council’s minimum criteria will apply to the lowest available rating for any institution. For instance, if an institution is rated by two agencies, one of which meets the Council’s criteria while the other does not, the institution will fall outside the lending

criteria. The Council also applies a minimum sovereign rating of AA- to investment counterparties.

3.4.3. While the Council effectively determines its own eligible counterparties and limits, it also uses Link Treasury Solutions (formerly Capita) as an advisor in investment matters. Link use a sophisticated modelling approach that combines credit ratings, credit watches, credit outlooks and CDS spreads in a weighted scoring system for which the end product is a series of colour code bands which indicate the relative creditworthiness of counterparties. These colour codes indicate Link's recommendations on the maximum duration for investments. The Council will use its own eligibility criteria for all investment decisions, but will also be mindful of Link's advice and information and will not use any counterparty not considered by Link to be a reasonable risk. In line with the requirements of the CIPFA Treasury Management Code of Practice, the Council will always ensure the security of the principal sum and the Council's liquidity position before the interest rate.

3.4.4. A number of UK banks have been the subject of credit ratings downgrades in recent years, which has resulted in reductions to the number of eligible counterparties and to monetary and duration limits on the Council's lending list. It should be emphasised that the downgrades were, in most cases, relatively minor and were not an indication of a likely bank default, but, nevertheless, they were enough to impact on the Council's lending list. As a result, the total of investments placed with money market funds has increased significantly in recent years, although this has reduced following Council approval to invest in pooled vehicles and increased limits for the part-nationalised banks, Lloyds and RBS (following the government's sale of the last Lloyds shares in May 2017, Council approved a temporary increase in the limit with Lloyds in June 2017 until existing investments mature during 2019/20, and the limit reduces to £30m).

3.4.5. The treasury management strategy is kept under constant review and, at its meeting on 10th December 2018, Council approved the following change:

- Inclusion of the new Low Volatility Net Asset Value (LNAV) category of Money Market Funds into the Treasury Management Strategy.

3.4.6. This report requests the following changes to the Treasury Management Strategy:

3.4.6.1. Increase in the total limit that may be invested in Housing Associations.

In September 2016, the Council approved the inclusion of Housing Associations within the Treasury Management Strategy for a maximum period of two years, a maximum deposit of £10m with any one Housing Association and a £25m limit in total. The counterparty rating criteria was originally set at AA-, but this was reduced to A- in line with the criteria for corporate bonds, as approved by Council on 26 June 2017.

Cash management and investment monitoring, in the latter part of 2018, has shown that Housing Associations, which meet the Council's criteria, are consistently offering significantly higher interest rates to lenders – for example 1.6% for two years and as high as 1.75% for two years. We have been unable to place any further investments as we are currently at our overall limit of £25m. Council are requested to approve an increase in the overall limit to £50m, resulting in the following change to the Treasury Management Strategy.

Housing Associations – *The Council may invest with Housing Associations with a minimum credit rating of AA-, for a maximum duration of 2 years, and with a maximum deposit of £10m with any one Housing Association and £25m in total*

to

Housing Associations – *The Council may invest with Housing Associations with a minimum credit rating of AA-, for a maximum duration of 2 years, and with a maximum deposit of £10m with any one Housing Association and £50m in total*

3.4.6.2 Part nationalised UK banks – Royal Bank of Scotland

The current Treasury Management Strategy permits investments up to a total of £80m for a maximum of 3 years with the part-nationalised Royal Bank of Scotland, providing it remains part-nationalised.

At the time of writing the 2018/19 Treasury Management Strategy, full details of how the Royal Bank of Scotland (RBS) would implement 'ring-fencing' legislation was not available. Ring-fencing requires the largest UK banks to separate their retail and investment banking activities and is effective from 1st January 2019. To comply with this legislation, the RBS Group has undertaken a re-organisation of its group legal entity structure and business model. Following this re-organisation, the RBS Group has one ring-fenced holding company, NatWest Holdings Ltd, incorporating four ring-fenced components: Royal Bank of Scotland Plc, National Westminster Bank plc, Ulster Bank Ltd and Coutts and Co. Outside of the ring-fence are NatWest Markets Plc and RBS International Holdings Ltd (RBSI).

The Council has one investment of £20m, placed on 9th October 2017, with RBS which has been transferred into Natwest Markets Plc following this restructuring. It is due to mature on 9th April 2019 after which time there will be no further investments made into either of the entities outside of the ring-fence.

Council are requested to approve that the Treasury Management strategy be amended to clarify that only the ring-fenced elements of RBS may be used for any future investments.

3.4.7. Details of eligible types of investment and counterparties are set out in the Annual Investment Strategy (Annex 2 of Appendix 4).

3.5. Regulatory Framework, Risk and Performance

3.5.1. The Council's treasury management activities are regulated by a variety of professional codes and statutes and guidance:

- The Local Government Act 2003 (the Act), which provides the powers to borrow and invest as well as providing controls and limits on this activity;
- The Act permits the Secretary of State to set limits either on the Council or nationally on all local authorities restricting the amount of borrowing that may be undertaken (although no restrictions have been made to date);
- Statutory Instrument (SI) 3146 2003, as amended, develops the controls and powers within the Act;
- The SI requires the Council to undertake any borrowing activity with regard to the CIPFA Prudential Code for Capital Finance in Local Authorities;
- The SI also requires the Council to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services;

- Under the Act, the CLG has issued Investment Guidance to structure and regulate the Council's investment activities;
- Under section 238(2) of the Local Government and Public Involvement in Health Act 2007, the Secretary of State has taken powers to issue guidance on accounting practices. Guidance on Minimum Revenue Provision was issued under this section on 8th November 2007.

3.5.2. The Council has complied with all of the above relevant statutory and regulatory requirements, which limit the levels of risk associated with its treasury management activities. In particular, its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management means that its capital expenditure is prudent, affordable and sustainable and its treasury practices demonstrate a low risk approach.

4. POLICY IMPLICATIONS

4.1 In line with government guidance, the Council's policy is to seek to achieve the highest rate of return on investments whilst maintaining appropriate levels of risk, particularly security and liquidity.

5. FINANCIAL IMPLICATIONS

5.1 At the time of setting the 2018/19 budget, the Bank of England had recently increased the Base Rate to 0.50% from 0.25%, reversing the emergency cut in August 2016 following the EU referendum, and in line with the MPC's forward guidance, it was anticipated by many "experts" that rates would increase slowly, with only two more increases by 2020, to 1.0%. As a result, an average rate of 1.0% was prudently assumed for interest on new fixed term deposits.

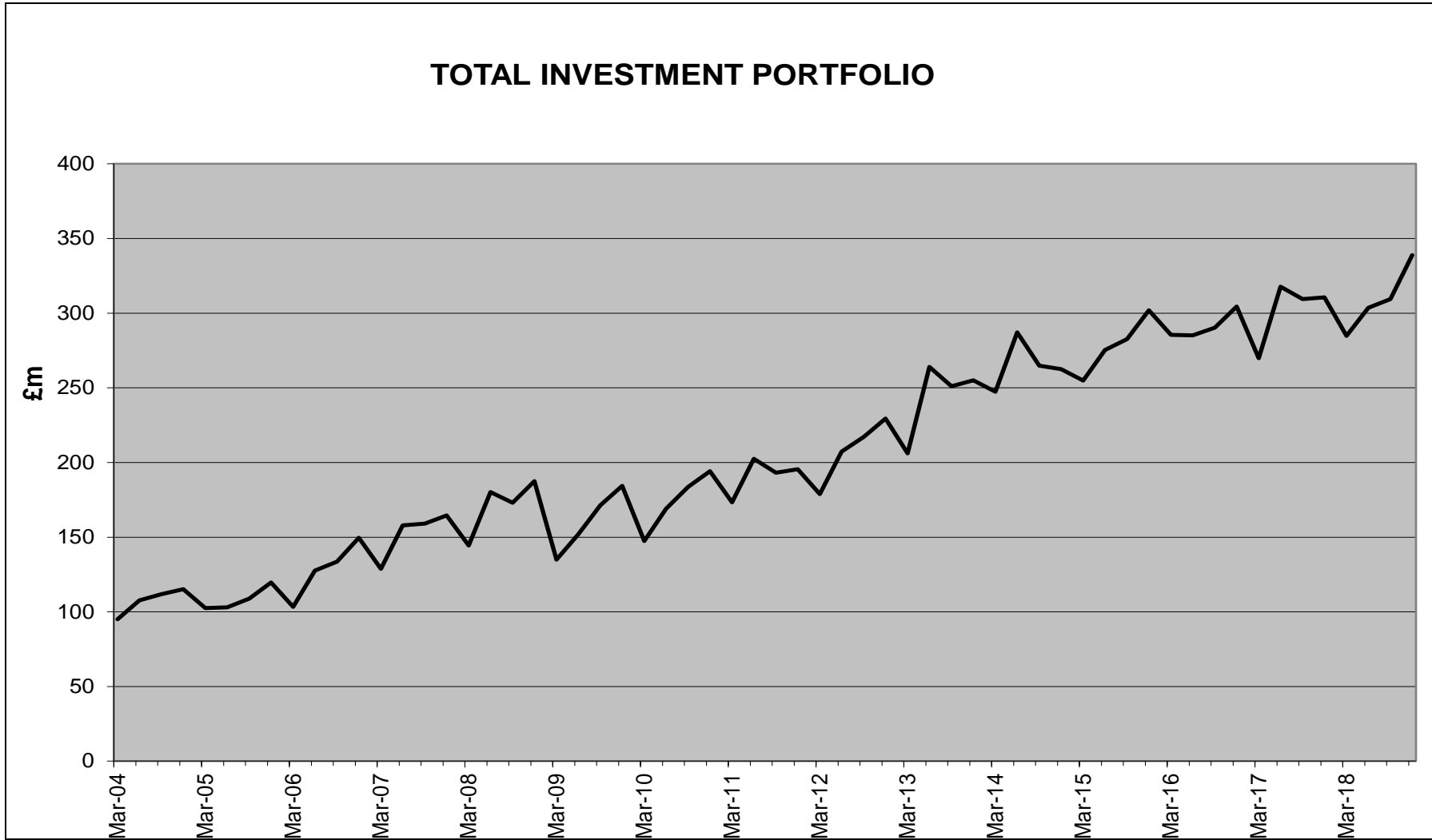
5.2 Despite a further increase in the base rate to 0.75% in August 2018, there has been relatively little impact on interest income from lending to banks. This is partly due to banks having the ability to borrow from the Bank of England at very low rates as well as the strengthening of 'balance sheets' reducing the need to borrow as well as the fact that expected increases in the base rate had already been 'priced in'.

5.3 In addition, the utilisation of the Investment Fund and Growth Fund as well as the Highways Investment Scheme have reduced the resources available for treasury management investment. However, the treasury management strategy was revised in December 2017 to enable alternative investments to £100m which will generate additional income of around £2m compared with lending to banks. As a result, additional income of £600k was included in the 2018/19 budget. The projected outturn will be reported in the Budget Monitoring 2018/19 report to Executive in March 2019.

5.4 With regard to 2019/20, the draft budget has been reduced to £3,291k, a reduction of £200k, to reflect the expected reduction in balances available for investment as a result of the utilisation of capital receipts and grants/contributions as well as earmarked revenue reserves. The internal lending for the Site G development will have an impact on investment income until the future capital receipts are realised and will result in a projected reduction in net income of £0.2m in 2019/20. The contribution of higher risk and longer term investments within Treasury Management has generated additional income and contributed towards the Council being in the top decile performance (top 10%) against the local authority benchmark group.

Non-Applicable Sections:	Legal, Personnel & Procurement Implications, Impact on Vulnerable Adults and Children
Background Documents: (Access via Contact Officer)	CIPFA Code of Practice on Treasury Management CIPFA Prudential Code for Capital Finance in Local Authorities CLG Guidance on Investments External advice from Link Treasury Solutions

TOTAL INVESTMENT PORTFOLIO



INVESTMENTS HELD AS AT 31 DECEMBER 2018

Counterparty	Start Date	Maturity Date	Rate of Interest	Amount
			%	£m
FIXED DEPOSITS				
CLOSE BROTHERS	02/03/2018	01/03/2019	1.15000	20.0
RBS	09/10/2017	09/04/2019	1.00000	20.0
NATWEST BANK	15/11/2018	15/11/2019	1.17000	10.0
SANTANDER BANK	18/04/2018	18/04/2019	0.96000	15.0
SANTANDER BANK	15/06/2018	14/06/2019	0.86000	10.0
CLOSE BROTHERS	19/07/2018	19/07/2019	1.15000	10.0
LLOYDS BANK	29/07/2016	31/07/2019	1.34000	2.5
GOLDMAN SACHS	01/08/2018	01/08/2019	1.23000	10.0
PLACES FOR PEOPLE HOMES LTD	16/08/2017	16/08/2019	1.60000	10.0
GOLDMAN SACHS	17/08/2018	16/08/2019	1.16500	5.0
LLOYDS BANK	18/08/2016	19/08/2019	1.14000	7.5
HYDE HOUSING ASSOCIATION	22/08/2017	22/08/2019	1.30000	10.0
GOLDMAN SACHS	18/09/2018	17/09/2019	1.16000	5.0
THURROCK BOROUGH COUNCIL	30/10/2018	29/10/2019	1.15000	10.0
MEDWAY COUNCIL	02/11/2018	01/11/2019	1.10000	10.0
SANTANDER BANK	15/11/2018	15/11/2019	1.25000	5.0
LLOYDS BANK	05/12/2016	05/12/2019	1.37000	25.0
METROPOLITAN HOUSING TRUST	16/04/2018	16/04/2020	1.75000	5.0
WOKINGHAM BC	19/12/2018	18/12/2020	1.45000	10.0
TOTAL FIXED INVESTMENTS				200.0
OTHER FUNDS				
BLACKROCK LIQUIDITY FUND				0.0
FIDELITY MONEY MARKET FUND				0.0
ABERDEEN -STANDARD LIFE (IGNIS) LIQUIDITY FUND				15.0
INSIGHT STERLING LIQUIDITY FUND				15.0
LGIM STERLING LIQUIDITY FUND				11.6
FEDERATED (PRIME RATE) STERLING LIQUIDITY FUND				15.0
MORGAN STANLEY LIQUIDITY FUND				0.0
CCLA LOCAL AUTHORITY PROPERTY FUND	30/01/2014			40.0
STANDARD LIFE - DIVERSIFIED GROWTH FUND	22/12/2014			5.0
NEWTON - DIVERSIFIED GROWTH FUND	22/12/2014			5.0
FIDELITY MULTI-ASSET INCOME FUND				30.0
SPRING CAPITAL LOAN	09/06/2017			2.3
TOTAL INVESTMENTS				338.9

APPENDIX 3

INVESTMENTS HELD AS AT 31 DECEMBER 2018

	Start Date	Maturity Date	Rate of Interest %	Amount £m	Total £m	Limit £m	Remaining £m
<u>UK BANKS</u>							
LLOYDS BANK	29/07/2016	31/07/2019	1.34	2.5			
LLOYDS BANK	18/08/2016	19/08/2019	1.14	7.5			
LLOYDS BANK	05/12/2016	05/12/2019	1.37	25.0	40.0	40.0	0.0
ROYAL BANK OF SCOTLAND	09/10/2017	09/04/2019	1.00	20.0	20.0		
NATWEST BANK PLC	15/11/2018	15/11/2019	1.17	10.0	30.0	80.0	50.0
GOLDMAN SACHS INTERNATIONAL BANK	19/09/2017	18/09/2018	0.95	5.0			
GOLDMAN SACHS INTERNATIONAL BANK	01/08/2018	01/08/2019	1.23	10.0			
GOLDMAN SACHS INTERNATIONAL BANK	17/08/2018	16/08/2019	1.17	5.0	20.0	20.0	0.0
CLOSE BROTHERS LTD	02/03/2018	01/03/2019	1.15	20.0			
CLOSE BROTHERS LTD	19/07/2018	18/07/2019	1.15	10.0	30.0	30.0	0.0
SANTANDER PLC UK	18/04/2018	18/04/2019	0.96	15.0			
SANTANDER PLC UK	15/06/2018	14/06/2019	0.86	10.0	0		
SANTANDER PLC UK	16/11/2018	15/11/2019	1.25	5.0	30.0	30.0	0.0
<u>LOCAL AUTHORITIES</u>							
WOKINGHAM BC	19/12/2018	18/12/2020	1.45	10	10	15	5
THURROCK BOROUGH COUNCIL	30/10/2018	29/10/2019	1.15	10	10	15	5
MEDWAY COUNCIL	02/11/2018	01/11/2019	1.1	10	10	15	5
<u>OTHER INVESTMENTS</u>							
BLACKROCK LIQUIDITY FUND	16/09/2009		0.00	0.0	0.0	15.0	15.0
FIDELITY MONEY MARKET FUND	15/08/2005		0.00	0.0	0.0	15.0	15.0
STANDARD LIFE (IGNIS) LIQUIDITY FUND	25/01/2010		0.00	15.0	15.0	15.0	12.8
INSIGHT STERLING LIQUIDITY FUND	15/06/2009		0.00	15.0	15.0	15.0	0.0
LGIM STERLING LIQUIDITY FUND	23/08/2012		0.00	11.6	11.6	15.0	0.0
MORGAN STANLEY FEDERATED (PRIME RATE) STERLING LIQUIDITY FUND	01/11/2012		0.00	0.0	0.0	15.0	15.0
SPRING CAPITAL LOAN	09/06/2017		6.00	2.3	2.3	2.7	0.4
<u>HOUSING ASSOCIATIONS</u>							
PLACES FOR PEOPLE HOMES LTD	16/08/2017	16/08/2019	1.60	10.0			
HYDE HOUSING ASSOCIATION	22/08/2017	22/08/2019	1.30	10.0			
METROPOLITAN HOUSING TRUST	16/04/2018	16/04/2020	1.75	5.0	25.0	25.0	0.0
<u>POOLED FUND INVESTMENTS</u>							
CCLA LOCAL AUTHORITY PROPERTY FUND	30/01/2014		0.00	40.0			
STANDARD LIFE - DIVERSIFIED GROWTH FUND	22/12/2014		0.00	5.0			
NEWTON - DIVERSIFIED GROWTH FUND	22/12/2014		0.00	5.0			
FIDELITY - MULTI ASSET INCOME FUND	12/07/2017			30.0	80.0	100.0	20.0
TOTAL INVESTMENTS				338.9	338.9		



**Treasury Management Strategy Statement
Annual Investment Strategy and Minimum Revenue Provision
Policy Statement 2019/20**

Contents

1. Introduction	3
1.1. Background	3
1.2. Statutory and reporting requirements	3
1.3. Treasury Management Strategy for 2019/20	4
1.4. Treasury management consultants	4
1.5. Elective professional client status	4
2. The Capital Prudential Indicators 2018/19 to 2021/22	5
2.1. Capital Expenditure	5
2.2. The Council's Borrowing Need (the Capital Financing Requirement)	5
2.3. MRP Policy Statement	6
2.4. Core funds and expected investment balances	7
2.5. Affordability Prudential Indicators	7
2.5.1. Ratio of financing costs to net revenue stream	7
3. Treasury Management Strategy	8
3.1. Current Portfolio Position	8
3.2. Treasury Indicators: Limits to Borrowing Activity	8
3.2.1. The Operational Boundary	8
3.2.2. The Authorised Limit for external borrowing	9
3.3. Prospects for Interest Rates	9
3.4. Borrowing Strategy	10
3.4.1. Treasury indicators for debt	10
3.5. Policy on Borrowing in Advance of Need	11
4. Annual Investment Strategy	12
4.1. Investment Policy	12
4.2. Creditworthiness policy	12
4.3. Country limits	14
4.4. Investment Strategy	14
4.5. End of year investment report	15
4.6. Scheme of delegation	15
4.7. Role of the section 151 officer	15
5. ANNEXES	16
ANNEX 1. Economic Background (Provided by Link Asset Services)	17
ANNEX 2. Specified and Non-Specified Investments	23
ANNEX 3. Prudential and Treasury Indicators	27

1. Introduction

1.1. Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans, which provide a guide to the borrowing need of the Council. Although the Council does not borrow to finance its capital spending plans, officers still plan and forecast the longer term cash flow position in order to ensure that the Council can meet its capital spending obligations and that it maintains balances (working capital) at a prudent and sustainable level.

CIPFA defines treasury management as:

"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

1.2. Statutory and reporting requirements

The Local Government Act 2003 (the Act) and supporting regulations requires the Council to 'have regard to' the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Prudential and Treasury Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

The Council is currently required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals. These reports are required to be adequately scrutinised by Members before being recommended to the Council. This role is undertaken by the Executive, Resources and Contracts Policy Development & Scrutiny Committee.

Prudential and Treasury Indicators and Treasury Strategy (this report) - This covers:

- the capital plans (including prudential indicators);
- a Minimum Revenue Provision Policy (how residual capital expenditure is charged to revenue over time);
- the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

A Part-Year Treasury Management Report (approved by Council in December 2018) – This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether the treasury strategy is meeting the strategy or whether any policies require revision.

An Annual Treasury Report – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Capital Strategy

In December 2017, CIPFA issued revised Prudential and Treasury Management Codes. As from 2019-20, all local authorities will be required to prepare an additional report, a Capital Strategy report, which is intended to provide the following: -

- a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of this report is to ensure that all elected members on the full council fully understand the overall strategy, governance procedures and risk appetite entailed by this Strategy.

The Capital Strategy will include capital expenditure, investments and liabilities and treasury management in sufficient detail to allow all members to understand how stewardship, value for money, prudence, sustainability and affordability will be secured.

1.3. Treasury Management Strategy for 2019/20

The proposed strategy for 2019/20 covers two main areas:

Capital Issues

- the capital plans and the prudential indicators;
- the MRP strategy.

Treasury management Issues

- the current treasury position;
- treasury indicators that limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, CLG MRP Guidance, the CIPFA Treasury Management Code and CLG Investment Guidance.

1.4. Treasury management consultants

The Council uses Link Asset Services, Treasury Solutions as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

1.5. Elective professional client status

From 3rd January 2018 the Financial Conduct Authority is obligated to treat all Local Authorities as “retail clients” under European Union legislation, the Markets in Financial Instruments Directive II (MiFID II). The client status of the Local Authority relates to its knowledge and experience with regards to the use of regulated investment products and the decision-making processes it has in place for making such investments. The directive is focused on products such as Certificates of Deposit, Gilts, Corporate Bonds and investment funds, including Money Market Funds.

The Council will opt up to “elective professional” status in order to continue to have access to these funds as an investment option as they are not available to retail clients. The Council had opted up to elective professional status with all relevant counterparties, including its advisers and brokers, prior to the deadline. This will be kept under regular review and counterparties will be added or removed as necessary for the Council’s investment needs.

2. The Capital Prudential Indicators 2018/19 to 2021/22

The Council's capital expenditure plans are the key driver of treasury management activity. The outputs of the capital expenditure plans are reflected in prudential indicators, which are designed to assist members to overview and confirm capital expenditure plans.

