



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

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DATE: 30 August 2018

To: Members of the  
**EXECUTIVE**

Councillor Colin Smith (Chairman)

Councillors Graham Arthur, Peter Fortune, William Huntington-Thresher, Kate Lymer,  
Peter Morgan and Diane Smith

A meeting of the Executive will be held at Bromley Civic Centre on **WEDNESDAY 12  
SEPTEMBER 2018 AT 7.00 PM**

MARK BOWEN  
Director of Corporate Services

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

## A G E N D A

**1 APOLOGIES FOR ABSENCE**

**2 DECLARATIONS OF INTEREST**

**3 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 11TH JULY 2018**  
(Pages 3 - 18)

**4 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING**

In accordance with the Council's Constitution, questions to this Committee must be received in writing 4 working days before the date of the meeting. Therefore please ensure questions are received by the Democratic Services Team by 5pm on Thursday 6<sup>th</sup> September 2018.

**5 CHILDREN'S SERVICES IMPROVEMENTS**

(Oral Update)

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

(Pages 19 - 28)

**7 CONSIDERATION OF ANY OTHER ISSUES REFERRED FROM THE EXECUTIVE, RESOURCES & CONTRACTS POLICY DEVELOPMENT AND SCRUTINY COMMITTEE**

**8 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.

**Item of Business**

**Schedule 12A Description**

**9 EXEMPT MINUTES OF THE MEETING HELD ON 11TH JULY 2018**

(Pages 29 - 32)

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

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

(Pages 33 - 40)

Biggin Hill ward

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

**11 GATEWAY 1 - SOCIAL CARE CASE MANAGEMENT SYSTEM**

(Pages 41 - 56)

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

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

(Pages 57 - 68)

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

## EXECUTIVE

Minutes of the meeting held on 11 July 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 Ian Dunn and Councillor Simon Fawthrop

## 19 APOLOGIES FOR ABSENCE

There were no apologies for absence.

## 20 DECLARATIONS OF INTEREST

There were no declarations of interest.

## 21 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING

Two questions for written reply had been received from Colin Willetts - the questions and replies are set out in Appendix A to these minutes.

## 22 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 21ST MAY 2018

Report CSD18078

**RESOLVED** that the minutes of the meeting held on 21<sup>st</sup> May 2018 be confirmed.

## 23 PROGRESS IN IMPLEMENTING CHILDREN'S SERVICES IMPROVEMENTS - UPDATE FROM DEPUTY CHIEF EXECUTIVE AND EXECUTIVE DIRECTOR, EDUCATION, CARE AND HEALTH SERVICES

The Executive received a report from the Deputy Chief Executive and Executive Director, Education, Care and Health Services, in relation to the progress in improving children's services. The report focussed on corporate parenting opportunities to engage with looked after children and care leavers, the Leaving Care review by Mark Riddell MBE and the Ofsted monitoring visit on 12<sup>th</sup>/13<sup>th</sup> June 2018.

*Executive*  
11 July 2018

The Deputy Leader took the opportunity to remind all Members about the Corporate Parenting Fun Day on 29<sup>th</sup> July 2018.

**RESOLVED that the contents of the report be noted.**

**24 BUDGET MONITORING 2018/19**  
Report FSD18055

Members received the first budget monitoring report for 2018/19, based on expenditure and activity levels up to the end of May 2018. The report identified expenditure pressures, such as agency staff and the increase in children coming into care following the Ofsted report. The Leader reiterated the necessity to keep on top of controllable costs across all budget lines to Portfolio Holders and Chief Officers

The report had been scrutinised by the Executive, Resources and Contracts PDS Committee at its meeting on 5<sup>th</sup> July 2018.

**RESOLVED that**

**(1) The latest financial position and comments from chief officers detailed in appendix 2 be noted, including -**

- (a) that a projected net overspend on services of £1,679k is forecast based on information as at May 2018;**
- (b) a projected variation of £219k debit from investment income as detailed in sections 3.6 and 3.7 of the report;**
- (c) the carry forwards being requested for drawdown as detailed in section 3.3;**
- (d) a projected reduction to the General Fund balance of £2,396k as detailed in section 3.4;**
- (e) the full year cost pressures of £2.8m as detailed in section 3.5.**

**(2) The release of £400k relating to the cost of Local Elections from the 2018/19 Central Contingency as detailed in paragraph 3.2.2 be agreed.**

**(3) The release of £28k SEND Pathfinder grant from the 2018/19 Central Contingency as detailed in paragraph 3.2.3 be agreed.**

**(4) The return to the Central Contingency of £961k as detailed in paragraph 3.2.4 be noted.**

**25 CAPITAL PROGRAMME MONITORING – 1ST QUARTER**  
**2018/19**  
Report FSD18056

The report set out the current position on capital expenditure and receipts following the first quarter of 2018/19 and sought approval for a revised capital programme.

