



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

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DATE: 11 May 2018

To: Members of the
EXECUTIVE

ALL MEMBERS OF THE COUNCIL

Subject to the Executive being reconstituted and Members of the Executive being appointed, there will be a meeting of the Executive at Bromley Civic Centre on **MONDAY 21 MAY 2018 AT 7.00 PM**

MARK BOWEN
Director of Corporate Services

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

A G E N D A

1 APOLOGIES FOR ABSENCE

2 DECLARATIONS OF INTEREST

3 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING

In accordance with the Council's Constitution, questions to this Committee must be received in writing 4 working days before the date of the meeting. Therefore please ensure questions are received by the Democratic Services Team by 5pm on Tuesday 15th May 2018.

4 TO CONFIRM THE MINUTES OF THE MEETINGS HELD ON 28TH MARCH AND 20TH APRIL 2018 (Pages 5 - 22)

5 EXECUTIVE APPOINTMENTS (To Follow)

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

7 PROVISIONAL FINAL ACCOUNTS 2017/18 (To Follow)

- 8 **CAPITAL PROGRAMME OUTTURN 2017/18 (To Follow)**
- 9 **FORMAL CONSULTATION ON THE PROCUREMENT STRATEGY FOR INSURANCE POLICIES (Pages 23 - 34)**
- 10 **CONTRACT AWARD FOR SUBSTANCE MISUSE SERVICES - LOT 1 ADULTS/LOT 2 CHILDREN - PART 1 (Pages 35 - 40)**
- 11 **CONSIDERATION OF ANY OTHER ISSUES REFERRED FROM THE EXECUTIVE AND RESOURCES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE**
- 12 **LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006 AND THE FREEDOM OF INFORMATION ACT 2000**

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

<u>Items of Business</u>	<u>Schedule 12A Description</u>
13 EXEMPT MINUTES OF THE MEETINGS HELD ON 28TH MARCH AND 20TH APRIL 2018 (Pages 41 - 48)	
14 CONTRACT AWARD FOR SUBSTANCE MISUSE SERVICES - LOT 1 ADULTS/LOT 2 CHILDREN - PART 2 (Pages 49 - 66)	Information relating to the financial or business affairs of any particular person (including the authority holding that information)
15 AWARD OF CONTRACT FOR PHASE 2 WORKS AT STEWART FLEMING PRIMARY SCHOOL (Pages 67 - 76) Clock House Ward	Information relating to the financial or business affairs of any particular person (including the authority holding that information)
16 CULTURE PROJECTS - CONTRACT AUTHORISATIONS (To Follow)	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

**17 CONTRACT AWARD - SUPPORTED LIVING
SCHEMES AT PADUA ROAD, BROSE WAY
AND BROMLEY ROAD (To Follow)**

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

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EXECUTIVE

Minutes of the meeting held on 28 March 2018 starting at 7.00 pm

Present:

Councillor Colin Smith (Chairman)
Councillors Graham Arthur, Peter Fortune,
William Huntington-Thresher, Kate Lymer,
Peter Morgan and Diane Smith

Also Present:

Councillor Nicholas Bennett J.P., Councillor Simon
Fawthrop and Councillor Angela Wilkins

416 APOLOGIES FOR ABSENCE

There were no apologies for absence.

417 DECLARATIONS OF INTEREST

The following declarations of interest were made –

Councillor Kate Lymer declared in relation to the report on Bishop Justus School that she was member of the Aquinas Advisory Council for St Mark's CE Primary School and a member of the Rochester Diocesan Board of Education.

Councillor Peter Morgan declared that his daughter was a director of Kier.

Councillor Colin Smith declared that he was member of the Aquinas Advisory Council for St George's Bickley CE Primary School.

418 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING

Two questions had been received from a member of the public for oral reply, but the questioner was not present and would receive a written reply. Five questions had been received for written reply. Copies of all questions and replies are attached as Appendix A to these minutes.

419 TO CONFIRM THE MINUTES OF THE MEETINGS HELD ON 7TH FEBRUARY 2018 AND 7TH MARCH 2018 Report CSD18059

RESOLVED that the part 1 minutes of the meetings held on 7th February and 7th March 2018 be confirmed.

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

The Executive Director of Education, Care and Health Services and Deputy Chief Executive gave a brief update on progress with the improvement of Children's Services. He mentioned World Social Worker day (28th March) which celebrated social work practice, and reported back on the Ofsted visit on 13th/14th March. The formal report was not due to be published until May, but the initial feedback had been very positive with one Inspector describing Early Intervention Services as the "jewel in the crown" of Bromley's services.

The Portfolio Holder for Education, Children and Families added that there had been a great turnaround since the Executive Director had arrived, and he placed on record his thanks to the Executive Director and his staff, as did the Leader.

421 BUDGET MONITORING 2017/18
Report FSD18029

The Executive received the third budget monitoring report for 2017/18 based on expenditure and activity levels up to the end of December 2017 - a net underspend of £1,058,000 was forecast. The report highlighted significant variations which would impact on future years as well as early warnings which could impact on the final year end position.

RESOLVED that

- (1) The latest financial position is noted.**
- (2) It is noted that a projected net underspend on services of £1,058k is forecast based on information as at December 2017.**
- (3) The comments from the Deputy Chief Executive and Executive Director of Education, Care and Health Services, the Executive Director of Environment and Community Services and the Director of Corporate Services as detailed in Appendix 2 to the report be noted.**
- (4) A projected variation of £769k credit from investment income as detailed in sections 3.7 and 3.8 of the report be noted.**
- (5) A projected increase to the General Fund balance of £1,980k as detailed in section 3.5 of the report be noted.**
- (6) The release of £333k (net) from the 2017/18 Central Contingency as detailed in paragraph 3.2.4 of the report be agreed.**
- (7) It is noted that reports elsewhere on the agenda request the drawdown of £1,280k from the Central Contingency as set out in paragraph 3.2.5 of the report.**

(8) The return to the Central Contingency of £92k as detailed in paragraph 3.2.2 to the report be noted.

(9) Funding of £228k from the GLA for the period 2017/18 to 2019/20 as detailed in paragraph 3.2.3 be noted.

(10) The requests for carry forwards totalling £1,271k (net) as detailed in paragraph 3.4 of the report be agreed in principle subject to formal approval by the Executive on 21st May 2018.