2.1. Capital Expenditure

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts (as per the capital monitoring and review report to Executive on 13th February 2019):

Capital Expenditure	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
<i>Latest estimate at time of writing</i>	£m	£m	£m	£m	£m
Education, Children & Families	15.8	13.6	17.2	0.8	0.0
Adult Care & Health	4.4	0.3	1.4	1.0	1.3
Environment & Community	11.7	14.5	7.0	5.4	2.2
Renewal, Recreation & Housing	3.4	10.1	17.7	14.1	0.0
Resources, Commissioning & Contracts Management	5.0	0.9	34.7	1.7	0.4
Public Protection & Enforcement	0.0	0.0	0.0	0.0	0.0
Sub-Total	40.3	39.4	78.0	23.0	3.8
Add: Future new schemes	0.0	0.0	3.5	3.5	3.5
Less: Estimated slippage	0.0	-5.0	3.0	2.0	0.0
Grand Total	40.3	34.4	84.5	28.5	7.4

NB. The above financing need excludes other long term liabilities (finance lease arrangements), which already include borrowing instruments.

The table below shows how the above capital expenditure plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding need (borrowing).

Capital Expenditure	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
<i>Latest estimate at time of writing</i>	£m	£m	£m	£m	£m
Total Expenditure	40.3	34.4	84.5	28.5	7.4
Financed by:					
Capital receipts	7.2	7.7	41.2	24.2	3.8
Capital grants/contributions	24.7	23.2	26.3	4.2	3.5
General Fund	-	-	12.7	-	-
Revenue contributions *	8.4	3.5	4.3	0.1	0.1
Net financing need	40.3	34.4	84.5	28.5	7.4

* These are approved contributions from the revenue budget, earmarked to fund specific schemes.

2.2. The Council's Borrowing Need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either

revenue or capital resources. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need.

If the CFR is positive, the Council may borrow from the Public Works Loans Board (PWLB) or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The Council's CFR represents liabilities arising from finance leases entered into in recent years in respect of various items of plant and equipment (primarily equipment in schools and vehicles and plant built into highways and waste contracts). The Council currently has no external borrowing as such. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

The Council is asked to approve the CFR projections below:

CFR	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
	£m	£m	£m	£m	£m
Total CFR	2.3	1.6	1.1	0.6	0.1
Movement in CFR	-0.7	-0.7	-0.5	-0.5	-0.5
Movement in CFR represented by					
Net financing need for the year (above)	0	0	0	0	0
Less MRP/VRP and other financing movements	-0.7	-0.7	-0.5	-0.5	-0.5
Movement in CFR	-0.7	-0.7	-0.5	-0.5	-0.5

2.3. MRP Policy Statement

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to make additional voluntary payments (voluntary revenue provision - VRP).

CLG Regulations require the full Council to approve **an MRP Statement** in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision.

The Council is recommended to approve the following MRP Statement:

MRP will be based on the estimated lives of the assets, in accordance with the regulations, and will follow standard depreciation accounting procedures. Estimated life periods will be determined under delegated powers. To the extent that expenditure is not on the creation of an asset and is of a type that is subject to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the Council. However, the Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

In practice, the Council's capital financing MRP is assessed as 4% of the outstanding balance on the finance leases the Council has entered into. A Voluntary Revenue Provision (VRP) may also be made in respect of additional repayments.

2.4. Core funds and expected investment balances

The application of resources (capital receipts, reserves, etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales, etc.). Detailed below are estimates of the year end balances for each resource and anticipated day to day cash flow balances.

Year End Resources	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
	£m	£m	£m	£m	£m
General Fund balance	20.0	20.0	18.9	18.9	18.9
Capital receipts	25.7	32.2	0.9	0.6	0.0
Capital grants	33.1	10.2	14.5	0.4	0.4
Provisions	14.6	14.5	14.5	14.5	14.5
Other (earmarked reserves)	126.0	111.7	111.2	81.3	78.7
Total core funds	219.4	188.6	145.5	115.7	112.5
Working capital*	65.4	69.8	69.8	69.8	69.8
Under/over borrowing	0.0	0.0	0.0	0.0	0.0
Investments	284.8	258.4	215.3	185.5	182.3

*Working capital balances shown are estimated year end; these may be higher mid-year.

2.5. Affordability Prudential Indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. In practice, these indicators are virtually irrelevant for Bromley, as it has no external borrowing other than residual finance leases. The Council is asked to approve the following indicators:

2.5.1. Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

%	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
	%	%	%	%	%
Non-HRA	-	-	-	-	-

3. Treasury Management Strategy

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

3.1. Current Portfolio Position

The Council's treasury portfolio position at 31 March 2018 is summarised below, together with forward projections. The table shows the actual external borrowing (the treasury management operations), against the capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
	£m	£m	£m	£m	£m
External borrowing					
Borrowing at 1 April	-	-	-	-	-
Expected change in borrowing	-	-	-	-	-
Other long-term liabilities (OLTL)	2.3	1.6	1.1	0.6	0.1
Expected change in OLTL	-0.7	-0.7	-0.5	-0.5	-0.5
Actual borrowing at 31 March	-	-	-	-	-
CFR – the borrowing need	2.3	1.6	1.1	0.6	0.1
Under / (over) borrowing	2.3	1.6	1.1	0.6	0.1
Investments	257.3	268.8	294.8	246.9	214.2
Net investments	255.0	267.2	293.7	246.3	214.1
Change in Net investments	-11.8	12.2	26.5	--47.4	-32.2

Within the prudential indicators, there are a number of key indicators to ensure that the Council operates its activities within defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2018/19 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Director of Finance reports that the Council complied with this prudential indicator in the current year and does not envisage non-compliance in the future. This view takes into account current commitments, existing plans, and the proposals in this year's budget report.

3.2. Treasury Indicators: Limits to Borrowing Activity

3.2.1. The Operational Boundary

This is the total figure that external borrowing is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual borrowing.

Operational boundary £m	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Borrowing	10.0	10.0	10.0	10.0
Other long term liabilities	20.0	20.0	20.0	20.0
Total Operational Boundary	30.0	30.0	30.0	30.0

3.2.2. The Authorised Limit for external borrowing

A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external borrowing is prohibited and this limit needs to be set or revised by the full Council. It reflects the level of external borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

1. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
2. The Council is asked to approve the following Authorised Limit:

Authorised limit £m	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
	£m	£m	£m	£m
Borrowing	30.0	30.0	30.0	30.0
Other long term liabilities	30.0	30.0	30.0	30.0
Total Authorised Limit	60.0	60.0	60.0	60.0

3.3. Prospects for Interest Rates

The Council has appointed Link Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table and narrative gives Link Asset Services central view.

	Bank Rate	PWL B Borrowing Rates		
		5 year	25 year	50 year
Mar 2019	0.75	2.10	2.90	2.70
Jun 2019	1.00	2.20	3.00	2.80
Sep 2019	1.00	2.20	3.10	2.90
Dec 2019	1.00	2.30	3.10	2.90
Mar 2020	1.25	2.30	3.20	3.00
Jun 2020	1.25	2.40	3.30	3.10
Sep 2020	1.25	2.50	3.30	3.10
Dec 2020	1.50	2.50	3.40	3.20
Mar 2021	1.50	2.60	3.40	3.20
Jun 2021	1.75	2.60	3.50	3.30
Sep 2021	1.75	2.70	3.50	3.30
Dec 2021	1.75	2.80	3.60	3.40
Mar 2022	2.00	2.80	3.60	3.40

The flow of generally positive economic statistics after the quarter ended 30 June meant that it came as no surprise that the MPC came to a decision on 2 August to make the first increase in Bank Rate above 0.5% since the financial crash, from 0.5% to 0.75%. Growth became increasingly strong during 2018 until slowing significantly during the last quarter. At their November quarterly Inflation Report meeting, the MPC left Bank Rate unchanged, but expressed some concern at the Chancellor's fiscal stimulus in his Budget, which could increase inflationary pressures. However, it is unlikely that the MPC would increase Bank Rate in February 2019, ahead of the deadline in March for Brexit. On a major assumption that Parliament and the EU agree a Brexit deal in the first quarter of 2019, then the next increase in Bank Rate is forecast to be in May 2019, followed by increases in February and November 2020, before ending up at 2.0% in February 2022.

The overall longer run future trend is for gilt yields, and consequently PWLB rates, to rise, albeit gently. However, over about the last 25 years, we have been through a period of falling bond yields as inflation subsided to, and then stabilised at, much lower levels than before, and supported by central banks implementing substantial quantitative easing purchases of government and other debt after the financial crash of 2008. Quantitative easing, conversely, also caused a rise in equity values as investors searched for higher returns and purchased riskier assets. In 2016, we saw the start of a reversal of this

trend with a sharp rise in bond yields after the US Presidential election in November 2016, with yields then rising further as a result of the big increase in the US government deficit aimed at stimulating even stronger economic growth. That policy change also created concerns around a significant rise in inflationary pressures in an economy which was already running at remarkably low levels of unemployment. Unsurprisingly, the Fed has continued on its series of robust responses to combat its perception of rising inflationary pressures by repeatedly increasing the Fed rate to reach 2.25 – 2.50% in December 2018. It has also continued its policy of not fully reinvesting proceeds from bonds that it holds as a result of quantitative easing, when they mature. We therefore saw US 10 year bond Treasury yields rise above 3.2% during October 2018 and also investors causing a sharp fall in equity prices as they sold out of holding riskier assets. However, by early January 2019, US 10 year bond yields had fallen back considerably on fears that the Fed was being too aggressive in raising interest rates and was going to cause a recession. Equity prices have been very volatile on alternating good and bad news during this period.

From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment. Such volatility could occur at any time during the forecast period.

Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. The above forecasts, (and MPC decisions), will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.

Investment and borrowing rates:

- Investment returns are likely to remain low during 2019/20 but to be on a gently rising trend over the next few years.
- Borrowing interest rates have been volatile so far in 2018-19 and while they were on a rising trend during the first half of the year, they have backtracked since then until early January. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in the future when authorities may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt;
- There will remain a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

3.4. Borrowing Strategy

The Council currently does not borrow to finance capital expenditure and finances all expenditure from external grants and contributions, capital receipts or internal balances. The Council does, however, have a Capital Financing Requirement (CFR) of £2.3m (as at 31st March 2018), which is the outstanding liability on finance leases taken out in respect of plant, equipment and vehicles.

The uncertainty over future interest rates increases the risks associated with treasury activity. As a result the Council will take a cautious approach to its treasury strategy and will monitor interest rates in financial markets.

3.4.1. Treasury indicators for debt

There are three debt-related treasury activity limits. The purpose of these is to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse

movement in interest rates. However, if these are set to be too restrictive, they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments;
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits:

£m	2018/19	2019/20	2020/21
Interest rate Exposures			
	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	100%	100%	100%
Limits on variable interest rates based on net debt	20%	20%	20%
Maturity Structure of fixed interest rate borrowing 2018/19			
	Lower	Upper	
Under 12 months (temporary borrowing only)	100%	100%	
12 months to 2 years	N/A	N/A	
2 years to 5 years	N/A	N/A	
5 years to 10 years	N/A	N/A	
10 years and above	N/A	N/A	

3.5. Policy on Borrowing in Advance of Need

The Council will not borrow more than or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds. Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

4. Annual Investment Strategy

4.1. Investment Policy

The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the CIPFA TM Code"). The Council's investment priorities will be security first, portfolio liquidity second, then return.

In accordance with the above guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

Investment instruments identified for use in the financial year are listed in appendix 5.3 under the 'specified' and 'non-specified' investments categories. Counterparty limits will be as set through the Council's treasury management practices – schedules.

The intention of the strategy is to provide security of investment and minimisation of risk.

4.2. Creditworthiness policy

Investment instruments identified for use in the financial year are listed in Annex 2 under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set through the Council's Treasury Management Practices – Schedules.

Investment Counterparty Selection Criteria - The primary principles governing the Council's investment criteria are the security and liquidity of its investments, although the yield or return on the investment is also a key consideration. After these main principles, the Council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the Specified and Non-Specified investment sections below; and
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

The Director of Finance will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to those that determine which types of investment instrument are either Specified or Non-Specified as they provide an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.

The rating criteria require at least one of the ratings provided by the three ratings agencies (Fitch, Moody's and Standard & Poors) to meet the Council's minimum credit ratings criteria. This approach is supported by Link and is in compliance with a CIPFA Treasury Management Panel recommendation in March 2009 and the CIPFA Treasury Management Code of Practice.

Credit rating information is supplied by Link, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance, a negative rating watch applying to counterparty at the minimum Council criteria may be suspended from use, with all others being reviewed in light of market conditions.

In addition, the Council receives weekly credit lists as part of the creditworthiness service provided by Link. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moodys and Standard and Poors. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS (Credit Default Swap) spreads to give early warning of likely changes in credit ratings (these provide an indication of the likelihood of bank default);
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour code bands which indicate the relative creditworthiness of counterparties and a recommendation on the maximum duration for investments. The Council would not be able to replicate this level of detail using in-house resources, but uses this information, together with its own view on the acceptable level of counterparty risk, to inform its creditworthiness policy. The Council will also apply a minimum sovereign rating of A- to investment counterparties.

The criteria for providing a pool of high quality investment counterparties (both Specified and Non-specified investments) are:

- **Banks 1** - good credit quality – the Council will only use banks which:
 - a) are UK banks;
 - b) are non-UK and domiciled in a country with a minimum long-term sovereign rating of A- or equivalent;
 - c) have, as a minimum, at least one of the following Fitch, Moody's and Standard and Poors credit ratings (where rated):
 - Short term – Fitch F3; Moody's P-3; S&P A-3
 - Long term – Fitch BBB+; Moody's Baa3; S&P BBB+
- **Banks 2** – Part nationalised UK bank – Royal Bank of Scotland (ring fenced). This bank can be included provided it continues to be part nationalised (Lloyds is also temporarily included until existing investments mature in 2018/19).
- **Bank subsidiary and treasury operation** - The Council will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings in Banks 1 above.
- **Building societies** - The Council will use all societies that meet the ratings in Banks 1 above.
- **Money Market Funds** – The Council will use AAA-rated Money Market Funds, including VNAV funds.
- **UK Government** (including gilts and the DMADF)
- **Other Local Authorities, Parish Councils, etc.**
- **Housing Associations**
- **Collective (pooled) investment schemes**

- **Supranational institutions**
- **Corporate Bonds**
- **Certificates of Deposit, Commercial Paper and Floating Rate Notes**

The Council's detailed eligibility criteria for investments with counterparties are included in Annex 2. All credit ratings will be continuously monitored. The Council is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service.

- if a downgrade results in the counterparty no longer meeting the Council's minimum criteria, its further use for new investments will be withdrawn immediately.
- in addition to the use of Credit Ratings, the Council will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the external advisers. In addition, this Council will also use market data and market information, information on government support for banks and the credit ratings of that government support. The Council forms a view and determines its investment policy and actions after taking all these factors into account.

4.3. Country limits

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch Ratings (or equivalent from other agencies if Fitch does not provide). The list of countries that qualify using these credit criteria as at the date of this report is shown in Annex 2. This list will be amended by officers should ratings change in accordance with this policy.

4.4. Investment Strategy

In-house funds: The Council's core portfolio is around £300m although cashflow variations during the course of the year have the effect from time to time of increasing the total investment portfolio to a maximum of around £360m. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

Investment returns outlook:

On the assumption that the UK and EU agree a Brexit deal in spring 2019, then Bank Rate is forecast to increase steadily but slowly over the next few years to reach 2.00% by quarter 1 2022. Bank Rate forecasts for financial year ends (March) are:

- 2018/19 0.75%
- 2019/20 1.25%
- 2020/21 1.50%
- 2021/22 2.00%

Link Asset Services suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

2018/19	0.75%
2019/20	1.00%
2020/21	1.50%
2021/22	1.75%
2022/23	1.75%
2023/24	2.00%
Later years	2.50%

- The overall balance of risks to economic growth in the UK is probably neutral.

The balance of risks to increases in Bank Rate and shorter term PWLB rates, are probably also even and are dependent on how strong GDP growth turns out, how slowly inflation pressures subside, and how quickly the Brexit negotiations move forward positively.

Investment treasury indicator and limit - total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Council is asked to approve the treasury indicator and limit: -

As at year end	2018/19	2019/20	2020/21	2021/23 2
	£m	£m	£m	£m
Principal sums invested > 365 days	170.0	170.0	170.0	170.0

For its cash flow generated balances, the Council will seek to utilise its short notice accounts, money market funds and short-dated deposits (overnight to three months) in order to benefit from the compounding of interest.

4.5. End of year investment report

After the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

4.6. Scheme of delegation

(i) Full board/council

- receiving and reviewing reports on treasury management policies, practices and activities
- approval of annual strategy.

(ii) Boards/committees/council/responsible body

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices
- budget consideration and approval
- approval of the division of responsibilities
- receiving and reviewing regular monitoring reports and acting on recommendations
- approving the selection of external service providers and agreeing terms of appointment.

(iii) Body/person(s) with responsibility for scrutiny

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

4.7. Role of the section 151 officer

The S151 (responsible) officer is responsible for:

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
- submitting regular treasury management policy reports
- submitting budgets and budget variations
- receiving and reviewing management information reports
- reviewing the performance of the treasury management function
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- ensuring the adequacy of internal audit, and liaising with external audit
- recommending the appointment of external service providers.

5. ANNEXES

1. Economic background
2. Specified and non specified investments – Eligibility Criteria
3. Prudential Indicators – summary for approval by Council

ANNEX 1. Economic Background (Provided by Link Asset Services)

Detailed economic commentary on developments during quarter ended 31 December 2018

- **During the quarter ended 31 December 2018 (quarter 4 of 2018):**
 - The economy lost some momentum after a strong quarter ended 30.9.18;
 - There was a further acceleration in wage growth;
 - Early signs that lower oil prices will soon depress inflation;
 - The Chancellor delivered a giveaway in the autumn Budget;
 - The MPC was stuck in a state of Brexit inertia;
 - Parliament was deadlocked over Brexit;
 - Equity markets worldwide were hit hard by global growth fears.

GDP growth in the quarter ended 30.9.18 was a solid 0.6% q/q, the strongest rise since late 2016. However, growth was boosted by some temporary factors - the unusually warm summer, the boost to consumer spending from the world cup and construction firms catching up on activity lost during the unusually poor weather earlier in the year. There were also signs of Brexit uncertainty weighing more heavily on growth. The 1.1% q/q fall in business investment in the quarter was the third in a row.

While **household spending** grew by a fairly strong 0.5% q/q, more recent data pointed to slower growth in the last quarter of 2018. GfK's measure of consumer confidence dropped from -9 in September, to a 5-year low of -14 in December. Although the 1.4% monthly rise in retail sales volumes in November looked impressive at first glance, the 3m/3m growth rate ticked down to a fairly subdued 0.3%. What's more, much of the monthly rise in November seems to have been due to consumers bringing forward Christmas purchases in order to take advantage of the price cuts on Black Friday. Indeed, the reported sales balance of the CBI's Distributive Trades Survey, which is a timelier indicator of retail trade, dropped sharply in December.

Production data and activity surveys for Q4 of 2018 also pointed to the economy having lost momentum. 3m/3m GDP growth eased from 0.6% in September to 0.4% in October, as the boost from temporary factors faded and the manufacturing sector continued to struggle. And while the rises in the Markit/CIPS manufacturing PMI in both November and December point to industry faring a little better more recently, the services PMI dropped to just 50.4 in November. The combined PMIs are consistent with quarterly GDP growth of just 0.1% in Q4. That said, the PMIs have overstated the economy's weakness in the past when Brexit uncertainty has been high, and other indicators point to growth coming in at around 0.3%.

However, the **labour market** remained a bright spot for the economy in Q4 of 2018. After a few months of weaker employment growth, 79,000 jobs were created in the three months to October. That pushed up the annual growth rate to 1.2%, which was the strongest rate in six months. Meanwhile, headline regular pay growth excluding bonuses picked up to a fresh post-crisis high of 3.3% during the same period. That was already well above the Bank of England's forecast for Q4 of 2.75%. What's more, surveys of pay settlements point to upward pressure on wage rates.

Inflation held steady at 2.4% in October, as pre-announced hikes in utilities prices were offset by falling food inflation. However, not only did inflation tick down to 2.3% in November, largely on the back of easing energy inflation, but the sharp drop in the oil price since the start of Q4 should soon feed through into larger falls in petrol prices. As such, falling energy costs should provide a large drag on the overall inflation rate in the coming months. A return to the Bank of England's 2% target in December looks quite likely. That should provide a further boost to consumers' real spending power.

Prior to October's autumn Budget, the Chancellor received a helping hand from the Office of Budget Responsibility (OBR). It revised down its forecasts for **public sector borrowing** in the current fiscal year by some £13bn, and carried that improvement forward into future years. That allowed Phillip Hammond

to maintain the £15bn of headroom that he has built up against his target of keeping the government's cyclically-adjusted budget deficit below 2% in 2020/21, to deliver the Prime Minister's pre-announced boost to healthcare spending, and to announce a handful of additional fiscal giveaways. In fact, the Chancellor was unusually spendthrift, with 2019/20 now set to see the first discretionary *loosening* of fiscal policy in a decade. The Bank of England judged in December that this should, all else being equal, boost GDP growth by 0.3% over 2019 and 2020. We agree.

Government borrowing data for October and November point to the budget deficit slightly overshooting the OBR's new forecast for 2018/19 of £25.5bn. But worse news for the Chancellor was the Office of National Statistics' recent announcement that from September, it will treat a portion of spending on student loans as grants, rather than lending, reflecting the fact that a large share will eventually not be paid back. That may push up the deficit by roughly 0.6% of GDP each fiscal year and wipe out almost all of the Chancellor's £15bn of 'fiscal headroom'. However, the change is essentially cosmetic. So while it will make the budget deficit look a bit worse, it seems unlikely to be a major influence on the direction of fiscal policy.

Brexit uncertainty kept the Bank of England in a state of inertia in Q4, with the **Monetary Policy Committee (MPC)** voting unanimously to keep policy unchanged in both November and December. After all, despite the recent strength of pay growth, the MPC would not have wanted to vote for a rate hike that may need to be quickly reversed if the UK left the EU without a deal in March. However, November's Inflation Report's projections were fairly hawkish and suggest that if a Brexit deal is secured, the MPC will not sit on its hands for long. In the projections, which were based on the assumption of rates rising twice in the next two years, inflation remains above the 2% target at the end of the Bank's two-year policy horizon. That suggests rates may need to rise more quickly in order to return inflation to target.

The MPC did restate in its December meeting's minutes that Bank Rate would rise "at a gradual pace and to a limited extent" if the economy continued to develop in line with November's projections. However, those projections were made prior to the announcement of looser fiscal policy in 2019 and the acceleration of wage growth to above the Bank's forecasts, which both strengthen the case for monetary tightening. If a Brexit deal is ratified we expect the Bank to raise interest rates three times in 2019 and twice in 2020. The MPC also stressed again in December's minutes that the response of monetary policy to a "no deal" Brexit would, "not be automatic, and could be in either direction". But neither we, nor the financial markets, believe that the Bank would actually raise rates in response. As the implied probability of "no deal" has grown, market-implied interest rate expectations have fallen.