The report had been scrutinised by the Executive, Resources and Contracts PDS Committee at its meeting on 5<sup>th</sup> July 2018.

**RESOLVED that**

**(1) The report be noted, including a total re-phasing of £14,666k from 2018/19 into future years, and a revised Capital Programme be agreed.**

**(2) The following amendments to the Capital Programme be approved:**

**(a) Deletion of the £1k residual balance on Penge & Anerley Libraries (see paragraph 3.3.2 of the report);**

**(b) An increase of £472k on Transport for London (TfL) funded Traffic and Highways schemes (see paragraph 3.3.3);**

**(c) Addition of £129k for The Widmore Centre scheme (see paragraph 3.3.4);**

**(d) Addition of EFA allocation of £29k for Healthy Pupils Capital Fund scheme (see paragraph 3.3.5);**

**(e) Increase of £26k to the Performance Management/Children Services IT scheme funded by a decrease to the Social Care Grant scheme (see paragraph 3.3.6);**

**(f) Deletion of £36k from the Anerley Town Hall Library Provision as the scheme has completed (see paragraph 3.3.7); and**

**(g) It is noted that a report elsewhere on the Agenda requests the addition of £6,462k to the Capital Programme for Depot Improvement Works (see paragraph 3.3.8).**

**(3) Council be recommended to approve the addition of £1,995k on the Disabled Facilities Grant funded scheme to reflect the latest grant funding available (see paragraph 3.3.1).**

**26            RETENDER OF THE EXCHEQUER SERVICES CONTRACT**  
Report DRR18/011

This report summarised the outcome of the soft market testing exercise undertaken by officers and the procurement approach for the retendering of the Exchequer Services contract. The current contract with Liberata ended on 31st March 2020.

The report had been scrutinised by the Executive, Resources and Contracts PDS Committee at its meeting on 5<sup>th</sup> July 2018; the Committee had requested that the proposed decision be considered by the Contracts and Commissioning Sub-Committee at its meeting on 17<sup>th</sup> July.

**RESOLVED that**

- (1) The outcome of the soft market testing exercise be noted.**
- (2) The retendering of the Exchequer Services contract be approved for the reasons set out in the report and in accordance with section 4 of the report, subject to the views of the Contracts and Commissioning Sub-Committee, with any subsequent changes being approved by the Director of Finance in consultation with the Director of Human Resources and with the agreement of the Resources, Commissioning and Contract Management Portfolio Holder.**
- (3) The Contract term be agreed as a period of 8 years with an option to extend for a further period of up to 4 years (based on a 2 plus 2 option) as set out in Section 6 of the report.**
- (4) It is noted that officers have explored the options to add in additional services and remove existing services to the contract; an optional price will be obtained for the additional services as set out in section 4.3 of the report.**
- (5) The Web Recruitment Module of the core ResourceLink system will not be renewed and will be replaced with a new stand-alone platform procured via the ESPO Framework as set out in Section 4.5 of the report.**
- (6) The core HR Payroll and Pensions System be extended with NGA until 30 June 2023 at a cost of £468k, which will be met within the current service budget for the reasons set out in section 4.10 of the report.**
- (7) The Pensions system with Aquila Heywood be extended until 30 June 2023 at a total cost £348k which will fall within the current budget for the reasons set out in section 4.11 of the report.**

**27 BROMLEY LOCAL INTERMEDIATE HOUSING INCOME THRESHOLDS REVIEW**  
Report DRR18/011

The report sought Members' agreement to raise the existing local income thresholds for 1-3 bedroom units for intermediate housing to reflect changes primarily in house prices over the past 3 years (increases of 30% (not 40% as stated in the report) on average for one and two bedroom units in lower quartile house prices).

Intermediate housing was defined as sub-market housing available to people on moderate incomes who could not afford to buy or rent housing generally available on the open market. Intermediate housing could take the form of shared ownership, low cost home ownership or sub market rented housing.

The report had been considered by the Development Control Committee on 21st June 2018.

**RESOLVED that**

**(1) The amended local upper limit intermediate housing (intermediate ownership) household income thresholds for 1, 2 and 3 bedroom units be as follows:**

**1 bedroom units      £55,000**

**2 bedroom units      £68,800**

**3 bedroom units      £73,400**

**4 bedroom units apply GLA household upper limit of £90,000 to 4 bedroom units (intermediate ownership)**

**(2) The GLA household upper limit of £60,000 applies to intermediate rent products.**

**(3) The amended Addendum to accompany the Council's Supplementary Planning Documents on Affordable Housing (2008) and Planning Obligations (2010) be as attached at Appendix 2 and 3 of the report.**

**28            THE EVALUATION AND PROPOSAL TO EXTEND THE  
DISCHARGE TO ASSESS PROCESS  
Report CS18146**

The Executive considered an evaluation of the Discharge to Assess (D2A) pilot and recommendations for the next steps. The scheme sought to reduce delayed transfers of care, and, following a question from a visiting Member, it was confirmed that it was intended that it would be extended to everyone who left hospital into a social care pathway to achieve maximum benefits.

