



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

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DATE: 15 November 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 28
NOVEMBER 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 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 22nd November 2018.

4 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 17TH OCTOBER 2018
(Pages 5 - 18)

5 CHILDREN'S SERVICES IMPROVEMENTS (ORAL UPDATE)

6 BUDGET MONITORING 2018/19 (Pages 19 - 60)

- 7 **CAPITAL PROGRAMME MONITORING - 2ND QUARTER, 2018/19**
(Pages 61 - 74)
- 8 **COUNCIL TAX SUPPORT/REDUCTION SCHEME 2019/20**
(Pages 75 - 122)
- 9 **BUILDING CONTROL - SERVICE REVIEW**
(Pages 123 - 130)
- 10 **PROCEEDING TO PROCUREMENT (GATEWAY 1) MENTAL HEALTH FLEXIBLE SUPPORT SERVICE**
(Pages 131 - 140)
- 11 **AWARD OF CONTRACTS FOR WASTE DISPOSAL, WASTE COLLECTION, STREET ENVIRONMENT AND PARKS MANAGEMENT & GROUNDS MAINTENANCE (PART 1)**
(Pages 141 - 148)
- 12 **AWARD OF CONTRACT FOR ARBORICULTURAL SERVICES (PART 1)**
(Pages 149 - 154)
- 13 **HEALTH SUPPORT TO SCHOOL AGE CHILDREN**
To follow
- 14 **IT TRANSFORMATION**
To follow
- 15 **CONSIDERATION OF ANY OTHER ISSUES REFERRED FROM THE EXECUTIVE, RESOURCES AND CONTRACTS POLICY DEVELOPMENT AND SCRUTINY COMMITTEE**
- 16 **LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006 AND THE FREEDOM OF INFORMATION ACT 2000**

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

Items of Business

Schedule 12A Description

- | | |
|--|--|
| <p>17 EXEMPT MINUTES OF THE MEETING HELD ON 17TH OCTOBER 2018
(Pages 155 - 156)</p> | <p>Information relating to the financial or business affairs of any particular person (including the authority holding that information)</p> |
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|-----------|---|---|
| 18 | TENANCY SUPPORT SERVICES FOR HOMELESS PEOPLE
(Pages 157 - 164) | Information relating to the financial or business affairs of any particular person (including the authority holding that information) |
| 19 | HOUSING S.106 PAYMENT IN LIEU CONTRIBUTIONS
(Pages 165 - 170) | Information relating to the financial or business affairs of any particular person (including the authority holding that information) |
| 20 | UPDATE ON BROMLEY HOMES SPV AND OPTIONS GOING FORWARD FOR FURTHER JOINT VENTURE ARRANGEMENTS
(Pages 171 - 182) | Information relating to the financial or business affairs of any particular person (including the authority holding that information) |
| 21 | INCREASING HOUSING SUPPLY TO MEET HOUSING NEED
(Pages 183 - 196) | Information relating to the financial or business affairs of any particular person (including the authority holding that information) |
| 22 | LEISURE SERVICES LEASE PROPOSAL
(Pages 197 - 216) | Information relating to the financial or business affairs of any particular person (including the authority holding that information) |
| 23 | AWARD OF CONTRACTS FOR WASTE DISPOSAL, WASTE COLLECTION, STREET ENVIRONMENT AND PARKS MANAGEMENT & GROUNDS MAINTENANCE (PART 2)
(Pages 217 - 232) | Information relating to the financial or business affairs of any particular person (including the authority holding that information) |
| 24 | AWARD OF CONTRACT FOR ARBORICULTURAL SERVICES (PART 2)
(Pages 233 - 238) | Information relating to the financial or business affairs of any particular person (including the authority holding that information) |
| 25 | CAPITAL PROGRAMME MONITORING - APPENDIX E
(Pages 239 - 240) | 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 17 October 2018 starting at 7.00 pm

Present:

Councillor Colin Smith (Chairman)
Councillors Graham Arthur, Peter Fortune, Peter Morgan
and Diane Smith

Also Present:

Councillor Simon Fawthrop and Councillor Angela Wilkins

52 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors William Huntington-Thresher and Kate Lymer.

53 DECLARATIONS OF INTEREST

There were no declarations of interest.

54 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING

Three questions had been received for written reply from Dermot Mckibbin. The questions and replies are set out in Appendix A to these minutes.

55 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 12TH SEPTEMBER 2018 Report CSD13218

RESOLVED that the minutes of the meeting held on 12th September 2018 (excluding exempt items) be confirmed.

56 CHILDREN'S SERVICES IMPROVEMENTS

The Director of Children's Services updated the Executive on improvements to Children's Services. The meeting with Ofsted on 4th October had been positive and professional, with a focus on sustainability, and Ofsted had commented on recruitment and retention and the caseload promise. An inspection under the new Inspecting Local Authority Children's Services (ILACS) model was now due - this was based on a self-evaluation and would involve four inspectors over the course of three weeks. The Director commented that Bromley was just nineteen months into its improvement journey, whereas some authorities had been on the same course for four to six years.

In response to a question from a Member, the Director stated that there were now 309 looked after children, with 197 care leavers. She was satisfied that Bromley provided its care leavers with good accommodation and support.

57 GATEWAY 1 REPORT: PROCUREMENT STRATEGY FOR SUPPORTED LIVING SERVICE AT JOHNSON COURT
Report CS18168

The Council had a contract in place for Supported Living for seven Adults with a Learning Disability at Johnson Court. The current contract had been in place, delivered by Sanctuary Home Care Ltd, from 14 January 2013 and was due to end on 13 January 2020, with no further extension options available.

There was an ongoing need for Supported Living services, both for existing and new clients, and the report detailed the procurement strategy for the retendering of the Johnson Court scheme. Given the projected level of demand it would not be appropriate to decommission the service, while grouping it with other services would make it difficult for the Council to facilitate a market with a diverse range of appropriate services and potentially lead to one provider having a monopoly.

The report had been scrutinised by the Adult Care and Health PDS Committee at its meeting on 19th September 2018 and the Committee had supported the recommendations.

The Chairman of the Executive, Resources and Contracts PDS Committee challenged the commissioning strategy of tendering for this contract as a single service, but tendering the five services in the next report on the agenda as a combined service. He considered that best value and quality services would be achieved by the flexibility of seeking either a bulk tender for all six services or offering the opportunity for providers to bid for a variety of either single or multiple services, and he did not understand why only Johnson Court was offered as a single contract. Officers confirmed that by seeking a different provider for Johnson Court the Council would be protected from a situation where one provider achieved a monopoly, weakening the Council's position. However, a multiplicity of options would make the tendering process more complicated. The services in these two reports represented about 25% of the Council's supported living service, and a report on a further three properties was due to come to Members shortly. Councillor Graham Arthur commented that the approach of seeking multiple providers was correct and would also enable services to be tailored to the needs of individuals. The strategy had been considered by the Commissioning Board and the Board had supported what was proposed.

The Leader of the Opposition asked when KPIs for the services would be available for Members to scrutinise. Officers explained that they were intending to re-draft the service specification before December with a view to going out to tender in January. Once a provider was chosen there would be further discussions in the light of the provider's own KPIs and standards.

The Leader asked officers to brief the Chairman of the Executive, Resources and Contracts PDS Committee and the Leader of the Opposition on the strategy for packaging this service and the five services in the next report. The Portfolio Holder for Adult Care and Health, Cllr Diane Smith, asked for the KPIs for these contracts to be reported to Adult Care and Health PDS Committee in January.

RESOLVED that the commencement of the retendering for this service be approved in accordance with the Council's Financial and Contract Procedure Rules, for a new five year contract, with the option to extend for up to a further two years; the retendered contract is planned to commence from 14 January 2020 at an estimated annual value as indicated in Section 6 of the report.

58 GATEWAY 1 REPORT: PROCUREMENT STRATEGY FOR SUPPORTED LIVING SERVICES AT 213 WIDMORE ROAD, LANCASTER HOUSE, AMPLIO HOUSE, SWINGFIELD COURT AND GOLDSMITHS CLOSE
Report CS18169

The Council had a contract in place for Supported Living Adults with a Learning Disability at five properties: 213 Widmore Road, Lancaster House, Amplio House, Swingfield Court and Goldsmiths Close. The current contract had been in place, delivered by Avenues, from 12 January 2015 and was due to end on 11 January 2020 with no further extension options available.

There was an ongoing need for Supported Living services, both for existing and new clients, so it would not be appropriate to decommission the service. Tendering the schemes as individual contracts would not achieve economies of scale and would result in increased tendering costs. The report therefore detailed a procurement strategy for the retendering of a single contract for the five properties.

In response to a question from a Member, it was confirmed that the Council did not own the properties in question, but they were operated via agreements with Registered Social Landlords.

The report had been scrutinised by the Adult Care and Health PDS Committee at its meeting on 19th September 2018 and the Committee had supported the recommendations.

(See minute 57 above for further discussion on this report).

RESOLVED that

(1) The properties continue to be grouped together for the purpose of tendering in order to drive the best possible pricing.

(2) The commencement of the retendering for this service be approved, in accordance with the Council's Financial and Contract Procedure

Rules, for a new five year contract, with the option to extend for up to a further two years; the retendered contract is planned to commence from 12 January 2020 at an estimated annual value as indicated in Section 6 of the report.

59 PLANNED ENFORCEMENT OF LEGISLATION WHICH REGULATES THE LETTING AGENTS AND PROPERTY MANAGEMENT SECTOR
Report ES18068

The Executive received a report seeking approval to protect consumers by enforcing legislation which regulated the letting agent and property management sector in the borough. The scheme would be funded from money received through the Asset Recovery Incentivisation Scheme and would involve employing an experienced officer for three months to research the situation in Bromley, undertake compliance checks and follow up any failure with enforcement action including levying penalties of up to £5k. The project would also offer the opportunity to build relationships with the Housing Division and other organisations working in the sector such as Shelter and Citizens Advice. If the situation in the borough was found to be poor then potentially this could have an effect on service priorities, although the Leader cautioned that any permanent expansion of activity would require an on-going revenue stream.

Members suggested that a more detailed set of objectives was required, and some publicity in the local press and elsewhere. Officers confirmed that both matters were in hand.

The report had been scrutinised by the Public Protection and Enforcement PDS Committee at its meeting on 27th September 2018 and the Committee had supported the recommendations.

RESOLVED that

(1) Authority be delegated to the Executive Director of Environment and Community Services to enforce the Enterprise and Regulatory Reform Act 2013.

(2) It is agreed that the monetary penalty for non-compliance with the legislation be set at the maximum sum of £5,000 per failure in line with many local authorities across London.

(3) The Head of Trading Standards and Community Safety be authorised to make amendments to the amount of the monetary penalty, where the enforcement authority is satisfied that there are extenuating circumstances taking into account any representations made by the lettings agent or property manager during the 28 day period, following the authority's notice of intention to issue a fine.

(4) The uploading of compliance failures by letting agents and property managers to the Rogue Landlord and Agent Checker administrated by

the Mayor of London and London Assembly
(<https://www.london.gov.uk/rogue-landlord-checker>) be agreed.

(5) A further report be made to the Public Protection and Enforcement PDS Committee no later than the first quarter of 2019 to demonstrate the effectiveness of the scheme.

60 BROMLEY TOWN CENTRE - MIRRORED CANOPIES AND SHOPS
Report DRR18/053

At its meeting on 22nd March 2017 the Executive had approved the detailed designs and costings for the ground plain works of the next phase of the Bromley Town Centre improvements, and these works were currently being implemented. On 7 February 2018 the Executive had approved the final budget for the revised market kiosks layout and pop up stalls to be located in Market Square. Officers had been requested to bring back for Executive approval the detailed designs and costing for the remaining elements of the overall improvement scheme: the two commercial units/shops; and mirrored canopies, which formed the basis of this report.

The report had been scrutinised by the Renewal, Recreation and Housing PDS Committee at its meeting on 18th September 2018 and the Committee had supported the recommendations with the exception that Members did not support the increased expenditure of up to £1.2m on the mirrored canopies. The Committee recommended that this element be reconsidered and that the original maximum budget of £800k be retained for this part of the scheme. The Committee also recommended that any rental income achieved for the two commercial units above 8% be allocated to support the maintenance and enhanced cleaning of the pedestrianised High Street.

Members of the Executive accepted the views of the PDS Committee on both the use of rental income and the cost of the canopies. The canopies were intended as an ambitious and transformational landmark statement, but Members agreed that the proposed cost was not justified.

RESOLVED that

(1) The detailed design and implementation costs for the two Commercial units/shops be approved.

(2) The addition of £415k to the Bromley High Street Improvement capital scheme funded from the Growth Fund be approved, thereby increasing the overall budget for the scheme to £3.875m.

(3) Authority be delegated to the Director of Regeneration and the Portfolio Holder for Renewal, Recreation and Housing to approve any minor amendments to the design of the commercial units/shops.

(4) Authority be granted to submit a planning application for the commercial units/shops and canopies.

(5) Any income above an 8% return from the two retail units be ring-fenced for street maintenance and cleansing in Bromley Town Centre.

(6) The detailed design and implementation costs of the two proposed canopies be capped at the original budget figure of £800k.

61 STATION ROAD, ORPINGTON - CONGESTION, WALKING AND CYCLING IMPROVEMENTS - INCLUDING LAND ACQUISITION
Report ES18065

The road corridor in Orpington between Crofton Road and Station Road, including Tubbenden Lane, had been identified as a congestion pinch point in the March 2009 PDS report 'Congestion Working Group - Review of Outcomes' with the Station Road/Tower Road junction being identified as a particular congestion and safety issue. A scheme to modify the junction had been drawn up, but it was necessary to acquire additional land in order to fully address the congestion issue at this junction.

The report had been scrutinised by the Environment and Community Services PDS Committee at its meeting on 10th October 2018 and the Committee had supported the recommendations subject to the deletion of the proposals for a contra-flow cycle lane in Hill View Road.

Councillor Simon Fawthrop addressed the Executive as an adjoining ward Councillor, supporting the PDS Committee's recommendation that the cycle lane be deleted, but also suggesting that the pelican crossing outside the Maxwell pub should be re-located further down the hill.

RESOLVED that

(1) Authority be given to enter into land negotiations with the relevant third parties to acquire the necessary land to address the congestion issue at the Station Road/Tower Road junction.

(2) Officers should prepare a detailed investigation into the location of the pelican crossing and any restrictions on moving it, before the scheme is implemented.

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

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

63 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**

64 EXEMPT MINUTES OF THE MEETING HELD ON 12TH SEPTEMBER 2018

The exempt minutes of the meeting held on 12th September 2018 were confirmed.

65 ONE YEAR EXTENSION TO AGREEMENT FOR THE PROVISION OF DIRECT PAYMENTS SUPPORT AND PAYROLL SERVICES

The Executive approved a one year extension to this contract.

The Meeting ended at 7.55 pm.

Chairman

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EXECUTIVE

17th October 2018

QUESTIONS FROM MEMBERS OF THE PUBLIC - FOR WRITTEN REPLY

1. From Dermot Mckibbin to the Portfolio Holder for Renewal, Recreation and Housing

Following the announcement by the Prime Minister on 19 September 2018 that £2 billion will be made available to housing associations to provide social and affordable housing, how will the Council encourage local housing associations to bid for this money to be spent in the borough?

Reply:

The Council works closely with our partner developing housing associations to increase the supply of affordable housing products in the Borough and has supported a range of bids under the current affordable homes programme. Discussions are ongoing to ensure bids are submitted in response to the latest funding announcement.

2. From Dermot Mckibbin to the Portfolio Holder for Renewal, Recreation and Housing

How many local councils in London have discretionary schemes to licence houses in multiple occupation, why does Bromley Council have no such scheme and when will local private tenants be able to respond to the Council's review of its housing policy?