After a few fraught final months of negotiation with the EU, and several ministerial resignations, in mid-November **the Prime Minister managed to agree a Brexit deal with the EU** that mustered the broad support of her Cabinet. But that counted for little when all opposition parties, and over 100 of Theresa May's own MPs, spoke out against the deal. With the deal looking all but certain to be rejected in Parliament, the Government cancelled the key vote scheduled in early December. **While a new vote is now due to take place in the week beginning January 14th**, the Prime Minister seems unlikely to receive the sort of concessions from the EU on the so-called "Irish Backstop", that could unite her party behind the deal. But while British politics has rarely looked more unpredictable, the odds of a "no deal" Brexit seem to have fallen for two reasons. First, Theresa May's survival of a leadership challenge has greatly reduced the chances of a Brexiteer taking the helm as Prime Minister. Second, the European Court of Justice's recent ruling that the UK can choose to remain in the EU by unilaterally revoking Article 50, has probably raised the odds that Parliament pushes for the UK to remain if Britain faces a "no deal" exit in March 2019.

Equity prices across the world fell sharply over the course of Q4, driven lower by fears of a US-led slowdown in global growth. In America, the S&P 500 index finished the quarter down 14%. Meanwhile, US 10-year Treasury yields also fell by roughly 40bps over the quarter, as investors revised down their expectations for rises in the Fed funds rate. Closer to home, volatility in **sterling** continued as the currency traded up or down on the latest Brexit developments. The pound suffered some of its largest single-day falls since the EU referendum on news of Dominic Raab's resignation and that the Government would delay the vote on Theresa May's Brexit deal. At the same time, 10-year gilt yields have fallen some 30bps as investors have revised down their interest rate expectations on the back of growing fears of a "no deal" Brexit.

While **the US Federal Reserve** delivered a widely-expected **ninth rate hike** in its current tightening cycle in December, taking the Fed funds range to 2.25%-2.50%, Fed officials lowered their projections

for interest rates in 2019. They now expect only two hikes next year on average, rather than three. Although the US economy was confirmed to have grown at an annualised rate of 3.5% in Q3, down only a touch from Q2's 4.2%, the slowdown in business investment and further contraction in residential investment, suggest that higher interest rates are beginning to take their toll.

Meanwhile in the **eurozone**, supply-side disruptions to car production due to new EU emissions tests appeared responsible for half of the drop in eurozone growth to 0.2% q/q in Q3 from 0.4% in Q2. That pointed to a broader underlying slowdown. Although the ECB pressed ahead with plans to end its monthly net asset purchases in December, the central bank also stated that the balance of risks to the growth outlook was "moving to the downside".

Detailed commentary on interest rate forecasts

1. Quarterly Inflation Report and Monetary Policy Committee (MPC) meeting 1 November

- The biggest issue today when doing our forecasts, is what sort of Brexit will we have? We have to make an assumption one way or the other so our starting point is an assumption that the UK will muddle through to an eventual agreed exit being passed by the UK Parliament and also passed by the EU parliamentary processes.
- The next known unknown that will follow on from that is whether this will be the sort of 'agreement' which just kicks the can down the road until the end of the transition period at the end of 2020, and provides little solid certainty for entrepreneurs to enable them to release the investing decisions that have been pent up since the referendum, or whether it will be a more substantial agreement which will result in a significant boost to GDP in the form of a return to consumer and entrepreneur confidence that sends the economy up a gear. We have taken a cautious view on the ensuing rate of GDP growth.
- All our forecasts will be subject to review once this fog clears.
- The MPC and Inflation Report last week were more hawkish than expected in their words, due to the Chancellor's release of a significant fiscal stimulus which looks like it could add 0.3% to GDP growth, (after netting down for the effect of the economy operating near to full capacity), and consequently boost inflationary pressures. However, the Bank did not have time to undertake an impact analysis of the Chancellor's measures so this will have to wait until their next meeting on 14 December. The MPC are also assuming a reasonable agreed exit.

The flow of positive economic statistics since the end of the first quarter this year has shown that pessimism was overdone about the poor growth in quarter 1 when adverse weather caused a temporary downward blip. Quarter 1 at 0.1% growth in GDP was followed by a return to 0.4% in quarter 2; quarter 3 is expected to come in at around +0.6 to 0.7%, (*actual was +0.6%*), but quarter 4 is expected to weaken from that level.

The MPC repeated their well-worn phrase that future Bank Rate increases would be gradual and would rise to a much lower equilibrium rate, (where monetary policy is neither expansionary or contractionary), than before the crash; indeed they gave a figure for this of around 2.5% in ten years' time but they declined to give a medium term forecast. However, with so much uncertainty around Brexit, they warned that the next move could be up or down, even if there was a disorderly Brexit. While it would be expected that Bank Rate could be cut if there was a significant fall in GDP growth as a result of a disorderly Brexit, so as to provide a stimulus to growth, they warned they could also raise Bank Rate in the same scenario if there was a boost to inflation from increases in import prices, depreciation of sterling, and more expensive goods produced in the UK replacing cheaper goods previously imported, and so on. In addition, the Chancellor has held back some spare capacity to provide a further fiscal stimulus.

Overall, the MPC was more hawkish than expected, i.e. this indicates the likelihood of a faster pace of increases than previously expected: -

- MPC voted 9-0 for no change in Bank Rate and quantitative easing.
- GDP growth 2018 cut to 1.3% from 1.4%; next three years @ 1.7% (2019 previously 1.8%).
- The economy will be operating at a small amount of excess demand in 2020, (previously 2021). This is likely to generate an increase in home grown inflationary pressures, (as opposed to imported due to a one off fall in the value of sterling).
- Unemployment rate to stay at 3.9% over the next three years; (equilibrium rate forecast 4.25%). N.B. the percentage of the population in employment is also at record highs. In addition, there has been much concern at how weak productivity increases have been in recent years.
- Build-up of wage inflation pressures as a result. Wage inflation actual 3.1% excluding bonuses in 3 months June to August; MPC forecast 3.25% 2019, 3.5% 2020, 3.75% 2021.
- CPI inflation up from 2.0% to 2.1% 2 years ahead, i.e. above their 2% target.
- Key message: the economy is heading into overheating and the fiscal position has changed direction to now be a slight tailwind, i.e. the MPC will be wanting to take action to counter building inflationary pressures as soon as Brexit uncertainty clears.

The balance of risks to the UK

- The overall balance of risks to economic growth in the UK is probably neutral.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates, are probably also even and are broadly dependent on how strong GDP growth turns out, how slowly inflation pressures subside, and how quickly the Brexit negotiations move forward positively.

One risk that is both an upside and downside risk, is that all central banks are now working in very different economic conditions than before the 2008 financial crash as there has been a major increase in consumer and other debt due to the exceptionally low levels of borrowing rates that have prevailed for ten years since 2008. This means that the neutral rate of interest in an economy, (i.e. the rate that is neither expansionary nor deflationary), is difficult to determine definitively in this new environment, although central banks have made statements that they expect it to be much lower than before 2008. Central banks could therefore over or under do increases in central interest rates.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- **Brexit** – if it were to cause significant economic disruption and a major downturn in the rate of growth.
- **Bank of England monetary policy** takes action too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- A resurgence of the **eurozone sovereign debt crisis**, possibly **Italy**, due to its high level of government debt, low rate of economic growth and vulnerable banking system, and due to the election in March of a government which has made a lot of anti-austerity noise. At the time of writing, the EU has rejected the proposed Italian budget and has demanded cuts in government spending which the Italian government has refused. *(2.1.19 The Italian government has now agreed to eliminate its structural deficit in 2019-20, but only by delaying implementation of increases in expenditure plans to a later year!)* The rating agencies have started on downgrading Italian debt to one notch above junk level. If Italian debt were to fall below investment grade, many investors would be unable to hold Italian debt. Unsurprisingly, investors are becoming increasingly concerned by the actions of the Italian government and consequently, Italian bond yields have risen sharply – at a time when the government faces having to refinance large amounts of debt maturing in 2019.

- Weak capitalisation of some **European banks**. Italian banks are particularly vulnerable; one factor is that they hold a high level of Italian government debt - debt which is falling in value. This is therefore undermining their capital ratios and raises the question of whether they will need to raise fresh capital to plug the gap.
- **German minority government**. In the German general election of September 2017, Angela Merkel's CDU party was left in a vulnerable minority position dependent on the fractious support of the SPD party, as a result of the rise in popularity of the anti-immigration AfD party. Then in October 2018, the results of the Bavarian and Hesse state elections radically undermined the SPD party and showed a sharp fall in support for the CDU. As a result, the SPD is reviewing whether it can continue to support a coalition that is so damaging to its electoral popularity. After the result of the Hesse state election, Angela Merkel announced that she would not stand for re-election as CDU party leader at her party's convention in December 2018, (*a new leader has been appointed*). However, this makes little practical difference as she is still expected to aim to continue for now as the Chancellor. However, there are five more state elections coming up in 2019 and EU parliamentary elections in May/June; these could result in a further loss of electoral support for both the CDU and SPD which could also undermine her leadership.
- **Other minority EU governments**. Spain, Portugal, Netherlands, Ireland and Belgium all have vulnerable minority governments dependent on coalitions which could prove fragile. Sweden is also struggling to form a government due to the anti-immigration party holding the balance of power, and which no other party is willing to form a coalition with. (*2.1.19 The Belgian coalition collapsed in December but now has a minority government until the EU wide elections scheduled for May 2019.*)
- **Austria, the Czech Republic and Hungary** now form a strongly anti-immigration bloc within the EU while **Italy**, this year, has also elected a strongly anti-immigration government. Elections to the EU parliament are due in May/June 2019.
- Further increases in interest rates in the US could spark a **sudden flight of investment funds** from more risky assets e.g. shares, into bonds yielding a much improved yield. In October 2018, we have seen a sharp fall in equity markets but this has been limited, as yet. Emerging countries which have borrowed heavily in dollar denominated debt, could be particularly exposed to this risk of an investor flight to safe havens e.g. UK gilts.
- There are concerns around the level of **US corporate debt** which has swollen massively during the period of low borrowing rates in order to finance mergers and acquisitions. This has resulted in the debt of many large corporations being downgraded to a BBB credit rating, close to junk status. Indeed, 48% of total investment grade corporate debt is now rated at BBB. If such corporations fail to generate profits and cash flow to reduce their debt levels as expected, this could tip their debt into junk ratings which will increase their cost of financing and further negatively impact profits and cash flow.
- **Geopolitical risks**, especially North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.

Upside risks to current forecasts for UK gilt yields and PwLB rates

- **Brexit** – if both sides were to agree a compromise that removed all threats of economic and political disruption.
- **The Fed causing a sudden shock in financial markets** through misjudging the pace and strength of increases in its Fed Funds Rate and in the pace and strength of reversal of QE, which then leads to a fundamental reassessment by investors of the relative risks of holding bonds, as opposed to equities. This could lead to a major flight from bonds to equities and a sharp increase in bond yields in the US, which could then spill over into impacting bond yields around the world.
- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflation pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.

- **UK inflation**, whether domestically generated or imported, returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.

2. LINK ASSET SERVICES' FORECASTS

We do not currently think that the MPC would increase Bank Rate in February 2019, ahead of the deadline in March for Brexit. It is likely that getting parliamentary approval on both sides of the Channel will take well into spring next year. However, in view of the hawkish stance of the MPC this time, we have moved forward our first increase in Bank Rate from August to May 2019. The next increases then occur in February and November 2020 before ending up at 2.0% in February 2022.

Financial markets are now expecting a first increase in February 2019 and then further increases only in February 2020 and then May 2021, to end 21/22 at only 1.50%.

PWLB rates, particularly 5 and 10 year rates, have increased slightly in response to the faster pace of Bank Rate increases.

Forecasts for average investment earnings beyond the three year time horizon will be heavily dependent on economic and political developments.

Gilt yields and PWLB rates

The general situation is for volatility in bond yields to endure as investor fears and confidence ebb and flow between favouring relatively more "risky" assets i.e. equities, or the "safe haven" of government bonds. The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently, although there are likely to also be periods of sharp volatility from time to time.

We have pointed out consistently that the Fed. Rate is likely to go up more quickly and more strongly than Bank Rate in the UK. The correlation between the two rates and bond yields in both countries has been weak over the last few years as the US and UK economies are at different points in both the business cycle and in tightening monetary policy.

Our forecasts are also predicated on an assumption that there is no break-up of the eurozone or EU, (apart from the departure of the UK), within our forecasting time period, despite the major challenges that are looming up, and that there are no major ructions in international relations, especially between the US and China / North Korea and Iran, which have a major impact on international trade and world GDP growth. However, the current round of increases in tariff rates sparked by President Trump, both actual and threatened, are causing increasing concern around the potential impact on world growth and also on inflationary pressures, e.g. in the US.

We would, as always, remind clients of the view that we have expressed in our previous interest rate revision newsflashes of just how unpredictable PWLB rates and bond yields are at present. Our revised forecasts are based on the Certainty Rate, (the Standard Rate minus 20 bps), which has been accessible to most authorities since 1st November 2012.

ANNEX 2. Specified and Non-Specified Investments

Eligibility Criteria for investment counterparties

SPECIFIED INVESTMENTS: All such investments will be sterling denominated, with **maturities up to a maximum of 1 year**, meeting the minimum 'high' quality criteria where applicable.

NON-SPECIFIED INVESTMENTS: These are any investments which do not meet the Specified Investment criteria (i.e. non-sterling and placed for periods greater than 1 year).

A variety of investment instruments will be used. Subject to the credit quality of the institution and depending on the type of investment made, investments will fall into one of the above categories.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

SPECIFIED INVESTMENTS

These investments are sterling investments of not more than one-year maturity or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are relatively low risk investments where the possibility of loss of principal or investment income is small. These would include investments with:

1. The UK Government (such as the Debt Management Account deposit facility, a UK Treasury Bill or a Gilt with a maximum of 1 year to maturity).
2. A local authority, parish council or community council (maximum duration of 1 year).
3. Corporate or supranational bonds of no more than 1 year's duration.
4. Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency.
5. A bank or building society that has been awarded a high credit rating by a credit rating agency (only investments placed for a maximum of 1 year).
6. Certificates of deposit, commercial paper or floating rate notes (maximum duration of 1 year).

Minimum credit ratings (as rated by Fitch, Moody's and Standard & Poors) and monetary and time period limits for all of the above categories are set out below. The rating criteria require at least one of the ratings provided by the three ratings agencies (Fitch, Moody's and Standard & Poors) to meet the Council's minimum credit ratings criteria. The Council will take into account other factors in determining whether an investment should be placed with a particular counterparty, but all investment decisions will be based initially on these credit ratings criteria. The Council will also apply a minimum sovereign rating of A- (or equivalent) to investment counterparties.

NON-SPECIFIED INVESTMENTS

Non-specified investments are any other type of investment (i.e. not defined as Specified above) and can be for any period over 1 year. The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below.

Non Specified Investment Category	Limit (£ or %)
Bank Deposits with a maturity of more than one year and up to a maximum of 3 years. These can be placed in accordance with the limits of the Council's counterparty list criteria (i.e. subject to satisfaction of Fitch, Moody's and Standard & Poors credit ratings criteria shown below).	£80m and 3 years limits with RBS (ring-fenced) (Lloyds is also temporarily included until existing investments mature in 2019/20).
Building Society Deposits with a maturity of more than one year. These can be placed in accordance with the limits of the Council's counterparty list criteria (i.e. subject to satisfaction of Fitch, Moody's and Standard & Poors credit ratings criteria shown below).	None permitted at present.
Deposits with other local authorities with a maturity of greater than 1 year and up to a maximum of 3 years. Maximum	£15m limit with each local authority; maximum duration

total investment of £15m with each local authority.	3 years.
Gilt edged securities with a maturity of greater than one year. These are Government bonds and so provide the highest security of interest and the repayment of principal on maturity. The use of UK Government gilts is restricted to fixed date, fixed rate stock with a maximum maturity of five years. The total investment in gilts is limited to £25m and will normally be held to maturity, but the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity. The Director of Finance must personally approve gilt investments. The Council currently has no exposure to gilt investments.	£25m in total; maximum duration 5 years.
Non-rated subsidiary of a credit-rated institution that satisfies the Council's counterparty list criteria. Investments with non-rated subsidiaries are permitted, but the credit-rated parent company and its subsidiaries will be set an overall group limit for the total of funds to be invested at any time.	Subject to group limit dependent on parent company's ratings.
Corporate Bonds with a duration of greater than 1 year and up to a maximum of 5 years, subject to satisfaction of credit ratings criteria as set out below.	£25m in total; maximum duration 5 years.
Collective (pooled) investment schemes with a duration of greater than 1 year. The total investment in collective (pooled) investment schemes is limited to £100m and can include property funds, diversified growth funds and other eligible funds.	£100m in total.
Certificates of Deposit, Commercial Paper and Floating Rate Notes with a duration of greater than 1 year, subject to satisfaction of credit ratings criteria as set out below.	Subject to group banking limits dependent on bank / building society credit ratings.
Housing Associations with a duration of between 1 and 2 years, subject to satisfaction of credit ratings criteria as set out below.	£50m in total; maximum duration 2 years.

CRITERIA FOR FUNDS MANAGED INTERNALLY AND EXTERNALLY

- **Banks General** - good credit quality – the Council may only use banks which:
 - a) are UK banks;
 - b) are non-UK and domiciled in a country with a minimum long-term sovereign rating of A- or equivalent;
 - c) have, as a minimum, at least one of the following Fitch, Moody's and Standard and Poors credit ratings (where rated):
 - Short term – Fitch F3; Moody's P-3; S&P A-3
 - Long term – Fitch BBB+; Moody's Baa3; S&P BBB+
- **Banks 1A – UK and Overseas Banks (highest ratings)** - the Council may place investments up to a total of £30m for a maximum period of 1 year with UK banks (and up to a total of £15m for a maximum period of 1 year with Overseas banks) that have, as a minimum, at least at least one of the following Fitch, Moody's and Standard & Poors ratings (where rated).

	Short-Term	Long-Term
Fitch	F1+	AA-
Moody's	P-1	Aa3
S & P	A-1+	AA-

- **Banks 1B – UK and Overseas Banks (very high ratings)** - the Council may place investments up to a total of £20m for a maximum period of 1 year with UK banks (and up to a total of £10m for a maximum period of 6 months with Overseas banks) that have, as a minimum, at least one of the following Fitch, Moody's and Standard & Poors ratings (where rated).

	Short-Term	Long-Term
Fitch	F1	A
Moody's	P-1	A2
S & P	A-1	A

- **Banks 1C – UK and Overseas Banks (high ratings)** – the Council may place investments up to a total of £10m for a maximum period of 1 year with UK banks (and up to a total of £5m for a maximum period of 3 months with Overseas banks) that have, as a minimum, at least one of the following Fitch, Moody's and Standard & Poors ratings (where rated):

	Short-Term	Long-Term
Fitch	F3	BBB+
Moody's	P-3	Baa3
S & P	A-3	BBB+

- **Banks 2 - Part nationalised UK banks (Royal Bank of Scotland – ring fenced)** - the Council may place investments up to a total of £80m for up to 3 years with the part-nationalised UK Royal Bank of Scotland (ring-fenced) provided it remain part-nationalised (Lloyds is also temporarily included until existing investments mature in 2019/20).
- **Bank subsidiary and treasury operation** - The Council may use these where the parent bank has provided an appropriate guarantee and has the necessary ratings in Banks 1 above. The total investment limit and period will be determined by the parent company credit ratings.
- **Building societies** - The Council may use all societies that meet the ratings in Banks 1 above.
- **Money Market Funds** – The Council may invest in AAA rated Money Market Funds, including Constant Net Asset Value (CNAV) Funds, Low Volatility Net Asset Value (LVNAV) funds and Variable Net Asset value (VNAV) funds. The total invested in each of the CNAV and LVNAV Funds must not exceed £15m at any time and £10m for VNAV funds. This includes the Payden Sterling Reserve Fund for which a limit of £15m is also applied. No more than £25m in total may be invested in VNAV funds at any time.”
- **UK Government (including gilts and the DMADF)** – The Council may invest in the government's DMO facility for a maximum of 1 year, but with no limit on total investment. The use of UK Government gilts is restricted to a total of £25m and to fixed date, fixed rate stock with a maximum maturity of 5 years. The Director of Finance must personally approve gilt investments.
- **Local Authorities, Parish Councils etc** – The Council may invest with any number of local authorities, subject to a maximum exposure of £15m for up to 3 years with each local authority.
- **Business Reserve Accounts** - Business reserve accounts may be used from time to time, but value and time limits will apply to counterparties as detailed above.
- **Corporate Bonds** – Investment in corporate bonds with a minimum credit rating of A- is permitted, subject to a maximum duration of 5 years and a maximum total exposure of £25m.
- **Collective (pooled) investment schemes** – these may comprise property funds, diversified growth funds and other eligible funds and are permitted up to a maximum (total) of £100m.
- **Certificates of Deposit, Commercial Paper and Floating Rate Notes** – These are permitted, subject to satisfaction of minimum credit ratings in Banks General above.
- **Housing Associations** – The Council may invest with Housing Associations with a minimum credit rating of A-, for a maximum duration of 2 years, and with a maximum deposit of £10m with any one Housing Association and £50m in total.

- **Sovereign Ratings** – The Council may only use counterparties in countries with sovereign ratings (all 3 agencies) of A- or higher.

These currently include:

AAA

- Australia
- Canada
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Finland
- Hong Kong
- U.S.A.

AA

- U.K
- Abu Dhabi (UAE)
- France

AA-

- Belgium
- Qatar

ANNEX 3. Prudential and Treasury Indicators

Prudential and Treasury Indicators are relevant for the purposes of setting an integrated treasury management strategy and require the approval of the Council. They are included separately in Appendix 1 together with relevant narrative and are summarised here for submission to the Council meeting for approval.

The Council is also required to indicate if it has adopted the CIPFA Code of Practice on Treasury Management. The revised Code (published in 2009 and updated in 2011 and 2017) was initially adopted by full Council on 15th February 2010 and has subsequently been re-adopted each year in February.