The report had been scrutinised by the Adult Care and Health PDS Committee at its meeting on 27<sup>th</sup> June 2018.

**RESOLVED that**

**(1) The drawdown of £304k from the Better Care Fund (BCF) underspend to support the extension of the Discharge to Assess pilot, as set out in Paragraphs 3.5 to 3.7 of the report , which will deliver full year cashable savings of £419k from 2019/20 be agreed as set out in paragraph 5.6.**

**(2) Update reports including any legal or procurement implications identified by the D2A Programme Board associated with mainstreaming D2A activity be brought back to the Executive as required.**

**29                   SCHOOLS BASIC NEED CAPITAL PROGRAMME**  
Report ED18060

The Executive considered a report updating them on capital schemes included within the Council's Basic Need Capital Programme with a project value over £1m. The Basic Need Capital Grant was received from the Department for Education and supported the delivery of sufficient school places.

**RESOLVED that**

- (1) The updated Basic Need Programme be agreed as set out in Appendix 3 to the report, subject to Full Council approval.**
- (2) That an increase to the Basic Need capital scheme be agreed of £604k to reflect the additional SEND Provision capital grant allocation as detailed in paragraph 3.3 and adjustment to the funding (-£8k) provided by the DfE for the MUGA at Trinity CE Primary School.**
- (3) That approval be given to the fully costed appraisal for the new schemes at Bromley Trust Academy, Pickhurst Junior School and Red Hill Primary School in addition to the projects outlined in the previous reports agreed by the Executive on 2 April 2014, 20th May 2015, 23 March 2016 and 19 July 2017 as set out in Appendix 2 to the report.**
- (4) That, where required, funding be delegated to schools for local delivery subject to there being sufficient mechanisms in place to control expenditure and ensure delivery of outcomes.**
- (5) That the Executive notes that schools will be submitting planning applications in association with these works.**

**30                   CIVIC           CENTRE           PROGRAMME           AND           OFFICE**  
**ACCOMMODATION PROPOSALS**  
Report DRR18/036

The report updated Members on the latest proposals for office accommodation at the Civic Centre and the Central Depot, and sought approval to appoint consultants to undertake a feasibility study and to dispose of Ann Springman and Joseph Lancaster Halls.

The report had been scrutinised by Executive, Resources and Contracts PDS Committee on 5<sup>th</sup> July 2018; the Committee had commented that there should be wider consultation on the proposals, and the Leader provided reassurance that this concern had been addressed.

**RESOLVED that**

- (1) The scope of work proposed for the feasibility study for the Civic Centre and Central Depot be approved.**



**(2) The appointment of consultancy services from the ESPO Property, Building and Infrastructure Advice and Management Services Framework to carry out a feasibility study for the proposed works to the Civic Centre and Central Depot as outlined in the report be approved.**

**(3) The allocation of £122.2k from the £14.1m held in the Capital Programme for Civic Centre Development Strategy be approved.**

**(4) The disposal of Ann Springman and Joseph Lancaster Halls (AS/JL) on the basis outlined in paragraphs 3.15 – 3.17 of the report be approved.**

**(5) The marketing costs of £65k be funded from the future capital receipts that may be generated from the disposal of the site.**

**(6) The commissioning of consultancy services for the disposal of Ann Springman and Joseph Lancaster Halls be approved, the costs of which will be deducted from the capital receipt.**

**31 CENTRAL LIBRARY/CHURCHILL THEATRE: DEFECTIVE TILING**  
Report DRR18/037

The Executive considered issues relating to the defective tiling at the Central Library/Churchill Theatre. It was proposed that temporary works would be carried out which would eliminate the need for hoarding/scaffolding and reduce the risk to the public whilst a permanent solution was identified and other building issues addressed.

The report had been scrutinised by the Executive, Resources and Contracts PDS Committee at its meeting on 5<sup>th</sup> July 2018.

**RESOLVED that**

**(1) Funding of £427k be approved from the earmarked reserve for Infrastructure Investment to undertake temporary works.**

**(2) The procurement route outlined in paragraphs 8.1 and 8.2 be approved.**

**(3) It is noted that a further report will be brought back to the Executive to up-date Members on remedial works required to the building.**

**(4) It is noted that, subject to (3) above, Officers may be instructed to review the future of the building and to consider its disposal and reconstruction elsewhere in the context of the town centre regeneration programme.**

**(5) Delegated authority be given to the Project Manager to authorise variations against the construction and/or surveys within the 15% contingency tolerances.**

**32 DEPOT STRATEGY - CAPITAL WORKS**  
Report ES18032

The waste management, street cleansing and grounds maintenance contracts were being re-tendered with the new contracts due to commence in April 2019. In preparation for this, a strategic review of the Council's depots had been undertaken in order to provide cost-effective and flexible facilities based on a contract structure where the contractor was able to self-provide modular buildings and storage facilities, reducing the Council's ongoing costs.