(11) The full year costs pressures of £4.2m as detailed in section 3.6 of the report be noted.

(12) The timing of the Provisional Final Accounts report as detailed in paragraph 3.12.3 be noted.

422 HOMELESSNESS STRATEGY
Report CS18135

The report presented the final Homelessness Strategy 2018-23 following the completion of the public consultation exercise. It detailed the feedback from the consultation approved by the Executive on 6th December 2017, together with the final draft of the strategy taking account of the feedback received (Appendix A). Consent was sought to publish the strategy and action plan.

The report had been scrutinised by the Care Services PDS Committee on 14th March 2018 and the Committee had supported the recommendations.

RESOLVED that

(1) Subject to final formatting, the final draft of the homelessness strategy be approved.

(2) Authority be delegated to the Director of Housing to finalise the action plan to implement and deliver the strategy.

(3) It is noted that the implementation of any of the proposed actions may be subject to further decision making in accordance with the Scheme of Delegation.

423 BROMLEY DRAFT LOCAL PLAN EXAMINATION - APPROVAL FOR MAIN MODIFICATIONS CONSULTATION
Report DRR18/009

The Council had submitted the Draft Local Plan to the Secretary of State for examination by an independent Inspector in August 2017 following its approval by a meeting of the Council in June 2017. A series of public hearings were held in December 2017, giving representors the opportunity to state their concerns directly to the Inspector. In order to address some of the issues raised at the hearings, officers had suggested some Main Modifications to the Draft Local Plan. In addition, the Inspector had suggested that the Council

review the classification of Minor Modifications which were submitted alongside the Draft Local Plan, to establish whether any of these should now be considered as Main Modifications. Any Main Modifications proposed by the Council were subject to public consultation which required approval from the Executive. The Executive concluded that the changes proposed were relatively modest and acceptable.

The report had been considered by the Development Control Committee at its meeting on 13th March 2018 and the Committee had recommended that the Main Modifications be approved.

RESOLVED that

(1) The suggested Main Modifications to the Draft Local Plan set out in Appendix 1 and Appendix 2 to the report be approved for consultation and that the results of the consultation be forwarded to the Examination Inspector.

(2) Authority be delegated to the Chief Planner in consultation with the Leader of the Council to approve the preparation of necessary further information and amendments to the Bromley Local Plan Proposed Submission Draft Local Plan during the public examination, in particular to carry out public consultation on proposed modifications to the Plan and the subsequent forwarding of the responses to the Examination Inspector.

424 NATIONAL INCREASE IN PLANNING APPLICATION FEES

A 20% national increase in planning application fees had come into effect on 17th January 2018, the first increase since 2012. The additional income in 2018/19 was expected to be £240k, which was expected to be reinvested in the Planning Division. The report set out proposals for allocating the additional income.

The report had been considered by the Development Control Committee at its meeting on 13th March 2018 and the Committee had supported the proposals.

RESOLVED that

(1) The additional £240k income be used to improve planning services as set out in Section 3 of the report.

(2) A draw down of £30k for 2017/18 and £240k for 2018/19 held in the Central Contingency be approved.

**425 WEST WICKHAM LEISURE CENTRE AND LIBRARY
REDEVELOPMENT**
Report DRR08/081

The Executive considered a report on the opportunity to redevelop the West Wickham Leisure Centre and Library sites, generating funding for replacement leisure and library facilities on the existing Leisure site by the inclusion of residential development.

The Leader congratulated Cllr Peter Morgan and his team for bringing this complicated scheme to fruition, stating his view that it represented a very good news story for the residents of West Wickham in particular. Cllr Nicholas Bennett also spoke in support on behalf of the three Ward Councillors, asking that information on the details of the scheme be issued as widely as possible. He also asked that thought be given to the provision of a temporary pool for the duration of the building works.

The report had been scrutinised by the Renewal and Recreation PDS Committee on 27th March 2018 and the Committee had supported the proposals.

RESOLVED that

(1) The contents of the report be noted and the redevelopment of the Leisure and Library sites be agreed, subject to final Executive approval prior to Planning submission.

(2) Officers proceed with Detailed Planning in respect of the replacement Leisure and Library facilities and Planning with Reserved Matters in respect of the residential elements on the Library and Leisure sites in accordance with the Consultancy and Survey Fee estimate of £913k.

(3) Officers undertake the necessary works to market the scheme and appoint a developer to deliver the scheme in accordance with the £80k fee estimate, the outcome of which will be reported back to Executive prior to the final selection of a developer for approval.

(4) Officers undertake a procurement exercise to appoint a Leisure Operator in advance of the development so that the operator can input into the detailed design of the new facility, the outcome of which will be reported back to Executive prior to the final selection of a Leisure Operator.

(5) The £993k is funded from the 2017/18 Central Contingency and that the scheme is added to the Capital Programme.

426 NORMAN PARK ATHLETICS TRACK - UPDATE REPORT
Report DRR18/007

This report provided Members with an update on the proposals presented by Blackheath and Bromley Harriers Athletic Club (BBHAC) to the Council detailing an option for BBHAC to take over the management and operation of the Norman Park Athletics Track Council based on a 125 year full maintain, repair and insure lease. The report sought approval to allocate £300k, provided to the Council through Section 106 funding in respect of the development at Kent County Cricket Club, to undertake the landlord improvement works required at the athletics track.

The report had been scrutinised by the Renewal and Recreation PDS Committee on 27th March 2018 and the Committee had supported the proposals.

RESOLVED that £300k of the Section 106 receipts from developers in respect of the Kent County Cricket Club development be allocated to the scheme and the scheme be added to the Capital Programme to undertake landlord improvement works required at Norman Park.

427 ASSET RECOVERY INCENTIVISATION SCHEME (ARIS)
Report ES18017

The Council had been awarded a sum of £144,388 as part of the Asset Recovery Incentivisation Scheme (ARIS) as a result of an investigation into a private landlord in Penge. Officers confirmed that no tenants had been made homeless as a result of the case.

Councillor Kate Lymer as Portfolio Holder for Public Protection and Safety commented that this was a great example of effective partnership work between different Council departments and agencies. Another Member asked whether this scheme could be applied in more cases, such as traders who wound up their limited liability companies to avoid making payments, but officers confirmed that a criminal conviction was required.

It was proposed that the money would be reinvested in asset recovery work and in funding enforcement and prevention activities by the Trading Standards and Planning Enforcement Teams.