PRUDENTIAL INDICATORS	2017/18	2018/19	2019/20	2020/21	2021/22
	actual	estimate	estimate	estimate	estimate
Total Capital Expenditure	£40.3m	47.1m	£51.5m	£42.0m	£12.3m
Ratio of financing costs to net revenue stream	0.0%	0.0%	0.0%	0.0%	0.0%
Net borrowing requirement (net investments for Bromley)					
brought forward 1 April	£257.3m	£268.8m	£294.8m	£246.9m	£214.2m
carried forward 31 March	£268.8m	£294.8m	£246.9m	£214.2m	£207.0m
in year borrowing requirement (movement in net investments for Bromley)	+£11.5m	-£26.0m	-£47.9m	-£32.7m	-£7.2m
Capital Financing Requirement as at 31 March	£2.3m	£1.6m	£1.1m	£1.6m	£0.1m
Annual change in Cap. Financing Requirement	-£0.8m	-£0.7m	-£0.5m	-£0.5m	-£0.5m

TREASURY MANAGEMENT INDICATORS	2017/18	2018/19	2019/20	2020/21	2021/22
	actual	estimate	estimate	estimate	estimate
Authorised Limit for external debt -					
borrowing	£30.0m	£30.0m	£30.0m	£30.0m	£30.0m
other long term liabilities	£30.0m	£30.0m	£30.0m	£30.0m	£30.0m
TOTAL	£60.0m	£60.0m	£60.0m	£60.0m	£60.0m
Operational Boundary for external debt -					
borrowing	£10.0m	£10.0m	£10.0m	£10.0m	£10.0m
other long term liabilities	£20.0m	£20.0m	£20.0m	£20.0m	£20.0m
TOTAL	£30.0m	£30.0m	£30.0m	£30.0m	£30.0m
Upper limit for fixed interest rate exposure	100%	100%	100%	100%	100%
Upper limit for variable rate exposure	20%	20%	20%	20%	20%
Upper limit for total principal sums invested for more than 365 days beyond year-end dates	£170.0m	£170.0m	£170.0m	£170.0m	£170.0m

This page is left intentionally blank

Report No.
CSD19022

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: RESOURCES, COMMISSIONING & CONTRACT MANAGEMENT
PORTFOLIO HOLDER

Date: For pre-decision scrutiny by Executive, Resources and Contracts PDS
Committee on 7th February 2019

Decision Type: Non-Urgent Executive Non-Key

Title: MODERN.GOV SYSTEM: ANNUAL SUPPORT CONTRACT

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

Chief Officer: Mark Bowen, Director of Corporate Services

Ward: All

1. Reason for report

- 1.1 The Modern.gov system enables the Council to publish meeting details, committee agendas, reports and minutes, and information about councillors. The system was purchased in 2009, becoming operational in 2010, and is supported via an annual maintenance contract with the ERS Group. The contract has now been in place for ten years and is due to be reviewed.
-

2. **RECOMMENDATION**

That the Portfolio Holder approves the renewal of the annual support contract for the Modern.gov system for a further five years, at an estimated cost of £50k.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Not Applicable
-

Corporate Policy

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

Financial

1. Cost of proposal: Estimated Cost: £50k for additional 5 years system support
 2. Ongoing costs: Recurring Cost: £10k pa
 3. Budget head/performance centre: Democratic Services
 4. Total current budget for this head: £10k
 5. Source of funding: Existing revenue budget 2018/19
-

Personnel

1. Number of staff (current and additional): Democratic Services Team - 8 staff (6.79fte)
 2. If from existing staff resources, number of staff hours: Not Applicable
-

Legal

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

Procurement

1. Summary of Procurement Implications:
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The system is used primarily by Democratic Services staff, but the report writing functionality is used by a wide variety of officers across the Council. The system is the Council's primary means of publishing information about decision making and councillors.
-

Ward Councillor Views

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

3. COMMENTARY

- 3.1 The Modern.gov system provided by the ERS Group (previously Modern Mindset Ltd and now part of the Civica Group), has been used since April 2010 to publish details to the Council website of the Council's meetings, including all agendas, reports and minutes, the Forward Plan and details of all Councillors, including their committee memberships and declarations of interest. The system can also publish a range of supporting documents and is used by officers to draft and approve committee reports. The system supports the publication of electronic document packs to mobile devices, reducing the requirement for paper copies. Since the system was introduced in 2010, the Council has been able to reduce its annual printing costs significantly, from around £35k in 2009/10 to around £8k now.
- 3.2 In common with most IT systems, the Council pays for an annual maintenance and technical support contract, in this case with the ERS Group, the supplier. This includes successive upgrades as the system continues to be developed. When the system was purchased in 2009, it was anticipated that this contract would operate for ten years before review.
- 3.3 The Modern.gov system is in use by hundreds of organisations in the UK, mainly (but not exclusively) local authorities, including most of the local authorities in London. The only alternative to procuring the ERS Group contract is to purchase and implement a replacement system which would involve considerable staff time and disruption which cannot be justified. There are two alternative systems on the market, but neither can match the resilience of Modern.gov with its large customer base, ensuring that it is regularly upgraded. Neither system offers a significant advantage in terms of price or capability.

4. POLICY IMPLICATIONS

- 4.1 The Modern.gov system supports the Excellent Council BBB priority.

5. FINANCIAL IMPLICATIONS

- 5.1 There is budgetary provision of £10k to meet the costs of the Modern.gov support and maintenance contract within Democratic Services. The estimated cost of renewing the annual support contract for the Modern.gov system for a further five years will be £50k.
- 5.2 It should be noted that the cumulative spend on the system will be £145k should the renewal be agreed, as shown below: -

	£'000
Cumulative spend to 31.3.19	95
Estimated contract value for further 5 years support	50
Estimated cumulative cost	145

6. PERSONNEL IMPLICATIONS

- 6.1 The primary users of the Modern.gov system are the Democratic Services Team, but it is also used by report authors across the Council.

7. LEGAL IMPLICATIONS

- 7.1 This report requests approval to continue to award the annual maintenance and support contract for the Modern.gov system to ERS Group for a further five years. As ERS Group are the suppliers and owners of the software it is not possible to procure this service from another supplier both for technical reasons and for reasons associated with the protection of their

exclusive rights as there is no reasonable alternative or substitute which exists in the market to meet the Council's requirements.

8. PROCUREMENT IMPLICATIONS

8.1 As the annual agreement is purchased direct from the ERS group technically it is an exemption from competitive tendering. In accordance with contract procedure Rule 13.1, where the value of contracts exceed £100,000, approval to award a contract by an exemption to competitive tendering is required by -

“Chief Officer in agreement with the Director of Corporate Services, Director of Commissioning and Director of Finance and following Approval of the relevant Portfolio Holder...”

8.2 In this case the cumulative value of the contract over the last ten years, and for a further five, will be in excess of £100k.

Non-Applicable Sections:	Impact on Vulnerable Adults and Children
Background Documents: (Access via Contact Officer)	None

Report No.
FSD19004

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Executive, Resources and Contract PDS

Date: 7 February 2019

Decision Type: Non-Urgent Executive Non-Key

Title: SECTION 106 AGREEMENTS: UPDATE

Contact Officer: Jim Kehoe, Chief Planner & Claire Martin, Head of Finance
Tel: 020 8313 4554 020 8313 4286 E-mail: jim.kehoe@bromley.gov.uk
claire.martin@bromley.gov.uk

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

Ward: Borough wide

1. Reason for report

This report provides an update on Section 106 Agreements.

2. **RECOMMENDATION(S)**

- 2.1 The Executive, Resources and Contract PDS are asked to note the report and the contents of the attached Appendices 1-5.

Impact on Vulnerable Adults and Children

1. Summary of Impact: The impact on Vulnerable Adults and Children is not expected to be significant.
-

Corporate Policy

1. Policy Status: Existing Policy: IMP1 of the Unitary Development Plan
 2. BBB Priority: Children and Young People Quality Environment Safer Bromley Vibrant, Thriving Town Centres
-

Financial

1. Cost of proposal: Estimated Cost Not Applicable
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: S106 Deposits
 4. Total current budget for this head: £6.737m
 5. Source of funding: Unallocated S106 Deposits
-

Personnel

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

Legal

1. Legal Requirement: Statutory Requirement: S106 of the Town and Country Planning Act enables the Local Authority to make agreements with applicants to secure benefits relating to the granting of planning permission. This is reflected in Policy IMP1 of the Unitary Development Plan which relates to planning obligations.
 2. Call-in: Not Applicable: This report does not involve an executive decision
-

Procurement

1. Summary of Procurement Implications:
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Section 106 agreements are made with the applicant for the benefit of the future occupants of new developments and also for the benefit of existing residents in the vicinity of a new development
-

Ward Councillor Views

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

3. COMMENTARY

3.1 This is an update following the last report that was submitted to Executive and Resources PDS Committee in February 2018.

Background information

- 3.2 The detail of every S106 agreement is stored in at least one of Appendices 1, 2 and 3.
- 3.3 Appendix 1 records the 'negative/restrictive obligations' and include developments that are restricted by the S106 either by use, limitations on development within the curtilage or an obligation not to implement a previous permission.
- 3.4 Appendix 2 records the 'positive non-financial' contributions. These agreements form the larger proportion of planning obligations gained through Section 106. Mostly they relate to the provision of affordable housing units.
- 3.5 Appendix 3 records 'positive financial' contributions. There are 7 main service areas where monies are received through the use of S106 obligations: Local Economy, Community or Town Centre use, Highways/Traffic (including Transport for London), Education, Healthcare, Land (which records payments for landscaping), Affordable (which records payments in lieu of affordable housing) and Other (which records payments for any other contributions which do not fall into one of the above categories). The full Appendix 3 also shows that since March 2003 a wide variety of contributions have been negotiated through S106 agreements including funds for the education provision, travel plans, traffic calming/crossings, town centre improvement funding, public footpath maintenance, CCTV schemes and woodland management schemes. The Council uses the NHS London Healthy Urban Development Unit (HUDU) model, which gauges the impact that residential developments have on the capacity of health services. This formula produces a health contribution per unit.
- 3.6 Appendix 4 has been compiled from and updated using information from the Oracle accounting system and the Council's Public Register and Contribution record, which is held with the Public Register along with copies of all S106 legal agreements dating back to 1998.
- 3.7 Appendix 5 in the Part 2 agenda provides an update on the progress of financial contributions received to date that are outstanding together with target spend dates. The relevant Lead Officers listed in para 4.12 below have provided the information for the table.
- 3.8 If a S106 includes obligations from more than one category the details are recorded in each of the relevant appendices.
- 3.9 The full Appendices cover the period from March 2003 to date with details of over 356 sealed legal agreements. Copies of these documents are available to view in the Members Room.
- 3.10 The Committee may note that there can be considerable time delay between the issuing of a Section 106 grant of permission and subsequent implementation of development (up to 5 years) when the obligation becomes due. There is always a possibility that a development will not go ahead at all where a developer feels the development is no longer viable.
- 3.11 All S106 legal agreements are registered as a Land Charge against the property and are registered at the Land Registry with the title deeds of a property or piece of land.

Section 106 Agreements: Update

3.12 Appendices 1 to 3 of this report provide details of 6 new agreements since the last update in July 2018.

- 3.13 Appendix 1 shows a table with 3 'negative' S106 legal agreements.
- 3.14 Appendix 2 shows a table with 3 new 'positive non-financial' S106 legal agreements securing 72 additional affordable housing units.
- 3.15 The full Appendix 2 table shows that since March 2003 the Council sealed legal agreements that will potentially net 1693 new affordable housing units. This figure reflects the reduction referred to above.
- 3.16 As can be seen from the tables LBB will not necessarily receive all of these housing units unless they are built and handed over but the agreements are in place. In terms of revenue as a non-stockholding authority the Council does not gain direct asset value through Section 106 of the 1990 Town and Country Planning Act. All housing assets acquired are held by our partners RPs.
- 3.17 Appendix 3 shows 8 new agreements of specific 'positive financial gain to the Council.
- 3.18 Members should note that the detailed description of the agreement terms in Appendix 3 gives an indication of any time limitations on spend together with whether interest is accrued to the contributions.
- 3.19 Appendix 4 gives the details of the current balances the Council holds for S106 agreements, split by service area category mentioned in 3.5 above and by revenue/capital classification and the time limit for spending monies. The precise implications of the 'time limit' are set out in the individual planning agreements. The level of 'Commitments' in Appendix 4 has increased substantially in the last 24 months. This is mainly due to commitments to additional school and health projects, for example a grant agreement with the local NHS Clinical Commissioning Group. Members should note that Lead Officers who can provide further details have been identified for each of the service areas for which S106 contributions are received. They are:
- Highways, Road safety and Parking – Angus Culverwell
 - Local Economy – Kevin Munnelly
 - Landscaping – John Bosley
 - Housing – Sara Bowrey
 - Education – Rob Bollen
 - Healthcare/CCG – TBC
 - Community Facilities – Colin Brand
 - CCTV – Rob Vale

3.20 A complete set of Appendices 1, 2 and 3 has been left in the Members Room. 3.21 'Significant' new agreements are listed in the table below, with full details included in the appendices:-

Ref 411	North Orpington Pumping Station, East Drive Orpington	<ul style="list-style-type: none"> • Affordable Housing – 12 units Education - £231,680.22 • Health Contribution - £60,200 • Highways - £2,000
Ref 412 and 414	Land At Junction With South Eden Park Road And Bucknall Way Beckenham	<ul style="list-style-type: none"> • Carbon Offset to be agreed <p>Education and Health contributions in these agreements have been superseded by agreements under ref 413 and 415 below.</p>

Ref 413 and 415	Land At Junction With South Eden Park Road And Bucknall Way Beckenham	<ul style="list-style-type: none"> • Education - £462,811.72 • Health - £103,998
Ref 416	Maybrey Business Park Worsley Bridge Road London SE26 5AZ	<ul style="list-style-type: none"> • Affordable Units 51(40 affordable rent and 11 intermediate units) • Education £532,938.59 • Health £166,960 • Highways £4,000 • Carbon Offset £212,040 • Car Club • River Pool Walkway – retain, maintain and signage
Ref 417	Land adjacent to Bromley College, London Road, Bromley	<ul style="list-style-type: none"> • Affordable Units 9 (5 social rent/4 shared ownership) • Education £86,300.24 • Health £27,325.00 • Town Centre £19,500.00 towards creation of a pocket park on land at the junction of Tweedy Road and London Road • Carbon Offset £212,040
Ref 418	174-176 High Street, Orpington	<ul style="list-style-type: none"> • Controlled Parking Zone £3000 for pay and display bays or waiting restrictions or other highway works • £5400 for upgrading crossings at High Street and Sevenoaks Road, Orpington junction or other highway works • Car Club

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 4.1 S106 contributions are intended to address the impact of new development. They involve contributions to the general provision of Education and Health infrastructure and as such the impact on Vulnerable Adults and Children is not expected to be significant.

5. POLICY IMPLICATIONS

- 5.1 Development Plan policies play a crucial role in securing appropriate planning obligations. Policy IMP1 of the Unitary Development Plan 2006 (saved policies 2009) sets out the Council's approach to Section 106 agreements, and supports the objectives of 'Building A Better Bromley' including, Safe Bromley, Quality Environment, Regeneration, and Ensuring that all children and young people have opportunities to achieve their potential.
- 5.2 The sustainability of Vibrant Thriving Town Centres, and Regeneration of our Borough, are two of the Council's key priorities and Section 106 funding, where appropriate, can make a significant contribution in achieving two of the Council's main aims.
- 5.3 The Government sets out criteria for when planning obligations are sought in the National Planning Policy Framework (NPPF July 2018) paras 54-57, and full operational use guidance details are now found in the National Planning Practice Guidance (NPPG).

- 5.4 The London Plan (Policy 8.2: Planning Obligations) requires boroughs to give priority to affordable housing, public transport improvements, tackling climate change, learning and skills, health facilities, childcare provision and the provision of small shops and have clear local policies to these ends.
- 5.5 A Supplementary Planning Document (SPD) on Planning Obligations was adopted by the Council in December 2010. The SPD provides non-statutory guidance on the Council's general approach to planning obligations, and where possible the requirements, and mechanisms for infrastructure contributions.
- 5.6 The SPD also incorporates the implication of CIL regulations which came into force on 6th April 2010. CIL Regulation 122 places into law three statutory tests, explained in the Legal Implications section below.
- 5.7 The Council's is developing a local CIL alongside the Local Plan and producing a charging schedule with a CIL Regulation list of infrastructure projects taken from the Infrastructure Delivery Plan (IDP) Schedule (November 2016).
- 5.8 The Draft Local Plan was submitted for Examination in August 2017. The Draft Plan includes as part of the Appendices, the IDP Schedule Table of projects. The first of two public consultations for a Preliminary Draft Charging Schedule (PDCS) occurred in Spring 2018 and, following the gathering of further viability evidence, the second consultation of the Draft Charging Schedule (DCS) will occur in Spring 2019.
- 5.9 From 6th April 2015, Regulation 123 came into effect regarding scaling back of the 'pooling' mechanism for planning obligations; this will ensure that the use of s106 and CIL (regarding projects that will, when CIL is introduced in Bromley, appear on a published CIL 123 project list) do not overlap. In June 2015 an addendum to the SPD, to explain changes to unit threshold, and the pooling of s106's was approved by Executive.
- 5.10 As an interim arrangement, until a local CIL is adopted, when the Council will need to seek specific financial contributions from developers (e.g. '£x' for the provision of a new classroom at 'y' primary school or in the 'z' ward), rather than the historic/generic approach of seeking generic contributions (e.g. '£x for Education provision') and to comply with the regulations that only a maximum of five contributions are spent for such a specific item of infrastructure. The introduction of this part of Reg 123 does not affect s278 Highways obligations nor apply to affordable housing contributions. These interim arrangements are expected to last until a local CIL has been adopted.
- 5.11 In those cases where Affordable Housing Policy has not been met due to financial viability and subsequently there have been difficulties in the implementation of a specific project, the Council will consider whether the sum should be used instead for Affordable Housing.
- 5.12 Mayoral Community Infrastructure Levy (CIL) was introduced on 1st April 2012 (London Plan Policy 8.3). Bromley acts as a collecting authority on behalf of the Mayor. Mayoral CIL is collected on new development (as defined under regulations) at a rate of £35 per square metre in the Borough plus BCIS index rate for that year.

6. FINANCIAL IMPLICATIONS

6.1 The table below summarises the complete Appendix 3 (in the Member's room), giving a breakdown across the service areas of all S106 obligations agreed and details of whether the sums are confirmed (e.g. development has started) or provisional (S106 obligation agreed but development not started): -

Area	S106 Sums	S106 Sums	Total
	Confirmed	Provisional	
	£	£	£
Local Economy/Town Centre/Community Use	7,350,131	19,500	7,369,631
Highways/Traffic/Parking	1,549,943	13,500	1,563,443
Education	9,737,512	1,162,342	10,899,854
Healthcare/CCG	2,949,693	351,421	3,301,114
Landscape	288,077	0	288,077
Housing	14,105,699	274,186	14,379,885
Other	318,000	0	318,000
	36,299,055	1,820,949	38,120,004

6.2 Of the £36.3m confirmed sums, £27.870m has been received and £15.615m has been spent, leaving an unspent balance of £12.255m, excluding interest accrued of £21.74k.

6.3 The summarised financial position of the unspent balances across the service areas (detailed in Appendix 4) is as follows: -

Area	Unspent	Current	Latest
	Balance	Outstanding	Unallocated
	as at	Commitments /	Balance as
	31.12.18	Allocations	at 31.12.18
		£	£
Revenue			
Local Economy, Town Centre, Community Use	26,232	23,232	3,000
Highways/Traffic/Parking	267,472	67,673	199,799
Health/Primary Care Trust	1,677,901	315,280	1,362,621
Landscape	577	577	0
Other	353,300	300,000	53,300
Total Revenue Balance	2,325,482	706,762	1,618,720
Capital			
Housing	4,357,985	1,110,851	3,247,134
Education	3,227,919	1,357,031	1,870,888
Highways/Traffic/Parking	82,542	82,542	0
Local Economy, Town Centre, Community Use	2,282,327	2,282,327	0
Total Capital Balance	9,950,773	4,832,751	5,118,022
Total Section 106 Balance	12,276,255	5,539,513	6,736,742

6.4 The balance above includes interest that has accrued to seven of the S106 agreements within the revenue balances, totalling £3,400 and eight agreements within the capital balances, totalling £18,340.

6.5 On 2 April 2014, Executive agreed to set aside £192,500 from S106 monies in an earmarked reserve for the future maintenance of Cheyne Woods and Cyphers Gate open space, in accordance with the criteria set out in the specific agreements. There is also a balance of £143,221 held in an earmarked reserve for the management and maintenance of Langley Waterside Nature Reserve from the Glaxo site development. The agreed annual management plans are now in place for each of the 3 sites and the 2018/19 plan will be delivered by 31 March 2019. The table below provides Members with an update on the use of these monies: -

Earmarked Reserves	Current Balance	Actual Spend	Outstanding Commitments	Latest Balance
	£	£	£	£
Management of Cyphers Gate Open Space	134,680	0	6,324	128,356
Management of Cheyne Woods	18,326	0	4,000	14,326
Management of Langley Waterside Nature Reserve	143,221	0	6,000	137,221
	296,227	0	16,324	279,903

6.6 As mentioned above, Appendix 5 provides an update on the progress of financial contributions received to date together with target spend dates.

7. LEGAL IMPLICATIONS

7.1 The power of a Local Planning Authority to enter into a Planning Obligation with anyone having an interest in land in their area is contained in section 106 of the Town and Country Planning Act 1990 (as amended by Section 12 of the Planning and Compensation Act 1991). Planning Obligations made under section 106 comprise both obligations and unilateral undertakings. Government advice on the use of section 106 is contained within NPPG paras 1-23.

7.2 A Planning Obligation may only be created by a person with an interest in the relevant land, and may be created either by means of an agreement with the Local Planning Authority or by means of a unilateral undertaking. An Obligation may restrict development or the use of land, need specific works to take place or need a financial contribution towards a work or service of public benefit.

7.3 The main features of a Planning Obligation are:

- It applies to the land, so enforcement of it would be against the person who agreed it (normally the applicant) or their successor in title.
- It can also be enforced by a legal injunction. Where a person has defaulted on a requirement to carry out works on the land, the Local Planning Authority may also enter onto the land to enforce the terms of the Obligation and to claim back its reasonable costs arising from this action.
- It can contain a restriction on use of the land or a requirement for works to be undertaken thereon, that can be for an indefinite period, a stated period, or a period defined by reference to some future event, e.g. the completion of specified works.
- Contribution(s) may be expressed as being due:
 - (a) Singly, on a specified date, or one that can be derived from defined future event(s),
 - (b) In instalments, the amounts of which can be stated or derived from a formula, that are payable on specified dates or on dates based on future events, e.g. stages of the development, and

(c) Singly or in instalments, the amounts of which can be stated or derived from a formula, that are payable on specified date(s), or at defined times after, the completion of the development, e.g. to contribute to maintenance needs.

- 7.4 A section 106 Agreement can be varied with the agreement of the Local Planning Authority; there is also a formal application and appeals process in certain circumstances. Section 106 contributions may be time limited in the agreement or undertaking. Even where this is not the case then section 12(3) Planning and Compensation Act 1991 Section allows a person to apply for a planning obligation to be discharged after 5 years and if money has not been spent or there is not a clear intention to spend within a reasonable time a local authority may be made to refund in such cases.
- 7.5 The planning system works on the principle that planning permissions cannot be bought from or sold by a Local Planning Authority. Negotiations to gain benefits from development proposals must take place in a way which is seen to be fair and reasonable. By working in this way, Planning Obligations can improve the quality of development proposals which might otherwise have to be refused.
- 7.6 Planning Obligations must be related to the scale and nature of the development being proposed. CIL regulation 122 came into force under the Community Infrastructure Levy (CIL) Regulations in April 2010 and places into law three statutory tests which are based upon the original five policy tests in Circular 05/05. The three tests are;
- a) necessary to make development acceptable in planning terms;
 - b) directly related to the development; and
 - c) fairly and reasonably related in scale and kind to the development.
- 7.7 The Council acting as Local Planning Authority cannot allow unacceptable developments because of unnecessary or unrelated benefits that the applicant may be offering. Equally applicants cannot be expected to pay for facilities which are only needed to deal with existing shortfalls in the area.