An assessment of the condition of these depots had been carried out and a range of essential capital works has been identified including the replacement of hard standings and demolition of dilapidated buildings. At the larger depots, particularly those associated with waste management, the improvements would help to maintain site safety and environmental compliance as well as sustaining fitness-for-purpose throughout the duration of the contracts. The report therefore recommended that the sum of £6.5m was approved to carry out the identified capital works.

The report had been scrutinised by the Environment and Community Services PDS Committee at its meeting on 10<sup>th</sup> July 2018; a visiting Member reported that the Committee had suggested an amendment to the recommendation about delegating authority to the Programme Manager to authorise variations against the construction and/or consultancy contracts, proposing that the delegation be exercised by the Executive Director. It was confirmed that the proposed delegation to the Programme Manager was standard Council practice, and that the Programme Manager would be given a very clear brief to achieve best value and would be fully accountable to the Portfolio Holder and senior officers.

**RESOLVED that**

**(1) Council be recommended to approve the addition of the scheme for Depot Improvement Works to the capital programme, with a total cost of £6.5m, to be financed as set out in paragraph 5.5 of the report.**

**(2) Authority be delegated to the Programme Manager to authorise variations against the construction and/ or consultancy contracts within the 10% tolerances, with the Programme Manager accountable to the Council's budget holder.**

**(3) An additional 10% contingency of £587k be approved for any additional depot works that are identified through the negotiation process for the Environment contract.**

**(4) Authority be delegated to use the additional 10% funding for depot works to the Executive Director of Environment and Community Services in consultation with the Environment and Community Services Portfolio Holder.**

**(5) A suitable framework be utilised for the appointment of consultancy services.**

**(6) The procurement of contractors for works as outlined in the report be approved.**

**33 LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN (LGSCO) PUBLIC REPORT**  
Report CS18149

The Local Government and Social Care Ombudsman (LGSCO) had issued a public report following the upholding of a complaint against the Council regarding the provision of Adult Social Care, finding maladministration causing injustice. The LGSCO report recommended that the Council pay compensation of £2,865 to reflect the time, trouble and distress it had caused the service user and his mother, and to take a number of steps to improve services for others in the future.

It was confirmed that these steps had already been implemented, or were in the course of being implemented, which the LGSCO had recognised. The Leader added that he would write to the complainant with a personal letter of apology.

**RESOLVED that the report be accepted and the proposed compensation payment approved.**

**34 CONSIDERATION OF ANY OTHER ISSUES REFERRED FROM THE EXECUTIVE, RESOURCES & CONTRACTS POLICY DEVELOPMENT AND SCRUTINY COMMITTEE**

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

**35 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**

*Executive*  
*11 July 2018*

**36 EXEMPT MINUTES OF THE MEETING HELD ON 21ST MAY 2018**

The exempt minutes of the meeting held on 21<sup>st</sup> May 2018 were confirmed.

**37 CULTURE PROJECTS - CONTRACT AUTHORISATIONS**

The Executive authorised a number of contract variations to ensure that capital projects were delivered efficiently.

**38 GATEWAY 0 REPORT: REQUEST FOR A TWO YEAR EXTENSION ON CURRENT CONTRACTS AND FUTURE SERVICE REDESIGN AND TENDERING PROJECT - DOMICILIARY CARE**  
Report CS18147

The Executive approved an extension to the current domiciliary care framework.

**39 CAPITAL PROGRAMME - APPENDIX E**

The Executive noted Appendix E to the Capital Programme report on capital receipts.

The Meeting ended at 7.16 pm

Chairman

**EXECUTIVE**

**11<sup>th</sup> July 2018**

**Questions from Members of the Public for Written Reply**

**1. From Colin Willetts to the Environment and Community Services Portfolio Holder**

Regarding inconsiderate parent parking 26/6/18 (i) could you install white bar mark between 18 - 20 Silverdale to allow clear pedestrian access to/from alley across to Ringshall (12659-01)?, (ii) likewise, could you increase restrictions from 119 right up to 141 Leasons Hill to (as suggested) allow vehicles to pass in safety particularly on this very busy bus route (12772-01)?

**Reply:**

A drop kerb is not in place at this location therefore a white bar is not applicable.

**2. From Colin Willetts to the Environment and Community Services Portfolio Holder**

With regard to Chipperfield Road (ref 12658-01), (i) could you increase this restriction directly up to the existing DYL opposite nos 293? (ii) could you also restrict northbound parking directly in front of bus cage (to include rear school entrance) to allow for a safe right turn for the resident residing at nos 281?