The report had been scrutinised by the Public Protection and Safety PDS Committee on 6th March 2018 and the Renewal and Recreation PDS Committee on 27th March 2018 and both committees had supported the proposals.

RESOLVED that

(1) The drawdown of the full amount of £144,388 held in Central Contingency be approved, and it be allocated to the two service areas as set out in paragraph 3.14 of the report.

(2) The carry forward of the unspent balance of £132,753 received under the Proceeds of Crime confiscation be approved.

428 LOWER SYDENHAM TO BROMLEY QUIETWAY PUBLIC CONSULTATION REPORT AND FINAL PROPOSALS
Report ES18026

The Executive considered proposals for the Lower Sydenham to Bromley Quietway following public consultation.

The report had been scrutinised and supported by the Environment PDS Committee on 15th March 2018.

RESOLVED that, subject to funding from TfL, authority be granted to proceed with the scheme and the changes to increase the scheme costs by £272.2k to £700k within the Capital Programme to reflect the higher estimated cost of the scheme as a result of the additional interventions now proposed.

429 GREENWICH TO KENT HOUSE QUIETWAY (BROMLEY SECTION) PUBLIC CONSULTATION REPORT AND FINAL PROPOSALS
Report ES18027

The Executive considered proposals for the Bromley section of the Greenwich to Kent House Quietway following public consultation.

The report had been scrutinised and supported by the Environment PDS Committee on 15th March 2018.

RESOLVED that

(1) The net acquisition of 180.8 sq. m. of land from Harris Aspire to widen the River Pool Path be approved.

(2) Subject to confirmation of funding by TfL, authority be given to proceed with the scheme and the changes to increase the scheme costs by £135.3k to £570k within the capital programme to reflect the higher estimated cost of the scheme with the additional interventions now proposed.

430 POT HOLE ACTION FUND
Report ES18029

In December 2017 the Government had announced that a Pothole Action Fund was to be established for all highway authorities in England as part of its Local Transport Capital Block Funding. Bromley had since been allocated £112,940 for the current financial year and the same amount for 2018/19.

While the condition of the borough's non-principal and unclassified roads had improving during the last two years due to the highway investment project, the reduced funding available for maintenance of the BPRN would result in an increasing demand on the Council's limited revenue budgets for highway maintenance. It was therefore proposed that funding from the Pothole Action Fund was drawn down to supplement the revenue budgets for emergency and reactive works across the network during the next two years.

The report had been scrutinised and supported by the Environment PDS Committee on 15th March 2018.

RESOLVED that

(1) The drawdown of grant funding from the Department for Transport of £112,940 in 2017/18 and £112,940 during 2018/19, received as part of their Pothole Action Fund, held in Central Contingency, be approved.

(2) The carry forward of the unspent £112,940 allocation for 2017/18 be approved.

431 SPECIAL EDUCATIONAL NEEDS AND/OR DISABILITIES REFORMS GRANT - DRAWDOWN AND CARRY FORWARD OF CONTINGENCY GOVERNMENT (NEW BURDENS) GRANT FUNDING

The Executive considered a report seeking approval for the drawdown of Special Educational Needs and/or Disabilities (SEND) grant funding, which was provided by Central Government to help local authorities implement the reforms required under the Children and families Act (2014). In Bromley, SEND grant had been used to increase the pace of converting SEN statements to Education, Health and Care Plans (all but a very small number subject to ongoing litigation were expected to be completed by the end of March 2018) and to review the Council's SEND arrangements.

The report had been scrutinised by the Executive and Resources PDS Committee on 21st March 2018 – the Committee supported the recommendations.

RESOLVED that

(1) The drawdown of the final year of the SEND Implementation Grant 2018/19 of £188,985 be approved.

(2) The drawdown of the remainder of the 2017/18 SEND Implementation Grant of £20,977 kept in contingency be approved.

(3) The drawdown of the SEND Preparation for Employment grant 2018/19 of £63,328 be approved.

(4) The total grant drawdown of £273,290 be approved.

**432 OPERATIONAL BUILDING MAINTENANCE BUDGETS AND
PLANNED PROGRAMME 2018/19**
Report DRR18/1014

The report set out the proposed maintenance budgets and planned programme for 2018/19, requesting additional funding to ensure that the Council had sufficient funds to carry out annual fire risk assessments and any identified remedial works. It also provided an up-date on the lease review that has been undertaken to identify any further costs arising from additional statutory obligations, requested additional funding to ensure that the Council had sufficient funds for the Central Depot Wall reconstruction and outlined the financial implications arising from the expiry of the lease at Yeoman House, Penge.

Councillor Peter Morgan asked when Members would receive a report on the Churchill Theatre. Officers explained that they were looking at a temporary solution that would enable the scaffolding to be removed, as well as a long-term solution, and they hoped to be ready to report in the next few months. Councillor Morgan urged that a report on the temporary solution be brought forward as soon as possible.

The report had been scrutinised by the Executive and Resources PDS Committee on 21st March 2018. The Committee had supported the recommendations, but had suggested that the Fire Risk assessments should be subject to soft market testing to ensure that the quotations were competitive.

RESOLVED that

(1) The Building Maintenance budget be increased by £86k for fire risk assessments and cyclical maintenance for the reasons set out in the report which is to be funded from the Council's 2018/19 Central Contingency.

(2) Funding of up to £79k be approved from the earmarked reserve for Infrastructure Investment to undertake the remedial works identified from the fire risk assessments.

(3) Overall expenditure of £2,173k for the Building Maintenance budget in 2018/2019 be approved.

(4) The planned programme in Appendix A to the report be approved.

(5) Authority be delegated to the Director of Regeneration to vary the programmes to accommodate any change in the approved budget or where such action is considered necessary to either protect the Council's assets or make the most effective use of resources.

(6) The sum of £163k be carried forward to 2018/19 for the Central Depot Wall.

(7) Funding of £500k be approved from the earmarked reserve for Infrastructure Investment to add to the sums already set aside for the Central Depot Wall, making a total budget of £716k.

(8) The Central Depot Wall scheme be added to the 2018/19 capital programme with a total scheme cost of £716k, funded from the £163k carry forward sum and £553k from the earmarked reserve for Infrastructure Investment.

(9) It is noted that the part year saving of £44k relating to Yeoman House will be returned to the 2018/19 Central Contingency

(10) It is noted that a future report on the maintenance issues for the Churchill Theatre/Central Library will be brought back to Members.