Reply:

According to data published by Future of London in 2017, 13 boroughs operate the additional licensing scheme (which is discretionary). In order to introduce Additional HMO Licensing schemes, local authorities are required to consult with local residents, landlords and tenants for a minimum of ten weeks. They are subsequently required to provide a robust evidence base for introducing a scheme, such as demonstrating there are significant management issues and poor property condition that need addressing within a designated area. Should such evidence be presented, the introduction of such a scheme could be considered.

3. From Dermot Mckibbin to the Portfolio Holder for Renewal, Recreation and Housing

In order to tackle the housing crisis in the borough will the Council set up a housing revenue account to take advantage of the government's decision announced on 3 October to remove the borrowing restrictions to enable the Council to deliver the homes that local residents desire?

Reply:

One of the Council's strategic priorities is to increase housing supply to meet housing need. Whilst the Council does not directly develop or manage stock through an HRA, it does continue to work with a range of partners to maximise access and supply to housing. This includes for example property purchase through a joint venture SPV, refurbishment of vacant Council properties and new developments including the use of Bromley owned sites. There are a range of delivery and management vehicles that can be utilised and the Council continues to review all options and models to ensure that those models utilised provide the best value for the Borough.

Decision Maker: EXECUTIVE

Date: 28th November 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
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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:
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Financial

1. Cost of proposal: No Cost:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Democratic Services
 4. Total current budget for this head: £350,650
 5. Source of funding: 2018/19 Revenue Budget
-

Personnel

1. Number of staff (current and additional): 8 posts (6.87fte)
 2. If from existing staff resources, number of staff hours: 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

<u>Minute Number/Title</u>	<u>Executive Decision/Request</u>	<u>Update</u>	<u>Action by</u>	<u>Completion Date</u>
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 is being prepared for the Children, Education & Families Sub-Committee on 23 rd January 2019 and Executive on 13 th February 2019.	Head of Youth Offending and Youth Services	February 2019
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. It is anticipated that the contract will be awarded in January or February 2019. A site visit will be arranged for shortly after the contract is scheduled to commence	Director of Housing	February 2019
17th October 2018				
57 & 58 Gateway Reports: Supported Living Services	Officers to brief Cllrs Fawthrop and Wilkins on the strategy for packaging these contracts. KPIs to be reported to Adult Care & Health PDS Committee in January 2019	Cllrs Fawthrop and Wilkins were sent further information on 13 th November 2018 A report is being prepared for the ACH PDS meeting on 24 th January 2019	Interim Director of Programmes	January 2019
61 Station Road, Orpington	Officers to prepare a detailed investigation into the location of the existing pelican crossing and restrictions on moving it.	Officers have assessed the crossing and their professional view is that it is sited in the only suitable location. The timing sequences for the crossing will be examined.	Assistant Director, Traffic & Parking	November 2018

Report No.
FSD18085

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE

Date: Wednesday 28 November 2018

Decision Type: Non-Urgent Executive Non-Key

Title: BUDGET MONITORING 2018/19

Contact Officer: Tracey Pearson, Chief Accountant
Tel: 020 8313 4323 E-mail: Tracey.Pearson@bromley.gov.uk

Chief Officer: Director of Finance

Ward: Borough Wide

1. Reason for report

- 1.1 This report provides the second budget monitoring position for 2018/19 based on expenditure and activity levels up to the end of September 2018. The report also highlights any significant variations which will impact on future years as well as any early warnings that could impact on the final year end position.

2. **RECOMMENDATION(S)**

2.1 **Executive are requested to:**

- (a) consider the latest financial position;
- (b) note that a projected net overspend on services of £1,506k is forecast based on information as at September 2018;
- (c) consider the comments from Chief Officers detailed in Appendix 2;
- (d) note a projected variation of £98k credit from investment income as detailed in sections 3.5 and 3.6;
- (e) note a projected variation of £1,454k in the Central contingency, as detailed in section 3.2;
- (f) note a projected reduction to the General Fund balance of £1,085k as detailed in section 3.3;

- (g) agree to the release of £165k from the 2018/19 Central Contingency relating to the cost of Local Elections as detailed in para. 3.2.2;**
- (h) agree to the release of £500k Improved Better Care Funding from the 2018/19 Central Contingency as detailed in para. 3.2.3;**
- (i) approve the drawdown of £1.5m Health Funding to the CCG from Health and Social Care earmarked reserves as detailed in para. 3.9.1;**
- (j) recommend to Council that £3.5m be set aside in the Technology Fund earmarked reserve from underspends in the 2018/19 Central Contingency for the Council's IT Transformation scheme as detailed in para. 3.2.6;**
- (k) note the full year cost pressures of £5.2m as detailed in section 3.4;**
- (l) identify any issues that should be referred to individual Portfolio Holders for further action.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: None arising directly from this report
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Corporate Policy

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

1. Cost of proposal: Not Applicable
 2. Ongoing costs: Recurring Cost
 3. Budget head/performance centre: Council wide
 4. Total current budget for this head: £205.6m
 5. Source of funding: See Appendix 1 for overall funding of Council's budget
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Personnel

1. Number of staff (current and additional): 2,038 fte posts (per 2018/19 Budget) which includes 504 for budgets delegated to schools
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Statutory Requirement: The statutory duties relating to financial reporting are covered within the Local Government Act 1972, the Local Government Finance Act 1998, the Local Government Act 2000, the Local Government Act 2002 and the Accounts and Audit Regulations 2015.
 2. Call-in: Applicable
-

Procurement

1. Summary of Procurement Implications: None arising directly from this report
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The 2018/19 budget reflects the financial impact of the Council's strategies and service plans which impact on all of the Council's customers (including council tax payers) and users of our services.
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Ward Councillor Views

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

3. COMMENTARY

3.1 Summary of Projected Variations

3.1.1 The Resources Portfolio Plan included a target that each service department will spend within its own budget. Current projections show an overall net overspend of £1,506k within portfolio budgets and a £1,880k credit variation on investment income and central items.

3.1.2 A summary of the 2018/19 budget and the projected outturn is shown in the table below:

	2018/19 Original Budget £'000	2018/19 Latest Budget £'000	2018/19 Projected Outturn £'000	2018/19 Variation £'000
Portfolio				
Adult Care & Health	67,346	68,386	68,719	333
Education, Children & Families (inc. Schools Budget)	40,189	40,189	42,219	2,030
Environment & Community	30,546	30,003	29,862	Cr 141
Public Protection & Enforcement	2,424	2,478	2,360	Cr 118
Renewal, Recreation & Housing	13,970	14,134	14,083	Cr 51
Resources, Commissioning & Contracts Management	46,797	47,651	47,104	Cr 547
Total Controllable Budgets	201,272	202,841	204,347	1,506
Capital Charges and Insurance	12,056	12,056	12,056	0
Non General Fund Recharges	Cr 759	Cr 759	Cr 759	0
Total Portfolio Budgets	212,569	214,138	215,644	1,506
Income from Investment Properties	Cr 9,973	Cr 9,773	Cr 9,521	252
Interest on General Fund Balances	Cr 3,491	Cr 3,491	Cr 3,841	Cr 350
Total Investment Income	Cr 13,464	Cr 13,264	Cr 13,362	Cr 98
Contingency Provision	14,278	10,676	9,222	Cr 1,454
Funding for IT Strategy (<i>Subject to Approval</i>)	0	3,500	3,500	0
Other Central Items	Cr 9,430	Cr 9,430	Cr 9,430	0
General Government Grants & Retained Business Rates	Cr 45,494	Cr 45,702	Cr 45,702	0
Collection Fund Surplus	Cr 7,852	Cr 7,852	Cr 7,852	0
Total Central Items	Cr 48,498	Cr 48,808	Cr 50,262	Cr 1,454
Total Variation on Services and Central Items	150,607	152,066	152,020	Cr 46
Prior Year Adjustments	0	0	Cr 328	Cr 328
Total Variation	150,607	152,066	151,692	Cr 374

3.1.3 A detailed breakdown of the latest approved budgets and projected outturn for each Portfolio, together with an analysis of variations, is shown in Appendix 3.

3.1.4 Chief Officer comments are included in Appendix 2.

3.2 Central Contingency Sum

3.2.1 Details of the allocations from and variations in the 2018/19 Central Contingency are included in Appendix 4.

- 3.2.2 The Central Contingency includes a sum of £500k to meet the estimated cost of the local election in May 2018. On 11th July 2018, Executive agreed the drawdown of £400k as a provisional allocation pending the finalisation of total costs. All costs have now been finalised and Executive are requested to agree the drawdown of a further £165k (£565k in total) to fully fund costs relating to the local election. This includes the cost of election staff, room hire, delivery and collection of polling equipment, printing of ballot papers and postage.
- 3.2.3 The Central Contingency includes a sum of £873k which was allocated from the iBCF allocation pending the agreement of expenditure plans. £500k of this sum is now requested to be drawn down to offset some of the increased costs being identified within the Adult Social Care budgets this cycle.
- 3.2.4 On the 11th July 2018, Executive noted that a sum of £240k had been returned to the Central Contingency to reflect the full year effect of a reduction in tonnage during 2017/18. Due to the recent dry weather, there has been a one-off reduction in tonnage in 2018/19 and Members are requested to note that a further sum of £250k (total £490k) has been returned to the Central Contingency to reflect this.
- 3.2.5 On 2nd October 2018 the Government announced further funding for Adult Social Care of £240m nationally to ease NHS winter pressures. The extra funding, estimated to be in the region of £1.2m for Bromley, aims to help local authorities reduce pressures on the NHS by getting patients home quicker and freeing up hospital beds. This has been allocated to the Central Contingency and a formal grant determination, setting out any related grant conditions and confirming final allocations, is awaited. The utilisation of this funding will be reported to a future meeting of the Executive.
- 3.2.6 There will be a report on the future IT Strategy of the Council (IT Transformation), including any key infrastructure and robust business continuity requirements. As detailed in the Capital Programme Monitoring report elsewhere on the agenda, projections for capital expenditure within the current approved programme will result in the depletion of the Council's capital receipts in 2019/20 as well as requiring a contribution of £6m from the General fund in that year. Although the level of capital receipts is projected to increase in later years, there is little margin in the event of a significant new scheme being agreed or a large asset disposal not completing which may result in the use of external borrowing to fund the capital programme. On the basis that capital receipts are not available, at this stage, Members are requested to set aside a sum of £3.5m in the Technology Fund earmarked reserve from underspends in the 2018/19 Central Contingency. Details concerning the utilisation of these monies will be set out in the IT Transformation report.
- 3.2.7 The Central Contingency allows for proper financial planning and ensures that the Council is prepared for changes in financial circumstances. A prudent approach was adopted in considering the 2018/19 Central Contingency sum to reflect any inherent risks, the potential impact of any new burdens, population increases or actions taken by other public bodies which could affect the Council. If the monies are not required during the year then the general policy has been to use these for growth, investment and economic development to generate additional income, promote 'invest to save' and provide a more sustainable financial position. The latest forecast indicates that despite having a balanced budget in 2018/19 there remains a significant budget gap in future years that will need to be addressed.
- 3.2.8 Based on the latest financial position, there is a forecast net variation of £1,454k following a review of the remaining contingency provisions and an estimate of likely further drawdown requirements for the remainder of the year. This assumes that proposals detailed within this report are approved. The position will continue to be closely monitored and the utilisation of any further variations in the Central Contingency will be considered in future budget monitoring reports.

3.3 General Fund Balances

3.3.1 The level of general reserves is currently projected to reduce by £1,085k to £18,915k at 31st March 2019 as detailed below:

	2018/19 Projected Outturn £'000
General Fund Balance as at 1st April 2018	Cr 20,000
Net Variations on Services & Central Items (para 3.1)	Cr 374
	Cr 20,374
Adjustment to Balances:	
Carry Forwards (funded from underspends in 2017/18)	1,459
General Fund Balance as at 31st March 2019	Cr 18,915

3.4 Impact on Future Years

3.4.1 The report identifies expenditure pressures which could have an impact on future years. The main areas to be considered at this stage are summarised in the following table:

	2018/19 Budget £'000	2019/20 Impact £'000	
Adult Care & Health Portfolio			
Assessment & Care Management - Care Placements	22,423	585	<i>net of management action</i>
Learning Disabilities - Care Placements, Transport & Care Management	33,733	1,007	<i>net of management action</i>
Mental Health - Care Placements	6,169	323	
		1,915	
Education, Children & Families Portfolio			
Adult Education	Cr 525	130	
Children's Social Care	34,414	2,100	<i>net of management action</i>
		2,230	
Environment & Community Portfolio			
Parking	Cr 7,419	300	
		300	
Renewal, Recreation & Housing Portfolio			
Housing Needs - Temporary Accommodation	6,241	732	<i>net of contingency drawdown</i>
Supporting People	1,013	Cr 94	
		638	
Resources, Commissioning & Contracts Management Portfolio			
Legal Services - Legal/Counsel Fees & Court Costs	389	140	
		140	
TOTAL		5,223	

3.4.2 Given the significant financial savings that the Council will need to make over the next four years, it is important that all future cost pressures are contained and that savings are identified early to mitigate these pressures.

3.4.3 Further details are included in Appendix 5.

Investment Income

3.5 Income from Investment Properties

- 3.5.1 A deficit of £252k is projected for investment income which takes into consideration the following issues:
- (i) there is an income shortfall from Investment Fund properties of £297k, against an income budget of £5.9m. This shortfall partly relates to the vacated Argos shop on Market Square (£154k) and Russell and Bromley (£104k). Other net changes in leases have resulted in an underachievement of income of £39k.
 - (ii) the Glades Shopping Centre rental income is currently projected to be on budget for 2018/19 based on the minimum rent share expected and a late notification of an adjustment for the period 15th January 2017 to 14th January 2018. Accounts are supplied by Alaska UK quarterly in arrears. It is difficult to provide a precise forecast as LBB income is determined by the rental income from the shops and the level of contribution to any minor works. The budget for the Glades is £2.01m and the minimum rent share is £1.88m.
 - (iii) there is also a net overachievement of income currently projected on other Investment properties of Cr £45k. This forecast takes into account the apparent trend towards higher income from Biggin Hill Airport (£74k cr), offset by a deficit of rental income from various vacant properties (£29k).

3.6 Interest on Balances

- 3.6.1 Despite the increase in the Bank of England base rate from 0.25% to 0.50% in November 2017 and then to 0.75% in August 2018, there has been relatively little impact on interest income from lending to banks and other counterparties. This is partly due to banks having the continued ability to borrow from the Bank of England at very low rates through its Term Funding Scheme, the strengthening of 'balance sheets' reducing the need to borrow, as well as the fact that expected increases in the base rate had already been 'priced in'.
- 3.6.2 In addition, the utilisation of the Investment Fund and Growth Fund as well as the Highways Investment scheme, have reduced the resources available for treasury management investment. However, the treasury management strategy was revised in December 2017 to enable alternative investments of £100m which will generate additional income of around £2m compared with lending to banks. As a result, additional income of £600k was included in the 2018/19 budget.
- 3.6.3 At present, a surplus of £350k is projected for 2018/19 mainly as a result of the good rates obtained on fixed term investments made since the budget was set which have an average interest rate of 1.14%.
- 3.6.4 The Council's performance on treasury management is in the top 10% among local authorities. The Treasury Management Annual Investment Strategy for 2018/19 was reported to Council on 26th February 2018 and the Treasury Management Quarter 2 Performance 2018/19 and Mid-Year Review was reported to Executive, Resources and Contracts Policy Development and Scrutiny Committee on 22nd November 2018.

3.7 The Schools Budget

- 3.7.1 Expenditure on schools is funded through the Dedicated Schools Grant (DSG) provided for by the Department for Education (DfE). DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget. Any overspend or underspend must be carried forward to the following year's Schools Budget.
- 3.7.2 There is a total projected overspend of £354k on DSG funded services which will be deducted from the £1,180k carried forward from 2017/18. £188k of the brought forward balance has been allocated to support the central DSG services in-year. The carry forward figure has been adjusted by the Early Year adjustment which has reduced the amount we received in 2017/18 by £166k. This gives us an estimated DSG balance of £472k at the end of the financial year.