**Reply:**

We do not use double yellow line to facilitate access to driveways for individual residents. However, once the main scheme is completed some adjustments can be made to enhance safety and traffic flow.

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**Decision Maker:** EXECUTIVE

**Date:** 12<sup>th</sup> September 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

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1. Reason for report

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

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2. **RECOMMENDATION**

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

|   |   |
|---|---|
| <b>Non-Applicable Sections:</b>                       | Impact on Vulnerable Adults and Children/Policy/Financial/Personnel/Legal/Procurement |
| Background Documents:<br>(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
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### 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.
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### 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
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### Ward Councillor Views

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



**Appendix A**

| <b><u>Minute Number/Title</u></b>  | <b><u>Executive Decision/Request</u></b>  | <b><u>Update</u></b>  | <b><u>Action by</u></b>                    | <b><u>Completion Date</u></b> |
|--|---|---|--|-------------------------------|
| <b>22<sup>nd</sup> March 2017</b>  |   |   |  |                               |
| 201<br><b>Operational Building Maintenance Budgets and Planned Programme 2017/18</b> | Members requested a report on the position with regard to the sale of former public toilet buildings.   | This issue will be included in a future report on Asset Management.   | Head of Strategic Property                 | October 2018                  |
| <b>6<sup>th</sup> December 2017</b>  |   |   |  |                               |
| 362<br><b>Bromley Youth Employment Scheme Project Extension</b>                      | A further report was requested for the 2 <sup>nd</sup> or 3 <sup>rd</sup> 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 | October 2018                  |
| <b>10<sup>th</sup> January 2018</b>  |   |   |  |                               |
| 389<br><b>Update on Service Proposals and Procurement Strategy for Modular Homes</b> | 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. A site visit will be arranged for shortly after the contract is scheduled to commence in November 2018. | Director of Housing                        | November 2018                 |

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## London Borough of Bromley

Part 1 - Public

Agenda  
Item No.

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**Decision Maker:** Executive

**Date:** Wednesday, 12 September 2018

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

**Title:** Bromley Private Sector leasing Scheme and Council owned temporary accommodation management services – contract extension

**Contract Officer:** Lynnette Chamielec, Head of Allocations and Accommodation

Tel: 0208 313 4009

E-mail: [lynnette.chamielec@bromley.gov.uk](mailto:lynnette.chamielec@bromley.gov.uk)

**Chief Officer:** Ade Adetosoye, Executive Director

**Ward:** Borough wide

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### 1. REASON FOR REPORT

- 1.1 Bromley's formal contract for the procurement and management of private sector leased properties and management of council owned temporary accommodation which forms an important part of the Council temporary accommodation portfolio is due to expire on 31<sup>st</sup> March 2019.
  - 1.2 The contract allows for a two year extension. Permission is now sought to extend the contract by 2 years. This report outlines the proposed extension of the contract.
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### 2. RECOMMENDATION(S)

Members of the Executive are asked to:

- 2.2 Note and comment on the contents of this report and the current action being taken to reduce the overall costs and improve the supply of TA.

The Executive are asked to agree to the following recommendations:

- 2.3 Agree to the proposal to utilise the extension option in the existing contract with Orchard and Shipman from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2021 at an estimated gross value of £2.2m per annum. Of this sum approximately £1m relates to the management fees for

**accommodation with the remainder passed directly to private landlords for the private rental charges.**

- 2.4 Agree the Housing Division utilises the extension period to review the market in order to undertake a robust tendering process prior to the extension period expiring.**
- 2.5 Note the Housing Division will continue to pursue cost effective block contracts for TA both in private sector leasing and nightly paid accommodation (NPA).**
- 2.6 In consultation with Director of Commissioning, Director of Finance, Director of Corporate Services and the Portfolio Holder delegate authority to the Deputy Chief Executive and Executive Director Education, Care and Health Services to enter into block booking contracts and lease arrangements where offered to the Council where such arrangements provide a saving against current nightly paid rates.**

### Corporate Policy

1. Policy Status: existing policy
  2. BBB Priority:
- 

### Financial

1. Cost of Proposal: N/A. As per existing contract.
  2. Ongoing Costs: Recurring Cost. £zero
  3. Budget Head / Performance Centre: Temporary Accommodation
  4. Total current budget for this head: £6.5m
  5. Source of funding: RSG
- 

### Staff

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

### Legal

1. Legal Requirement: Statutory Requirement.
  2. Call-in: Call-in is applicable.
- 

### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): More than 5,000 households approach with housing difficulties which could lead to homelessness each year. There are currently about 1,575 households in temporary accommodation to whom the Council owes a statutory duty, of which 958 are in costly forms of nightly let accommodation. Orchard and Shipman currently manage approximately 200 units as part of the Council's temporary accommodation portfolio
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### Ward Councillor Views