433 COUNCILLOR IT PROVISION
Report CSD18056

The Executive considered a report setting out new arrangements for the provision of IT equipment to members of the Council after the local elections in May 2018. The proposals offered members a wider choice of equipment than had been available in 2014.

The report had been scrutinised by the Executive and Resources PDS Committee on 21st March 2018 and the Committee had supported the proposals.

RESOLVED that the proposals for Councillor IT provision be approved, and a carry forward of £20k from the under spend in the 2017/18 Democratic Representation budget be approved to support the purchase of the equipment.

434 NURSING CARE BEDS - CONTRACT AWARD - PART 1
Report CS18127-1

The Executive received a report requesting approval to award a block contract for 70 nursing care beds for 7 years with a 3 year extension option. Further details were available to Members in a part 2 report.

The report had been scrutinised by the Care Services PDS Committee on 14th March 2018 and the Committee had supported the proposals.

RESOLVED that

(1) The contract award for 70 block nursing care beds be approved for a period of 7 years from 2nd January 2018, with the potential to extend for a further period of up to 3 years;

(2) The increase in supporting budget, as detailed in the corresponding Part Two report, arising from the impact of the National Living Wage, be approved.

(3) Authority be delegated to the Executive Director of Education, Care & Health Services and Deputy Chief Executive in consultation with the Portfolio Holder for Care Services, the Director of Finance, the Director of Corporate Services and the Director of Commissioning to extend the Contract for a period of up to 3 years.

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

There were no additional items to report from the Executive and Resources PDS Committee.

**436 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 item 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**

**437 EXEMPT MINUTES OF THE MEETINGS HELD ON 7TH
FEBRUARY AND 7TH MARCH 2018**

The exempt minutes of the meetings held on 7th February 2018 and 7th March 2018 were approved.

438 NURSING CARE BEDS - CONTRACT AWARD - PART 2

See minute 434 - the Executive considered part 2 details relating to the proposed award of a contract for Nursing Care Beds, which they authorised.

**439 GATEWAY 0: COMMISSIONING OPTIONS FOR TRANSPORT
PROVISION IN CHILDREN'S AND ADULT'S SERVICES**

The Executive approved proposals for the commissioning of transport services.

Executive
28 March 2018

440 AWARD OF CONTRACT FOR WORKS AT BISHOP JUSTUS SCHOOL

A contract was awarded for construction works at Bishop Justus School.

441 INVESTMENT OF ENDOWMENT FUND

The Executive agreed proposals for the transfer of an endowment fund.

442 OPERATIONAL BUILDING MAINTENANCE BUDGETS AND PLANNED PROGRAMME 2018/19 - PART 2

The Executive considered information concerning the lease for a property.

443 OPPORTUNITY SITE G - DEVELOPMENT AGREEMENT

As part of the development agreement, the Executive approved proposals for a draft planning application to be submitted.

As this was the last scheduled meeting of the Executive before the end of the Council year the Leader thanked his colleagues for their support.

The Meeting ended at 8.22 pm

Chairman

EXECUTIVE

Minutes of the special meeting held on 20 April 2018 starting at 10.00 am

Present:

Councillor Colin Smith (Chairman)
Councillors Graham Arthur, Peter Fortune,
William Huntington-Thresher, Kate Lymer,
Peter Morgan and Diane Smith

444 APOLOGIES FOR ABSENCE

There were no apologies for absence.

445 DECLARATIONS OF INTEREST

There were no declarations of interest.

446 AWARD OF CONTRACT FOR HIGHWAY MAINTENANCE - PART 1 Report ES18040

The Executive received a part 1 summary of the outcome of the tendering exercise for the Major and Minor Highways Maintenance contract, including the procurement process undertaken.

RESOLVED that the information set out in the part 1 report be noted and the Major and Minor Highways Maintenance contracts be awarded for a term of eight years from 1st July 2018 as set out in the part 2 report.

447 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 item 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**

448 DISPOSAL OF OLD TOWN HALL AND SOUTH STREET CAR

Executive
20 April 2018

PARK, BROMLEY

The Executive accepted an offer for the purchase of the freeholds of the Old Town Hall and South Street Car Park.

449 VARIATION TO CONTRACT: PROPOSAL TO TRANSFER NIGHTINGALE PUPIL REFERRAL UNIT TO BROMLEY TRUST ACADEMY

The Executive approved the variation of the contract with Bromley Trust Academy to include the Nightingale Pupil Referral Unit.

450 AWARD OF CONTRACT FOR HIGHWAY MAINTENANCE - PART 2

The Executive considered the tenders received for the Major and Minor Highways Maintenance Contract and awarded the contact.

The Meeting ended at 10.11 am

Chairman

Decision Maker: EXECUTIVE

Date: 21 May 2018

Decision Type: Non-Urgent Executive Non-Key

Title: MATTERS ARISING FROM PREVIOUS MEETINGS

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

Chief Officer: Mark Bowen, Director of Corporate Services

Ward: N/A

1. Reason for report

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

2. **RECOMMENDATION**

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

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

Impact on Vulnerable Adults and Children

1. Summary of Impact: Not applicable
-

Corporate Policy

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

Financial

1. Cost of proposal: No Cost:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Democratic Services
 4. Total current budget for this head: £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: Monitoring the Executive's matters arising takes at most a few hours per meeting.
-

Legal

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

Procurement

1. Summary of Procurement Implications: Not Applicable
-

Customer Impact

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

Ward Councillor Views

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

Appendix A

<u>Minute Number/Title</u>	<u>Executive Decision/Request</u>	<u>Update</u>	<u>Action by</u>	<u>Completion Date</u>
22nd March 2017				
201 Operational Building Maintenance Budgets and Planned Programme 2017/18	Members requested a report on the position with regard to the sale of former public toilet buildings.	This issue will be included in a report on Asset Management.	Head of Strategic Property	July 2018
6th December 2017				
362 Bromley Youth Employment Scheme Project Extension	A further report was requested for the 2 nd or 3 rd quarter of 2018 defining outcomes more clearly so that funding can be considered in the 2019/20 budget.	A further report will be prepared in due course	Head of Youth Offending and Youth Services	September 2018
10th January 2018				
389 Update on Service Proposals and Procurement Strategy for Modular Homes	All Members to be invited to a site visit to see modular homes in a neighbouring borough.	Visits are on hold pending the tendering exercise and further investigations into the likely preferred designs.	Director of Housing	June 2018

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Report No.
FSD18039

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Executive

Date: 21st May 2018

Decision Type: Non-Urgent Executive Key

Title: **FORMAL CONSULTATION ON THE PROCUREMENT STRATEGY FOR INSURANCE POLICIES**

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

Chief Officer: Director of Finance

Ward: All Wards

1. Reason for report

The Council's current policies for insurance cover are due to expire on 30th April 2019. It is proposed to re-tender these policies for a period of five years, with an option to extend for a further period of three years. With a potential eight year contract term, the total value of the policies is estimated to be approximately £5.6m.