3.8 Prior Year Adjustments

- 3.8.1 Financial provision was made in the accounts for repayments to clients who had been charged for after-care under S117 of the Mental Health Act 1983. Given the amount of time that has now passed, and the likelihood of tracing further claimants diminishes, £328k of this provision is being released.

3.9 Drawdown of Health Funding from Earmarked Reserve

- 3.9.1 A report to Executive on 30th November 2016 and Council on 12th December 2016 approved the drawdown of £3.5m of CCG funds from health and social care earmarked reserves (Section 75 Agreement funds) with a further, second tranche of £3.5m, being subject to a review on its use prior to finalising payment. The funding is for the CCG to significantly accelerate its key strategies to deliver not only transactional savings, but transformational changes that will deliver real reductions in acute hospital activity. To date only £2m has been drawn down and the CCG are requesting access to the remaining £1.5m of the first tranche of funding.

3.10 Investment Fund and Growth Fund

- 3.10.1 Full details of the current position on the Investment Fund and the Growth Fund are included in the Capital Programme Monitoring – 2nd Quarter 2018/19 report elsewhere on the agenda. The uncommitted balances currently stand at £19.3m on the Investment Fund and £10.2m on the Growth Fund.

3.11 Financial Context

- 3.11.1 The 2018/19 Council Tax report identified the latest financial projections and a future year budget gap due to the impact of inflation, service and cost pressures and ongoing significant reductions in government funding. Details were reported in the 2018/19 Council Tax report to Executive in February.
- 3.11.2 As reported, as part of the Council's financial strategy, a prudent approach has been adopted in considering the central contingency sum to reflect any inherent risks, the potential impact of new burdens, population increases or actions taken by other public bodies which could affect the Council. The approach has also been one of 'front loading' savings to ensure difficult decisions are taken early in the budgetary cycle. This has enabled a longer term approach to generate further income from the additional resources available as well as to mitigate against significant risks and provide a more sustainable financial position in the longer term.

3.11.3 The 2018/19 Council Tax report identified a budget gap of £38.7m per annum by 2021/22. The financial forecast and budget will be affected by inflation, changes in government funding and new burdens and realistically any future year overspends will need to be funded from alternative savings. It is therefore important to ensure that action is taken, where possible, to contain costs within budget which reduces the risk of the Council's budget gap increasing further thereby increasing the savings required in future years.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

4.1 The 2018/19 budget reflects the financial impact of the Council's strategies and service plans which impact on all of the Council's customers and users of our services.

5. POLICY IMPLICATIONS

5.1 "Building a Better Bromley 2016-2018" identifies the following key priority:

Ensure financial independence and sustainability through:

- Strict management of our budgets to ensure we live within our means;
- Working to achieve the benefits of the integration of health and social care;
- Early intervention for our vulnerable residents.

5.2 The 2018/19 Council Tax report highlighted the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2018/19 to minimise the risk of compounding financial pressures in future years.

6. FINANCIAL IMPLICATIONS

6.1 These are contained within the body of the report with additional information provided in the appendices.

Non-Applicable Sections:	Personnel, Legal, Procurement
Background Documents: (Access via Contact Officer)	Provisional Final Accounts 2017/18 – Executive 21 st May 2018; 2018/19 Council Tax – Executive 7 th February 2018; Draft 2018/19 Budget and Update on Council's Financial Strategy 2019/20 to 2021/22 – Executive 10 th January 2018; Capital Programme Monitoring Report – elsewhere on agenda; Treasury Management Annual Investment Strategy 2018/19 – Council 26 th February 2018; Treasury Management Quarter 2 Performance 2018/19 and Mid-Year Review – Executive, Resources and Contracts PDS Committee 22 nd November 2018; Financial Management Budget Monitoring files across all portfolios.

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GENERAL FUND - PROVISIONAL OUTTURN FOR 2018/19

Portfolio	2018/19 Original Budget £'000	Budget Variations allocated in year # £'000	2018/19 Latest Approved Budget £'000	2018/19 Projected Outturn £'000	Variation £'000	Variation previously reported Exec 11/07/18 £'000
Adult Care & Health	67,346	1,040	68,386	68,719	333	308
Education, Children & Families (incl. Schools' Budget)	40,189	0	40,189	42,219	2,030	1,619
Environment & Community	30,546	Cr 543	30,003	29,862	Cr 141	Cr 14
Public Protection & Enforcement	2,424	54	2,478	2,360	Cr 118	Cr 85
Renewal, Recreation & Housing	13,970	164	14,134	14,083	Cr 51	Cr 156
Resources, Commissioning & Contracts Management	46,797	854	47,651	47,104	Cr 547	7
Total Controllable Budgets	201,272	1,569	202,841	204,347	1,506	1,679
Capital, Insurance & Pensions Costs (see note 2)	12,056	0	12,056	12,056	0	0
Non General Fund Recharges	Cr 759	0	Cr 759	Cr 759	0	0
Total Portfolios (see note 1)	212,569	1,569	214,138	215,644	1,506	1,679
Central Items:						
Income from Investment Properties	Cr 9,973	200	Cr 9,773	Cr 9,521	252	389
Interest on General Fund Balances	Cr 3,491	0	Cr 3,491	Cr 3,841	Cr 350	Cr 170
Total Investment Income	Cr 13,464	200	Cr 13,264	Cr 13,362	Cr 98	219
Contingency Provision (see Appendix 4)	14,278	Cr 3,602	10,676	9,222	Cr 1,454	Cr 961
Other central items						
Reversal of net Capital Charges (see note 2)	Cr 10,646	0	Cr 10,646	Cr 10,646	0	0
Utilisation/Set Aside of Prior Year Collection Fund Surplus	2,210	0	2,210	2,210	0	0
New Homes Bonus Support for Revenue	Cr 2,256	0	Cr 2,256	Cr 2,256	0	0
Contribution to Technology Fund - IT Strategy	0	3,500	3,500	3,500	0	0
Levies	1,262	0	1,262	1,262	0	0
Total other central items	Cr 9,430	3,500	Cr 5,930	Cr 5,930	0	0
Prior Year Adjustments						
Mental Health Provision	0	0	0	Cr 328	Cr 328	0
Total Prior Year Adjustments	0	0	0	Cr 328	Cr 328	0
Total all central items	Cr 8,616	98	Cr 8,518	Cr 10,398	Cr 1,880	Cr 742
Bromley's Requirement before balances	203,953	1,667	205,620	205,246	Cr 374	937
Carry Forwards from 2017/18 (see note 3)	0	Cr 1,296	Cr 1,296	0	1,296	1,296
Carry Forward from 2017/18 (R&M)	0	Cr 163	Cr 163	0	163	163
Adjustment to Balances	0	0	0	Cr 1,085	Cr 1,085	Cr 2,396
Total	203,953	208	204,161	204,161	0	0
Business Rates Retention Scheme (Retained Income, Top-up and S31 Grants)	Cr 41,960	0	Cr 41,960	Cr 41,960	0	0
New Homes Bonus	Cr 3,534	0	Cr 3,534	Cr 3,534	0	0
New Homes Bonus Topslice	0	Cr 208	Cr 208	Cr 208	0	0
Collection Fund Surplus	Cr 7,852	0	Cr 7,852	Cr 7,852	0	0
Bromley's Requirement	150,607	0	150,607	150,607	0	0
GLA Precept	38,251	0	38,251	38,251	0	0
Council Tax Requirement	188,858	0	188,858	188,858	0	0

Budget Variations allocated to portfolios in year consists of:

	£'000	
1) Carry forwards from 2017/18	1,459	(see note 3)
2) Allocations from the central contingency provision	110	(see Appendix 4)
	<u>1,569</u>	

1) **NOTES**

Portfolio Final Approved Budgets analysed over Departments as follows:

	2018/19 Original Budget £'000	Budget Variations allocated in year # £'000	2018/19 Latest Approved Budget £'000	2018/19 Projected Outturn £'000	Variation £'000	Variation previously reported Exec 11/07/18 £'000
Education Care & Health Services	129,664	861	130,525	132,832	2,307	1,849
Environment & Community Services	57,257	Cr 440	56,817	56,528	Cr 289	Cr 229
Chief Executive's Department	25,648	1,148	26,796	26,284	Cr 512	59
Total	212,569	1,569	214,138	215,644	1,506	1,679

2) **Reversal of net Capital Charges**

This is to reflect the technical accounting requirements contained in CIPFA's Code of Practice for Local Authority Accounting and has no impact on the Council's General Fund.

3) **Carry Forwards from 2017/18**

Carry forwards from 2017/18 into 2018/19 totalling £1,459k were approved by Council and the Executive. Full details were reported to the June meeting of the Executive in the "Provisional Final Accounts 2017/18" report.

Comments from the Executive Director of Environment and Community Services

(Environment & Community Portfolio)

The Environment & Community Portfolio has a net underspend of £141k for 2018/19. This is mainly from Waste Services (£78k), with other net variances across the Portfolio totalling Cr £63k.

The variances in Waste Services are mostly from the green garden waste service due to an increase in the number of customers and lower use of the sixth vehicle.

Income from parking charges continues to decline and the reduction in parking contraventions has been offset by additional bus lane contraventions.

Analysis of Risks

– Environment & Community Portfolio

The main financial risk will be the likely increase in prices for the environment contracts, particularly on the Waste service, which will take effect from 1 April 2019. Another potential risk area is recycling paper income. Wet weather could affect the quality of the paper and therefore could lead to an issue with the processing of it as 'paper' and a loss of income.

There is always a risk in Parking from the fluctuations in both Enforcement income and income from On and Off Street Parking, but this is difficult to quantify. Income on streetworks defaults is currently at a reduced level due to a higher level of compliance and so needs to be monitored going forward.

Although no variation is currently projected for the Tree budget, due to the usual risk around storm damage which impacts on the Trees budget, this is a potential risk area. The actual impact is dependent on the weather and the number of trees affected.

– Renewal, Recreation and Housing Portfolio

A substantial part of Planning Services' work attracts a fee income for the Council, for example the planning application fees. The fee income and volume of work reflects the wider economic circumstances affecting development pressures in the Borough. There is a risk of income variation beyond the Council's immediate control; however trends are regularly monitored in order that appropriate action can be taken.

Action has been taken to avoid the risk of Government Designation for Special Measures due to performance and quality of decision making, in spite of high volumes of work. This has reduced the risk of Designation and will be monitored.

A recent Audit of Community Infrastructure Levy processes showed a risk in the full collection of CIL contributions. Agreed remedial action is either completed or underway.

There is a risk of substantial planning appeal costs being awarded against the Council by the Planning Inspectorate if the Council is found to have acted unreasonably.

For major appeals, which can arise unpredictably, there is often a need for specialist external consultants advice which creates additional costs.

– Public Protection & Enforcement Portfolio

Any high profile inquests or significant increase in volume of cases could increase the cost of the Coroners service.

Comments from the Director of Corporate Services (Resources, Commissioning & Contract Management Portfolio) including Risk Areas

Caseloads in children's services continue at a higher level than has previously been the case. Normal caseloads have historically been c48 new cases per annum. In 2017/18, 74 sets of proceedings were issued which is on a downward trend from 2016/17 when there were 98 sets of new childcare cases. It is difficult to provide an accurate forecast of the case numbers for 2018/19, however it is expected that there will be around 70 cases. A minimum court fee of £2,025 is payable on each case which means that with an estimated additional 22 cases being issued, there could be an additional minimum cost of £44,550. The only way to avoid this would be not to issue proceedings, which is not a realistic option. In addition there are fees for instructions of experts (£150 per application) and for placement orders where the care plan is adoption (£455 per family). There has also been a growth of cases where translation services are required (currently representing c20% of cases) and costs are being incurred for translation of documents and additional hearings.

Childcare cases typically take between 3-9 months to conclude therefore there is an ongoing cost pressure from cases which were issued in 2017/18 which were not concluded in that year which has been exacerbated by the continuing high level of new instructions. As was reported previously, 3 new lawyers with advocacy experience were recruited. Unfortunately all 3 have already left/decided to leave and additionally an experienced advocate in the team has recently left to take up a senior managerial role at another local authority. This has had a major impact on using in-house staff for advocacy, to gradually reduce spend on Counsel.

Comments from the Deputy Chief Executive & Executive Director of Education, Care and Health Services

The Adult, Care and Health Services Portfolio has an overspend of £333k for the year. This is a demand led service that has scrutiny of spend and quality built into the process such as PRG and other case discussion forums for each service area.

The overspend includes the unrealised savings of £150k that was predicated on the transfer of re-ablement to BHC. As the transfer did not happen, this is reflected in the overspend of £333.

The overspend is related to the growing number of service users supported, which is above the numbers and baseline of the budget that was agreed in this financial year. As a demand led service, we are statutorily bound to provide support and care to residents based on their assessed needs. In addition, we are providing more support to carers to ensure they adequately support their loved ones to reduce escalation to statutory care services.

Bromley health and social care has seen a very busy summer with higher than ever recorded attendances at the PRUH, in turn we have seen a spike in both residential and nursing care placements (15) and emergency placements (16) having to be made.

The overspend reflects the growing number of young people with statutory statements of need who are being transferred from children's services. We are also seeing a number of providers managing challenging behaviour of older people with dementia and requesting additional staffing to care for them in a safe and humane way. These cases are automatically referred to the CCG for joint funding decisions which will continue as stated above.

There remain pressures within the domiciliary care area, as we see increasing numbers of people supported to live at home compounded with an increasing reliance on assessments and care management packages to support older people to live independently. Underspends in other areas within the department and the utilization of the Better Care Fund with our health colleagues helped in mitigating these pressures overall. We are seeing high demand from very complex cases where frailty and conditions relating to disability and ageing are compounded by the need for double handed care, sometimes 1 to 1 care provision to stabilise challenging behaviour.

The risks in the Care Services Portfolio are:-

- i) Impact of the national living wage across Care Services and the impact on contracts
- ii) Increased complexity of clients coming through the system
- iii) Increasing number of clients coming through the system

Housing

The end of year position in housing services is estimated to be an £36k credit, although this assumes that £1,477k will be drawn down from the contingency to mitigate the ongoing homelessness pressures being experienced in Bromley. This includes additional provisions for bad debts arising mainly from the roll out of welfare reform, increases in the levels of homelessness and increases in the cost of the provision.

Underspends in other areas help mitigate the pressures overall.

The key risks in the Renewal, Recreation and Housing Portfolio are:-

- i) Increased homelessness and the associated costs
- ii) Introduction of the Homeless Reduction Act
- iii) Increased rent arrears arising from roll out of Welfare reform

- Education, Children and Families Portfolio

The Education, Children and Families Portfolio has an overspend of £2,030k for the year.

The Education Division has an overspend of £34k. Pressures in Adult Education, in house nurseries and the Education Welfare Service are currently being partly mitigated by Workforce Development and Governor Services and SEN and Inclusion.

Pressures also continue in the Dedicated Schools Grant (DSG) element of the service. In 2018/19 there will be an in year overspend of £354k of DSG. Whilst this can be absorbed by carry forward DSG balances, there continues to be ongoing pressures in the DSG, especially in the High Needs Block, for 2019/20 onwards. The introduction of the National Funding Formula (NFF) means there are severe restrictions in how the grant is spent and in what areas. High Needs are experiencing increases in demands. Although there has been funding of £1m from the Council in 2018/19 and £1m top sliced from Schools DSG funding, for 2019/20 there is likely to be further increased pressures in this area that further funding streams will need to address.

In Children's Social Care there is an overspend of £1,996k due to the increased number of children in care. The table below (table 1) sets out the position in respect of the number of CLA in Bromley, National and Statistical Neighbours. Post Ofsted, we saw a nominal increase per 10,000 as set out below. However, we are still below our statistical and national neighbours (an area that Ofsted has asked us to explain). Regardless, we have 48 more children (235) (in year/projected) above an agreed (financial baseline) of 187 children in independent fostering, in-house fostering and residential care (see table 2).