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

### **3. COMMENTARY**

- 3.1 The number of people living in TA and the cost of providing this resource continues to rise. A continuing disparity between local housing allowance levels and the incomes of low to moderate wage earners in comparison to local market rents is continuing to widen and is putting an increased number of households at risk of homelessness. Without a significant increase in the development of genuinely affordable accommodation there is no prospect of any reduction in the requirement for TA over the next few years.
- 3.2 In order to ensure a sufficient supply of Temporary Accommodation (TA) to meet statutory housing responsibilities, TA is procured through a mixture of routes including property purchase, leased, block and spot contract arrangements.
- 3.3 The Council spends more than £6.5m (net) procuring temporary accommodation for homeless households every year and demand for this service is forecast to increase. Temporary accommodation (TA) is procured through a mixture of property purchase, leased, block and spot contract arrangements.
- 3.4 Orchard and Shipman currently operate the Councils private sector leasing scheme procuring and managing units from the private rented sector for use as temporary accommodation. They also manage the Bromley owned temporary accommodation stock. The Council originally entered into contractual arrangements with Orchard and Shipman by using a framework agreement set up via a competitive tendering process undertaken by Midlothian Council in 2011.
- 3.5 In January 2016 the Executive Committee agreed to enter into a new contract with Orchard and Shipman for the procurement and management of private sector leased properties and management of Council owned TA for a period of 3 years from 1<sup>st</sup> April 2016 with the option to extend for a further 2 year period.

### **4. SUMMARY OF YOUR BUSINESS CASE**

The primary justification for extending the contract is to ensure retention of the existing PSL units, the majority of which are self-contained properties located within the borough boundaries and which are used primarily to house those in local employment and those with high support needs which must be met locally. These properties have been procured independently by Orchard and Shipman and subsequently made available to the Council to nominate to as temporary accommodation in order to allow us to meet our statutory duties in respect of homelessness. The Council has no direct relationship with these properties or property owners and in the event that the contract with Orchard and Shipman ceased they would retain access to these units and the Council would be forced to find alternative placements for its clients. Orchard and Shipman would be able to source alternative tenants for this accommodation either by way of private agreement or via another Local Authority.

In addition through combining the contract to incorporate the leased and LBB owned accommodation management with one provider efficiencies have already been achieved.

The Council also works closely with other London Authorities, recent tenders that have taken place for similar Schemes have not been successful as other Providers have largely withdrawn from the market which would suggest that there is insufficient interest in pursuing new schemes of this nature at this time. Should the extension be agreed would propose to review the undertakings and joint ventures being explored across London prior to the extension expiring.

## 4.1 SERVICE PROFILE / DATA ANALYSIS

- 4.1.1 In order to meet the continued demand for TA the Council secures units in several ways. The most advantageous and cost effective arrangements are Registered Provider temporary lets and housing association leasing arrangements as these operate on a nomination only basis with no requirement for additional funding or underwriting and the most costly are spot purchased nightly paid units which currently have an annual average net cost of £7,400 per unit.
- 4.1.2 The Council's approved temporary accommodation procurement policy seeks to secure a sufficient supply of accommodation, where possible utilising all forms of TA, with spot purchased nightly paid units only being used when no other alternative supply can be sourced.
- 4.1.3 The table below shows the numbers of properties used for general needs TA split by source. For the purpose of this report specialist supported accommodation which may be used as TA as part of a housing pathway is not included.

| Scheme Type  | # Placements |
|--|--------------|
| Oak/Theori (individual private sector leases – nominations only)                   | 10           |
| Hyde/NHHG (individual housing association private sector leases- nominations only) | 4            |
| Nightly Paid Accommodation (NPA)   | 958          |
| Clarion (AST – nominations only)   | 208          |
| Dabora Conway (individual private sector leases)                                   | 7            |
| Orchard & Shipman( PSL)  | 106          |
| Orchard & Shipman (LBB owned)  | 105          |
| More Homes Bromley (Owned)   | 136          |
| Mears (leased unit)  | 34           |
| A2 Dominion (PSL- nominations only)  | 10           |
|  | 1,575        |

- 4.1.4 In addition to existing pressures that have resulted in the current rise in the use and cost of temporary accommodation, the following trends appear likely to continue in the future:

- **Continuing property and rental price increases against frozen benefit and temporary accommodation subsidy levels reducing access/supply of private rented and temporary accommodation units:** this will reduce access to the market, increase the number of households accommodated by the Council and increase the funding gap needing to be subsidised.