This report seeks approval to tender for these insurance policies, as well as approval to vary the Council's TFM contract to include an asset valuation review that will help inform the tender and ensure appropriate levels of cover are maintained.

2. **RECOMMENDATIONS**

2.1. **The Executive is requested to:**

(a) consider the contents of the report;

(b) agree that the contracts for the Council's insurance policies be tendered using a restricted OJEU process;

(c) agree that the contract length will be for a period of five years with the option to extend for a further period of three years at an estimated annual value of £694k (gross) and an estimated whole life value, inclusive of extension option, of £5.6m (gross);

- (d) delegate authority to the Director of Finance to approve the optional three year extension in consultation with the Portfolio Holder for Resources, Director of Commissioning and Director of Corporate Services;**
- (e) agree a variation of the Council's TFM contract with Amey for Cushman and Wakefield to undertake an asset valuation review for insurance purposes, the value of the variation being estimated at £200k as detailed in section 3.4;**
- (f) agree that the tender documentation to be used is that provided by the Council's Insurance Broker, JLT, as detailed in paragraph 3.6.4; and**
- (g) agree that contracts for the policies will be predominantly on the tenderers' proposed terms, as detailed in section 3.7.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: N/A
-

Corporate Policy

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

Financial

1. Cost of proposal: Estimated Cost £5.6m gross, £3.8m net of recharges to tenants/schools
 2. Ongoing costs: Recurring Cost £694k gross per annum, £468k net
 3. Budget head/performance centre: Insurance Fund
 4. Total current budget for this head: £694k gross, £468k net. Insurance Fund as at 31st March 2018 stands at £3.7m
 5. Source of funding: Insurance Fund
-

Personnel

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

Legal

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

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Approximately 450 to 500 claims are received each year across all insurance covers.
-

Ward Councillor Views

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

3. COMMENTARY

3.1. Background

- 3.1.1. Like most organisations, ensuring adequate insurance cover is in place is one of the ways that the Council manages risk. It is the responsibility of the Council to determine the best balance between the level of premiums paid to external insurers and internal self-insurance arrangements paid from the Insurance Fund earmarked reserve.
- 3.1.2. The Council has a number of separate insurance policies, and these policies are subject to excess and stop-loss arrangements so that claims are only chargeable to the insurers if the cost of an individual claim is greater than the excess and/or if the aggregate of all claims exceeds the relevant stop-loss. The aggregate stop-loss is designed so that the Insurance Fund is protected in the event of a significant claim or a large number of successful claims.
- 3.1.3. The Council has historically handled self-insured claims in-house (with the exception of own fault or disputed motor claims involving a third-party), as well as managing more serious/complex claims in liaison with the insurer. This service has been performed by the Royal Borough of Greenwich (RBG) under a shared service arrangement since January 2014 which is currently due to expire on 31st March 2020.
- 3.1.4. Following tender processes carried out in 2014 for casualty (public liability, employers liability and officials indemnity) and in 2016 for all other covers, the Council currently holds insurance policies as set out below, all of which are due to expire on 30th April 2019:

Policy	Insurer
Casualty	Zurich Municipal
Fidelity Guarantee	Zurich Municipal
Property	Zurich Municipal
Leased properties	Zurich Municipal
Motor	Zurich Municipal
Engineering Inspection	Zurich Municipal
Terrorism	Thistle
Personal Accident & School Journey	Chubb

- 3.1.5. As a result of changes to the service profile of the Council, as well as external changes, it may now be appropriate to take out cover for additional risks, such as medical malpractice and cyber, and officers will be exploring options for these. It should be noted that some risks, such as fines as a result of a data protection breach are not currently insurable.
- 3.1.6. The Executive is requested to agree that a tender exercise be carried out for the Council's insurance policies (including any new policies that may be desirable) for a period of five years from 1st May 2019 to 30th April 2024, with an option to extend for a further period of three years.
- 3.1.7. As the total contract value is in excess of the EU threshold, the process must comply with the EU Public Procurement Rules. There are two options available that would comply with this requirement, which are summarised below.

3.2. CCS Framework

- 3.2.1. There is a Crown Commercial Services (CCS) Framework (RM3731) for insurance services which the Council could utilise, which includes all the main insurers in the market. The charge for using this framework is 0.75% of the policy costs, and the maximum Long Term Agreement (LTA) permissible is five years.

- 3.2.2. Although there can be benefits to using a framework agreement, such as reduced administrative work and shorter timescales, this is not expected to be of much benefit for this tender as there are only a limited number of potential providers, and there is sufficient time to conduct a full tender process.
- 3.2.3. In addition, when the non-casualty policies were tendered in 2016/17, the Council had attempted the tender process using two CCS frameworks both of which had to be aborted; the first because CCS expired call-offs sooner than expected and the second because two of the three “main players” in the local authority market were at the time non-compliant with the new framework’s requirements.
- 3.2.4. Although there is no reason to believe that any such issues would re-occur, the CCS framework is currently due to expire on 30th April 2019 (the day before the new policies are due to start), which may become a problem if the tender was delayed for any reason outside of the Council’s control.

3.3. **An OJEU tender process**

- 3.3.1. Alternatively, the contract could be tendered using a tender process advertised in the Official Journal of the European Union (OJEU) which would allow the Council to set its own conditions and evaluation criteria, as well as contract for a period longer than five years.
- 3.3.2. Although previous reports have noted that the option of a joint tender with RBG could be considered, this has been discussed with the Council’s insurance broker, Jardine Lloyd Thompson (JLT) (see section 3.6 below), who have advised against a joint tender to avoid any confusion due to the differences in risk profile between the authorities. In addition there are no real economies of scale that would be achieved, and separate tenders would also allow the Council to maintain control over the process and timescales.
- 3.3.3. On the basis of greater flexibility and potential issues with the framework in the event of delays, as well as the saving on the framework charge, it is therefore proposed that the contract be tendered using a restricted process, including advertising the opportunity in the OJEU and on Contracts Finder.