Non-Applicable Sections:	Personnel, Procurement
Background Documents: (Access via Contact Officer)	Budget monitoring files within ES Impact of Large Developments – Progress Monitoring Report March 2006 Shared file listing all S106 agreements Executive & Resources PDS Committee 10 July 2014 Executive & Resources PDS Committee 19 Nov 2014 Executive & Resources PDS Committee 3 June 2015 Executive & Resources PDS Committee 16 March 2016 Executive & Resources PDS Committee 7 July 2016 Executive & Resources PDS Committee 4 Jan 2017 Executive & Resources PDS Committee 17 July 2017 Executive & Resources PDS Committee 1 Feb 2018 Supplementary Planning Document (SPD) on Planning Obligations: Addendum to Changes to Pooling S106 Contributions and S106 Threshold Changes. DC Committee 24 March 2015 and Executive 10 June 2015

This page is left intentionally blank

SECTION 106 AGREEMENTS REQUIRING A RESTRICTIVE OR 'NEGATIVE' OBLIGATION - CHANGES SINCE JULY 2018

Ref No	App No	Address	Nature of Application	Date	Legal Agreement
416	16/05897	Maybrey Business Park Worsley Bridge Road London SE26 5AZ	Demolition of existing buildings and comprehensive redevelopment of the site to provide new buildings ranging from five to nine storeys in height comprising 159 residential units (Use Class C3), 1,0990 sq m commercial floorspace (Use Class B1a-c), residents gym (Use Class D2), together with associated car and cycle parking, landscaping and infrastructure works.	24th May 2018	<p>Car Club – Provision of a car club operated by a Car Club Operator in the vicinity of the Site for which residents of the Development are to be granted 12 months membership on commencement of their occupation. Reserve 2 parking spaces for car club vehicles.</p> <p>Wheelchair Housing – The wheelchair housing units shown for wheelchair accessible or adaptable layouts in the Accommodation Schedule shall be constructed and fully fitted out in accordance with Approved Document M 2015, M4 Category 3 at the time of handover to the Registered Provider. The wheelchair housing units shall not be sold or let to any person who is not a wheelchair user before the expiry of the 6 month period referred to in paragraph 4 and written notice has been given to the Council. For full details see legal agreement.</p> <p>Wheelchair units capable of adaption for use by wheelchair users in accordance with SELHP requirements.</p> <p>River Walkway – retain, maintain and sign the walkway to be constructed adjacent to River Pool and to allow access and use by general public.</p>
417	Land Adjacent To Bromley College London Road Bromley	Mcculloch Homes Limited	Proposed construction of three, three storey buildings to provide 24, 2 bed flats with associated parking and landscaping.	21st Sept 2018	<p>Marketing of Intermediate Units – see legal agreement for details.</p> <p>Wheelchair Units - 2 of the Affordable units are to be Wheelchair Accessible and fully designed and fitted out in accordance with the standards of SELHP Wheelchair Homes Design Guidance 2012 by the time they are handed over to the Registered Provider.</p>
418	174 - 176 High Street Orpington BR6 0JW	Altomart Ltd	Single storey rear extension to existing retail unit, second floor extension including front and rear dormers to frontage building, first floor rear extension with linking courtyard, and conversion of first and second floors into 3 two bedroom and 3 one bedroom flats including elevational alterations, rear balconies and refuse and cycle stores	8th Nov	<p>Car Club – All reasonable efforts to provide a car club operated by a Car Club Operator in the reasonable vicinity of the Site which members of the general public may join and which makes cars available to hire to members. Residents of the development to be granted 24 month membership on commencement of their occupation.</p>

This page is left intentionally blank

REVENUE ITEMS

Public register ref	Address of application	Use of monies	Balance c/f as at 31.3.18	Expenditure	Commitments	Income received during 2018/19	Unallocated Balance as at 31.12.18	Time Limit for spend
			£	£	£	£	£	
Highway improvement works & traffic schemes								
104	Bristol Street Motors, Masons Hill/Prospect Place	Highway improvement works	(30,000.00)	30,000.00	0.00	0.00	0.00	
173	Knotley Springfield Gardens West Wickham	£15k for highway works and £2.5k for traffic order	(15,000.00)	0.00	0.00	0.00	(15,000.00)	Oct 2011
232	Garrard House, 2-6 Homesdale Road Bromley	£2k for loading restriction contribution	(2,000.00)	0.00	0.00	0.00	(2,000.00)	May 2015
178	178 Ravensbourne College	£20k Highways and £10k Footpath	(9,714.42)	0.00	9,714.42	0.00	0.00	Jan 2017
178	179 Ravensbourne College	£225k public transport contribution for additional bus to serve local bus route No. 314	(225,000.00)	225,000.00	0.00	0.00	0.00	Feb 2019
208 (176)	Land at South of Ringers Road	£50k traffic management contribution to implement 20mph restriction zone in Ringers Rd & Ravensbourne Rd + TMOs	(50,000.00)	0.00	0.00	0.00	(50,000.00)	Dec 2018
186 (319)	Blue Circle Sports Ground	£80k bus stop contributions (4 in total)	(27,248.05)	0.00	27,248.05	0.00	0.00	May 2021
344	The Rising Sun	Highways contribution £22,232k	(22,231.50)	0.00	22,231.50	0.00	0.00	June 2021
370	Bassetts Day Care Centre	Highways contribution £5k	(5,000.00)	0.00	0.00	0.00	(5,000.00)	June 2021
374/375	12 Elmfield Road, Bromley	Transport contribution £5k	(5,000.00)	0.00	0.00	0.00	(5,000.00)	
386	Former Church Hill Depot Site	Highways contribution £3k	0.00	0.00	0.00	(3,000.00)	(3,000.00)	Apr 2028
369	HG Wells Centre	Highway cont'n £2.5k	0.00	0.00	0.00	(2,500.00)	(2,500.00)	
382	Orchard Lodge, 107 William Booth Road	Traffic Surveys £25k plus interest £2.65k	0.00	0.00	0.00	(27,650.18)	(27,650.18)	Dec 2026
370	Total for Highway improvement works		(391,193.97)	255,000.00	59,193.97	(33,150.18)	(110,150.18)	
Road Safety and cycle schemes								
211	Land R/O 91-117 Copers Cope Road, Beckenham	£15k for travel studies	(7,500.00)	0.00	0.00	0.00	(7,500.00)	N/A
330	GlaxoSmithKline	Road Safety improvements £10k	(10,039.74)	10,039.74	0.00	0.00	0.00	Jan 2019
	Total Road Safety & cycle schemes		(17,539.74)	10,039.74	0.00	0.00	(7,500.00)	
Local Economy and Town Centres								
284	Westmoreland car park, Simpson Road, Bromley	£20k Town Centre contribution	(20,000.00)	20,000.00	0.00	0.00	0.00	Oct 2018
208 (176)	Land at South of Ringers Road	£50k Town Centre contribution	(25,000.00)	1,767.50	23,232.50	0.00	0.00	Dec 2018
386	Former Church Hill Depot Site	Local Employment contribution £3k	0.00	0.00	0.00	(3,000.00)	(3,000.00)	Apr 2028
	Total Local Economy & Town Centres		(45,000.00)	21,767.50	23,232.50	(3,000.00)	(3,000.00)	
Community facilities								
83	Kelsey Square Beckenham	Environmental improvements	(10,000.00)	0.00	0.00	0.00	(10,000.00)	
382	Orchard Lodge, 107 William Booth Road	Community cont'n £30k plus interest of £3.18k	0.00	0.00	0.00	(33,180.21)	(33,180.21)	Dec 2026
	Total Community Facilities		(10,000.00)	0.00	0.00	(33,180.21)	(43,180.21)	
Other minor schemes								
204	Tesco - Homesdale Road	£10k webcam contribution	(10,119.30)	0.00	0.00	0.00	(10,119.30)	Oct 2013
290	Kent County Cricket Ground	£300k contribution towards sport	(300,000.00)	0.00	300,000.00	0.00	0.00	Feb 2021
	Total other minor schemes		(310,119.30)	0.00	300,000.00	0.00	(10,119.30)	

Public register ref	Address of application	Use of monies	Balance c/f as at 31.3.18	Expenditure	Commitments	Income received during 2018/19	Unallocated Balance as at 31.12.18	Time Limit for spend
Parking								
120	Beckenham hospital, Croydon Road Beckenham	£10k car park, £30k residents parking scheme	(18,000.00)	0.00	0.00	0.00	(18,000.00)	
110	77 Addington Road West Wickham	Contribution to on street parking	(1,000.00)	0.00	0.00	0.00	(1,000.00)	
204	Tesco - Homesdale Road	£40k towards controlled parking zone	(18,302.00)	0.00	0.00	0.00	(18,302.00)	July 2014
194	Reliance House	£5k towards 'white lining' for the provision of public and car club parking & restoration of redundant crossovers	(2,658.88)	0.00	0.00	0.00	(2,658.88)	
185	101 Palace Road Bromley	£3k for white lining car parking spaces and redstoning crossovers parking Permit Scheme, Car Club Scheme	(2,904.59)	0.00	0.00	0.00	(2,904.59)	
231	117 Widmore Road Bromley	£2.5k towards car club	(2,500.00)	0.00	2,500.00	0.00	0.00	June 2014
284	Westmoreland car park, Simpson Road, Bromley	£2.5k towards car club	(1,691.95)	0.00	1,691.95	0.00	0.00	Oct 2018
339	Kingswood House	£21k parking restriction contribution	(21,000.00)	0.00	0.00	0.00	(21,000.00)	Oct 2021
350	Orpington Police Station	£2k contribution for disabled parking	(2,007.05)	0.00	2,007.05	0.00	0.00	Mar 2024
358	Broadway House	£2.5k for a car club parking space	(2,279.77)	0.00	2,279.77	0.00	0.00	
370	Bassetts Day Care Centre	£2.5k for car club	(2,500.00)	0.00	0.00	0.00	(2,500.00)	
350	Orpington Police Station	£12k contribution for cpz	(12,784.07)	0.00	0.00	0.00	(12,784.07)	Jan 2026
365	Oxford House	CPZ cont'n £3k	0.00	0.00	0.00	(3,000.00)	(3,000.00)	Jun 2023
Total parking schemes			(87,628.31)	0.00	8,478.77	(3,000.00)	(82,149.54)	
Landscaping								
377	45 Ancaster Rd, Beckenham	£576.67 to be paid for tree removal costs	(576.67)	0.00	576.67	0.00	0.00	Oct 2013
Total Landscaping			(576.67)	0.00	576.67	0.00	0.00	
Healthcare/CCG								
197	Orpington Halls High St Orpington	£13,243 for health care	(13,243.00)	0.00	13,243.00	0.00	0.00	Aug 2014
228	Land at former 1-23 Orchard Grove Orpington	£98,240 for healthcare contribution	(98,240.00)	0.00	98,240.00	0.00	0.00	
274	Denton Court, 60 Birch Row	£40,797 Health contribution	(40,797.00)	0.00	40,797.00	0.00	0.00	
178	Ravensbourne College (Instalment 1 of 3)	Healthcare contribution (£163k in total)	(55,000.00)	0.00	55,000.00	0.00	0.00	Feb 2019
178	Ravensbourne College (Instalment 2 of 3)	Healthcare contribution (£163k in total)	(55,000.00)	0.00	55,000.00	0.00	0.00	Feb 2019
178	Ravensbourne College (Instalment 3 of 3)	Healthcare contribution (£163k in total)	(53,000.00)	0.00	53,000.00	0.00	0.00	Mar 2019
303	2 Betts Way	Healthcare contribution £24.871k	(24,871.00)	0.00	0.00	0.00	(24,871.00)	Nov 2024
300	76 High Street Orpington	Healthcare contribution £44k	(44,000.00)	0.00	0.00	0.00	(44,000.00)	Apr 2020
323	Sheila Stead House (Interest to accrued)	Healthcare contribution £35.953k	(36,342.85)	0.00	0.00	0.00	(36,342.85)	Jun 2025
311	Graham Chiesman House	Healthcare contribution £119.04k	(42,453.68)	0.00	0.00	0.00	(42,453.68)	Jun 2020
208	Land at south side Ringers Road	Healthcare contribution £42k	(119,040.00)	0.00	0.00	0.00	(119,040.00)	Aug 2020
324	1 Chilham Way	Healthcare contribution £52.315k	(2,715.44)	0.00	0.00	0.00	(2,715.44)	Nov 2025
327	Oakfield Centre	Health contribution £37.742k	(37,742.00)	0.00	0.00	0.00	(37,742.00)	
344	The Rising Sun	Health contribution £16.096k	(16,096.00)	0.00	0.00	0.00	(16,096.00)	June 2021
333	Isard House, Glebe House Drive	Health contribution £27,930	(28,064.04)	0.00	0.00	0.00	(28,064.04)	
349 (see 367)	Summit House, Glebe Way	Health contribution £28,998(1st of 2 installments)	(29,100.29)	0.00	0.00	0.00	(29,100.29)	Oct 2021
349 (see 367)	Summit House, Glebe Way (interest to be accrued)	Health contribution £28.998k (2nd of 2 installments)	(29,135.96)	0.00	0.00	0.00	(29,135.96)	Feb 2022
370	Bassetts Day Care Centre	Health contribution £188.3k	(188,255.00)	0.00	0.00	0.00	(188,255.00)	
396	4 Oaklands Road Bromley	Health contribution £10.494k	(10,494.00)	0.00	0.00	0.00	(10,494.00)	
342	Dylon International	Healthcare contribution £76.97k	(77,241.50)	0.00	0.00	0.00	(77,241.50)	Jan 2023
284	Westmoreland Car Park, Simpson Rd	Healthcare contribution £197k	(197,000.00)	0.00	0.00	0.00	(197,000.00)	Mar 2023
353	57 Albemarle Road	Healthcare cont'n £18.67k	0.00	0.00	0.00	(18,670.00)	(18,670.00)	May 2023
386	Former Church Hill Depot Site	Healthcare cont'n £38.015k	0.00	0.00	0.00	(38,015.00)	(38,015.00)	Apr 2028
342	Dylon International Ltd, Worsley Bridge Rd (interest to be accrued)	Healthcare cont'n £40k	0.00	0.00	0.00	(40,000.00)	(40,000.00)	Jan 2023

Public register ref	Address of application	Use of monies	Balance c/f as at 31.3.18	Expenditure	Commitments	Income received during 2018/19	Unallocated Balance as at 31.12.18	Time Limit for spend
369	HG Wells Centre	Healthcare cont'n £52.364k	0.00	0.00	0.00	(52,364.00)	(52,364.00)	

Public register ref	Address of application	Use of monies	Balance c/f as at 31.3.18	Expenditure	Commitments	Income received during 2018/19	Unallocated Balance as at 31.12.18	Time Limit for spend
355	165 Masons Hill	Healthcare cont'n £57.996k	0.00	0.00	0.00	(57,996.00)	(57,996.00)	Aug 2026
408	Queen Mary House	Healthcare cont'n £55.34k	0.00	0.00	0.00	(55,340.00)	(55,340.00)	Sept 2028
387	1 Church Road	Healthcare cont'n £31.296k	0.00	0.00	0.00	(31,296.00)	(31,296.00)	
382	Orchard Lodge, 107 William Booth Road	Healthcare cont'n £142.254k plus interest accrued of £15.080k	0.00	0.00	0.00	(157,333.93)	(157,333.93)	Dec 2026
389	Land Adj to Main Road Blggin Hill	Healthcare cont'n £29.054k	0.00	0.00	0.00	(29,054.00)	(29,054.00)	Dec 2023
Total Healthcare /CCG			(1,197,831.76)	0.00	315,280.00	(480,068.93)	(1,362,620.69)	
Total S106 Revenue Balance			(2,059,889.75)	286,807.24	706,761.91	(552,399.32)	(1,618,719.92)	

CAPITAL ITEMS

	Housing							
178	Ravensbourne College (instalment 3 of 5)	Affordable housing contribution (£1,411k)	(262,256.66)	67,200.00	195,056.66	0.00	0.00	Feb 2019
178	Ravensbourne College (instalment 4 of 5)	Affordable housing contribution (£1,411k)	(282,200.00)	0.00	282,200.00	0.00	0.00	Mar 2019
178	Ravensbourne College (instalment 5 of 5)	Affordable housing contribution (£1,411k)	(282,200.00)	0.00	282,200.00	0.00	0.00	Mar 2019
191/202	102 Martins Rd Bromley	£3,838.80 wheelchair payment	(3,838.80)	0.00	3,838.80	0.00	0.00	Feb 2016
267	Invicta Works, Chalk Pit Avenue, Orpington, BR5 3JQ	Affordable housing contribution £226.801k	(226,801.00)	0.00	226,801.00	0.00	0.00	Apr 2019
285	H Smith Engineers Ltd, Fordcroft Rd, BR5 2DB	Contribution towards wheelchair adapted units £5.512k	(5,512.00)	0.00	5,512.00	0.00	0.00	May 2019
321	Sunridge Park Management Centre Ltd	Affordable housing contribution £700k	(707,303.21)	0.00	0.00	0.00	(707,303.21)	July 2022
334	Hayes Court, West Common Road	Housing contribution £94k	(94,000.00)	0.00	0.00	0.00	(94,000.00)	
300	76 High Street Orpington	Affordable Housing cont'n £205.182k	(205,182.00)	0.00		0.00	(205,182.00)	Apr 2020
311	Graham Chiesman House	Affordable hsing cont'n of £383.397k	(387,533.42)	0.00	115,242.34	0.00	(272,291.08)	Jun 2020
341	Grays Farm Production Village	Affordable hsing cont'n of £105k	(105,000.00)	0.00	0.00	0.00	(105,000.00)	Nov 2020
330	GlaxoSmithKline	Supplementary affordable housing contribution £500k	(501,987.08)	0.00	0.00	0.00	(501,987.08)	Jan 2022
383	Dylon International Ltd, Worsley Bridge Rd	Affordable Housing instalment 1 of 2	(40,141.10)	0.00	0.00	0.00	(40,141.10)	Nov 2022
353	57 Albemarle Road	Affordable Housing cont'n £351.23k	0.00	0.00	0.00	(351,230.05)	(351,230.05)	May 2023
386	Former Church Hill Depot Site	Affordable Housing cont'n £210k	0.00	0.00	0.00	(210,000.00)	(210,000.00)	Apr 2028
369	HG Wells Centre	Affordable Housing cont'n £515k	0.00	0.00	0.00	(515,000.00)	(515,000.00)	
387	1 Church Road	Affordable Housing cont'n £145k	0.00	0.00	0.00	(145,000.00)	(145,000.00)	
389	Land Adj to Main Road Blggin Hill	Affordable Housing cont'n £100k	0.00	0.00	0.00	(100,000.00)	(100,000.00)	Dec 2023
Total Housing			(3,103,955.27)	67,200.00	1,110,850.80	(1,321,230.05)	(3,247,134.52)	

Public register ref	Address of application	Use of monies	Balance c/f as at 31.3.18	Expenditure	Commitments	Income received during 2018/19	Unallocated Balance as at 31.12.18	Time Limit for spend
Education								
178	Ravensbourne College (instalment 2 of 5)	Education contribution (£550k in total)	(110,000.00)	110,000.00	0.00	0.00	0.00	Feb 2019
178	Ravensbourne College (instalment 3 of 5)	Education contribution (£550k in total)	(110,000.00)	110,000.00	0.00	0.00	0.00	Feb 2019
178	Ravensbourne College (instalment 4 of 5)	Education contribution (£550k in total)	(110,000.00)	110,000.00	0.00	0.00	0.00	Mar 2019
178	Ravensbourne College (instalment 5 of 5)	Education contribution (£550k in total)	(110,000.00)	110,000.00	0.00	0.00	0.00	July 2019
186	Blue Circle	Education contribution	(160,753.13)	160,753.13	0.00	0.00	0.00	Jan and Aug 2019
274	Denton Court, 60 Birch Row	£205,230.62 Education contribution	(205,230.62)	205,230.62	0.00	0.00	0.00	Jun 2019
334	Hayes Court, West Common Road	Education cont'n £103.827k	(103,827.44)	0.00	103,827.44	0.00	0.00	
296A	Land at rear of 86-94 High St Becker	Education contribution £182.389k	(182,389.38)	0.00	182,389.38	0.00	0.00	
323	Sheila Stead House (Interest to accrued)	Education contribution £168.738k	(80,425.70)	80,425.70	0.00	0.00	0.00	Jun 2025
302	Day Centre, Chipperfield Rd	Education contribution £335.511k	(168,863.48)	168,863.48	0.00	0.00	0.00	Jun 2025
324	1 Chilham Way	Education contribution £283.047k	(283,046.92)	99,046.98	183,999.94	0.00	0.00	Nov 2025
333	Isard House, Glebe House Drive	Education contribution £112,881.95	(113,423.67)	0.00	113,423.67	0.00	0.00	Sept 2026
370	Bassetts Day Care Centre	Education contribution £773.4k	(773,390.76)	0.00	773,390.76	0.00	0.00	
396	4 Oaklands Road Bromley	Education contribution £14.293k	(14,293.05)	0.00	0.00	0.00	(14,293.05)	
342	Dylon International	Education contribution £195.117k	(195,805.75)	0.00	0.00	0.00	(195,805.75)	Jan 2023
350	Orpington Police Station (interest to be accrued)	Education contribution £160.492k	(85,489.17)	0.00	0.00	(80,245.80)	(165,734.97)	Jan 2026 & Jun 2026
284	Westmoreland Car Park, Simpson Rd	Education contribution £504.046k	(504,045.51)	0.00	0.00	0.00	(504,045.51)	Mar 2023
353	57 Albemarle Road	Education cont'n £80.1k	0.00	0.00	0.00	(80,099.95)	(80,099.95)	May 2023
386	Former Church Hill Depot Site	Education cont'n £120.035k	0.00	120,035.09	0.00	(120,035.09)	0.00	Apr 2028
369	HG Wells Centre	Education contribution £140.635k	0.00	0.00	0.00	(140,635.07)	(140,635.07)	
355	165 Masons Hill	Education cont'n £154.432k	0.00	0.00	0.00	(154,431.62)	(154,431.62)	Aug 2026
382	Orchard Lodge, 107 William Booth Road	Education cont'n £875.143k plus interest of £46.386k	0.00	0.00	0.00	(483,957.12)	(483,957.12)	Dec 2026
389	Land Adj to Main Road Blggin Hill	Education cont'n £131.885k	0.00	0.00	0.00	(131,884.58)	(131,884.58)	Dec 2023
Total Education			(3,310,984.58)	1,274,355.00	1,357,031.19	(1,191,289.23)	(1,870,887.62)	
Highway improvement works & traffic schemes								
203	Multi-storey car park at Earls Way Orpington	£80k for bus stop enhancement	(82,541.86)	0.00	82,541.86	0.00	0.00	Sept 2014
Total for Highway improvement works			(82,541.86)	0.00	82,541.86	0.00	0.00	
Local Economy								
368	18 Elmfield Road, Bromley	£152k for public realm contribution (50% rec'd)	0.00	0.00	76,030.75	(76,030.75)	0.00	May 2025
350	Orpington Police Station (interest to be accrued)	Public Realm contribution £326.05k	0.00	0.00	81,512.50	(81,512.50)	0.00	Jun 2026
330	GlaxoSmithKline (interest to be accrued)	Employment cont'n £4.0m	0.00	0.00	2,000,000.00	(2,000,000.00)	0.00	Oct 2023
Total for Local Economy			0.00	0.00	2,157,543.25	(2,157,543.25)	0.00	
Community Facilities								
389	Land Adj to Main Road Biggin Hill	Additional museum contribution	(85,545.35)	0.00	124,783.25	(39,237.90)	0.00	Jan 2022
Total for Community Facilities			(85,545.35)	0.00	124,783.25	(39,237.90)	0.00	
Total S106 Capital Balance			(6,583,027.06)	1,341,555.00	4,832,750.35	(4,709,300.43)	(5,118,022.14)	
Total Section 106 Balance			(8,642,916.81)	1,628,362.24	5,539,512.26	(5,261,699.75)	(6,736,742.06)	

This page is left intentionally blank

Report No.
CSD19026

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE AND RESOURCES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Date: 7 February 2019

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

Title: Expenditure on Consultants 2017/18 and 2018/19

Contact Officer: David Bradshaw, Head of Finance
Tel: 020 8313 4807 E-mail: david.bradshaw@bromley.gov.uk
Claire Martin, Head of Finance
Tel: 020 8313 4286 E-mail: claire.martin@bromley.gov.uk
James Mullender, Head of Finance
Tel: 020 8313 4196 E-mail: james.mullender@bromley.gov.uk
Tracey Pearson, Chief Accountant
Tel: 020 8313 4323 E-mail: tracey.pearson@bromley.gov.uk

Chief Officer: Peter Turner, Director of Finance

Ward: N/A

1. Reason for report

Members of ER PDS requested a full report on Consultant expenditure be submitted each year. Officers have therefore looked at total expenditure in 2017/18 and expenditure to date for 2018/19 for both Revenue and Capital Budgets.