- **Increased homeless approaches**, particularly from the lowering of the benefit cap and low-to-moderate income working households being priced out of the market.
  - **Continued decrease in available social housing** combined with increased concern from housing associations regarding affordability and increased refusals for nominations and/or requests for rental guarantees or rent in advance to take statutory homeless households.
  - **Increased rent arrears resulting from universal credit roll out.**
  - **Increasing legal challenges around temporary accommodation** including the type, location (particularly outside of London) and length of stay. Currently around 61% of TA placements are outside of the borough's boundaries.
- 4.1.5 In order to meet the demand for TA the Council will continue to seek the procurement and retention of accommodation that enables it to deliver its statutory responsibilities in respect of homelessness whilst ensuring that it delivers the best possible value for money achievable in this difficult market and ensuring that formal contractual arrangements will be agreed in accordance with Contract Procedure Rules.
- 4.1.6 The table below provides a simple demonstration of predicted increases based upon current supply and demand. This includes assumptions on the Mears property purchase units and pilot modular homes scheme, but does not factor in any risk around a further reduction in lettings or upsurge in numbers approaching following the rollout of universal credit this year.

|                                  | 2018/19      | 2019/20      | 2020/19      |
|----------------------------------|--------------|--------------|--------------|
| <b>TA at start of year</b>       | 1,522        | 1,837        | 2,185        |
| <b>of which in NPA</b>           | 909          | 1,168        | 1,412        |
| <b>New statutory acceptances</b> | 665          | 698          | 700          |
| <b>Total</b>                     | 2,187        | 2,535        | 2,885        |
| <b>Move-on from TA</b>           | 350          | 350          | 350          |
| <b>Total In TA</b>               | <b>1,837</b> | <b>2,185</b> | <b>2,535</b> |
| <b>Of which NPA</b>              | <b>1,128</b> | <b>1,390</b> | <b>1,683</b> |

## 4.2 OPTIONS APPRAISAL

- 4.2.1 If the Council does not take any procurement action the costs of temporary accommodation will continue to increase and the risk of challenges because of the location and type of accommodation offered will increase. Therefore "no action" is not an option.
- 4.2.2 Given the current pressures in relation to homelessness and temporary accommodation and limited availability of supply, it is critical that the current temporary accommodation stock including those units procured and managed by Orchard and Shipman are maintained and that the focus on preventative measures is maximised wherever possible.
- 4.2.3 The Council will to continue to work with its existing Private Sector Leasehold (PSL) Providers and to develop relationships with emerging providers in order to reduce the ongoing cost of



nightly paid TA. The Council needs to be able to make decisions very quickly to take up opportunities which are offered to it as offers from new providers are often made with very short notice. As such the report requests in consultation with Director of Commissioning, Director of Finance, Director of Corporate Services and the Portfolio Holder delegated authority to the Deputy Chief Executive and Executive Director of Education, Care and Health Services to enter into such arrangements when opportunities to come forward offering a saving against the cost of nightly paid accommodation.

- 4.2.4 An extension of the current arrangements will not be sufficient to meet the level of demand for temporary accommodation. Additional housing supply is necessary to meet our statutory duty and start to reduce the level of costly temporary accommodation placements which have to be secured through the private rented sector on a nightly rate basis. There are a range of additional measures currently being considered with options papers being reported to Members for consideration as these options present themselves.

### **4.3 PREFERRED OPTION**

- 4.3.1 As per 4.2 above the preferred option is to extend the current contract held with Orchard and Shipman for two years.
- 4.3.2 Orchard and Shipman are meeting key performance targets; these include those relating to arrears recovery; which is in excess of 98%, void turnaround; which averages 25 days and unit management, which includes targets relating to repairs and cyclical safety checks.

## **5. MARKET CONSIDERATIONS**

- 5.1 There is high and increasing demand for the provision of temporary accommodation across London and the South East and as such competition for available accommodation is increasing.
- 5.2 Restrictive subsidy and welfare reform changes have meant that leasing schemes have become less economically viable and an increasing number of housing associations have withdrawn from the temporary accommodation market, leaving an increased reliance on providers such as Orchard and Shipman and those only willing to offer accommodation at an inflated nightly paid rate.
- 5.3 Despite active procurement activities from Providers such as Orchard and Shipman this has resulted in a loss of 85 PSL units between January 2016 and July 2018 as landlords are able to achieve a significantly higher rental yield via alternative routes such as utilising a nightly paid provider or renting their accommodation directly to the market.
- 5.4 Existing leases and those currently being negotiated remain within the temporary accommodation subsidy arrangements in that rental revenue covers the costs of the lease payments to the property owner and management services from Orchard and Shipman.
- 5.5 The audit report commissioned on temporary accommodation in October 2015 recommended that where arrangements were operating successfully that consideration should be given to maintaining those arrangements and associated contracts in order to cover and protect the current leases and ability to take on new properties in accordance with existing arrangements. As the leased arrangements are made directly with the private landlords any withdrawal from such a scheme would mean the loss of those units.

## **6. STAKEHOLDER ENGAGEMENT**

Regular feedback is sought from tenants to ensure the service performs. We continue to liaise with all our partners with regards to the procurement of temporary accommodation.