Table 1

Rate of CLA

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Bromley	41	41	39	37	39.6	39.3	41.7	40.5
Statistical Neighbours	48	47.5	50	49.7	50.7	54.3	TBC	TBC
National	59	60	60	60	60	62	TBC	TBC

Table 2

Code	2018/19 Approved Budget		2018/19 Forecast			2018/19 Variation	
	£	Full Year Equivalent	£	Full Year Equivalent	£	Full Year Equivalent	
RESIDENTIAL (all types)	5,346,870	28.21	6,476,415	43.13	1,129,545	14.92	
FOSTERING							
Fostering IFA	2,617,790	60.56	3,656,096	80.91	1,038,306	20.35	
Fostering In house	2,873,890	98.53	2,613,764	111.80	(260,126)	13.27	
Total Fostering Placements	5,491,680	159.09	6,269,860	192.71	778,180	33.62	
TOTAL RESIDENTIAL/ FOSTERING PLACEMENTS	10,838,550	187.30	12,746,275	235.84	1,907,725	48.54	

The extension of the statutory age of children in care to 25 is another factor that is impacting on our budget – the increase in children looked after and therefore their continuing rights and our duties to them now expands from 21 to 25. This will have financial implications in relation to services offered but also will impact on the numbers of social workers/Young Person Advisors to support them. This is an area of growth that is as yet untested in terms of budget setting and implications. We have currently sent out 115 letters to relevant children who are entitled to services up to 25 when before they ceased at 21.

Bromley is part of the Pan London Agreement in relation to receiving unaccompanied minors.

Bromley now have 34 unaccompanied minors in the system. There are currently only 7 Local Authorities that are on the rota that are able to take children and who have not reached the threshold. The children that are coming to Bromley are averaging two children a week. In addition these children are under the age of 16 and very few are age disputed. These young people are very vulnerable and traumatised and therefore cannot or should not be placed in semi-independent placements. They require suitable foster carers to be identified who can support and manage some of the behaviours manifested by these children. This is therefore a growth area which will continue until Bromley reach the threshold of 53 children, a further 19 children to be Looked After. At the point we reach the threshold we will be removed from the Rota for a period of time.

Although the Council are given grant (£91 per day for a 16+, £114 per day for an U16) this does not cover the costs of the placements and the on costs. An additional 30 children (based on 23 last reported in May and the maximum allocation of 53) placed in independent foster care could cost as much as £1,350k gross per annum in a full year in placements alone. There would also be costs of additional social workers and other back office costs of £400k. This would be offset by grant of £930k leaving a net position of £820k.

This is the worst case scenario and assumes that all of the children are placed in more expensive settings so the final amount will be subject to the actual setting they are placed in.

Residential Placements - as has been highlighted recently in a Judgement and in the in the press Judge Lazarus who was hearing an application for secure accommodation in respect of one our children confirmed the young person met the secure criteria and whilst being certain this would be the right placement we were unable to acquire a secure bed. She highlighted that at any one time there are 30 applications for one or two beds and stated 'this then leads to a distortion of a negative filtering exercise where children in need of accommodation are repeatedly rejected' as has happened in the case of our child. This means the child remains at risk, unsafeguarded by virtue of no secure bed available or willing to take him and the Local Authority are left with trying to find residential care and placing 3:1 support around him. This support is unable to prevent a child from leaving any establishment because they do not have the mandate to restrain him. The fact the Local Authority are left with the risk they are also left with a huge financial responsibility often amounting to around £8,500 per week and more and this cannot be predicted when setting budgets. She complimented this Local Authority and its social workers for their tenacity and efforts but acknowledged it was unlikely to yield a secure bed due to the issues in the secure estate.

During the course of this year we have had 4 children who met the secure threshold and no bed was available this has resulted in a cost of between £8,500 and £8,900 per week for each child. These 4 children at any one time has cost the Authority £34k per week at the lower rate and £36k at the high rate. These costs continue until a secure bed is available.

Colleagues within the placement team have approached over 180 providers to consider if they will offer a placement and they have refused because of the risk he poses hence he has to be in a standalone placement with 3:1 around him for 24 hours each day.

At the current time he is the only young person in such a placement with 2 other young people presently now in secure but these children will only remain in secure for the maximum of 6 months and they will require a step down which again will require increased staffing of 2:1 equating to around £7,000 to £7,500 per week until their profile reduces.

At any one time we have at least 2 children requiring and reaching threshold of secure to ensure that they are safeguarded from themselves and sometimes others.

If we were to consider with the shortage of secure beds at least 2 children requiring high cost placements in place of secure this would cost per child £442,000 per year per child.

Management action has been put in place of £700k to reduce the overall financial position of Children's Social Care to £1,996k overspent. Further management action will be explored to mitigate the overspend as far as possible.

Agency staff continues to be a cost burden although this has been managed within the overall staffing budget. Children's social care recently recruited 30 newly qualified social workers who are permanent and have received their 3 weeks induction and have now been placed within their teams and this will reduce the agency spend. We will not see the full impact of this until they are able to take cases – they will be on a protected caseload as NQSW and we need to be mindful of our caseload promise to social workers within the service.

The key risks in the Education, Children & Families Portfolio are:-

- i) Recruitment and retention of permanent staff/ ability to recruit skilled staff for the vacant posts.
- ii) Limited supply and increasing costs of residential placements – including the specialist placements for very complex young people.
- iii) Increase in the Looked After Population – particularly in our Looked After Unaccompanied Minors population.
- iv) Increased complexity of children (SEND).
- v) Impact of Social Work Act 2017 implementation.
- vi) Income from partners reducing.
- vii) School place issues.

Adult Care and Health Portfolio Budget Monitoring Summary

2017/18 Actuals	Division Service Areas	2018/19 Original Budget	2018/19 Latest Approved	2018/19 Projected Outturn	Variation	Notes	Variation Last Reported	Full Year Effect
£'000		£'000	£'000	£'000	£'000		£'000	£'000
EDUCATION CARE & HEALTH SERVICES DEPARTMENT								
Adult Social Care								
23,836	Assessment and Care Management	23,462	23,535	24,366	831	1	574	925
0	Planned A&CM savings from management action	0	0	Cr 171	Cr 171		Cr 340	Cr 340
406	Direct Services	144	144	144	0	2	0	0
32,070	Learning Disabilities	33,551	33,733	34,401	668		Cr 566	1,275
0	Planned LD savings from management action	0	0	Cr 123	Cr 123	Cr 464	Cr 268	
6,018	Mental Health	6,273	6,169	6,329	160	3	129	323
0	IBCF Expenditure	0	500	0	Cr 500	4	0	0
Cr 1,009	Better Care Funding - Protection of Social Care	0	0	Cr 369	Cr 369	5	Cr 100	0
Cr 935	Better Care Fund / Improved Better Care Fund	0	0	0	0		0	0
60,386		63,430	64,081	64,577	496		365	1,915
Programmes								
1,639	Programmes Team	1,986	2,460	2,327	Cr 133	6	Cr 28	0
3,152	Information & Early Intervention	2,505	2,505	2,382	Cr 123		0	0
Cr 3,152	- Net Expenditure	Cr 2,420	Cr 2,505	Cr 2,382	123	0	0	
	- Recharge to Better Care Fund							
	Better Care Fund							
21,680	- Expenditure	21,183	21,949	21,949	0	0	0	
Cr 21,819	- Income	Cr 21,275	Cr 22,041	Cr 22,041	0	0	0	
	Improved Better Care Fund							
4,184	- Expenditure	4,490	7,675	7,675	0	0	0	
Cr 4,184	- Income	Cr 5,363	Cr 8,548	Cr 8,548	0	0	0	
	NHS Support for Social Care							
28	- Expenditure	0	1,500	1,500	0	0	0	
Cr 28	- Income	0	Cr 1,500	Cr 1,500	0	0	0	
1,500		1,106	1,495	1,362	Cr 133		Cr 28	0
Strategic & Business Support Services								
300	Learning & Development	372	372	372	0	7	0	0
1,961	Strategic & Business Support	2,383	2,383	2,353	Cr 30		Cr 29	0
2,261		2,755	2,755	2,725	Cr 30		Cr 29	0
Public Health								
15,103	Public Health	14,763	14,763	14,763	0		0	0
Cr 15,096	Public Health - Grant Income	Cr 14,708	Cr 14,708	Cr 14,708	0		0	0
7		55	55	55	0		0	0
64,154	TOTAL CONTROLLABLE ADULT CARE & HEALTH	67,346	68,386	68,719	333		308	1,915
1,419	TOTAL NON CONTROLLABLE	221	400	395	Cr 5	8	11	0
2,364	TOTAL EXCLUDED RECHARGES	2,546	2,106	2,106	0		0	0
67,937	TOTAL ADULT CARE & HEALTH PORTFOLIO	70,113	70,892	71,220	328		319	1,915

Reconciliation of Latest Approved Budget

£'000

2018/19 Original Budget

78,500

Transfer of Housing to Renewal, Recreation & Housing Portfolio

Cr 8,387

2018/19 Revised Original Budget

70,113

Carry forwards requests

Better Care Fund - Good Gym

- expenditure 8

- income Cr 8

Better Care Fund

- expenditure 28

- income Cr 28

Improved Better Care Fund

- expenditure 3,172

- income Cr 3,172

Public Health Grant

- expenditure 1,018

- income Cr 1,018

Other:

2018/19 Improved Better Care Fund allocation - adjusted amount:

- expenditure 13

- income Cr 13

Short term assistance to day centres

Budget Transfer - Rent of Queen Mary's Hospital (CLDT) 80

Transfer of Contracts Administrator post 20

Fire Risk Assessment and Cyclical Maintenance 27

IBCF Expenditure 500

Drawdown of Health Funding

- expenditure 1,500

- income Cr 1,500

Latest Approved Budget for 2018/19

70,892

REASONS FOR VARIATIONS

1. Assessment and Care Management - Dr £660k Net of Management Action

The overspend in Assessment and Care Management can be analysed as follows:

		<u>Current</u> <u>Variation</u> £'000
<u>Physical Support / Sensory Support / Memory & Cognition</u>		
Services for 65 +		
- Placements		285
- FYE Management Action	Cr	62
- Domiciliary Care / Direct Payments	Cr	63
		<u>160</u>
Services for 18 - 64		
- Placements		365
- FYE Management Action	Cr	108
- Domiciliary Care / Direct Payments		<u>257</u>
		<u>514</u>
Other		
- Day Care	Cr	500
- D2A		486
		<u>660</u>

The 2018/19 budget includes funding for the full year effect of the 2017/18 overspend, less savings agreed as part of management action to reduce this overspend.

Services for 65+ - Dr £160k

Numbers in residential and nursing care continue to be above the budget provision, currently by 16 placements above the budget of 414, with an overspend being projected of £285k for the year. This is an increase of 20 places since the last report in May. Income in relation to court of protection cases continues to partly offset this increase in costs.

In addition to the above, there is the full year effect of management action from 2017/18 relating to additional income from the CCG for joint funding of placements that has been factored in of £62k. This has been reduced since the last monitoring from £123k as this has not been achieved so far, therefore projections for the remainder of the year have been adjusted accordingly.

The overall position on the domiciliary care and direct payments budgets is an underspend of £63k, which is a change from the overspend position of £151k projected in May, a swing of Cr £214k. This consists of:-

1) There is an overspend of £150k relating to a saving that had already been included in the 2018/19 budget with the expected transfer of the Reablement Service to Bromley Health Care in 2017/18. This did not happen as envisaged, however the saving had already been included in the budget, so currently remains as an overspend.

2) Domiciliary care is currently projected to underspend by £22k, moving from an overspend of £214k in May. An analysis of the budget shows no significant change in hours being delivered, with the majority of the swing from overspend to underspend attributable to increased income from client contributions. As mentioned in the report for May the new charges for domiciliary care only took effect from 4th June, therefore an estimation of the additional income to be received had to be made for that month's monitoring. Actual income received has exceeded that estimation as shown in the revised projections. Direct payments are projected to underspend by £191k, a reduction of £22k from the May projection.

Services for 18-64+ - Dr £514k

Placements for 18-64 age group are projected to overspend by £365k this year based on current service user numbers, an increase of £182k since the May position. The main pressure area relates to clients with a primary support reason (PSR) of memory and cognition where the actual number has increased by 3, since May, and several service users having their care packages increased. This is partly offset by those with a PSR of Physical Support reducing by 1. Overall client numbers are currently 51 compared to the budget of 43.

In addition as per the over 65's, there is the full year effect of management action from 2017/18 relating to additional income from the CCG for joint funding of placements that has been factored in of £108k. This has been reduced since the last monitoring from £217k as this has not been achieved so far, therefore projections for the remainder of the year have been adjusted accordingly.

The overall position on the domiciliary care and direct payments budgets is an overspend of £257k, an increase of £100k since May. Domiciliary care is currently projected to overspend by £73k, and direct payments by £184k. The main increase relates to a service user where we have had to pick up, via a direct payment, the cost of care which has been backdated.

Day Care Services - Cr £500k

Day Care services continue to show reduced use of the service with low numbers compared to the budget provision. In addition contracts that we had with some providers for the provision of transport to their centres have ended, with the main Greenwich Services Plus (GSP) transport contract taking on these clients. This has resulted in a current projected underspend of £500k.

Discharge to Assess (D2A) - Dr £486k

At it's meeting on 27th June the Executive agreed to extend the Discharge to Assess (D2A) pilot for another year. The packages of care provided under the D2A scheme have cost £486k so far this year. Any savings arising from this would show under the appropriate care package heading (ie placements or domiciliary care/direct payments), so would already be taken account of in the projections shown above.

2. Learning Disabilities - Dr £545k Net of Management Action

This set of projections is based both on current care packages and also assumptions regarding clients expected to be placed this financial year, planned savings, attrition, etc. The assumptions include packages that have already been agreed at Panel but where the placement has not yet taken place (where the uncertainty is mainly around start dates) and those clients expected to require new placements or have increased needs this year but for whom costs and start dates are uncertain.

To avoid overstating the assumptions, a 'probability factor' has been applied to reflect experience in previous years which has shown that there tends to be either slippage on planned start dates or clients aren't placed as originally expected. However there is a risk attached to this in that the majority of placements may go ahead as and when planned or there may be clients placed who aren't included in the forecast.

As outlined in the May 2018 monitoring report, the 2018/19 LD budget included funding for both the full year effect of the 2017/18 overspend (based on the position at the time the budget was prepared) and 2018/19 demand-related pressures. The 2017/18 final outturn report highlighted that both of these included assumptions on planned savings from management action. The delivery of a balanced budget position in 2018/19 was therefore dependent on these savings being achieved as well as the successful management of continued demand pressures.

Currently an overspend of £545k is anticipated after allowing for management action in relation to planned savings. If management action is excluded, the position is a projected overspend of £668k. The equivalent figures in May 2018 were £102k and £566k respectively.

While this is a significant increase, the impact on the full year effect is even more pronounced, increasing from an overspend of £177k in May 2018 to the current overspend position of £1,007k (both net of management action).

There are many reasons for this increase but the single largest factor is the high number of new and increased care packages over and above those included in the previous forecast. This has in part been mitigated by other factors, including the achievement of savings and the removal of assumptions and / or delay in some previously assumed new / increased packages.

The projections continue to include a number of assumptions so the position is likely to vary as the year progresses. There is nothing factored in to reflect any continued increase in new and increased care packages so projected spend may rise further.

Progress on achieving planned savings is being monitored closely as this is a key element in managing the budget position. The dedicated 'invest to save' team tasked with delivering the savings ceased at the end of September. However there is a number of savings where delivery is still anticipated and the associated 'tail-end' work is embedded within the core care management team. This current set of projections assumes that further savings of Cr £93k will be achieved this year (Cr £268k in a full year). There is also an assumption that management action will result in an additional £30k contribution from Health regarding particular CHC cases.