2. **RECOMMENDATION(S)**

Members to:-

2.1 Note the overall expenditure on Consultants as set out in this report.

2.2 Refer this report onto individual PDS Committees for further consideration

Impact on Vulnerable Adults and Children

1. Summary of Impact: Any issues concerning vulnerable adults and children should be considered within each individual project brief.
-

Corporate Policy

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

Financial

1. Cost of proposal: Not Applicable
 2. Ongoing costs: All one-off expenditure met from allocated budgets
 3. Budget head/performance centre: Consultants
 4. Total current budget for this head: £N/A
 5. Source of funding: Revenue & Capital
-

Personnel

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

Legal

1. Legal Requirement: None
 2. Call-in: Not Applicable
-

Procurement

1. Summary of Procurement Implications: Consultants should be appointed in accordance with CPRs 8.2 and 8.6. IR35 Tax implications also need to be considered.
-

Customer Impact

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

Ward Councillor Views

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

3. COMMENTARY

- 3.1 ER PDS members requested information on the Councils expenditure on Consultants be reported each year. To do this officers have looked at the total expenditure in 2017/18 and also the expenditure for this financial year as at the end of October 2018. This work covered both Revenue and Capital expenditure.
- 3.2 The basic reason for the use of consultants is that at times the Council requires that specialised work is undertaken for specific projects. This is particularly valid when consultants are engaged to work on large scale projects. For completeness expenditure on Architects, Engineers, Surveyors and other consultants commissioned to work on Capital Projects have been included as these generally meet the definition of one-off projects. Proposed expenditure on Capital Projects will have been approved by Executive before being included in the Capital Programme.
- 3.3 The Councils Contract Procedure rules sets out the procurement process to be followed when appointing a consultant and there is also guidance available to staff about what needs to be included in the formal agreement when engaging a consultant, which as a minimum needs to confirm the overall cost, project deliverables, clear brief and reporting arrangements. Appendix 1 provides this in more detail.
- 3.4 There is an element of subjectivity as to what constitutes a “consultant” as a number of services could fall within this definition, however it is generally defined as “a person brought into the Council to carry out a specific job” which is not on-going. For the purposes of this report expenditure on medical fees, counsel and legal fees have been excluded as these are considered to be professional fees rather than consultants.
- 3.5 In looking at consultants, members need to be minded that officers will use them to carry out work on the Council’s behalf when:-
- There is no one internally with the relevant skills or experience
 - There is no capacity/resources available to undertake this work
 - Specialist skills are required
- 3.6 It is important when recruiting a consultant that the project brief sets out the reasons for the use of consultant, that officers have consider any alternative options and also to evaluate the effectiveness of the work undertaken by consultants within the authority.
- 3.7 The benefit of employing consultants is that the Council makes a saving in relation to employer National Insurance and pension contribution. Also in employing consultants the Council is under no obligation to pay consultants for days when they are not working for the Council e.g. sickness and holiday and they are only engaged for a specific period of time – however offsetting this is that these staff are often more expensive.
- 3.8 The risk in not using consultants is that the Council would have to recruit a more substantial and specialised workforce at a greater expense, and thus creating an employment relation or a “contract of service” with the associated diversity of employment rights including unfair dismissal and redundancy payment rights, etc.
- 3.9 This report provides a detailed breakdown of all costs officers believe are consultants, broken down over Portfolio’s and service areas. This is shown in Appendix 2 (revenue) and Appendix 3 (capital). It also examines the procurement arrangements associated with engaging the consultants as part of that process.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 4.1 Any issues concerning vulnerable adults and children should be considered within each individual project brief.

5. FINANCIAL IMPLICATIONS

- 5.1 The financial implications are included in the body of the report and the appendices.
- 5.2 A summary of the expenditure is detailed in the table below

Expenditure on consultants		
	2017/18	2018/19
	£'000	£'000
		Part Year
Revenue	863	456
Capital	2,240	659
	3,103	1,115

6. LEGAL IMPLICATIONS

- 6.1 There is a considerable amount of legislation affording specific employment rights such as paid holiday, maternity leave and pay, entitlement to redundancy payments, minimum notice periods and protection from unfair dismissal, to name but a few to employees. In general terms Self-employed individuals consultants, on the other hand, are not entitled to these enhanced statutory rights or protections, because, arguably, they are not employees in the strict legal sense. However, given the distinction between an employee and a worker, in light of the recent high profile cases including the Uber and the Pimlico Plumber cases some self-employed individuals may be classified as workers with legal entitlement to paid holiday, national minimum wage, etc.
- 6.2 In addition to statutory rights, an employer/employee relationship also implies a duty of trust and confidence between the parties concerned and suggests that neither should act in such a way as to undermine it. This notion introduces the idea of reasonableness into the way in which employers treat their employees. But the relationship between an organisation and a self-employed consultant does not have the same implied duties, with the consultant's protection relying largely on the contractual terms in place.
- 6.3 Describing a role as a consultant will not provide a definitive position and as a starting point, there are three key areas that should be evaluated:
- (i) a requirement for personal service
 - (ii) the existence of mutuality of obligation
 - (iii) the level of control that the council has over an individual.
- 6.3.1 **Personal service** - Is the individual personally required to perform services for the company? An employee is someone who is employed under a contract of service, that is, a contract that requires them to personally turn up for work and carry out the duties requested of them. A consultant, on the other hand, is engaged under a contract for services, that is, a contract under which they agree to provide the company with particular services. But, while they are

obliged to ensure that these services are provided, they are not necessarily required to carry out the work personally.

- 8.3.2 **Mutuality of obligation** - Are employers obliged to offer individuals work under their agreed contract? Equally, if an employer offers an individual work, are they obliged to accept it? If they are, it could indicate an employment relationship.
- 6.3.3 **Control** - How much control does the employer have over an individual? Who decides what work needs to be done, how it should be done and when?
- 6.4 HMRC uses different, albeit similar, criteria when determining individual's employment status or otherwise. This means that an individual could be considered an employee for tax purposes and yet remains a consultant from an employment perspective. As stated above, the processes relating to the engagement of consultants is being tightened with the appropriate checks and balances, taking in account the impact of IR35 regulations. These will reduce or eliminate the obvious employment law risks including the accrual of the statutory protection rights set out in para 5.1 above. HR advice should be sought to ensure that each assignment/engagement is not likely to give rise to employment or "contract of services. Ultimately, who is an employee or a worker, or self- employed individual for employment law purposes is a matter for the court to decide.

7. **PROCUREMENT IMPLICATIONS**

- 7.1 Consultants should be appointed in line with CPR 8.6 which requires a detailed project brief to be included with specific outcomes identified. Chief Officers are responsible for ensuring that project briefs are in place and that no payments are made until the specific outcomes have been achieved.

8. **POLICY IMPLICATIONS**

- 8.1 Consultants may be used to assist officers in meeting the Council's key priorities as set out in the updated "Building a Better Bromley 2016-18".

Non-Applicable Sections:	Personnel Implications
Background Documents: (Access via Contact Officer)	Held in Finance teams

This page is left intentionally blank

CONSULTANT

Coding for Consultants/Agency/Temp Staff

The difference between agency/temporary staff and consultants is often confused and wrongly coded on Oracle. For clarity the difference is explained below:-

➤ Agency staff – Revenue Funded (0104)*

People appointed to cover vacant posts – and paid either by LBB or via comensera. Anyone that we employ but we pay as a company will need to be separately identified and for the purposes of LBB classified as working under a consultancy basis (see below).

➤ Temporary Staff – Revenue Funded (0104)*

People that are employed for less than 3 months to do a specific urgent piece of work, where no post exists, so a supernumerary post is allocated and virement rules apply. Once the post exceeds 3 months a post creation form will need to be set up (back dated to when the post commenced working with the council) and justification and funding identified.

➤ Consultants – Revenue/Capital (1708)**

Consultants should be used to undertake one-off projects, where there is no one internally with the relevant skills. There should be transparency around funding of the post which should be on a fixed fee and clear deliverable, which should be reviewed at the end of the project.

* 0104 codes – there may be a basket of temporary codes so please check the FCB

** 1708 codes – unless there is a good reason, at all times this is the code that should be used.

In general terms a **Consultant** is viewed as being: -

Someone employed for a specific length of time to work to a defined project brief with clear outcomes to be delivered, which brings specialist skills or knowledge to the role, and where the council has no ready access to employees with the skills, experience or capacity to undertake the work.

A Consultant should be engaged on a fixed price contract and would not normally be employed on a day rate (this will ensure VFM).

Further details on these requirements and advice on the employment of Consultants can be found in the Council's Contract Procedure Rules (CPR 8.1 & 8.5) and the accompanying Practice Notes /Contract Document on the employment of Consultants, which can be found in the Procurement Toolkit.

Employing the Consultant

Audit Commission research has indicated that most consultancy work was not usually let on the basis of lowest price, although few authorities held records to justify their decisions. You must always take account of the available budget.

You should prepare a formal agreement before a consultancy assignment commences. This may range from a letter to a formal legal contract. As a minimum the agreement should:

- confirm agreed total costs (fixed price arrangements are usually preferable),
- description of all project deliverables
- make reference to the brief
- make reference to the consultant's submission
- confirm invoicing and payment arrangements
- set out termination and arbitration arrangements
- set out reporting arrangements

You must also ensure that sufficient provision is made for any necessary Insurances and Indemnities required to protect the Council's position. This includes a need to establish the tax position of the Consultant to ensure payments made under any commission placed are correctly treated.

Requirement for a Consultant

The initial requirements around the commissioning of Consultancy Services should include consideration of how service requirements are met and other approaches which might be used. For example can the requirement be met through the completion of work via Agency Staff, the employment of an interim manager (via a direct/temporary contract of employment with the Council), or Secondment arrangements. Only once the best "fit" has been identified should work be commissioned. The arrangement should also be subject to periodic review as, for example, an initial urgent requirement placed with a Consultant might not be better completed at a later date via a temporary contract of employment

There needs to be a clear **accountable** officer responsible for commissioning the consultants work, who monitors progress and delivery and ensures VFM is delivered at all times. The consultant would not normally manage any staff directly or be responsible for authorising spend.

Procurement – Competition Requirements (contract procedure rule 8.1) now incorporates the tender procedures for consultants with effect from September 2016.

8.2 Procurement – Competition Requirements

8.2.1 Where the Estimated Cost or Value for a purchase is within the limits identified in the in the first column below, the Award Procedure in the second column must be followed. Shortlisting shall be done by the persons specified in the third column.

Estimated Cost (or Value)	Tender procedure	Shortlisting
Up to £5,000 (£25,000 for Consultancy Services)	One oral Quotation (confirmed in writing where the Estimated Cost or Value exceeds £1,000) using the Using the Council's "Local Rules" Process where possible and other Approved Lists where Authorised	Officer
£5,000 - up to £25,000	3 written Quotations using the Council's "Local Rules" Process where possible and other lists as Agreed with the Head of Procurement.	Officer
£25,000 – £100,000	Request for Quotation using the Council's "Local Rules" Process where possible and other lists as Agreed with the Head of Procurement., to at least 3 and no more than 6 Candidates. If for whatever reason, a Request for Quotation is made using a Public Advertisement, the opportunity must also be included on "Contract Finder", with all Suitable Candidates responding, being considered. In both cases use must be made of the Council's E Procurement System, unless otherwise agreed by the Head of Procurement.	Officer and Line Manager
£100,000 up to the EU Threshold for Supplies and Services (applies to all activities)	Invitation to Tender making use of a Public Advertisement. The opportunity must also be included on "Contract Finder", with all Suitable Candidates responding, being considered. No Prior Qualification process is permitted Use must be made of the Council's E Procurement System, unless otherwise agreed by the Head of Procurement.	Officer, HOS and Head of Procurement, Head of Finance
Above EU Threshold for Supplies and Services (applies to all activities) and / or £500,000 arrangements.	The appropriate EU / Public Contract Procedure or, where this does not apply, Invitation to Tender by an Appropriate Notice /Advertisement to at least five and no more than eight Candidate.	As above + in Consultation with the Director of Corporate Services and Customer Services and Director of Finance – see Rules 7.2.3 & 8.1.4

Note – Where an intended arrangement is for the provision of Consultancy Type Service, including those for Construction related activity and the estimated value of the intended arrangement is above **£50,000** the relevant Portfolio Holder will be Formally Consulted on the intended action and contracting arrangements to be used.

8.2.2 Where it can be demonstrated that there are insufficient suitably qualified Candidates to meet the competition requirement, all suitably qualified Candidates must be invited.

8.2.3 An Officer must not enter into separate contracts nor select a method of calculating the Total Value in order to minimise the application of these Contract Procedure Rules or the Public Contract Regulations.

8.2.4 Where a Public Contract Regulations 2015 applies, the Officer shall discuss with the Head of Procurement and Consult with the Director of Corporate Services and Director of Finance to determine the arrangements to be used for the completion of the Procurement. In any case the Final Contract Documentation shall be available for viewing, via the internet, from the date of publication of any required Contract Notice, unless otherwise agreed.

8.6 The Appointment of Consultants to Provide Services

8.6.1 Consultant architects, engineers, surveyors and other professional Consultants shall be selected and commissions awarded in accordance with the procedures detailed within these Contract Procedure Rules as outlined above.

8.6.2 The engagement of a Consultant shall follow the preparation of a brief that adequately describes the scope of the services to be provided and shall be subject to completion of a formal letter or contract of appointment, using the Council's Standard Form of Consultancy Contract, unless otherwise agreed by the Director of Corporate Services.

8.6.3 Records of Consultancy appointments shall be kept in accordance with Rule 6.

8.6.4 Consultants shall be required to provide evidence of, and maintain professional indemnity insurance policies to the satisfaction of the relevant Head of Finance for the periods specified in the relevant agreement. The officer commissioning the employment of a Consultant and/or responsible for the Approval of their employment shall ensure that the Consultants tax arrangements or company structure are properly considered and do not result in any tax liability to the Authority.

It should be noted that Standard documents have now been amended to reflect IR35.

Category / Supplier Name	Division/Serv. Area	17-18 £	18-19 £	Description	Procurement procedure followed	No. of quotes obtained	Date Reported to Members
One-off specialist advice, no one with relevant specialist skills							
Bromley Experts by Experience	Programmes	0	150	Consultation on the analytical framework for direct payments	Single quote under CPR 8.2.1	1	Project Manager briefed the Portfolio Holder in a regular briefing
Number10 Interim Ltd	Strategy	0	7,200	Provided expert skills in Business Objects and SQL language to extract data and performance information from CareFirst to meet Ofsted expectations	Single quote under CPR 8.2.1. Business Case for additional resources agreed by Director of Finance and HR	1	Not Necessary to report to members
Baltimore Consulting Group	Strategy	8,550	0	To undertake Board Manager duties. This is now a substantive post in ASC with a permanent board manager in place.	Single quote under CPR 8.2.1	1	
Howard Reid Ltd	Strategy	2,750	1,650	Independent Investigation for disciplinary purposes.	Single quote under CPR 8.2.1	1	Not Necessary to report to members. However Chief Exec, Leader and Portfolio Holder are aware.
One-off specialist work total		11,300	9,000				
Insufficient in-house skills / resources							
M. D. Consultancy and Design	Programmes	0	1,800	Preparation and delivery of the Bromley Well Workshop	Single quote under CPR 8.2.1	1	
Insufficient in-house skills total		0	1,800				
Training							
DPR Consultancy Services Ltd	Strategy	0	2,500	Consultant appointed to provide training and development	Single quote under CPR 8.2.1	1	
Daisy Bogg Consultancy Ltd	Strategy L&D	17,450	9,850	Package of ASYE External Training and other courses.	Request for Quotes through Due North tender process. Further Extension authorised.	At least 3	
DPR Consultancy Services Ltd	L&D	5,800	14,000	Package of External Training	Request for Quotes through Due North tender process. Further Extension authorised.	At least 3	
Etre Consulting Ltd	L&D	825	0	Package of External Training	Request for Quotes through Due North tender process. Further Extension authorised.	At least 3	
James Blewett Training & Consultancy Ltd	L&D	9,300	3,600	Package of External Training	Single quote under CPR 8.2.1 and authorised extension of waiver	1	
Janet Lee Training & Consultancy Ltd	L&D	5,400	600	Package of External Training	Single quote under CPR 8.2.1 and authorised extension of waiver	1	
One Stop Social Ltd	L&D	0	1,820	Package of External Training	Single quote under CPR 8.2.1	1	
Sam Tarling Consultancy Ltd	L&D	2,100	0	Package of External Training	Single quote under CPR 8.2.1	1	
Training total		40,875	32,370				
GRAND TOTAL		52,175	43,170				

Category / Supplier Name	Division /Serv. Area	17-18 £	18-19	DSG/RS G/ OTHER	Description	Procurement procedure followed	No. of quotes obtained	Date Reported to Members
One-off specialist advice, no one with relevant specialist skills								
OLM Systems Limited	CSC	7,288	0		Consultancy services in relation to the Eclipse (IT) Project	Covered by existing contract with OLM	Specialist service only deliverable by OLM	
Coram	CSC	16,000	0		One off Post 2016 Ofsted work - CLA Letters	Single quote under CPR 8.2.1	1	
Coram Voice	CSC		7,020		Setup, running and analysis of the "Your Life, Your Care" & "Your Life Beyond Care" surveys	Single quote under CPR 8.2.1	1	
Aidhour Ltd	CSC	40,434		RSG	Review of the QA Service. Start of Ofsted improvement plan	Exemption from tendering under CPR 13.1	1	
Aidhour Ltd	CSC		29,279	RSG	Pre Ofsted review of CLA case files	Contract Exemption form completed May 2015	1	
Emeritus Consultancy	CSC	15,805	35,717	RSG	Childrens Service Improvement Team	Exemption from tendering under CPR 13.1	1	
M.F. Consultancy	CSC		9,000	RSG	Childrens Service Improvement Team	Single quote under CPR 8.2.1	1	
Mrs C. M. B.	CSC	4,800		RSG	Pre Ofsted review by regulator	Single quote under CPR 8.2.1	1	
T. G.	CSC		2,324	RSG	Pre Ofsted review by regulator	Single quote under CPR 8.2.1	1	
The Change Agency	CSC	30,500	20,500	RSG	Child Protection Chair / IRO service reviews	Exemption from tendering under CPR 13.1	1	
Croydon Council	EDUC	0	15,000	RSG	Joint SEN Commissioning Programme with Croydon Council who are responsible. Programme involves Consultancy which has been brought in by Croydon and Bromley is sharing the cost.	See Description		
Enfield Council	EDUC	12,000	0	OTHER	Programme joint with Enfield Council to support London wide implementation of SEND reforms. Bromley and Enfield identified as pathfinder areas.	See Description		
Bromley Parent Voice	EDUC	11,950	7,500	OTHER	SEND Reform project management. Procured for the lifetime of the Pathfinder (one year in first instance) then waivers obtained over the last two years as the grant funding has continued.	Single quote under CPR 8.2.1 - Waiver Obtained	1	
The Change Agency	EDUC	15,000		RSG	BRM SW Model	Single quote under CPR 8.2.1	1	
Send4Change Ltd	EDUC	0	1,600	RSG	A review of services for children with special educational needs and disabilities (SEND) in Bromley	Quotes obtained	3	
Panoramic Associates Ltd	EDUC	37,625	5,250	RSG	Project Management of the conversion project	Exemption from tendering under CPR 13.1	1	
Laces-Support Ltd	EDUC	0	1,000	DSG	Laces were engaged to provide 2 days specialist training for 'Supporting Families where there is a child/children who have complex needs' for a whole service training event.	Single quote under CPR 8.2.1	1	
Whatford Education Ltd	EDUC	24,300	10,800	RSG	Employed to do a review of one of the Council's maintained schools.	Exemption from tendering under CPR 13.1	1	
One-off specialist work total		215,702	144,990					
Insufficient in-house skills / resources								
None applicable								
Insufficient in-house skills total		0	0					
Training								
APW Consultancy Service Ltd	CSC	608	0	RSG	Training delivered to the Joint Adoption and Fostering Panel	Single quote under CPR 8.2.1	1	
C. A. Consultancy Ltd	CSC	6,160	6,200	RSG	The Consultancy offers bespoke support to Bromley schools for the management of Educational Visits and use of EVOLVE database	An exemption from competitive tendering was undertaken in October 2017 and authorisation was received from HR (Charles Obazuaye) and the Director of Finance (Pete Turner).	1	
Eleanor Schooling & Associates	CSC	0	750	RSG	Children Social Care pre Ofsted 'Leadership Team Training'	Single quote under CPR 8.2.1	1	
J. M.	CSC	0	750	RSG	Staff Conference speaker - Keynote Address on Life of LAC	Single quote under CPR 8.2.1	1	
Mrs L. B.	EDUC	0	4,500	RSG	External Review of Adult education Service progress since the last inspection	Local Rules Process	1	N/A - Inspection readiness check
Training total		6,768	12,200					
GRAND TOTAL		222,470	157,190					