## **7. PROCUREMENT AND PROJECT TIMESCALES AND GOVERNANCE ARRANGEMENTS**

- 7.1 The contract has a two year extension option built into the contract and it is proposed to utilise this extension option.

## **8. SUSTAINABILITY AND IMPACT ASSESSMENTS**

- 8.1 The retention of these units and ability to enter into arrangements when PSL, HAL or block booking arrangements present themselves will allow the Council to continue to place the most vulnerable households close to specialist services and schooling and minimise the cost of providing essential support services such as SEN transport. The units also enable the Council to maintain close access to employment for those that work locally.

## **9. POLICY CONSIDERATIONS**

- 9.1 The housing objectives are set out in the relevant business plans and Homelessness Strategy. These objectives are compliant with the statutory framework within which the Council's housing function must operate.
- 9.2 The Council has a temporary accommodation procurement and placement policy (elsewhere on this agenda) which seeks to ensure compliance with the statutory framework for the provision of temporary accommodation meeting the requirements for suitability whilst seeking value for money in all placements.
- 9.3 The Council's temporary accommodation procurement and placement policy takes account of statutory guidance together with case law requirements to fulfil the Council statutory duty for the provision of temporary accommodation. This has been reviewed to reflect market.

## **10. PROCUREMENT CONSIDERATIONS**

- 10.1 The Executive Committee of the Council agreed the continued use of Orchard and Shipman to manage and overview various Tenancy Arrangements and Statutory responsibilities at its meeting in January 2016, which also included reference to the possible need to further extend the original contract to meet the Council's Housing responsibilities and the endorsement of this approach following an Audit Review in October 2015.
- 10.2 As the Contract in place has made provision for the extension identified, and given the need to also extend this arrangement to align with the Bellegrove and Manorfields leasing arrangements, there would seem little value in requiring the Contract to be subject to further competitive tendering at this time, although this will need to be actively considered and appropriate tender action commenced, in the near future."

## **11. FINANCIAL CONSIDERATIONS**

- 11.1 The cost of the Private sector leasing scheme and Council owned temporary accommodation management services are cost neutral as the cost of management and payment of rents is recovered through the rental stream charged to tenants.

11.2 This scheme mitigates the need for further nightly paid accommodation. The increasing costs of this have been reported to Members previously and are contained within the main body of the report.

11.3 The table below provides a breakdown of the nightly paid bed and breakfast costs

|       | Average Yearly Charge | Average Yearly Income | Average Yearly Net Cost |
|-------|-----------------------|-----------------------|-------------------------|
| 1 Bed | £13,107               | £7,264                | £5,843                  |
| 2 Bed | £16,178               | £8,785                | £7,393                  |
| 3 Bed | £19,433               | £10,475               | £8,957                  |
| 4 Bed | £23,668               | £15,989               | £7,678                  |

11.4 The majority of families in nightly paid accommodation require two bedrooms with the next most needed type of accommodation being one and three bedroom accommodation.

11.5 The average cost per unit is around £7,400 p.a. although this is forecast to increase in the next few years. This is the amount mitigated by using this contract

11.6 The number of homelessness is currently 1,522 of which some are placed in temporary accommodation or private landlords. However it is the nightly paid which is the major cost pressure of which there are currently 1,128 households.

## 14. LEGAL CONSIDERATIONS

14.1 All local authorities have a statutory duty under the Housing Act part VII (as amended by the Homelessness Act 2002) to secure suitable temporary accommodation for priority homeless households.

14.2 Under section 193 of the Act local authorities are bound by statute to secure that suitable accommodation is available for those applicants who have been accepted as having a 'main' homelessness duty. This will usually initially be filled by continuing the temporary arrangements entered into for the interim duty.

14.3 The Council also uses temporary accommodation style arrangements to fulfil the statutory duty towards other client groups for example those with no recourse to public funds and some leaving care clients.

14.4 There is clear guidance within the homelessness legislation and case law regarding suitability of temporary accommodation. This includes details of standards of accommodation, nature, style, affordability and location. Recent case law has clearly set out the expectation that local authorities should as far as possible secure accommodation within the locality. Where this cannot be done there needs to be a clear audit trail which demonstrates how accommodation was procured in the nearest possible location. In addition, full risk assessments must be undertaken regarding out-of-borough placements. Lack of accommodation in itself is not sufficient to justify a placement which does not meet the suitability criteria. Failure to meet the above requirements brings the risk of legal challenge resulting in order with specific placement requirements and compensation orders.

14.5 The proposed extension to the contract terms is permitted within the terms of the current contract. The proposed extension can be approved under Rule 23.7 and 13.1 of the Council's Contract Procedure Rules

|   |                            |
|---|----------------------------|
| Non-Applicable Sections:                              | Personnel, IT and GDPR, HR |
| Background Documents:<br>(Access via Contact Officer) |                            |
|   | Version CP@5/16            |

# Agenda Item 9

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