There is a projected overspend on LD Care Management of £78k. This has arisen mainly from the use of agency staff and additional staff brought in to undertake review work.

3. Mental Health - Dr £160k

Similar to Learning Disabilities above, the 2018/19 MH budget included funding for the full year effect of the 2017/18 overspend based on the position at the time the budget was prepared. The final outturn report highlighted that this assumed a level of savings from management action and that an overspend would result if this was not the case.

The level of savings achieved towards the end of 2017/18 was lower than planned and it is not anticipated that any further savings can be achieved. This is one of the main factors giving rise to the projected overspend of £160k.

The net increase in 2018/19 overspend since May 2018 is relatively small (up £31k from £129k). However this masks an underlying increasing trend (new and increased care packages) which has been mitigated by factors outside Bromley's control e.g. attrition, charging income. The impact on the full year effect is greater and this is now an overspend of £323k, an increase of £167k since the last report.

4. IBCF - Cr £500k

Additional budget from the IBCF had been drawn down to offset in year costs in adult social care and this amounts to £500k credit.

5. Better Care Fund - Protection of Social Care - Cr £369k

A number of local authority adult social care services are funded by an element of the Better Care Fund set aside to protect social care services. This includes funding previously received under the former Department of Health Social Care Grant.

These services are currently projected to underspend by £369k in 2018/19 and this has been used to offset other budget pressures within social care in line with the intentions of the funding.

6. Programmes Division - Cr £133k

Programmes Team (Cr £133k)

An underspend of £133k is currently anticipated on Programmes Team budgets and this relates principally to staffing budgets (Cr £88k) and contracts (Cr £39k). There has been a high level of staff turnover and interim staff. The additional cost associated with interim staff has been offset by other posts remaining vacant.

Information and Early Intervention (Dr & Cr £123k)

This budget area encompasses any adult social care-related service or support for which there is no test of eligibility and no requirement for review. It includes: information and advice; screening and signposting; prevention and low-level support; independent advocacy.

An underspend of £123k is anticipated across the whole service. The main element of this is reduced expenditure from the Primary and Secondary Intervention Services Innovation Fund. The underspend on the Fund is shared with Bromley CCG and the Better Care Fund and the element reported here is the net amount for LB Bromley. There are savings in other areas, principally due to minor inflationary savings across a number of contracts and lower than anticipated volumes on the new single advocacy contract. This contract is still relatively new and projected spend may fluctuate until a volume pattern becomes clearer.

The whole Information and Early Intervention Service is one of a range of services protected by the Better Care Fund and, as such, the underspend on this service has been used to offset other pressures within adult social care in line with the intentions of the funding. This is reflected at ref. (5) above.

Better Care Fund (nil variation)

Other than variations on the protection of social care element, any underspends on Better Care Fund budgets will be carried forward for spending in future years under the pooled budget arrangement with Bromley CCG.

Improved Better Care Fund (nil variation)

The Improved Better Care Fund allocation for 2018/19 is £5.376m. Of this, £873k remains within the Council's central contingency and the balance of £4.503m is within ECHS budgets. In addition, because 2017/18 allocations were agreed relatively late in the financial year, £3.172m of unspent 2017/18 funding was carried forward to 2018/19.

Spend is underway on a number of schemes but some funding remains unallocated. As outlined in the report to the Executive on 10th October 2017, underspends can be carried forward to support expenditure in future years.

7. Strategic and Business Support Services Division - Cr £30k

An underspend of £30k is anticipated on the Strategic and Business Support Services Division. Although there are minor compensating variations across the Division the underspend mainly relates to central departmental running expenses budgets.

8. Non-Controllable - Rent

There is an £5k variation relating to Day Centre rent income.

Waiver of Financial Regulations

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempt from the normal requirement to obtain competitive quotations the Chief Officer has to obtain the agreement of the Director of Corporate Services, the Director of Finance and the Director of Commissioning and (where over £100,000) approval of the Portfolio Holder and report use of this exemption to Audit Sub-Committee bi-annually.

Since the last report to the Executive, 1 waiver for Adult placements has been agreed for between £50k and £100k and 2 for more than £100k.

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, there have been two virements: 1) £38k for a Head of Mental Health post for an initial short term period and 2) the transfer of a Contracts Administrator post from Corporate Procurement and Commissioning (£20k).

Education, Children and Families Portfolio Budget Monitoring Summary

2017/18 Actuals £'000	Service Areas	2018/19 Original Budget £'000	2018/19 Latest Approved £'000	2018/19 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
EDUCATION CARE & HEALTH SERVICES DEPARTMENT								
Education Division								
Cr 360	Adult Education Centres	Cr 525	Cr 525	Cr 373	152	1	155	130
418	Schools and Early Years Commissioning & QA	524	524	545	21	2	Cr 43	0
5,583	SEN and Inclusion	5,820	6,555	6,439	Cr 116	3	Cr 31	0
95	Strategic Place Planning	96	96	96	0		0	0
6	Workforce Development & Governor Services	5	5	Cr 49	Cr 54	4	0	0
Cr 167	Education Services Grant	0	0	0	0		0	0
185	Access & Inclusion	165	130	161	31	5	14	0
Cr 1,312	Schools Budgets	Cr 1,348	Cr 1,348	Cr 1,348	0	6	0	0
102	Other Strategic Functions	1,038	338	338	0		0	0
4,550		5,775	5,775	5,809	34		95	130
Children's Social Care								
1,248	Bromley Youth Support Programme	1,479	1,479	1,536	57	7	0	0
686	Early Intervention and Family Support	1,093	1,093	1,003	Cr 90		0	0
4,912	CLA and Care Leavers	5,066	5,066	4,982	Cr 84		Cr 41	520
13,592	Fostering, Adoption and Resources	13,638	13,638	16,723	3,085		Cr 2,492	2,852
0	Management action - Additional CCG Income	0	0	Cr 500	Cr 500		Cr 505	Cr 500
2,833	Referral and Assessment Service	2,909	2,909	2,727	Cr 182		0	Cr 174
2,176	Safeguarding and Care Planning East	2,159	2,159	1,930	Cr 229		0	Cr 198
3,874	Safeguarding and Care Planning West	3,810	3,810	3,823	13	0	0	
4,290	Safeguarding and Quality Improvement	4,260	4,260	4,386	126		58	0
	Planned savings from management action	0	0	Cr 200	Cr 200	Cr 480	Cr 400	
33,611		34,414	34,414	36,410	1,996		1,524	2,100
38,161	TOTAL CONTROLLABLE FOR EDUCATION, CHILDREN & FAMILIES	40,189	40,189	42,219	2,030		1,619	2,230
3,257	Total Non-Controllable	2,006	2,088	2,073	Cr 15			0
7,309	Total Excluded Recharges	8,126	8,126	8,126	0		0	0
48,727	TOTAL EDUCATION, CHILDREN & FAMILIES PORTFOLIO	50,321	50,403	52,418	2,015		1,619	2,230
Memorandum Item								
Sold Services								
29	Education Psychology Service (RSG Funded)	Cr 107	Cr 107	Cr 75	32	8		0
7	Education Welfare Service (RSG Funded)	Cr 32	Cr 32	10	42		0	0
3	Workforce Development (DSG/RSG Funded)	Cr 4	Cr 4	Cr 50	Cr 46		0	0
43	Community Vision Nursery (RSG Funded)	49	49	81	32		0	0
75	Blenheim Nursery (RSG Funded)	76	76	101	25		0	0
157	Total Sold Services	Cr 18	Cr 18	67	85		0	0
Reconciliation of Latest Approved Budget								
Original Budget 2018/19								
£'000								
50,321								
Contingency:								
SEN Implementation Grant 2018/19								
- expenditure								
189								
- income								
Cr 189								
SEND Preparation for Employment Grant 2018/19								
- expenditure								
63								
- income								
Cr 63								
SEN Pathfinder Grant 2018/19								
- expenditure								
28								
- income								
Cr 28								
Carry forwards:								
SEN Implementation Grant 2016/17								
- expenditure								
20								
- income								
Cr 20								
SEN Pathfinder Grant 2016/17								
- expenditure								
16								
- income								
Cr 16								
Early Years Grant								
- expenditure								
15								
- income								
Cr 15								
School Improvement Grant								
- expenditure								
47								
- income								
Cr 47								
High Needs Strategic Planning Fund								
- expenditure								
13								
- income								
Cr 13								
Delivery Support Fund								
- expenditure								
69								
- income								
Cr 69								
Tackling Troubled Families								
- expenditure								
498								
- income								
Cr 498								
Other:								
Fire Risk Assessment and Cyclical Maintenance								
82								
Latest Approved Budget for 2018/19								
50,403								

REASONS FOR VARIATIONS

1. Adult Education - Dr £152k

The Adult Education service is currently projecting to overspend by £152k. The main pressure areas for the service are £99k for staffing costs to provide required courses and preparing for the OFSTED inspection that is due in the near future. There is also an under collection of income of £58k as compared to the baseline budget.

There is a small underspend on the running costs (£5k) that is offsetting the on-going pressures.

2. Schools and Early Years Commissioning & QA - Dr £21k

The in-house nurseries are currently in the process of being restructured. This financial year will be part year under the existing structure and part year under the new structure. This has had the effect of expecting the nurseries to overspend by £57k for the year.

These cost pressures are being offset by the current staffing underspends of £45k that are mainly due to vacant posts.

There is a small overspend on the running costs of £9k.

3. SEN and Inclusion - Cr £116k

The staffing in this area is currently forecasting an underspend by £40k. This is due to changes to how posts are being funded - removing some from grant funding and including others.

The Education Psychologists are currently in the process of recruiting to the vacant posts in their team. This is causing the statutory service they are required to provide to be underspent by £56k and the Trading Service they offer to the Schools to be overspent by £32k due to the use of expensive agency staff to provide the service. This is a net underspend of £24k.

SEN Transport is currently forecast to underspend by £52k due to the expected additional collection of income from other LA's. This figure may change during the year as route rationalisation occurs.

4. Workforce Development & Governor Services - Cr £54k

The projected underspend is due to a detailed review of the service that has identified a number of running costs that are not likely to be used during this financial year.

5. Access & Inclusion - Dr £31k

The Education Welfare Service Trading Account is currently expected to under collect on its income by £42k due to the loss of a number of school contracts. The provision of the service will need to be reviewed.

There is currently expected to be an underspend of £7k on the cost for transporting mainstream children to their school.

There is a small underspend on the running costs of £4k that is offsetting the on-going pressures.

6. Schools Budgets (no impact on General Fund)

Expenditure on Schools is funded through the Dedicated Schools Grant (DSG) provided by the Department for Education (DfE). DSG is ring fenced and can only be applied to meet expenditure properly included in the Schools Budget. Any overspend or underspend must be carried forward to the following years Schools Budget.

There is a current projected overspend in DSG of £354k. This will be deducted from the £1,180k carried forward from 2017/18. £188k of the brought forward balance has been allocated to support the central DSG services in-year. The carry forward figure has been adjusted by the Early Year adjustment which has reduced the amount we received in 2017/18 by £166k. This gives us an estimated DSG balance of £472k at the end of the financial year.

The in-year overspend is broken down as follows:-

Bulge class are currently expected to underspend by £128k for this financial year. Additionally we are currently expecting to spend £224k on modular classroom rentals during the year. Both of these figures may change once the requirements for the new academic year have been established from the October school census.

The Early Years Support Service has a small underspend of £8k expected for this year due to a staff vacancy that is expected to be filled by the end of the year.

There is an underspend of £43k in the Pupil Support Services area. This is due to vacant posts and the under use of agency and consultancy costs to provide the service.

The Home and Hospital service has a pressure of £112k due to the splitting out of the Nightingale school from the service. The Home and Hospital service is in the process of being reviewed.

There is an underspend of £135k in the Pupil Support Services area. This is due to vacant posts and the under use of agency and consultancy costs to provide the service.

The Behaviour Support service is currently expected to underspend by £70k based on expected costs for the year.

The Education Welfare service is currently forecast an overspend of £18k due to higher staffing costs than expected

Due to a late adjustment of the recoupment at one of the schools in Bromley, there is any additional £83k worth of recoupment that the council has not budgeted for and is therefore causing a pressure on the DSG.

SEN placements are projected to overspend by a total of £759k. The overspend is being caused by the Maintained Day (£292k), Independent Day (£651k), Matrix Funding (£87k) and Alternative Programmes (£204k). These overspends are then offset by underspends on Independent Boarding Schools (£161k) and Maintained Boarding Schools (£314k).

The SEN placement budget pressure is coming from increased pupil numbers, this is in spite of the increases in in-borough Special Education places at Bromley schools.

SEN Support for clients in Further Education Colleges is expected to underspend by £366k this year. This is due to the underspend in the cost of placing clients with Independent providers and having more in borough placements.

The DSG funded element of SEN Transport is projected to overspend by £84k due to the new routes that were established in the last year. The level of spend in this area has been lower in previous years. Due to the current funding regulations LBB are not permitted to increase this budget from the previous years allocation.

The High Needs Pre-School Service is currently holding a number of vacant posts resulting in a £180k underspend. There are not currently any plans to recruit to these posts as there is an on-going review of the service. This underspend is being offset by the pressure relating to the rental cost of the building the service is in and is therefore causing the underspend to reduce to £57k.

The Sensory Support Service is underspent by £43k. This is due to staffing costs expected to be lower than the budget in year.

The SIPS and Outreach & Inclusion Services are all currently projected to underspend. Most of the underspend relates to lower than expected staffing costs, but there is also a small amount that relates to running costs that are not expected to be incurred during the year. The total of all of these underspends is a £107k. These are then being offset by the overspend in the Darrick Wood Hearing Units and the Complex Needs team (totalling £53k) to give a net underspend of £54k.

There is also a total small balance of underspends of £22k. This consists of £12k underspend in the SEN heading, and £10k underspend from the non-SEN headings.

	Variations £'000	High Needs £'000	Schools £'000	Early Years £'000	Central £'000
Bulge Classes	-128	0	-128	0	0
Classroom Hire	224	0	224	0	0
Early Year Support	-8	0	0	-8	0
Primary Support Team	-43	0	0	0	-43
Home & Hospital	112	112	0	0	0
Pupil Support Services	-135	-135	0	0	0
Behaviour Support	-70	-70	0	0	0
Education Welfare Officers	18	0	0	0	18
Late Adjustment to DSG Recoupment	83	0	83	0	0
Other Small Balances	-10	-8	0	0	-2
SEN:					
- Placements	759	759	0	0	0
- Support in FE colleges	-366	-366	0	0	0
- Transport	84	84	0	0	0
- High Needs Pre-school Service	-57	-57	0	0	0
- Sensory Support	-43	-43	0	0	0
- SIPS	-27	0	0	-27	0
- Darrick Wood Hearing Unit	28	28	0	0	0
- Complex Needs Team	25	25	0	0	0
- Outreach & Inclusion Service	-80	-80	0	0	0
- Other Small SEN Balances	-12	-7	0	0	-5
Total	354	242	179	-35	-32

There will continue to be pressures in the DSG from 2019/20 onwards, especially in the High Needs Block area. More children are coming through the system which will put pressure on DSG resources. In 2018/19 DfE agreed that LBB could top slice £1m from the Schools DSG to underpin the High Needs budget. A further request will have to be put forward to DfE if this is going to be transferred again. From 2020/21 this will no longer be available as the 'hard formula' National Funding formula kicks in and funding blocks are even more rigidly fixed.

7. Children's Social Care - Dr £1,996k

The current budget variation for the Children's Social Care Division is projected to be an overspend of £1,996k. Despite additional funding being secured in the 2018/19 budget, continued increases in the number of children being looked after together with the cost of placements has continued to put considerable strain on the budget. Officers met to discuss ways to mitigate this, and management action of £480k was agreed last cycle. This has reduced to £200k this cycle due to the limited success so far this year.