Category / Supplier Name	Division/Serv. Area	17-18 £	18-19 £	Description	Procurement procedure followed	No. of quotes obtained	Date Reported to Members
One-off specialist advice, no one with relevant specialist skills							
ATKINS LTD	Traffic, Parking & Highways	32,820	0	Traffic modelling for Site G in Bromley Town Centre	Three written quotations under CPR 8.2.1	3	
BATCHELLER MONKHOUSE	Street Scene & Green Space	0	1,733	Valuation of Scadbury Park Farm	Single quote under CPR 8.2.1	1	
C W INFRASTRUCTURE (UK) LTD	Traffic, Parking & Highways	73,808	0	Project management support and preparation of contract documents for commissioning of service	Waiver under CPR13.1 - Authorised by Chief Officers	1	
FREIGHT TRANSPORT ASSOCIATION	Transport Operations & Depot Management	1,024	0	Advise on a suitable procedure for carrying out audits of contractor's fleets and vehicle management processes. This was in preparation for the new Environment contracts due to commerce in April 2019	Single quote under CPR 8.2.1	1	
QUARTERBRIDGE PROJECT MANAGEMENT LTD	Street Scene & Green Space	14,055	807	To undertake detailed market research and put forward proposal on the future operation of the Bromley Market as part of larger Bromley Regeneration project	Waiver under CPR13.1 - Authorised by Chief Officers	1	
One-off specialist work total		121,707	2,540				
Insufficient in-house skills / resources							
AECOM Page 115	Traffic, Parking & Highways	147,452	66,991	Highway design and construction services via the Council's access agreement with the Homes and Communities Agency Framework, helping the Council meet it's statutory duty under the Highways Act 1980 for the safe use of the safe use of the highway and multi storey car park, to implement transport studies and design to help deliver the Council's LIP in response to the Mayor's Transport Strategy, and Scadbury Moated Manor Site Brief.	Part of HCA Framework under Section 23.7 of CPR. 1 year contract award following revised extension and tendering exercise on 10/06/16. Additional 1 year extension approved by Members on 19/07/17.	1	16/06/10, 17/04/12, 07/07/15 & 19/07/17
WATERMAN ASPEN	Traffic, Parking & Highways	36,410	13,938	Parking Design specialist for Pay & Display project	Waiver under CPR13.1 - Authorised by Chief Officers	1	
WYG ENVIRONMENT PLANNING LTD	Street Scene & Green Space	0	3,388	Technical Support for Environmental Services Contract Procurement (Waste Collection and Disposal)	Three written quotations under CPR 8.2.1	3	
Insufficient in-house skills total		183,862	84,317				
GRAND TOTAL		305,568	86,857				

Category / Supplier Name	Division/Serv. Area	17-18 £	18-19 £	Description	Procurement procedure followed	No. of quotes obtained	Date Reported to Members
One-off specialist advice, no one with relevant specialist skills							
DE VOS CONSULTANCY LTD	Public Protection	650	0	Site inspection and Expert witness Trading Standard investigation.	Single quote under CPR 8.2.1	1	
JACKSON BATES LTD	Public Protection	1,277	1,195	Expert witness Trading Standard fraud investigation	Single quote under CPR 8.2.1	1	
One-off specialist work total		1,927	1,195				
Insufficient in-house skills / resources							
AECOM LTD	Public Protection	1,900	1,050	Air Quality Status Monitoring Report and Summary Status report data ratification	Single quote under CPR 8.2.1	1	
ECLIPSE RESEARCH LTD	Public Protection	14,400	0	CCTV Consultant cost	Single quote under CPR 8.2.1 and waiver to include additional value £15k signed by Chief Officer.	1	
G B SURVEYORS LTD	Public Protection	810	0	Expert witness Trading Standard fraud investigation	Single quote under CPR 8.2.1	1	
Insufficient in-house skills total		17,110	1,050				
GRAND TOTAL							
		19,037	2,245				

Category / Supplier Name	Division /Serv. Area	17-18 £	18-19 £	Description	Procurement procedure followed	No. of quotes obtained	Date Reported to Members
One-off specialist advice, no one with relevant specialist skills							
ATKINS LTD	Regeneration	0	20,746	Survey and modelling works for Bromley Town Centre	Waiver under CPR 13.1 - Authorised by Chief Officers	1	
CUSHMAN & WAKEFIELD	Recreation	14,500	0	Report on Orpington Town Centre opportunities for re-generation/development in order to retain Town ranking	Via TFM Contract	1	
LAND USE CONSULTANTS LTD	Recreation	439	0	Ecological appraisal of planning application.	Request For Quotations under CPR 8.2	4	
LJ ARCHITECTS LTD	Recreation	0	5,000	Department store capacity design work and retail analysis.	Single quote under CPR 8.2.1, and Chief Officer approval	1	
STUDIO EGRET WEST LTD	Regeneration	4,863	0	Architects for public realm improvements to Bromley High Street	Waiver under CPR13.1 - Authorised by Chief Officers/ Portfolio Holder	1	
THE BUILT HERITAGE CONSULTANCY LTD	Regeneration	2,564	0	To undertake a heritage assessment on West Camp	Single quote under CPR 8.2.1	1	
YOU & ME ARCHITECTURE LTD	Recreation	0	8,368	To deliver the Penge High Street Shop Front Improvements	Invitation to Tender, appointed under CPR 14.10 - Authorised by Chief Officer with consultation from Director of Corporate Services and Director of Finance	1	
One-off specialist work total		22,366	34,114				
Page 17							
Insufficient in-house skills / resources							
CENTRAL MANAGEMENT	Recreation	70,685	15,118	Specialist consultants to assist with the establishment of BIDs in Beckenham and Penge	Invitation to Tender, appointed under CPR 14.10 - Authorised by Chief Officer with consultation from Director of Corporate Services and Director of Finance	2	
ECD ARCHITECTS LTD	Regeneration	23,189	37,335	Design consultancy for canopies, commercial units and market stalls on Bromley High Street	Procurement managed on behalf of the Council by TFM Contractor AMEY via Kent County Council Consultancy Services Framework	2	

Category / Supplier Name	Division /Serv. Area	17-18 £	18-19 £	Description	Procurement procedure followed	No. of quotes obtained	Date Reported to Members
H B S LTD	Regeneration	15,551	0	Architects for the production of a Masterplan for Biggin Hill	Single quote under CPR 8.2.1	1	
JB MARKET RESEARCH SERVICES LTD	Regeneration	3,855	0	Conduct research on workspaces as part of the Growth Initiative	Single quote under CPR 8.2.1	1	
MONTAGU EVANS LLP	Regeneration	2,500	0	Specialist Development Consultancy Advice for Town centre site (including Site A and Orpington)	Waiver under CPR 13.1- Contract Extension- Authorised by Chief Officers/ Portfolio Holder	1	
TAGMARK LTD	Recreation	0	1,400	Consultancy advice for a café operational strategy	Single quote under CPR 8.2.1, and Chief Officer approval	1	
Insufficient in-house skills total		115,780	53,853				
Planning							
A R URBANISM LTD	Planning	3,750	0	Urban design and architecture advice on planning application	Single quote under CPR 8.2.1, and Chief Officer approval	1	
AECOM INFRASTRUCTURE & ENVIRONMENT UK LTD	Planning	13,231	0	Professional services for the development of Bromley Local Plan.	Single quote under CPR 8.2.1	1	
CARTER JONAS LLP	Planning	32,236	0	Planning consultancy work on planning appeals (Footsie Social Club, Kemnal Stables, South Eden Park Road)	Single quote under CPR13.1 - Authorised by Chief Officers	1	
GLANVILLE CONSULTANTS LTD	Planning	7,216	14,050	Highway consultancy work on planning application / appeal	Single quote under CPR13.1 - Authorised by Chief Officers	1	
J M H PARTNERSHIP	Planning	0	525	Planning appeals works for Queen Mary House.	Single quote under CPR 8.2.1	1	
MATTHEWS & SON LLP	Planning	0	3,044	Mineral and waste advice on quarry site for planning application.	Waiver under CPR 13.1 - Authorised by Chief Planner	1	
PB ASSOCIATES LLP	Planning	0	26,816	Retail consultancy witness for planning appeal	Waiver under CPR13.1 - Authorised by Chief Officers	1	
READING AGRICULTURAL CONSULTANTS LTD	Planning	0	1,750	Agricultural consultancy advice for planning application & appeal of planning application Yonder Farm	Single quote under CPR 8.2.1	1	

Category / Supplier Name	Division /Serv. Area	17-18 £	18-19 £	Description	Procurement procedure followed	No. of quotes obtained	Date Reported to Members
RPS CONSULTING SERVICES LTD	Planning	0	3,720	Environmental consultancy advice on EIA applications	Three written quotations under CPR 8.2.1	3	
SCHOFIELD LOTHIAN LTD	Planning	0	831	Ecology consultant advice on planning application	Single quote under CPR 8.2.1	1	
THE POWER SERVICE	Planning	6,040	200	Consultants Electrical Works to ascertain compliance with Part P - Building Regulation.	Single quote under CPR 8.2.1	1	
TIBBALDS PLANNING & URBAN DESIGN LTD	Planning	0	13,550	Urban design and architectural advice on planning application	Three written quotations under CPR 8.2.1	3	
Planning total		62,473	64,486				
GRAND TOTAL		200,619	152,453				

Category / Supplier Name	Division /Serv. Area	17-18 £	18-19 £	Description	Procurement procedure followed	No. of quotes	Date Reported to Members
One-off specialist advice, no one with relevant specialist skills							
COLE JARMAN LTD	Chief Executives	11,585		Noise Action Plan - acoustic advice and implementation	Waiver under Contract Procedure Rule 13.1 - Negotiated Tender. Authorised by Chief Officers/Executive Members	1	As part of Biggin Hill report to Executive 11.2.15 and 15.6.16
LIBERATA UK LIMITED	HR	1,685	1,800	Academy TUPE Conversions Blenheim, Churchfield, Bickley and Bromley Rd Primary, Southborough, Poverest, Downe & Edgebury schools.	Fixed fee arrangement agreed with Liberata in addition to main contract work. Work is sporadic by nature, reducing and specialist skills required.	1	N/A
Wokingham Borough Council	Chief Executives	3,360		Independent Review - Waste Investigation	Given the sensitive and urgent nature of these commissions the procurement procedure was waived	1	N/A
Osbourne Thomas Ltd	Chief Executives	3,750	1,125	CEX Investigations into whistle blowing and grievance	Given the sensitive and urgent nature of these commissions the procurement procedure was waived	1	N/A
Keegans Ltd	TFM (Strategic Property)	4,540		Undertake Feasibility Study on the external facade replacement options, including window renewals (Bromley Central Library and Churchill Theatre)	Single Quote obtained due to their experience on similar façade/ recladding projects.	1	N/A
IN-FORM CONSULT LTD	ISD	31,257		IM Management Programme	Waiver under Contract Procedure Rule 13.1 - Negotiated Tender. Authorised by Chief Officers/Executive Members	1	Dec-17
CALFORDSEADEN	TFM (Strategic Property)	6,910	475	The provision of consultancy services in connection with the delivery of lift replacement works as part of the planned maintenance programme and CDM regulations	Single quote under CPR 8.5.1	1	N/A
One-off specialist work total		63,086	3,400				
Insufficient in-house skills / resources							
Osbourne Thomas Ltd	Legal		8,250	CEX investigation	3 quotes sought and returned.	3	N/A
Pellings Ltd	TFM (Strategic Property)		1,670	Feasibility report options to renew/replace Walnuts District Heating System	Pellings were appointed in June 2015 via mini competition through LCP framework. This was some supplementary feasibility information required on the selected option. This was a single quote to provide additional feasibility on the selected option.	1	N/A
Insufficient in-house skills total		0	9,920				
Training							
Local Government Information Unit (LGIU)	Democratic Services		797	Delivery of Scrutiny Training session for Councillors as part of the 2018 Induction Programme	Single quote under CPR 8.2.1	1	N/A
Training total		0	797				
GRAND TOTAL		63,086	14,117				

Capital Consultants - 2017/18

Supplier Name	Portfolio					Grand Total	Cost Centre	Scheme	No. of quotes obtained	Procurement procedure followed	Date reported to Members	Responsible Officer
	EDUCATION PORTFOLIO	ENVIRONMENT PORTFOLIO	PPS PORTFOLIO	RENEWAL & RECREATION PORTFOLIO	RESOURCES PORTFOLIO							
Architects												
PICK EVERARD	6,405.00	0.00	0.00	0.00	0.00	6,405.00						
	2,900.00					2,900.00	907976~C004	Glebe Expansion Works Feasibility	The framework requires all suppliers within the relevant Lot to be invited to quote.	Construction Related Consultancy Services 2012 Framework	24.10.12 - Use of LB Lewisham & LB Haringey (LCP) Frameworks agreed by Executive. Individual projects subject to tender. Consultancy spend reported through scheme gateway reports	Rob Bollen
	2,900.00					2,900.00	907976~C004	Glebe Expansion Works Feasibility				Rob Bollen
	605.00					605.00	907976~C004	Glebe Expansion Works Feasibility				Rob Bollen
AECOM INFRASTRUCTURE & ENVIRONMENT UK	0.00	0.00	0.00	261,519.00	0.00	261,519.00						
				261,519.00		261,519.00	941895~C001~00000	Crystal Palace park - Alternative Management Options	5	The Homes and Community Agency multi-disciplinary technical panel framework was used for this procurement.	13th January 2016	Colin Brand
ARKON ASSOCIATES LTD	0.00	0.00	0.00	23,123.00	0.00	23,123.00						
				23,123.00		23,123.00	941887~C001	Bromley MyTime Investment Fund	Procurement undertaken by MyTime	Procurement undertaken by MyTime	N/A	Colin Brand
INTELLIGENT DATA COLLECTION LTD	0.00	0.00	0.00	2,800.00	0.00	2,800.00						
				2,800.00		2,800.00	941895~C001	Crystal Palace park - Alternative Management Options	1	CPR 8.2.1	N/A	Colin Brand
ROBIN LEE ARCHITECTURE	0.00	0.00	0.00	144,928.00	0.00	144,928.00						
				144,928.00		144,928.00	941542~C001	Biggin Hill Memorial Museum - RIBA stages 5 - 7 fee	3	ADUP Procurement Framework	2nd December 2015	Colin Brand
PHILIP MEADOWCROFT ARCHITECTS LTD	0.00	0.00	0.00	25,000.00	0.00	25,000.00						
				25,000.00		25,000.00	941895~C001	Crystal Palace park - Alternative Management Options	1	CPR 8.2.1	N/A	Colin Brand
Sub total - Architects	6,405.00	0.00	0.00	457,370.00	0.00	463,775.00						
Surveyors												
RPS HEALTH SAFETY & ENVIRONMENT	0.00	0.00	0.00	0.00	1,300.00	1,300.00						
					650.00	650.00	936407~C009	Investment Fund - Property Acquisition	1	Due Diligence by C&W as Investment purchase costs - agreed via Exec report into acquisition	N/A	Mike Watkins
					650.00	650.00	936407~C009	Investment Fund - Property Acquisition	1	Due Diligence by C&W as Investment purchase costs - agreed via Exec report into acquisition	N/A	Mike Watkins
NATIONWIDE DATA COLLECTION	0.00	2,250.00	0.00	0.00	0.00	2,250.00						
		300.00				300.00	922672~C004	LIP Formula Funding - Speed Surveys - 2x 1 week ATC	3	TFL Framework	n/a (note: should be C009)	Angus Culverwell
		300.00				300.00	922672~C004	LIP Formula Funding - Speed Surveys - 2x 1 week ATC	3	TFL Framework	n/a (note: should be C009)	Angus Culverwell
		1,650.00				1,650.00	922672~C004	LIP Formula Funding - Traffic turning count and ANPR for Shortlands	3	TFL Framework	n/a (note: should be C009)	Angus Culverwell
CAD MAP LTD	0.00	2,700.00	0.00	0.00	0.00	2,700.00						
		600.00				600.00	922672~C004~FA954	LIP Formula Funding - Cluster sites: analysis, selection & implementation	3	Mini-competition	n/a	Angus Culverwell

Supplier Name	Portfolio					Grand Total	Cost Centre	Scheme	No. of quotes obtained	Procurement procedure followed	Date reported to Members	Responsible Officer
	EDUCATION PORTFOLIO	ENVIRONMENT PORTFOLIO	PPS PORTFOLIO	RENEWAL & RECREATION PORTFOLIO	RESOURCES PORTFOLIO							
		1,450.00				1,450.00	922672~C029~FA956	LIP Formula Funding - Topo Survey - Bromley Rd junction with Scotts Lane - CAD Map	3	Mini-competition	n/a (note: should be C009)	Angus Culverwell
		650.00				650.00	922672~C029~FA956	LIP Formula Funding - Topo Survey - Bromley Rd junction with Scotts Lane - CAD Map	3	Mini-competition	n/a (note: should be C009)	Angus Culverwell
TRACSYS TRAFFIC DATA LIMITED	0.00	4,015.00	0.00	0.00	0.00	4,015.00						
		175.00				175.00	922672~C009	LIP Formula - Traffic Survey	3	Mini-competition	n/a	Angus Culverwell
		425.00				425.00	922672~C009	LIP Formula - Traffic Surveys in Copers Cope Rd John Joyce	3	Mini-competition	n/a	Angus Culverwell
		1,945.00				1,945.00	922672~C001	LIP Formula Funding - two weeks speed surveys outside property number 35 Park Avenue, Bromley, BR1 on lamp column number P 36 12 and outside property number 34 Oaklands Land Biggin Hill TN16 3DN (Oaklands Primary School)	3	Mini-competition	n/a (note: should be C009)	Angus Culverwell
		1,470.00				1,470.00	922672~C029	LIP Formula Funding - Two weeks speed surveys at 5 locations in Bromley, BR1 Lusted Hall Lane 1, Lusted Hall Lane 2, Court Farm Road and Village Way	3	Mini-competition	n/a (note: should be C009)	Angus Culverwell
WARNER LAND SURVEYS LTD	0.00	3,710.00	0.00	0.00	0.00	3,710.00						
		1,370.00				1,370.00	922672~C004~FA945	LIP Formula - Topo Survey of footway between Shortlands Station and St Marks School	3	Request for Quotes	n/a (note: should be C009)	Angus Culverwell
		2,340.00				2,340.00	922672~C001	LIP Formula Funding - Payment for Topo Survey, to Warner	3	Request for Quotes	n/a (note: should be C009)	Angus Culverwell
	0.00	12,675.00	0.00	0.00	1,300.00	13,975.00						
Sub total - Surveyors	0.00	12,675.00	0.00	0.00	1,300.00	13,975.00						
Multi disciplinary consultant / Other Consultants												
AECOM LTD	0.00	116,327.00	0.00	0.00	0.00	116,327.00						
		107,088.00				107,088.00	922661~C001	Maintenance	TfL Framework	Term Consultant (TfL Framework)	E&RC PDS	Garry Warner
		9,239.00				9,239.00	922672~C001	LIP Formula Funding	1	Framework		Angus Culverwell
ARCADIS CONSULTING UK LTD	0.00	20,095.00	0.00	0.00	0.00	20,095.00						
		20,095.00				20,095.00	922672~C001	LIP Formula Funding	2	Request for 3 Quotes via eProcurement	n/a (note: should be C009)	Angus Culverwell
BAILEY PARTNERSHIP	1,050,828.00	0.00	0.00	0.00	0.00	1,050,828.00						
		622,923.00				622,923.00	907974~C004	Basic Needs - Various Consultant Services	Appt made via LB Lewisham Consultants Framework - All suppliers within the relevant Lot to be invited to quote.	Tender	24.10.12 - Use of LB Lewisham & LB Haringey (LCP) Frameworks agreed by Executive. Individual projects subject to tender. Consultancy spend reported through scheme gateway reports	Rob Bollen
		427,905.00				427,905.00	907974~C001	Basic Needs	Move to C004			Rob Bollen
BAILY GARNER LLP	85,826.00	0.00	0.00	0.00	0.00	85,826.00						
		50,451.00				50,451.00	907974~C004	Basic Needs - Undertake PM/EA role at Poverest Primary School under Lot 2 Framework to RIBA Stage 2 under LOI	Appt made via LB Lewisham Consultants Framework - All suppliers within the relevant Lot to be invited to quote.	Tender	24.10.12 - Use of LB Lewisham & LB Haringey (LCP) Frameworks agreed by Executive. Individual projects subject to tender. Consultancy spend reported through scheme gateway reports	Rob Bollen

Supplier Name	Portfolio					Grand Total	Cost Centre	Scheme	No. of quotes obtained	Procurement procedure followed	Date reported to Members	Responsible Officer
	EDUCATION PORTFOLIO	ENVIRONMENT PORTFOLIO	PPS PORTFOLIO	RENEWAL & RECREATION PORTFOLIO	RESOURCES PORTFOLIO							
	35,375.00					35,375.00	907974~C001	Basic Needs - Undertake PM/EA role at St Mary Cray Primary School under Lot 2 Framework to RIBA Stage 2 under LOI	Appt made via LB Lewisham Consultants Framework - All suppliers within the relevant Lot to be invited to quote.	Tender	24.10.12 - Use of LB Lewisham & LB Haringey (LCP) Frameworks agreed by Executive. Individual projects subject to tender. Consultancy spend reported through scheme gateway reports	Rob Bollen
CAPITA BUSINESS SERVICES LTD	0.00	0.00	0.00	0.00	30,888.00	30,888.00						
					30,888.00	30,888.00	936459~C004	Review of Corporate Customer Services I.T Systems - Advantage Digital Trustmarque Replacement Services		These costs are for works for IT System upgrade		Duncan Bridgewater
FOURTH STREET PLACE CONSULTANTS	0.00	0.00	0.00	3,750.00	0.00	3,750.00						
				3,750.00		3,750.00	941895~C001	Crystal Palace park - Alternative Management Options	1	CPR 8.2.1	n/a	Colin Brand
IG9 LTD	30,017.00	0.00	0.00	0.00	0.00	30,017.00						
	30,017.00					30,017.00	907974~C004~E1162	Basic Needs	5	LCP Construction Related Consultancy Services 2012 Framework	24.10.12 - Use of LB Lewisham & LB Haringey (LCP) Frameworks agreed by Executive. Individual projects subject to tender. Consultancy spend reported through scheme gateway reports	Rob Bollen
IN-FORM CONSULT LTD	0.00	0.00	0.00	0.00	811.00	811.00						
					775.00	775.00	936457~C001	SharePoint Productivity Platform upgrade/replacement	Single Tender	officers commissioned Jadu Ltd to upgrade the Web content management system as a negotiated single tender at an estimated cost of £53k;	14-Sep-16	Duncan Bridgewater
					36.00	36.00	936457~C001	SharePoint Productivity Platform upgrade/replacement				