3.4. **Asset Review**

- 3.4.1. The sums insured for Council properties are now rather historic, and have been inflated annually by factors provided by the insurers. In order to ensure that Council assets have an appropriate insurance value, both to establish that assets are not under-insured, but also not over-insured and potentially inflate insurance premiums, it is proposed to carry out a review of the Council’s assets.
- 3.4.2. Cushman & Wakefield were asked to provide a proposal for a rolling review of the Council’s properties, with an initial focus on the high-value and high-risk properties, which would be reflected in the tender. Updated values from the rolling programme would then be reflected in future annual renewals.
- 3.4.3. Given the length of time since the last valuations, inspections would need to be carried out on the properties, which adds to the cost over a purely desk-based valuation, such as is carried out (on a rolling 5-year basis) for the Council’s annual accounts.
- 3.4.4. As a result, and as the first set of valuations would be for the most complex properties, the price would be £62,500 for the first 50 properties, although this would reduce for subsequent valuations (and any re-valuations if required). Officers are exploring whether costs relating to investment properties (particularly the more recent purchases) may be, in part at least, recoverable from the tenants. The cost would be met from the Insurance Fund and is

comparable to what other authorities have been charged/quoted for this service. It is estimated that the total cost for valuations of the approximately 190 properties that the Council is responsible for insuring would be around £200k over a period of 4 years.

- 3.4.5. This review can be undertaken through the Council's Total Facilities Management (TFM) contract with Amey, and the Executive is requested to agree a variation to this contract to cover this work.

3.5. **Actuarial Review**

- 3.5.1. As far as officers are aware, an actuarial review has never been carried out for the Council's insurance claims. This would be of benefit to make claims data more accurate/presentable to the insurance market for this tender, as well as for audit purposes. An actuarial review would look at integrity (how it all fits together), quality (if the data makes sense), and quantity (if anything is missing). In addition, it will consider any GDPR issues and accounting issues. Officers are intending to commission such a review at an estimated cost of £3-4k, which would be met from the Insurance Fund.

- 3.5.2. There are further elements that could be undertaken, such as a review of the Insurance Fund, the provision in the accounts and level of contribution to the fund, as well as a review of historic abuse/mesothelioma claims. However it is not felt that this would be of significant benefit to the Council at this stage, although this may be considered if anything is identified in the initial review.

3.6. **Use of Insurance Brokers**

- 3.6.1. With the exception of policies with Council's current main insurer, Zurich Municipal, the arrangement of insurance policies (and the annual renewals) generally has to be made through an insurance broker (e.g. out of the 26 insurers on the CCS framework, only three can deal directly with customers and not via a broker). The Council's insurance brokerage service has been provided by JLT since October 2010.

- 3.6.2. It is therefore desirable to retain a broker for this policy tender, and their assistance will be invaluable in reviewing the cover limits and types of cover (e.g. medical malpractice) prior to the tender. In addition, they will be able to assist in reviewing options for the claims handling service prior to the RBG contract expiry in 2020.

- 3.6.3. Given JLT's understanding of the Council's requirements and existing policies, the price reduction offered, as well as JLT also being RBG's broker, the contract was extended for three years until March 2021, to cover this tender exercise for policies from May 2019, and potentially for the claims handling service from April 2020 (if the agreement with RBG is not extended).

- 3.6.4. In addition, to ensure maximum response (there are only a limited number of insurers in the LA market), it is proposed to deviate from the Council's standard tender documentation and use JLT's documents, which the insurance market is very familiar with and able to easily review/assess. As an extreme example, JLT advised of one client who received no tender responses when they used their own documentation/questions. The Executive is therefore requested to agree this use of JLT's tender documentation.

3.7. **Use of Tenderers' Terms and Conditions**

- 3.7.1. From an insurer's point of view, the policy documents are the contracts, and as such are non-negotiable (as experienced with e.g. personal home/motor insurance). However, they don't necessarily include terms that the Council would require, such as suitable data protection, confidentiality, freedom of information, modern slavery act and prevention of bribery clauses,

so it is proposed that these be included in a separate schedule which tenderers must accept.

3.7.2. To safeguard the Council's interests from any unsatisfactory terms, a significant element of the quality criteria will effectively be an evaluation of their policy documents, which will have a minimum score to allow the rejection in the event of any unacceptable terms.

3.7.3. The Executive is requested to agree the proposed use of tenderer's terms and conditions, with the proposed additional terms schedule.

4. SERVICE PROFILE / DATA ANALYSIS

4.1. The Council currently receives around 450-500 insurance claims per year. A detailed analysis of the claims is included in the Insurance Fund Annual Report, which was last reported to Executive and Resources PDS Committee on 11th October 2017.

5. CUSTOMER PROFILE

5.1. The Council's insurance policies cover all of the main activities of the Council, as well as its assets, including those of the remaining maintained schools, and most investment properties.

6. MARKET CONSIDERATIONS

6.1. There are currently only five key insurers in the main Local Government insurance market: Zurich Municipal, Risk Management Partners (RMP), Maven, Travelers and Protector Forsikring.

7. STAKEHOLDER CONSULTATION

7.1. This is a corporate Council contract that does not materially affect the way services are provided to our stakeholders. No formal consultation is required in advance of a tendering exercise.

7.2. Should the tendering exercise result in a change of insurer(s), the Council's insurance provider, RBG, will need to be engaged in the transfer.

8. SUSTAINABILITY / IMPACT ASSESSMENTS

8.1. This proposal has been judged to have little or no impact on local people and communities.

9. OUTLINE PROCUREMENT STRATEGY & CONTRACTING PROPOSALS

9.1. Estimated Contract Value

9.1.1. Based on current insurance covers, the total gross contract value is estimated to be £5.6m, £1.8m of which will be recovered from tenants and any remaining maintained schools, leaving a net cost of £3.8m to be met by the Council.