Early Intervention & Family Support - Cr £90k

There will be an underspend in this area due to salary and running expense in year underspends.

Bromley Youth Support Programme - Dr £57k

The BYSP budget is projected to overspend by £57k this year, analysed as follows:

- Youth Service - Dr £15k

Staffing is projected to be underspent by £29k and contributions to other local authorities by £41k. This is offset by projected overspends on Premises and Transport costs of £20k, supplies and services of £60k and income of £5k.

- Business Partnership's - Dr £2k

Staffing is projected to be underspent by £45k this is offset by a projected underachievement of income from schools of £47k.

- Youth Offending Team - Dr £40k

Staffing is projected to be underspent by £22k this is offset by a projected overspend of £3k on business rates and £59k on professional fees.

CLA and Care Leavers - Cr £84k

Expenditure relating to the 'Staying Put' grant, where care leavers can remain with their foster carers after the age of 18, continues to show an overspend on the budget. The budget was realigned for 2018/19 within available resources, however an overspend of £111k is currently projected.

Staffing costs are projected to be £116k underspent whilst direct accommodation support to looked after children (net of housing benefit) is projected to be £79k underspent.

Fostering, Adoption and Resources - £2,585k

The budget for children's placements is currently projected to overspend by £2,624k this year. This amount is analysed by placement type below.

- Community Home's / Community Home's with Education - Dr £1,855k
- Boarding Schools - Dr £94k
- Secure Accommodation & Youth on Remand - Cr £289k
- Fostering services (IFA's) - Dr £1,038k
- Fostering services (In-house, including SGO's and Kinship) - Dr £333k
- Adoption placements - Dr £157k
- Transport Costs - Cr £64k

Included in the variations above, Bromley CCG have allocated funding of £500k as a contribution towards the continuing care costs of placements. Additional funding of £500k is also being sought from the CCG as a contribution to these placements and officers are in the process of negotiations over this amount. Should this latter amount not be agreed upon then the overspend will increase significantly.

Staffing costs are projected to be £39k underspent for the year.

Referral and Assessment Service - Cr £182k

The main projected variance relates to services to people with No Recourse to Public Funds (NRPF), which is currently projecting an underspend of £174k. This budget had been increased in the past as numbers had risen significantly, however currently numbers are much lower, resulting in this underspend. There is also a minor underspend on staffing of £8k projected.

Safeguarding and Care Planning East - Cr £229k

The budget for care proceedings is currently projected to underspend by £283k, particularly in the area of community and residential parental assessments which account for £206k of this total. Additionally there is a projected salary overspend of £54k.

Safeguarding and Care Planning West- Dr £13k

Services for Children with Disabilities is projected to overspend by £67k this year. This is made up of an overspend of £280k in relation to Direct Payments and Care Initiatives, offset by an underspend of £155k on group based short breaks and £58k on transport costs.

A change in the provision of the short/respite breaks service at Hollybank has also realised a saving of £112k. Additionally there is a projected salary overspend of £58k.

Safeguarding and Quality Improvement - Dr £126k

The projected variation of £126k overspend in this area relates solely to staffing.

Management Action

Officers have discussed ways to mitigate this overspend and had agreed on management action plans totalling £480k at May budget monitoring. This has been revised to £200k for the remainder of the year as there has been limited success so far. These will continue to be closely monitored during the year to ensure that any non-achievement is highlighted as early as possible.

8. Sold Services (net budgets)

Services sold to schools are separately identified in this report to provide clarity in terms of what is being provided. These accounts are shown as memorandum items as the figures are included in the appropriate Service Area in the main report.

Waiver of Financial Regulations

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempt from the normal requirement to obtain competitive quotations the Chief Officer has to obtain the agreement of the Director of Corporate Services, the Director of Finance and the Director of Commissioning and (where over £100,000) approval of the Portfolio Holder and report use of this exemption to Audit Sub-Committee bi-annually. Since the last report to the Executive, there has been one waiver in the Education area with an annual value of less than £30k. In Children's Social Care there were 8 waivers agreed for placements of between £50k and £100k and 10 for more than £100k.

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, 1 virement has been actioned in Education for £35k and relates to the correction of the budget for a contract.

Environment & Community Portfolio Budget Monitoring Summary

2017/18 Actuals £'000	Service Areas	2018/19 Original Budget £'000	2018/19 Latest Approved £'000	2018/19 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	ENVIRONMENT & COMMUNITY PORTFOLIO							
	Street Scene & Green Spaces							
5,071	Parks and Green Spaces	5,231	5,367	5,365	Cr 2		0	0
243	Street Regulation and Enforcement incl markets	352	352	362	10		0	0
16,930	Waste Services	18,120	17,744	17,666	Cr 78	1	Cr 11	0
4,103	Street Environment	4,414	4,414	4,414	0		0	0
907	Management and Contract Support	1,085	1,245	1,207	Cr 38	2	0	0
801	Trees	749	749	749	0		0	0
28,055		29,951	29,871	29,763	Cr 108		Cr 11	0
	Transport Operations and Depot							
706	Transport Operations and Depot Management	701	707	707	0		0	0
706		701	707	707	0		0	0
	Transport & Highways							
286	Traffic & Road Safety	324	324	332	8		0	0
Cr 7,893	Parking	Cr 7,119	Cr 7,419	Cr 7,419	0	3 - 6	Cr 3	300
6,589	Highways (including London Permit Scheme)	6,689	6,520	6,479	Cr 41	7	0	0
Cr 1,018		Cr 106	Cr 575	Cr 608	Cr 33		Cr 3	300
27,743	TOTAL CONTROLLABLE	30,546	30,003	29,862	Cr 141		Cr 14	300
6,601	TOTAL NON-CONTROLLABLE	6,195	6,240	6,267	27	8	15	0
2,323	TOTAL EXCLUDED RECHARGES	2,540	2,460	2,460	0		0	0
36,667	PORTFOLIO TOTAL	39,281	38,703	38,589	Cr 114		1	300

Reconciliation of Latest Approved Budget £'000

Original Budget 2018/19 39,281

Carry Forward Requests approved from 2017/18

Green Garden Waste Direct Debits	120
Highway Pothole Grant 2017/18 - Income	Cr 113
Highway Pothole Grant 2017/18 - Expenditure	113
Management and Contract Support	80
Parks Infrastructure works	80

Central Contingency Adjustments

Waste Disposal	Cr 490
Parking - Bus lane contraventions	Cr 300
PYE savings relating to award of Highways maintenance contract	Cr 169
Highway Pothole Grant 2018/19 - Income	Cr 113
Highway Pothole Grant 2018/19 - Expenditure	113

Other

Inflation adjustment	56
R&M - Fire Risk Assessments & Cyclical Maintenance	45

Latest Approved Budget for 2018/19 38,703

REASONS FOR VARIATIONS

1. Waste Services Cr £78k

The budget has been realigned to reflect the full year effect of the reduction in tonnage compared with 2017/18 and one off reduction in tonnage during 2018/19, mainly for household tonnage and green garden waste as a result of the dry weather. In total £490k has been returned to central contingency.

Across the garden waste collection service there is a projected underspend of £122k. This is made up of an underspend of £72k for a lower use of the sixth vehicle during the year than expected and additional income of £70k is expected due to an increase in the number of customers. This is partly offset by £20k for purchases of extra containers.

A net surplus of income of £16k is expected from the sale of recycling materials. This is due to an increase in the market price of textiles and iron, offset by a shortfall in income from paper due to reducing tonnage.

Based on the tonnage received over the weighbridge during April to September, there is a projected reduction in income of £70k from trade waste delivered.

For trade waste collection there is a net projected shortfall of income of £47k, mainly due to a slightly higher customer dropout rate compared to the level expected.

Following agreement of the 2017/18 level of defaults, a credit of £38k was received.

There is a £19k underspend on staffing as a result of part year vacancies.

Summary of overall variations within Waste Services

	£'000
Green Garden waste service	Cr 122
Surplus income from sale of recycling materials	Cr 16
Shortfall in trade waste delivered income	70
Trade waste collected income	47
Credit for 17/18 Default settled in 18/19	Cr 38
Underspend on Staffing	Cr 19
Total variation for Waste Services	<u>Cr 78</u>

EARLY WARNING

£120k budget was carried forward from 2017/18 for the development of a direct debit system for the GGW service. The service has awaited the outcome of the Environment Commissioning Programme and will develop a GGW system for the management of customers, with the minimum requirement of having the ability to offer an online direct debit provision for customers and integration with the new service suppliers system(s). It is therefore possible that some of the £120k will need to be carried forward to 2019/20 should any of the works need to be completed in the new year.

2. Management and Contract Support Cr £38k

Part year vacancies have resulted in an underspend of £38k.

Parking

3. Income from Bus Lane Contraventions Cr £257k

There is a net projected surplus of £257k on the redeployable automated cameras operating in bus lanes for 2018/19 based on numbers of contraventions to 30th September 2018.

4. Off/On Street Car Parking Dr £113k

Overall there is a net variation of Dr £113k for Off and On Street parking.

A deficit of £129k is forecast for Off & On Street Parking income. This is mainly due to a continued downward trend in parking usage, in particular for the on street bays & multi-storey car parks.

Additional income of £16k is expected to be received from cashless parking fees, as the use of this service continues to grow.

The projected overspend for Off and On Street Car parking within the Parking budget is detailed below: -

	OFF ST	ON ST	Total
	£'000	£'000	£'000
Summary of variations within Off/On Street Car Parking			
Off/On Street Car Parking income	39	90	129
Less additional Ring Go fees	Cr 5	Cr 11	Cr 16
Total variations within Off/On Street Parking	<u>34</u>	<u>79</u>	<u>113</u>

5. Car Parking Enforcement Dr £176k

From the activity levels up to September 2018, there is a projected net deficit of around £300k from PCNs issued by APCOA in the current year. This is mainly due to a reduction in contraventions, issues related to the deployment plan, policy changes in shared use bays in zone A and a growing number of ad hoc enforcement requests from residents using the online form.

There are defaults on the Enforcement contract costs of around Cr £72k which partly offsets this variation, £40k of which relate to 2017/18.

There is a projected underspend of £30k for credit card commission costs and a £22k underspend on the electronic appeals costs payable to the Traffic Committee.

Summary of variations within Car Parking Enforcement	£'000
PCNs issued by wardens	300
APCOA Enforcement defaults	Cr 72
Credit card commission	Cr 30
Electronic appeals cost	Cr 22
Total variations within Car Parking Enforcement	<u>176</u>

6. Parking Shared Service Cr £32k

Part year vacancies have resulted in an underspend of £32k.

Summary of overall variations within Parking:	£'000
Bus Routes Enforcement	Cr 257
Off Street Car Parking	34
On Street Car Parking	79
Car Parking Enforcement	176
Parking Shared Services	Cr 32
Total variation for Parking	<u>0</u>

7. Highways- Including London Permit Scheme Cr £41k

Within NRSWA income, there is a projected surplus of income of £41k. This is mainly due to an increase in the number of permits issued as well as income from Section 74 Notices.

8. Non-controllable Dr £27k

There is a projected shortfall in income of £27k within the property rental income budget. Property division are accountable for these variations.

Waiver of Financial Regulations:

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempt from the normal requirement to obtain competitive quotations the Chief Officer has to obtain the agreement of the Director of Corporate Services, the Director of Finance and the Director of Commissioning and (where over £100,000) approval of the Portfolio Holder and report use of this exemption to Audit Sub committee bi-annually. Since the last report to the Executive, no waivers over £50k have been actioned.

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, no virements have been actioned.

Public Protection & Enforcement Budget Monitoring Summary

2017/18 Actuals £'000	Service Areas	2018/19 Original Budget £'000	2018/19 Latest Approved £'000	2018/19 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
138	Public Protection Community Safety	151	151	139	Cr 12	1	0	0
96	Emergency Planning	115	120	104	Cr 16	2	0	0
447	Mortuary & Coroners Service	485	485	539	54	3	0	0
1,265	Public Protection	1,673	1,722	1,578	Cr 144	4	Cr 85	0
1,946	TOTAL CONTROLLABLE	2,424	2,478	2,360	Cr 118		Cr 85	0
250	TOTAL NON CONTROLLABLE	11	11	11	0		0	0
391	TOTAL EXCLUDED RECHARGES	428	428	428	0		0	0
2,587	PORTFOLIO TOTAL	2,863	2,917	2,799	Cr 118		Cr 85	0

Reconciliation of Latest Approved Budget £'000

Original Budget 2018/19 2,863

Carry Forward Requests approved from 2017/18

Asset Recovery Incentivisation Scheme - Income	Cr	48
Asset Recovery Incentivisation Scheme - Expenditure		48
Additional ECS resources - delay in recruitment		67

Other

Transfer of Health & Safety post to HR	Cr	13
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Latest Approved Budget for 2018/19 2,917

REASONS FOR VARIATIONS

1. Community Safety Cr £12k

A minor underspend of £12k on staffing across the community safety budgets.

2. Emergency Planning Cr £16k

Within the Emergency Planning service, there is a £16k underspend on staffing due to part year vacancies.

3. Mortuary and Coroners Service Dr £54k

At the end of 2017/18 a provision was made for the outstanding quarter 4 payment for the Coroners service, based on information provided by LB Croydon who administer the Consortium service. The actual cost for quarter 4 was £104k, resulting in a balance of £55k of the provision which is no longer required.

Based on the latest information from Croydon, Officers anticipated an overspend of £84k due to number of large inquests. This includes the additional counsel and legal costs for the Butler case and other potential large cases that will be heard in 2018/19.

Officers are currently negotiating a new Mortuary contract and it is anticipated that there could be a potential overspend of £25k in 18/19 as result of the new contract price. Until the new contract has been agreed with the provider, the full year effect cost cannot be calculated.

Summary of variations within Mortuary and Coroners Service	£'000
Release of provision no longer required on Coroners	Cr 55
Estimated cost of large inquests	84
Additional cost on Mortuary Contact	25
Total variations	<u>54</u>

4. Public Protection Cr £144k

On 21 May 2018, Members approved a carry forward request of £67k relating to additional resources for the temporary fixed term Food Safety officers and interim PP&E Assistant Director post. Delays with recruiting the final temporary food safety officer has resulted in a further underspend of £22k. In total, £89k will need to be carry forward to 2019/20 and 2020/21 to enable the temporary posts to be funded for the remaining agreed term.

There is a net underspend of £67k on staffing mainly due to part year vacancies which partly offsets the £20k additional cost for Food Safety 'Pay as you go' inspections.

Other minor variations have resulted in a small underspend of £8k.

Summary of variations within Public Protection	£'000
Underspend on fixed term Food Safety officers and interim PP&E AD to be c/f	Cr 89
Underspend on staffing	Cr 67
Food Safety Pay as you go inspections	20
Other minor variations	Cr 8
Total variations	<u>Cr 144</u>

EARLY WARNING

£48k income and expenditure budget was carried forward from the 2017/18 Proceeds of Crime Act prosecution (Asset Recovery Incentivisation Scheme). £28k of this has been committed and it is likely that Officers will request that the remaining unspent balance of £20k be carried forward to 2019/20 as reported to the PPE PDS on 27 Sep 2018.

Waiver of Financial Regulations:

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempt from the normal requirement to obtain competitive quotations the Chief Officer has to obtain the agreement of the Director of Corporate Services, the Director of Finance and the Director of Commissioning and (where over £100,000) approval of the Portfolio Holder and report use of this exemption to Audit Sub committee bi-annually. Since the last report to the Executive, the following waiver has been actioned:

1) £45k for a 6 months extension on the Coroners Post Mortem & Mortuary Services contract, cumulative value £396k.

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, no virements have been actioned.