Supplier Name	Portfolio					Grand Total	Cost Centre	Scheme	No. of quotes obtained	Procurement procedure followed	Date reported to Members	Responsible Officer
	EDUCATION PORTFOLIO	ENVIRONMENT PORTFOLIO	PPS PORTFOLIO	RENEWAL & RECREATION PORTFOLIO	RESOURCES PORTFOLIO							
J K KARLSSON	0.00	0.00	0.00	400.00	0.00	400.00	941540~C004	Penge Town Centre		Term Contract	23-Mar-15	Kevin
KEEGANS LTD	95,414.00	0.00	0.00	0.00	0.00	95,414.00						
	58,017.00					58,017.00	907974~C004~E1086	Basic Needs	All suppliers within the relevant Lot to be invited to quote.	LCP Construction Related Consultancy Services 2012 Framework	24.10.12 - Use of LB Lewisham & LB Haringey (LCP) Frameworks agreed by Executive. Individual projects subject to call-off/mini tender. Consultancy spend reported through scheme gateway reports	Rob Bollen
	2,271.00					2,271.00	907974~C004~E1112	Basic Needs	All suppliers within the relevant Lot to be invited to quote.	LCP Construction Related Consultancy Services 2012 Framework	24.10.12 - Use of LB Lewisham & LB Haringey (LCP) Frameworks agreed by Executive. Individual projects subject to call-off/mini tender. Consultancy spend reported through scheme gateway reports	Rob Bollen
	2,389.00					2,389.00	911211~C004~E1148	Basic Needs - Sensory Support (Vision) - Access Initiative	All suppliers within the relevant Lot to be invited to quote.	LCP Construction Related Consultancy Services 2012 Framework	24.10.12 - Use of LB Lewisham & LB Haringey (LCP) Frameworks agreed by Executive. Individual projects subject to call-off/mini tender. Consultancy spend reported through scheme gateway reports	Rob Bollen
	26,401.00					26,401.00	907976~C004~E1344	Glebe expansion works feasibility	All suppliers within the relevant Lot to be invited to quote.	LCP Construction Related Consultancy Services 2012 Framework	24.10.12 - Use of LB Lewisham & LB Haringey (LCP) Frameworks agreed by Executive. Individual projects subject to call-off/mini tender. Consultancy spend reported through scheme gateway reports	Rob Bollen
	6,336.00					6,336.00	907979~C004~00000	Beacon House Refurb	5	LCP Construction Related Consultancy Services 2012 Framework	24.10.12 - Use of LB Lewisham & LB Haringey (LCP) Frameworks agreed by Executive. Individual projects subject to call-off/mini tender. Consultancy spend reported through scheme gateway reports	Rob Bollen
KINNEAR LANDSCAPE ARCHITECTS LTD	0.00	0.00	0.00	39,622.00	0.00	39,622.00						
				39,622.00		39,622.00	941894~C001	Crystal Palace Park Improvements - RIBA stages 3 - 6	3	ADUP procurement framework	22nd July 2014	Colin Brand
M&S TRAFFIC LTD	0.00	1,600.00	0.00	0.00	0.00	1,600.00						
		600.00				600.00	922672~C004~FA944	LIP Formula Funding - x4 Road Safety Audits (QW Greenwich to Kent House Station; Crofton Road, Farnborough; Brook Lane, Bromley; Warren Road Jnt Windsor Drive, Chelsfield)	3	Request for Quotes	n/a (note: should be C009)	Angus Culverwell
		200.00				200.00	922672~C004~FA948	LIP Formula Funding - x4 Road Safety Audits (QW Greenwich to Kent House Station; Crofton Road, Farnborough; Brook Lane, Bromley; Warren Road Jnt Windsor Drive, Chelsfield)	3	Request for Quotes	n/a (note: should be C009)	Angus Culverwell
		800.00				800.00	922672~C004~FA958	LIP Formula Funding - x4 Road Safety Audits (QW Greenwich to Kent House Station; Crofton Road, Farnborough; Brook Lane, Bromley; Warren Road Jnt Windsor Drive, Chelsfield)	3	Request for Quotes	n/a (note: should be C009)	Angus Culverwell

Supplier Name	Portfolio					Grand Total	Cost Centre	Scheme	No. of quotes obtained	Procurement procedure followed	Date reported to Members	Responsible Officer
	EDUCATION PORTFOLIO	ENVIRONMENT PORTFOLIO	PPS PORTFOLIO	RENEWAL & RECREATION PORTFOLIO	RESOURCES PORTFOLIO							
MONTAGU EVANS LLP	0.00	0.00	0.00	38,805.00	0.00	38,805.00						
				38,805.00		38,805.00	950823~C004~FD996	PIL - Housing Zone Bid and Site G - Site Procurement		Waiver under CPR 13.1	05-Jul-17	Kevin Munnelly
NUMBER 10 INTERIM LTD	0.00	0.00	0.00	0.00	63,125.00	63,125.00						
					63,125.00	63,125.00	936452~C004~00000	Performance management/CYP systems	4	Specialist Project Management Agency. Unable to source through Adecco	Portfolio Holder Briefings - Eclipse Project updates	Naheed Chaudhry
PELLINGS LLP	94,903.00	0.00	0.00	0.00	0.00	94,903.00						
	6,277.00					6,277.00	907974~C004~E1020	Basic Needs - Undertake PM/EA role at Castlecoombe Primary School under Lot 2 Framework to RIBA Stage 2 under LOI	Appt made via LB Lewisham Consultants Framework - All suppliers within the relevant Lot to be invited to quote.	Tender	24.10.12 - Use of LB Lewisham & LB Haringey (LCP) Frameworks agreed by Executive. Individual projects subject to tender. Consultancy spend reported through scheme gateway reports	Rob Bollen
	5,946.00					5,946.00	907974~C004~E1026	Basic Needs - S/Cr Supplier Pellings, Invoice SI18455	Appt made via LB Lewisham Consultants Framework - All suppliers within the relevant Lot to be invited to quote.	Tender	24.10.12 - Use of LB Lewisham & LB Haringey (LCP) Frameworks agreed by Executive. Individual projects subject to tender. Consultancy spend reported through scheme gateway reports	Rob Bollen
	1,829.00					1,829.00	907974~C004~E1035	Basic Needs - Undertake PM/EA role at Dorset Road Infant School under Lot 2 Framework to RIBA Stage 2 under LOI	Appt made via LB Lewisham Consultants Framework - All suppliers within the relevant Lot to be invited to quote.	Tender	24.10.12 - Use of LB Lewisham & LB Haringey (LCP) Frameworks agreed by Executive. Individual projects subject to tender. Consultancy spend reported through scheme gateway reports	Rob Bollen
	31,326.00					31,326.00	907974~C004~E1049	Basic Needs - Undertake PM/EA role at Farnborough Primary School under Lot 2 Framework to RIBA Stage 2 under LOI	Appt made via LB Lewisham Consultants Framework - All suppliers within the relevant Lot to be invited to quote.	Tender	24.10.12 - Use of LB Lewisham & LB Haringey (LCP) Frameworks agreed by Executive. Individual projects subject to tender. Consultancy spend reported through scheme gateway reports	Rob Bollen
Page 125	15,000.00					15,000.00	911211~C004~E1010	Sensory Support (Vision) - Access Initiative - Undertake PM / EA role to facilitate the installation of access requirements (Hygiene Room) and associated works at Balgowan School under Lot2 Lewisham Framework tender	Appt made via LB Lewisham Consultants Framework - All suppliers within the relevant Lot to be invited to quote.	Tender	24.10.12 - Use of LB Lewisham & LB Haringey (LCP) Frameworks agreed by Executive. Individual projects subject to tender. Consultancy spend reported through scheme gateway reports	Rob Bollen
	20,619.00					20,619.00	911211~C004~E1104	Sensory Support (Vision) - Access Initiative - Undertake PM/EA role at Crofton Junior School for provision of Hygiene Room under Lot 2 Framework to RIBA Stage 2 under LOI	Appt made via LB Lewisham Consultants Framework - All suppliers within the relevant Lot to be invited to quote.	Tender	24.10.12 - Use of LB Lewisham & LB Haringey (LCP) Frameworks agreed by Executive. Individual projects subject to tender. Consultancy spend reported through scheme gateway reports	Rob Bollen

Supplier Name	Portfolio					Grand Total	Cost Centre	Scheme	No. of quotes obtained	Procurement procedure followed	Date reported to Members	Responsible Officer
	EDUCATION PORTFOLIO	ENVIRONMENT PORTFOLIO	PPS PORTFOLIO	RENEWAL & RECREATION PORTFOLIO	RESOURCES PORTFOLIO							
	8,737.00					8,737.00	907974~C001-E1010	Basic Needs - Undertake PM / EA role to facilitate the installation of access requirements (Hygiene Room) and associated works at Balgowan School under Lot2 Lewisham Framework tender (2nd PO)	Appt made via LB Lewisham Consultants Framework - All suppliers within the relevant Lot to be invited to quote.	Tender	24.10.12 - Use of LB Lewisham & LB Haringey (LCP) Frameworks agreed by Executive. Individual projects subject to tender. Consultancy spend reported through scheme gateway reports	Rob Bollen
	5,169.00					5,169.00	907974~C001-E1062	Basic Needs - Undertake PM/EA role at Crofton Junior School for provision of Hygiene Room under Lot 2 Framework to RIBA Stage 2 under LOI (2nd PO)	Appt made via LB Lewisham Consultants Framework - All suppliers within the relevant Lot to be invited to quote.	Tender	24.10.12 - Use of LB Lewisham & LB Haringey (LCP) Frameworks agreed by Executive. Individual projects subject to tender. Consultancy spend reported through scheme gateway reports	Rob Bollen
PINNACLE ESP LTD	30,319.00	0.00	0.00	0.00	0.00	30,319.00						
	23,769.00					23,769.00	907974~C004~E1042	Basic Needs - Undertake Project Management & Architectural Services at Edgebury Primary School to RIBA stage 7 and Employers agent Duties to RIBA stage 7: Under the NEC PSC Contract London Borough of Lewisham Framework for Consultants.	Appt made via Lewisham Consultants Framework	Tender	24.10.12 - Use of LB Lewisham & LB Haringey (LCP) Frameworks agreed by Executive. Individual projects subject to tender. Consultancy spend reported through scheme gateway reports	Rob Bollen
	6,550.00					6,550.00	907977~C004~00000	Universal Free School Meals - Appointment of Pinnacle ESP to undertake M&E Compliance Project management as per the tendered sum of £128,440.00 and under a LOI in the sum of £46,660.00	Appt made via Lewisham Consultants Framework	Tender	24.10.12 - Use of LB Lewisham & LB Haringey (LCP) Frameworks agreed by Executive. Individual projects subject to tender. Consultancy spend reported through scheme gateway reports	Rob Bollen
PLAYLE & PARTNERS LLP	18,717.00	0.00	0.00	0.00	0.00	18,717.00						
	13,564.00					13,564.00	907974~C004~E1086	Basic Needs	All suppliers within the relevant Lot to be invited to quote.	LCP Construction Related Consultancy Services 2012 Framework	24.10.12 - Use of LB Lewisham & LB Haringey (LCP) Frameworks agreed by Executive. Individual projects subject to tender. Consultancy spend reported through scheme gateway reports	Rob Bollen
	5,153.00					5,153.00	907979~C004~00000	Beacon House Refurbishment	All suppliers within the relevant Lot to be invited to quote.	LCP Construction Related Consultancy Services 2012 Framework	24.10.12 - Use of LB Lewisham & LB Haringey (LCP) Frameworks agreed by Executive. Individual projects subject to tender. Consultancy spend reported through scheme gateway reports	Rob Bollen
REDMAN PARTNERSHIP LLP	0.00	0.00	0.00	38,492.00	0.00	38,492.00						
				2,214.00		2,214.00	941538~C001	Relocation of Exhibitions - Bromley Museum	2	CPR 8.2.1 - open tender process and only two quotes received.	n/a	Colin Brand
				36,278.00		36,278.00	941542~C001	Biggin Hill Memorial Museum	3	CPR 8.2.1	2nd December 2016	Colin Brand
WSP UK LTD	0.00	0.00	0.00	0.00	1,972.00	1,972.00						

Supplier Name	Portfolio					Grand Total	Cost Centre	Scheme	No. of quotes obtained	Procurement procedure followed	Date reported to Members	Responsible Officer
	EDUCATION PORTFOLIO	ENVIRONMENT PORTFOLIO	PPS PORTFOLIO	RENEWAL & RECREATION PORTFOLIO	RESOURCES PORTFOLIO							
					1,972.00	1,972.00	936407~C009~00000	Investment Fund - Property Acquisition - Environmental Review for Medway London, Kingsnorth	1	Due Diligence by C&W as Investment purchase costs - agreed via Exec report into acquisition	N/A	Mike Watkins
Sub total - Multi disciplinary consultant	1,406,024.00	138,022.00	0.00	121,069.00	96,796.00	1,761,911.00						
Grand total Consultants	1,412,429.00	150,697.00	0.00	578,439.00	98,096.00	2,239,661.00						

Capital Consultants - 2018/19 to October 2018

Supplier Name	Portfolio					Grand Total	Scheme	No. of quotes obtained	Procurement procedure followed	Date reported to Members	Responsible Officer
	ADULT CARE & HEALTH	CHILDREN, EDUCATION & FAMILIES	ENVIRONMENT & COMMUNITY	RENEWAL, RECREATION & HOUSING	RESOURCES, COMMISSIONING & CONTRACTS MANAGEMENT						
Architects											
PICK EVERARD	0.00	6,948.00	0.00	0.00	0.00	6,948.00					
		6,948.00				6,948.00	907976~C004- Glebe expansion works feasibility	The framework requires all suppliers within the relevant Lot to be invited to quote.	Construction Related Consultancy Services 2012 Framework	24.10.12 - Use of LB Lewisham & LB Haringey (LCP) Frameworks agreed by Executive. Individual projects subject to tender. Consultancy spend reported through scheme gateway reports	Rob Bollen
ROBIN LEE ARCHITECTURE	0.00	0.00	0.00	31,252.00	0.00	31,252.00					
				31,252.00		31,252.00	941542~C001 - Biggin Hill Memorial	3	ADUP Procurement Framework	2nd December 2015	Lydia Lee
KINNEAR LANDSCAPE ARCHITECTS LTD	0.00	0.00	0.00	31,450.00	0.00	31,450.00					
				31,450.00		31,450.00	941894~C001 - Crystal Palace Park	3	ADUP Procurement Framework	22nd July 2014	Colin Brand
AECOM INFRASTRUCTURE & ENVIRONMENT	0.00	0.00	0.00	78,397.00	0.00	78,397.00					
				78,397.00		78,397.00	941895~C001 - Crystal Palace park - Alternative Management Options	5	The Homes and Community Agency multi-disciplinary technical panel framework was used for this procurement.	13th January 2016	Colin Brand
Sub total - Architects	0.00	6,948.00	0.00	141,099.00	0.00	148,047.00					
Surveyors											
COLIN TOM & PARTNERS	0.00	0.00	0.00	0.00	13,525.00	13,525.00					
					12,875.00	12,875.00	941887~C001~0000 - Bromley MyTime	MyTime undertook this procurement	MyTime undertook this procurement	MyTime undertook this procurement	Colin Brand
					650.00	650.00	941887~C001~0000 - Bromley MyTime	MyTime undertook this procurement	MyTime undertook this procurement	MyTime undertook this procurement	Colin Brand
NATIONWIDE DATA COLLECTION	0.00	0.00	1,200.00	0.00	0.00	1,200.00					
			400.00			400.00	922672~C001~FB040	1	TfL Framework - Request for Quotes	n/a	Angus Culverwell
			400.00			400.00	922672~C001~FB040	1	TfL Framework - Request for Quotes	n/a	Angus Culverwell
			400.00			400.00	922672~C001~FB040	1	TfL Framework - Request for Quotes	n/a	Angus Culverwell
Sub total - Surveyors	0.00	0.00	1,200.00	0.00	13,525.00	14,725.00					
Multi disciplinary consultant											
AECOM LTD	0.00	0.00	1,216.00	0.00	0.00	1,216.00					
			1,216.00			1,216.00	922661~C001 - Maintenance	All Costs are construction costs rather than consultancy and should be on C004			Garry Warner
ARCADIS CONSULTING (UK) LTD	0.00	0.00	5,096.00	0.00	0.00	5,096.00					

Supplier Name	Portfolio					Grand Total	Scheme	No. of quotes obtained	Procurement procedure followed	Date reported to Members	Responsible Officer
	ADULT CARE & HEALTH	CHILDREN, EDUCATION & FAMILIES	ENVIRONMENT & COMMUNITY	RENEWAL, RECREATION & HOUSING	RESOURCES, COMMISSIONING & CONTRACTS MANAGEMENT						
			5,096.00			5,096.00	922672~C004-LIP Formula Funding	3	TfL Framework - Request for Quotes	n/a (note: should be C009)	Angus Culverwell
BAILEY PARTNERSHIP	0.00	236,819.00	0.00	0.00	0.00	236,819.00					
		8,665.00				8,665.00	907974~C004-Basic Needs	Appt made via LB Lewisham Consultants Framework - All suppliers within the relevant Lot to be invited to quote.	Tender	24.10.12 - Use of LB Lewisham & LB Haringey (LCP) Frameworks agreed by Executive. Individual projects subject to tender. Consultancy spend reported through scheme gateway reports	Rob Bollen
		228,154.00				228,154.00	907974~C001-Basic Needs		Move to C004		Rob Bollen

Supplier Name	Portfolio					Grand Total	Scheme	No. of quotes obtained	Procurement procedure followed	Date reported to Members	Responsible Officer
	ADULT CARE & HEALTH	CHILDREN, EDUCATION & FAMILIES	ENVIRONMENT & COMMUNITY	RENEWAL, RECREATION & HOUSING	RESOURCES, COMMISSIONING & CONTRACTS MANAGEMENT						
BAILY GARNER LLP	0.00	19,318.00	0.00	0.00	0.00	19,318.00					
		9,659.00				9,659.00	907974~C004-Basic Needs	Appt made via LB Lewisham Consultants Framework - All suppliers within the relevant Lot to be invited to quote.	Tender	24.10.12 - Use of LB Lewisham & LB Haringey (LCP) Frameworks agreed by Executive. Individual projects subject to tender. Consultancy spend reported through scheme gateway reports	Rob Bollen
		9,659.00				9,659.00	907974~C001 - Basic Needs		Move to C004		Rob Bollen
CAPITA BUSINESS SERVICES LTD	0.00	0.00	0.00	0.00	13,238.00	13,238.00					
					13,238.00	13,238.00	936459~C004- Review of Corporate Customer Services I.T Systems			These costs are for works for IT System upgrade	Duncan Bridgwater
FOURTH STREET PLACE CONSULTANTS	0.00	0.00	0.00	3,750.00	0.00	3,750.00					
				3,750.00		3,750.00	941895~C001 - Crystal Palace park - Alternative Management Options	1	CPR 8.2.1		Colin Brand
INGLETON WOOD LLP	0.00	599.00	0.00	0.00	0.00	599.00					
		599.00				599.00	907974~C004-Basic Needs	5 consultants were asked to tender, 4 returned a tender	Tender from Exor list	Contract <£100k agreed by officers in 2012. The Riverside scheme including capital spend has been reported as part of the Gateway Reviews to the Executive.	Rob Bollen
KEEGANS LTD	0.00	25,378.00	0.00	0.00	0.00	25,378.00					
		22,934.00				22,934.00	907974~C004-Basic Needs	All suppliers within the relevant Lot to be invited to quote.	LCP Construction Related Consultancy Services 2012 Framework	24.10.12 - Use of LB Lewisham & LB Haringey (LCP) Frameworks agreed by Executive. Individual projects subject to call-off/mini tender. Consultancy spend reported through scheme gateway reports	Rob Bollen
		2,444.00				2,444.00	907979~C004- Beacon House Refurbishment	5	LCP Construction Related Consultancy Services 2012 Framework	24.10.12 - Use of LB Lewisham & LB Haringey (LCP) Frameworks agreed by Executive. Individual projects subject to call-off/mini tender. Consultancy spend reported through scheme gateway reports	Rob Bollen
M&S TRAFFIC LTD	0.00	0.00	715.00	0.00	0.00	715.00					
			715.00			715.00	922672~C004-LIP Formula Funding	3	Request for Quotes	n/a (note: should be C009)	Angus Culverwell
MONTAGU EVANS LLP	0.00	0.00	0.00	12,675.00	0.00	12,675.00					
				12,675.00		12,675.00	950823~C004-PIL - Housing Zone Bid and Site G		Waiver under CPR 13.1	05-Jul-17	Kevin Munnely
NUMBER 10 INTERIM LTD	22,500.00	0.00	0.00	0.00	16,250.00	38,750.00					
					16,250.00	16,250.00	936452~C004- Performance management/CYP systems	4	Specialist Project Management Agency. Unable to source through Adecco	Portfolio Holder Briefings - Eclipse Project updates	Janet Bailey

Supplier Name	Portfolio					Grand Total	Scheme	No. of quotes obtained	Procurement procedure followed	Date reported to Members	Responsible Officer
	ADULT CARE & HEALTH	CHILDREN, EDUCATION & FAMILIES	ENVIRONMENT & COMMUNITY	RENEWAL, RECREATION & HOUSING	RESOURCES, COMMISSIONING & CONTRACTS MANAGEMENT						
	22,500.00					22,500.00	950806~C004-Social Care Grant (Department of Health)	4	Specialist Project Management Agency. Unable to source through Adecco	Portfolio Holder Briefings - Eclipse Project updates	Paul Feven
PELLINGS LLP	0.00	30,120.00	0.00	0.00	0.00	30,120.00					
		17,721.00				17,721.00	907974~C004-Basic Needs	All suppliers within the relevant Lot to be invited to quote.	Procured for different projects through both the LB Lewisham and LB Bromley frameworks.	24.10.12 - Use of LB Lewisham & LB Haringey (LCP) Frameworks agreed by Executive. Individual projects subject to call-off/mini tender. Consultancy spend reported through scheme gateway reports	Rob Bollen
		12,399.00				12,399.00	907974~C001-Basic Needs				Rob Bollen
PINNACLE ESP LTD	0.00	0.00	0.00	19,905.00	0.00	19,905.00					
				19,905.00		19,905.00	941887~C001-Bromley MyTime Investment Fund	MyTime undertook this procurement	MyTime undertook this procurement	MyTime undertook this procurement	Colin Brand

Supplier Name	Portfolio					Grand Total	Scheme	No. of quotes obtained	Procurement procedure followed	Date reported to Members	Responsible Officer
	ADULT CARE & HEALTH	CHILDREN, EDUCATION & FAMILIES	ENVIRONMENT & COMMUNITY	RENEWAL, RECREATION & HOUSING	RESOURCES, COMMISSIONING & CONTRACTS MANAGEMENT						
PLAYLE & PARTNERS LLP	0.00	15,141.00	0.00	0.00	0.00	15,141.00					
		15,141.00				15,141.00	907974~C004-Basic Needs	All suppliers within the relevant Lot to be invited to quote.	Tender - LB Haringey (LCP) Construction Related Consultancy Services 2012 Framework	24.10.12 - Use of LB Lewisham & LB Haringey (LCP) Frameworks agreed by Executive. Individual projects subject to call-off/mini tender. Consultancy spend reported through scheme gateway reports	Rob Bollen
REDMAN PARTNERSHIP LLP	0.00	0.00	38,489.00	0.00	0.00	38,489.00					
			20,000.00			20,000.00	941538~C001 - Relocation of Exhibitions - Bromley Musuem	2	CPR 8.2.1	n/a	Lydia Lee
			18,489.00			18,489.00	941542~C001 - Biggin Hill Memorial Museum	3	CPR 8.2.1	2nd December 2016	Lydia Lee
SEC-1 TD	0.00	0.00	0.00	0.00	6,400.00	6,400.00					
					6,400.00	6,400.00	936459~C001~0000 - Review of Corporate Customer Services			These costs are for works for IT System upgrade	Duncan Bridgewater
SOUTH EASTERN TRAINS	0.00	0.00	16,212.00	0.00	0.00	16,212.00					
			16,212.00			16,212.00	922672~C004~FA963 - LIP Formula Funding	3	TfL Framework - Request for Quotes	n/a	Angus Culverwell
TYCO FIRE & INTEGRATED SOLUTIONS	0.00	0.00	0.00	12,416.00	0.00	12,416.00					
				12,416.00		12,416.00	939446~C004-CCTV Control Room - refurbishment		Framework		John Bosley
Sub total - Multi disciplinary consultant	22,500.00	327,375.00	61,728.00	48,746.00	35,888.00	496,237.00					
Grand total consultants	22,500.00	334,323.00	62,928.00	189,845.00	49,413.00	659,009.00					

Document is Restricted

This page is left intentionally blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is left intentionally blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is left intentionally blank