9.1.2. The estimated values above are based on current policy costs, and it should be noted that the actual costs could vary dependent upon various factors outside of the contract manager's control, such as:

- Changes to the asset base of the Council
- Changes to the scope of services delivered by the Council
- Legal or regulatory changes resulting in additional cover required
- Claims experience changing from current/expected levels
- Changes to the level of Insurance Premium Tax (currently 12% since 1st June 2017)

- Changes to the Ogden discount rate for personal injury settlements

9.2. Other Associated Costs

- 9.2.1. The tendering exercise will be carried out mainly by the Council's insurance broker, JLT, at a cost of £2,500. RBG and Council input into and oversight of the exercise will be met within existing resources at no additional cost.
- 9.2.2. Should the outcome of the tender result in a change of insurers, there will be some resource implications associated with the transfer, however it is expected that this would also be contained within existing resources.
- 9.2.3. It should be noted that JLT will also likely receive commission/brokerage fees directly from the insurers, with the main exception of any policies with Zurich Municipal.

9.3. Proposed Contract Period

- 9.3.1. It is proposed that the contract will be for a period of five years, with an option to extend for a further period of three years, with authority to agree the extension delegated to the Director of Finance in consultation with the Portfolio Holder for Resources, Director of Commissioning and Director of Corporate Services. As is usual for insurance, the policies will be subject to an annual renewal exercise.
- 9.3.2. The school journey/personal accident policy will not be subject to a long-term agreement i.e. it will have annual break-clauses as this cover will no longer be required once the remaining maintained schools have converted to academy status.

9.4. Procurement Project Plan

- 9.4.1. Given the limited number of potential providers, it is intended that the contract is tendered using a restricted process, including advertising the tender in the OJEU and on Contract Finder.
- 9.4.2. The invitation to tender will require tenderers to complete a pricing schedule based on estimated activity levels, and to answer a range of questions on detailing the particulars of the policy cover.
- 9.4.3. It is proposed that the tender will be evaluated on the basis of 60% pricing and 40% quality. The quality criteria and weightings have yet to be finalised, but are likely to include areas such as:
- Financial resources and contract affordability
 - Assessment of policy cover (engineering service delivery)
 - Claims service
 - Added value and innovation
- 9.4.4. The Council includes a minimum quality threshold element within its quality evaluation to ensure the proper consideration of these matters, within the cost/quality ratio employed during the tender evaluation process.
- 9.4.5. It is expected that the new policies will be recommended for award at the March 2019 Executive meeting as set out in the draft summary timetable attached at Appendix 1. It should be noted that although this is close to the commencement date of the new policies, this is unavoidable as quotes from insurers are generally only valid for a maximum of 90 days.

9.4.6. Where relevant, tenderers will be asked to provide costs for various options, such as increasing the current level of cover for casualty above the current £30m limit, and changes to excess and stop-loss levels which will be informed by the proposed actuarial review. These options, as well as any new covers that may be desirable will be presented to the Executive for consideration as part of the award report.

10. POLICY CONSIDERATIONS

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

11. COMMISSIONING & PROCUREMENT CONSIDERATIONS

11.1. The report sets out a procurement process which satisfies the requirements of the Council's Contract Procedure Rules and the Public Contract Regulations 2015.

11.2. Council Officers will have responsibility for the Tender Evaluation process and its scoring, with the Consultant providing advice to aid their consideration of any tenders received.

11.3. While it is unusual for the Council to adopt contract documentation put forward by a Consultant, in this case, which relates to a highly specialised area of service provision, adopting what equates to an industry standard document, this is likely to encourage market involvement in the process.

12. FINANCIAL CONSIDERATIONS

12.1. The current 2018/19 gross budget for insurance policies is £694k, of which £226k is recovered from schools and tenants, leaving a net budget of £468k, as summarised in the table below:

Policy	2018/19 budget £'000
Casualty	291
Fidelity Guarantee	22
Property	96
Leased properties	172
Motor	54
Engineering Inspection	12
Terrorism	36
Personal Accident & School Journey	11
Gross budget for policies	694
Recharges to schools/tenants	-226
Net budget for policies	468

12.2. It is intended that the report recommending award of contracts will include various options for different levels of cover, as well as potentially new covers, which could impact on the cost of the policies, but there is currently no expectation of any significant changes to premiums on a like-for-like basis.

12.3. In addition, it should be noted that premiums are not fixed for the policy term, as they are subject to annual renewals, and may therefore change as a result of various factors within and external to the Council, as highlighted in paragraph 9.1.2 above.

13. LEGAL CONSIDERATIONS

- 13.1. This report seeks the approval of the Executive to tender for the Council's insurance policies; the policies will last for a period of 5 years with an option to extend for a period of up to 3 years. The estimated value of the policies per annum is £694k and the total estimated value of the policies is £5,600k.
- 13.2. Rule 5 of the Contract Procedure Rules provides that for a contract with a total value of £1,000k or more the Executive will be formally consulted on the intended action and contracting arrangements.
- 13.3. Rule 8 of the Contract Procedure Rules provides that for contracts with a value above £500k/the EU threshold the Council must invite tenders from between 5 and 8 organisations and comply with the Public Contracts Regulations 2015. Procuring the contract using a restricted procedure is a compliant procedure. Regulation 65 requires that at least 5 candidates must be invited to tender.
- 13.4. The report author will need to consult with the Legal Department regarding the policies terms and conditions.

Non-Applicable Sections:	Personnel Considerations, Impact on Vulnerable Adults and Children
Background Documents: (Access via Contact Officer)	Renewal of Casualty Insurance Policies– E&R PDS Committee 5 th June 2014; Formal consultation on outline service proposals and procurement strategy – insurance renewals 2016/17 – E&R PDS Committee 8 th October 2015; Insurance Renewals 2016/17 – Update on Award of Contracts, E&R RDS Committee 16 th March 2016; Insurance Renewals 2016/17 –Award of Contracts, E&R RDS Committee 8 th June 2016; Insurance Fund Annual Report 2016/17 – E&R PDS Committee, 11 th October 2017; Renewal of Casualty Insurance Policies– E&R PDS Committee 5 th June 2014

Draft Procurement Timetable

Activity	Date
Approval to commence tendering	21 st May 2018
Issue of OJEU contract notice	October 2018
Receipt of tenders	8 th February 2019
<i>Evaluation and review process</i>	
Identification of final bidder	1 st March 2019
Executive decision to award	27 th March 2019
<i>Standstill / Call-in Period</i>	
Contract Award	17 th April 2019
Policy Commencement	1 st May 2019

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Report No.