Renewal, Recreation & Housing Budget Monitoring Summary

2017/18 Actuals £'000	Division Service Areas	2018/19 Original Budget £'000	2018/19 Latest Approved £'000	2018/19 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	ENVIRONMENT AND COMMUNITY SERVICES DEPARTMENT							
	Planning							
Cr 7	Building Control	82	82	Cr 1	Cr 83	1	Cr 25	0
Cr 140	Land Charges	Cr 126	Cr 126	Cr 129	Cr 3	2	0	0
764	Planning	736	711	837	126	3	Cr 60	0
850	Renewal	801	956	900	Cr 56	4	0	0
1,467		1,493	1,623	1,607	Cr 16		Cr 85	0
	Recreation							
1,686	Culture	1,786	1,828	1,874	46	5	18	0
5,784	Libraries	5,030	5,030	5,020	Cr 10	6	0	0
219	Town Centre Management & Business Support	189	181	158	Cr 23	7	0	0
7,689		7,005	7,039	7,052	13		18	0
	ECS - Housing							
194	Housing Improvement	203	203	191	Cr 12	8	0	0
194		203	203	191	Cr 12		0	0
9,350	Total Controllable ECS DEPT	8,701	8,865	8,850	Cr 15		Cr 67	0
Cr 814	TOTAL NON CONTROLLABLE	2,542	2,521	2,523	2	9	0	0
2,466	TOTAL EXCLUDED RECHARGES	1,857	1,857	1,857	0		0	0
11,002	Total ECS DEPARTMENT	13,100	13,243	13,230	Cr 13		Cr 67	0
	EDUCATION, CARE & HEALTH SERVICES DEPARTMENT							
	Operational Housing							
913	Supporting People	1,013	1,013	939	Cr 74	10	Cr 74	Cr 94
8,074	Housing Needs	6,241	6,241	7,756	1,515	11	1,582	1,727
0	Housing Needs Drawdown	0	0	Cr 1,477	Cr 1,477	11	Cr 1,597	Cr 995
0	Enabling Activities	Cr 1	Cr 1	Cr 1	0		0	0
Cr 1,838	Housing Benefits	Cr 1,984	Cr 1,984	Cr 1,984	0		0	0
7,149	Total Controllable ECHS DEPT	5,269	5,269	5,233	Cr 36		Cr 89	638
789	TOTAL NON CONTROLLABLE	286	286	286	0		0	0
3,209	TOTAL EXCLUDED RECHARGES	3,675	3,675	3,675	0		0	0
11,147	Total ECHS DEPARTMENT	9,230	9,230	9,194	Cr 36		Cr 89	638
22,149	PORTFOLIO TOTAL	22,330	22,473	22,424	Cr 49		Cr 156	638

Reconciliation of Latest Approved Budget

£'000

Original budget 2018/19

13,943

Transfer of Housing to Renewal, Recreation & Housing Portfolio

8,387

2018/19 Revised Original Budget

22,330

Carry Forward Requests approved from 2017/18

Implementing Welfare Reform Changes - Grant Expenditure	55
Implementing Welfare Reform Changes - Grant Income	Cr 55
Flexible Homeless Grant - Expenditure	83
Flexible Homeless Grant - Income	Cr 83
Fire Safety Grant - Expenditure	44
Fire Safety Grant - Income	Cr 44
Planning Strategy & Projects - Custom Build Grant - Expenditure	30
Planning Strategy & Projects - Custom Build Grant - Income	Cr 30
Asset Recovery Incentivisation Scheme - Expenditure	85
Asset Recovery Incentivisation Scheme - Income	Cr 85
New Homes Bonus	208

Central Contingency Adjustments

Beckenham and Penge BID	Cr 44
National Increase in Planning Fee - Expenditure	240
National Increase in Planning Fee - Income	Cr 240

Other

R&M - Fire Risk Assessments & Cyclical Maintenance	Cr 21
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Latest Approved Budget for 2018/19

22,473

REASONS FOR VARIATIONS

1. Building Control Cr £83k

For the chargeable service, an income deficit of £175k is projected based on actual income for April to September 2018. This is mostly offset by a projected underspend within salaries of £159k arising from reduced hours and part year vacancies. In accordance with Building Account Regulations, the net deficit of around £16k will be drawn down from the earmarked reserve for the Building Control Charging Account. The net balance will therefore reduce from Cr £203k to Cr £187k.

Within the non-chargeable service, there is a projected net underspend of £83k, this is mainly the result of part year vacancies.

2. Land Charges Cr £3k

Land Charges income for April to September 2018 is down on profiled budget by £26k. This is offset by £15k underspend on staffing due to reduced hours. At this stage a net deficit of £11k is projected for 2018/19. If the income continues to drop, officers will have to consider increasing the current charges. In accordance with current Regulations, any deficit or surplus will be drawn down from the earmarked reserve for the Land Charges Charging Account (the net balance will therefore increase from Dr £10k deficit to Dr £21k).

There is a projected underspend of £3k on the non-chargeable salary budget.

3. Planning Dr £126k

There is a net £77k underspend on staffing due to part year vacancies.

Income from non-major planning applications is below budget for the first six months of the year, and a shortfall of around £60k is projected for 2018/19 against a budget of £1,228k. For information, actual income of £567k was received for April to September 2018 compared with £531k in 2017/18.

For major applications, £197k has been received as at 30th September, which is £95k higher than for the same period in 2017/18, however because the timing of this income varies, a balanced budget is projected for major applications at this stage of the year. This budget will be closely monitored over the next few months.

Currently there is projected deficit income of Dr £15k from discharge of planning conditions and Dr £36k from pre-application meetings. This is due to a combination of reduced fees and reduction in the number of major schemes submitted. During the period April to September 2018, the number of major pre-application submitted has dropped from 23 to 17 compared with previous year.

Additional net income of £17k is projected across other income budgets.

There is a net overspend of £109k for the cost of consultancy work for planning appeals mainly relating to developments at Westmoreland Road, St Hugh's Playing field and Maybrey. This includes advice from agricultural, ecological, minerals and waste consultants, where there is no in-house expertise with the necessary knowledge and qualifications. If the judgements are found in favour of the Council, then some of the costs incurred for these appeals may be recovered.

Summary of variations within Planning:

	£'000
Underspend on Staffing	Cr 77
Shortfall income from non-major applications	60
Deficit pre-application & discharge of planning condition income	51
Other minor surplus on income	Cr 17
Consultancy cost on major appeals	109
Total variation for Planning	<u>126</u>

4. Renewal Cr £56k

Overall there is a net variation of Cr £56k projected for Renewal. An underspend of £126k on staffing as a result of part year vacancies is being used to offset a potential £70k cost expected for consultancy and legal fees for the public enquiries, following the submission of the London Plan.

5. Culture Dr £46k

Staffing is expected to overspend by £28k mainly due to extra costs incurred for maternity cover. In line with the December 2017 RPIX, 4.2% inflation was applied to the MyTime contract price, 2.2% higher than the 2% inflation built into the 2018/19 budget. This has resulted in a projected overspend of £18k which is being offset by the underspend from within the Planning Service.

6. Libraries Cr £10k

There is a £45k underspend on staffing due to flexible retirement / reduced hours. This is partly offset by £35k overspend across supplies and services budgets as a result of final payments made relating to serving the notice period on terminating the internet and phone lines.

7. Town Centre Management & Business Support Cr £23k

A part year vacancy within the Town Centre Management Team has led to an underspend of £23k being forecast.

8. Housing Improvement Cr £12k

The underspend of £12k relates to part year vacancies within the team.

9.Non-controllable Dr £2k

There is a projected deficit for income of £2k within the property rental income budget. Property division are accountable for these variations.

10. Supporting People Cr £74k

A £74k underspend is currently forecast in the Supporting People area due to contract negotiation savings.

11. Housing Needs Dr £38k

There is currently an overspend of £1,477k in the Temporary Accommodation area. This is due to higher than expected increase in clients going into nightly paid accommodation together with an increase in the provision for bad debts for rent account income that will not be collected.

As additional budget will be requested to be drawdown from contingency later in the financial year to cover this pressure on Temporary Accommodation, the forecast for this is zero.

In addition, by necessity there has been an increased use of non-self-contained accommodation outside of London. Although on the face of it this appears beneficial as the charges are lower, the Housing Benefit Subsidy is capped at the January 2011 Local Housing Allowance (LHA) rates, thus often making these placements more costly than those in London, especially when moving and furniture costs are factored in.

The properties owned by LBB and used for placing temporary accommodation clients is currently expected to underspend by £13k.

The Travellers budget is overspending by £61k and this is due to one of the sites experiencing high use of utilities (overspend of £48k) due to the site not having meters and loss of income (overspend of £23k) due to particular residents rent arrears. This is being offset by a £10k underspend on the staffing due to staff vacancies earlier in the year.

The remaining £10k underspend is various staffing and running costs variations. Housing are currently finalising their new staffing structure that is required to meet the new housing legislation. The funding required will be requested for drawdown later in the year.

Summary of overall variations within Housing:	£'000
Temporary Accommodation	1,477
Contingency Drawdown	Cr 1,477
Travellers Sites	61
Housing Needs	Cr 10
LBB Properties	Cr 13
Total variation for Housing	<u>38</u>

Waiver of Financial Regulations:

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempt from the normal requirement to obtain competitive quotations the Chief Officer has to obtain the agreement of the Director of Corporate Services, the Director of Finance and the Director of Commissioning and (where over £100,000) approval of the Portfolio Holder and report use of this exemption to Audit Sub committee bi-annually. Since the last report to the Executive, no waivers have been actioned.

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive, no virements have been actioned.

Resources, Commissioning & Contracts Management Portfolio Budget Monitoring Summary

2017/18 Actuals £'000		2018/19 Original Budget £'000	2018/19 Latest Approved £'000	2018/19 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	CHIEF EXECUTIVE'S DEPARTMENT							
	FINANCIAL SERVICES DIVISION							
208	Director of Finance & Other	216	216	216	0		0	0
6,583	Exchequer - Revenue & Benefits	7,137	7,204	7,110	Cr 94	1	Cr 15	0
1,564	Exchequer - Payments & Income	1,623	1,627	1,626	Cr 1		0	0
623	Financial Accounting	520	520	464	Cr 56	2	Cr 30	0
1,464	Management Accounting	1,666	1,666	1,603	Cr 63	3	Cr 36	0
706	Audit	700	700	687	Cr 13	4	0	0
11,148	Total Financial Services Division	11,862	11,933	11,706	Cr 227		Cr 81	0
	CORPORATE SERVICES DIVISION							
4,545	Information Systems & Telephony	4,746	5,062	4,934	Cr 128	5	0	0
	Legal Services & Democracy							
305	Electoral	353	918	918	0		0	0
1,355	Democratic Services	1,419	1,439	1,416	Cr 23	6	0	0
1,960	Legal Services	1,687	1,802	1,942	140	7	140	140
131	Management and Other (Corporate Services)	178	130	131	1		0	0
8,296	Total Corporate Services Division	8,383	9,351	9,341	Cr 10		140	140
	HR AND CUSTOMER SERVICES DIVISION							
1,828	Human Resources	2,056	2,091	2,091	0		0	0
	Customer Services							
Cr 978	Customer Services Centre	1,022	1,022	1,019	Cr 3		0	0
Cr 108	Registration of Births, Deaths & Marriages	Cr 72	Cr 90	Cr 87	Cr 3		0	0
2,698	Total HR & Customer Services Division	3,006	3,023	3,023	0		0	0
	COMMISSIONING AND PROCUREMENT DIVISION							
670	Procurement and Data Management	663	538	558	20		0	0
820	Commissioning	893	566	546	Cr 20		0	0
101	Debt Management System	0	0	0	0		0	0
1,591	Total Commissioning & Procurement Division	1,556	1,104	1,104	0		0	0
	CHIEF EXECUTIVE'S DIVISION							
125	Comms	128	128	129	1		0	0
684	Management and Other (C. Exec)	726	750	722	Cr 28	8	0	0
148	Mayoral	153	153	153	0		0	0
957	Total Chief Executive's Division	1,007	1,031	1,004	Cr 27		0	0
	CENTRAL ITEMS							
3,047	CDC & Non Distributed Costs (Past Deficit etc.)	3,907	3,907	3,659	Cr 248	9	0	0
11,197	Concessionary Fares	11,390	11,390	11,390	0		0	0
38,934	TOTAL CONTROLLABLE CE DEPT	41,111	41,739	41,227	Cr 512		59	140
Cr 3,037	TOTAL NON CONTROLLABLE	1,015	1,015	1,015	0		0	0
Cr 15,386	TOTAL EXCLUDED RECHARGES	Cr 16,478	Cr 15,958	Cr 15,958	0		0	0
20,511	TOTAL CE DEPARTMENT	25,648	26,796	26,284	Cr 512		59	140
	ENVIRONMENT & COMMUNITY SERVICES DEPARTMENT							
	Total Facilities Management							
2,581	Admin Buildings & Facilities Support	2,670	2,503	2,515	12		0	0
123	Investment & Non-Operational Property	299	299	261	Cr 38	10	Cr 78	0
1,086	Strategic & Operational Property Services	1,122	1,114	1,114	0		0	0
295	TFM Client Monitoring Team	365	528	510	Cr 18	11	0	0
Cr 688	Other Rental Income - Other Portfolios	Cr 778	Cr 626	Cr 617	Cr 9	12	26	0
1,978	Repairs & Maintenance (All LBB)	2,008	2,094	2,094	0		0	0
5,375	TOTAL CONTROLLABLE ECS DEPT	5,686	5,912	5,877	Cr 35		Cr 52	0
Cr 36	TOTAL NON CONTROLLABLE	390	390	390	0		0	0
Cr 3,375	TOTAL EXCLUDED RECHARGES	Cr 3,453	Cr 3,453	Cr 3,453	0		0	0
Cr 1,568	Less: R&M allocated across other Portfolios	Cr 1,388	Cr 1,521	Cr 1,521	0		0	0
688	Less: Rent allocated across other Portfolios	778	626	617	Cr 9		Cr 26	0
1,084	TOTAL ECS DEPARTMENT	2,013	1,954	1,910	Cr 44		Cr 78	0
21,595	TOTAL RESOURCES PORTFOLIO	27,661	28,750	28,194	Cr 556		Cr 19	140

Reconciliation of Latest Approved Budget		£'000
Original budget 2018/19		27,661
Carry Forward Requests approved from 2017/18		
Contract Register database		50
Debt Management System- Transformation Grant - Expenditure		38
Debt Management System- Transformation Grant - Income	Cr	38
Exchequer- Revenue & Benefits Costs for retendering the Exchequer contract		91
Biggin Hill Airport- Noise Action Plan		24
Information Systems & Telephony GDPR		426
Legal Staffing costs GDPR		52
Merit Awards		36
Exchequer- Revenue & Benefits - Upgrade of Academy System		98
Repairs and Maintenance		163
Democratic Services- IT equipment for new Council Members		20
Central Contingency Adjustments		
R&M - Fire Risk Assessments & Cyclical Maintenance	Cr	47
Yeoman House- Expenditure	Cr	94
Cost of Local Elections		565
Exchequer contract saving re services transferred to parking contractor	Cr	60
Apprenticeship Levy	Cr	130
PYE Savings from Registrar's restructure	Cr	18
Other Budget Movements		
Yeoman House rent PYE for ECHS	Cr	80
Moving Admin Officer post to ECHS	Cr	20
Transfer of Health & Safety post from PPE		13
Latest Approved Budget for 2018/19		<u>28,750</u>

REASONS FOR VARIATIONS

FINANCIAL SERVICES DIVISION

1. Revenue & Benefits Cr £94k

Within Revenues and Benefits there is a projected underspend of £94k on staffing. This is due to vacancies and posts where staff are working reduced hours. It should be noted that one of the vacancies is proving difficult to recruit to.

2. Financial Accounting Cr £56k

This variance mainly relates to staff vacancies and other minor running expenses.

3. Management Accounting Cr £63k

Staffing costs are projected to be £105k below budget due to part year vacancies which have now been filled. This is being offset to some extent by the cessation of part of the previously achieved income relating to the Liberata contract for schools (Dr £42k).