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **EXECUTIVE**
(following E&RPDS scrutiny on 17 May 2018)

Date: **Monday 21 May 2018**

Decision Type: Non-Urgent Executive Key

Title: **CONTRACT AWARD FOR SUBSTANCE MISUSE SERVICES
LOT 1 ADULTS
LOT 2 YOUNG PEOPLE**

Contact Officer: Mimi Morris-Cotterill
Tel: 020 8461 7779 E-mail: mimi.morris-cotterill@bromley.gov.uk

Chief Officer: Dr Nada Lemic, Director of Public Health

Ward: Borough Wide

1. Reason for report

- 1.1 This document is a summary to Part 2 'Contract Award Substance Misuse Service, Lot 1 Adults and Lot 2 Young People to be considered by Executive on 21 May 2018 with pre-decision scrutiny by the Chair of Care Services Policy & Development Scrutiny Committee and E&RPDS on 17 May 2018
- 1.2 This summary provides an overview of the tendering process for the Substance Misuse Service, Lot 1 Adults and Lot 2 Young People in accordance with the Council's financial and contractual procedure rules.
-

2. **RECOMMENDATION(S)**

- 2.2 **E&RPDS is asked to note the contents of this report when considering the recommendations in the Part 2 report that details the tender outcome.**
- 2.3 **Executive is asked to note this summary when considering the recommendations in the Part 2 report that details the tender outcome. The recommendation is to award contracts for a term of 3 years with a possible extension of up to a further 2 years.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: Improved access with a focus on sustained recovery that supports abstinence.
-

Corporate Policy

1. Policy Status: Existing Policy:
 2. BBB Priority: Children and Young People Safer Bromley Supporting Independence:
-

Financial

1. Cost of proposal: £1,497k per annum:
 2. Ongoing costs: £1,497k per annum:
 3. Budget head/performance centre: Public Health Budget
 4. Total current budget for this head: £1,571k per annum
 5. Source of funding: Public Health Grant
-

Personnel

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

Legal

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

Procurement

1. Summary of Procurement Implications:
The Tender process has been undertaken in accordance with the Council's Financial Regulations and Contract Procedure Rules and completed in compliance with the requirements of the Public Contract Regulations 2015 "Light Touch Regime".
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 1200
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: None

3. COMMENTARY

3.1 This report follows a Gateway Review in May 2017 (report CS 18005) setting out the commissioning intentions relating to the substance misuse services, together with the benefits and implications for the London Borough of Bromley. Subsequently, Gateway Review CS18096, November 2017, set out the procurement strategy to tender all substance misuse contracts for Adults and Young People as one tender comprising two Lots – Lot 1 Adults' and Lot 2 Young People for a period of 3 years with the option to extend for a further 2 years and was approved by Executive.

3.2 The Tender process:

3.2.1 In accordance with the Council's financial and contract procedure rules, the tender was published on Tuesday 27 February 2018 through ProContract. An OJEU contract notice was published at the same time.

3.2.2 As it had been identified that there was limited market for this services, a one stage open tender process was used which asked potential suppliers to set out their proposals for service delivery and cost.

3.2.3 A total of five bids for Lot 1 and five bids for Lot 2 were received and verified on Thursday 5 April 2018.

3.2.4 The tender prices were evaluated based on the Chartered Institute of Public Finance & Accountancy (CIPFA) evaluation model, which calculated an overall mean price value from all prices received. Individual scores are then allocated for each 1% the bidder's tender value was above or below the mean price.

3.2.5 The tender submissions were evaluated on 60% price and 40% quality. The evaluation of the 40% quality scoring was undertaken against the following criteria, weighted as shown. Both Lots were based on the same quality criteria.

Question	% of Total Score
1 Service Provision	20%
2 Service Outcomes	20%
3 Service Transition	10%
4 Adding Innovation	5%
5 Safeguarding	10%
6 Resource Management	5%
7 Service User Involvement & Managing Need	5%
8 TUPE Arrangements (non LBB)	5%
9 Financial Resources & Contract Affordability	5%
10 Governance	5%
11 Data Information & Management, Data Protection and GDPR Compliance	10%

3.2.6 The overall weightings for this tender evaluation were set to identify the Most Economically Advantageous Tender (MEAT) and deliver the best possible combination of whole-life cost and quality to meet the Council's requirements.

3.2.7 Initial evaluations were undertaken by the Public Health Commissioners and a representative from NHS Bromley Clinical Commissioning Group.

3.3. Justification for the award

3.3.1 The results of the evaluations are show in the Part 2 report which contains detailed scoring.

3.3.2 A recommendation to award the contracts for Substance Misuse Services are included in the Part 2 report.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

The new contracts will offer a more responsive and innovative service with improvements to service provision. Emphasis will be on improved access, especially to those vulnerable adults and young people, with a focus on achieving sustained recovery that supports abstinence.

5. POLICY IMPLICATIONS

The Substance Misuse Services meets the Council's objective within 'Building a Better Bromley' for Children and Young People, Supporting Independence and Safer Bromley.

6. PROCUREMENT IMPLICATIONS

6.1 The Tender process has been undertaken in accordance with the Council's Financial Regulations and Contract Procedure Rules and completed in compliance with the requirements of the Public Contract Regulations 2015 "Light Touch Regime". Once the Council has made its decision, the Authority will need to issue the appropriate Award Notices, observe the mandatory Standstill Period and issue an OJEU and Contract Finder Award Notice as provided for in the Regulations

6.2 Future Substance Misuse Services will be tendered in accordance with Regulation 7 of the Public Co process by the Council should take place in good time before the commencement of the contracts on 1st December 2018ntracts Regulations 2015 'Social and Other Specific Services'

7. FINANCIAL IMPLICATIONS

The proposals set out in this Part 1 report and the accompanying Part 2 report are consistent with current policy and is in line with the Council's Public Health Budget for 2018/19

8. PERSONNEL IMPLICATIONS

N/A

9. LEGAL IMPLICATIONS

Legal Department should be consulted to approve the final form of contract and schedules for each of the two lots prior to execution by the contractor. Completion of the signing and sealing process by the Council should take place in good time before the commencement of the contracts on 1st December 2018

Non-Applicable Sections:	Personnel Implications
Background Documents: (Access via Contact Officer)	7 Nov 2017 CS18096 Gateway Report: Procurement Strategy for Adults' and Young People's Substance Misuse Services

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