4. Audit Cr £13k

The net underspend of £13k in audit is a result of a part year vacancy.

5. Information Systems & Telephony Cr £128k

An underspend of £53k on permanent staffing mainly due to part year vacancies has been partly offset by costs relating to temporary staff and consultancy costs of £42k.

Due to delays in recruiting the temporary GDPR staff, there is an underspend of £117k which will need to be carried forward to 2019/20 to fund the staff up to the agreed 18 months fixed term.

CORPORATE SERVICES DIVISION

6. Democratic Services Cr £23k

The overall net underspend of £23k is the result of an expected underspend of £40k on Member's allowances partly offset by an overspend of £17k for the purchases of computer and IT related equipment.

7. Legal Services Dr £140k

Legal Services continue to forecast an adverse variance of £140k relating to the additional legal work relating to childcare cases. The situation is under close scrutiny however it is still estimated that there will be around 70 new childcare cases with a projected overspend of around £140k on Counsel fees & court costs, based on current year expectations and previous year's data. The number of childcare cases, although reducing, still exceeds the average number for previous years (which is around 48 cases).

CHIEF EXECUTIVE'S DIVISION

8. Chief Executive's Division (Management & Other) - Cr £28k

There is a net £28k underspend within Chief Executive's division. £22k of this relates to staff vacancies which have now been filled, with the remaining £6k mainly due to a lower annual subscription charge from the London Council's Joint Committee.

It should be noted that an invoice of £124k has been raised for the reimbursement of costs incurred on the Biggin Hill Airport Project. As agreed at the June 2016 Executive meeting, the amount will be ring-fenced in an earmarked reserve for any potential future costs for the increased monitoring that will be needed for the revised operating hours of the airport.

CENTRAL ITEMS

9. CDC & Non Distributed Costs Cr £248k

Early indications are that the number and cost of ill-health retirements and costs arising from the early release of pension on redundancy will be lower than budgeted. It is not possible to accurately forecast the final outturn position at this stage and the position will continue to be closely monitored.

ENVIRONMENT AND COMMUNITY SERVICES DEPARTMENT

10. Investment & Non-Operational Property (expenditure) Cr £38k

The Cr £38k net variance for Investment & Non-Operational Property is made up of a £51k overspend on business rates for the Investment Property portfolio, primarily due to the ongoing business rate liability on the vacant 20 Market Square property. This is offset by an underspend of £89k on Exchequer House where the vacant, listed building no longer accrues business rates.

11. TFM Client Monitoring Team Cr £18k

The £18k underspend relates to a vacant post which was filled part way through the financial year by an agency worker at a lower cost. This post is expected to be recruited to later in the year.

12. Other Rental Income - Other Portfolios - Dr £9k

There is a net variation of Dr £9k for rental income across all other portfolios.

Waiver of Financial Regulations:

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempt from the normal requirement to obtain competitive quotations the Chief Officer has to obtain the agreement of the Director of Corporate Services, the Director of Finance and the Director of Commissioning and (where over £100,000) approval of the Portfolio Holder and report use of this exemption to Audit Sub Committee bi-annually. Since the last report to the Executive, no waivers have been actioned.

Virements Approved to date under Director's Delegated Powers

Details of virements actioned by Chief Officers under delegated authority under the Financial Regulations "Scheme of Virement" will be included in financial monitoring reports to the Portfolio Holder. Since the last report to Executive no virements have been actioned.

Allocation of Contingency Provision for 2018/19

Item	Original Contingency Provision	Allocations				Variation to Original Contingency Provision
		Previously Approved Items	New Items Requested this Cycle	Items Projected for Remainder of Year	Total Allocations/ Projected for Year	
	£	£	£	£	£	£
General						
Provision for Unallocated Inflation	4,284,000	206,000		2,578,000	2,784,000	Cr 1,500,000
Increase in Cost of Homelessness/Impact of Welfare Reforms	3,396,000			3,396,000	3,396,000	0
General Provision for Risk/Uncertainty	2,219,000			1,369,000	1,369,000	Cr 850,000
Operational Building Maintenance & Planned Programme:						
Fire Risk Assessments & Cyclical Maintenance		86,000		0	86,000	(1) 86,000
Yeoman House - Part Year Saving		Cr 44,000		0	Cr 44,000	Cr 44,000
Provision for Risk/Uncertainty Relating to Volume & Cost Pressures	2,182,000			1,182,000	1,182,000	Cr 1,000,000
Impact of Chancellor's Summer Budget 2015 on Future Costs	1,158,000			1,158,000	1,158,000	0
Homelessness Reduction Act	750,000			750,000	750,000	0
Growth for Waste Services	587,000			587,000	587,000	0
Cost of Local Elections	500,000	400,000	165,000	0	565,000	(2) 65,000
Universal Credit - Claimant Fault Overpayment Recoveries	500,000			500,000	500,000	0
Further Reduction to Government Funding	500,000			0	0	Cr 500,000
Retained Welfare Fund	450,000			450,000	450,000	0
Deprivation of Liberty	118,000			118,000	118,000	0
Planning Appeals - Change in Legislation	60,000			60,000	60,000	0
Other Variations	101,000			101,000	101,000	0
Additional Income Opportunity (Amey)	Cr 500,000			Cr 500,000	Cr 500,000	0
London Pilot Business Rate Pool	Cr 2,900,000			Cr 2,900,000	Cr 2,900,000	0
National Increase in Planning Fees						
- Expenditure		240,000		0	240,000	(1) 240,000
- Income		Cr 240,000		0	Cr 240,000	Cr 240,000
Highways - Pothole Action Fund 2018/19						
- Expenditure		112,940		0	112,940	(1) 112,940
- Income		Cr 112,940		0	Cr 112,940	Cr 112,940
Contribution to Technology Fund - IT Strategy			3,500,000		3,500,000	3,500,000
Items Returned to Central Contingency						
Waste Disposal	Cr 240,000		Cr 250,000	0	Cr 490,000	(2) Cr 490,000
Parking - Bus Lane Contraventions	Cr 300,000			0	Cr 300,000	(2) Cr 300,000
Apprenticeship Levy	Cr 130,000			0	Cr 130,000	(2) Cr 130,000
Liberata Contract (Cash Counting)	Cr 60,000			0	Cr 60,000	(2) Cr 60,000
Beckenham and Penge BID	Cr 44,000			0	Cr 44,000	(2) Cr 44,000
Highways Maintenance Contract - Part Yr Saving	Cr 169,000			0	Cr 169,000	(2) Cr 169,000
Registrar's Service - Part Yr Saving	Cr 18,000			0	Cr 18,000	(2) Cr 18,000
	13,405,000	Cr 313,000	3,415,000	8,849,000	11,951,000	Cr 1,454,000
Grants included within Central Contingency Sum						
Adult Social Care						
Grant Related Expenditure	873,000		500,000	373,000	873,000	0
Adult Social Care Support						
Grant Related Expenditure	744,000			744,000	744,000	0
Grant Related Income	Cr 744,000			Cr 744,000	Cr 744,000	0
Tackling Troubled Families						
Grant Related Expenditure	845,000			845,000	845,000	0
Grant related Income	Cr 845,000			Cr 845,000	Cr 845,000	0
SEN Implementation						
Grant Related Expenditure	189,000	189,000		0	189,000	(1) 0
Grant Related Income	Cr 189,000	Cr 189,000		0	Cr 189,000	0
SEND Preparation for Employment						
Grant Related Expenditure	63,000	63,000		0	63,000	(1) 0
Grant Related Income	Cr 63,000	Cr 63,000		0	Cr 63,000	0
SEN Pathfinder Grant 2018/19						
Grant Related Expenditure		27,522		0	27,522	(2) 27,522
Grant Related Income		Cr 27,522		0	Cr 27,522	Cr 27,522
Social Care Investment to ease NHS Winter Pressures						
- Expenditure				1,200,000	1,200,000	1,200,000
- Income				Cr 1,200,000	Cr 1,200,000	Cr 1,200,000
TOTAL CARRIED FORWARD	14,278,000	Cr 313,000	3,915,000	9,222,000	12,824,000	Cr 1,454,000

Notes:

- (1) Executive 28th March 2018
(2) Executive 11th July 2018

Allocation of Contingency Provision for 2018/19 (continued)

Item	Carried Forward from 2017/18	Allocations				Total Allocations/Projected for Year	Variation to Original Contingency Provision
		Previously Approved Items	New Items Requested this Cycle	Items Projected for Remainder of Year	Total		
	£	£	£	£	£	£	
TOTAL BROUGHT FORWARD	14,278,000	Cr 313,000	3,915,000	9,222,000	12,824,000	Cr 1,454,000	
Items Carried Forward from 2017/18							
Adult Care & Health Portfolio							
Social Care Funding via the CCG under S75 Agreements							
Improved Better Care Fund							
- Expenditure	3,171,681	3,171,681	0	0	3,171,681	(4)	0
- Income	Cr 3,171,681	Cr 3,171,681	0	0	Cr 3,171,681		0
Better Care Fund - 2015/16 GoodGym							
- Expenditure	7,500	7,500	0	0	7,500	(4)	0
- Income	Cr 7,500	Cr 7,500	0	0	Cr 7,500		0
Better Care Fund 2017/18							
- Expenditure	28,390	28,390	0	0	28,390	(4)	0
- Income	Cr 28,390	Cr 28,390	0	0	Cr 28,390		0
Public Health							
- Expenditure	1,018,324	1,018,324	0	0	1,018,324	(4)	0
- Income	Cr 1,018,324	Cr 1,018,324	0	0	Cr 1,018,324		0
Resources, Commissioning & Contracts Management Portfolio							
Debt Management System Project - Transformation Grant							
- Expenditure	37,860	37,860	0	0	37,860	(6)	0
- Income	Cr 37,860	Cr 37,860	0	0	Cr 37,860		0
Public Protection & Enforcement Portfolio							
Asset Recovery Incentivisation Scheme (ARIS)							
- Expenditure	48,125	48,125	0	0	48,125	(2)	0
- Income	Cr 48,125	Cr 48,125	0	0	Cr 48,125		0
Renewal, Recreation & Housing Portfolio							
Asset Recovery Incentivisation Scheme (ARIS)							
- Expenditure	84,633	84,633	0	0	84,633	(2)	0
- Income	Cr 84,633	Cr 84,633	0	0	Cr 84,633		0
New Homes Bonus - Town Centre Development							
- Expenditure	36,378	36,378	0	0	36,378	(3)	0
- Income	Cr 36,378	Cr 36,378	0	0	Cr 36,378		0
New Homes Bonus - Regeneration							
- Expenditure	171,260	171,260	0	0	171,260	(3)	0
- Income	Cr 171,260	Cr 171,260	0	0	Cr 171,260		0
Planning Strategy & Projects - Custom Build Grant							
- Expenditure	30,000	30,000	0	0	30,000	(3)	0
- Income	Cr 30,000	Cr 30,000	0	0	Cr 30,000		0
Implementing Welfare Reform Changes							
- Expenditure	54,918	54,918	0	0	54,918	(3)	0
- Income	Cr 54,918	Cr 54,918	0	0	Cr 54,918		0
Flexible Homeless Grant							
- Expenditure	82,600	82,600	0	0	82,600	(3)	0
- Income	Cr 82,600	Cr 82,600	0	0	Cr 82,600		0
2016/17 Fire Safety Grant							
- Expenditure	43,870	43,870	0	0	43,870	(3)	0
- Income	Cr 43,870	Cr 43,870	0	0	Cr 43,870		0
Environment & Community Portfolio							
Highways - Pothole Action Fund							
- Expenditure	112,940	112,940	0	0	112,940	(2)	0
- Income	Cr 112,940	Cr 112,940	0	0	Cr 112,940		0
Education, Children and Families Portfolio							
Delivery Support Fund							
- Expenditure	69,100	69,100	0	0	69,100	(8)	0
- Income	Cr 69,100	Cr 69,100	0	0	Cr 69,100		0
SEND Reform Grant							
- Expenditure	20,013	20,013	0	0	20,013	(8)	0
- Income	Cr 20,013	Cr 20,013	0	0	Cr 20,013		0
School improvement Grant							
- Expenditure	46,500	46,500	0	0	46,500	(8)	0
- Income	Cr 46,500	Cr 46,500	0	0	Cr 46,500		0
Pathfinder Grant							
- Expenditure	16,489	16,489	0	0	16,489	(8)	0
- Income	Cr 16,489	Cr 16,489	0	0	Cr 16,489		0
Early Years Grant							
- Expenditure	14,800	14,800	0	0	14,800	(8)	0
- Income	Cr 14,800	Cr 14,800	0	0	Cr 14,800		0
High Needs Strategic Planning Fund							
- Expenditure	13,019	13,019	0	0	13,019	(8)	0
- Income	Cr 13,019	Cr 13,019	0	0	Cr 13,019		0
Tackling Troubled Families							
- Expenditure	497,885	497,885	0	0	497,885	(8)	0
- Income	Cr 497,885	Cr 497,885	0	0	Cr 497,885		0

Item	Carried Forward from 2017/18	Allocations				Total Allocations/Projected for Year	Variation to Original Contingency Provision
		Previously Approved Items	New Items Requested this Cycle	Items Projected for Remainder of Year	Total		
	£	£	£	£	£	£	£
General							
Short Term Assistance to Day Centres	152,025	152,025	0	0	152,025	(1)	0
R&M - Central Depot Wall	163,000	163,000	0	0	163,000	(2)	0
Democratic Services - Councillor IT Provision	20,000	20,000	0	0	20,000	(2)	0
Contracts Register/Summaries Database	50,000	50,000	0	0	50,000	(6)	0
Biggin Hill Airport - Noise Action Plan	24,315	24,315	0	0	24,315	(6)	0
Information Systems & Telephony GDPR	426,000	426,000	0	0	426,000	(6)	0
Legal Staff Costs GDPR	52,000	52,000	0	0	52,000	(6)	0
Staff Merit Awards	36,000	36,000	0	0	36,000	(6)	0
Exchequer Revenue & Benefits - Exchequer Contract	91,000	91,000	0	0	91,000	(6)	0
Exchequer Revenue & Benefits - Academy System Upgrade	98,000	98,000	0	0	98,000	(6)	0
Green Garden Waste - Debt Management System	120,000	120,000	0	0	120,000	(7)	0
Management and Contract Support	80,000	80,000	0	0	80,000	(7)	0
Parks Infrastructure Works	80,000	80,000	0	0	80,000	(7)	0
Additional ECS Resources - Delay in Recruitment	67,000	67,000	0	0	67,000	(5)	0
Total Carried Forward from 2017/18	1,459,340	1,459,340	0	0	1,459,340		0
GRAND TOTAL	15,737,340	1,146,340	3,915,000	9,222,000	14,283,340		Cr 1,454,000

Notes:

- (1) Council 26th February 2018
- (2) Executive 28th March 2018
- (3) Renewal, Recreation & Housing PDS 26th June 2018
- (4) Adult Care & Health PDS 27th June 2018
- (5) Public Protection & Enforcement PDS 3rd July 2018
- (6) Executive, Resources & Contracts PDS 5th July 2018
- (7) Environment & Community Services PDS 10th July 2018
- (8) Education, Children & Families Budget & Performance Monitoring Sub-Committee 18th July 2018

Description	2018/19 Latest Approved Budget £'000	Variation To 2018/19 Budget £'000	Potential Impact in 2019/20
Housing Needs - Temporary Accommodation	6,241	38	The full year effect of Temporary Accommodation is currently estimated to be £732k (pressure of £1,727k less drawdown of £995k) in 2019/20. This estimate only takes into account the projected activity to the end of this financial year and not any projected growth in client numbers beyond that point. The costs are expected to be covered by a contingency bid during 2019/20 as has been the case for a number of years.
Assessment and Care Management - Care Placements	22,423	674	The full year impact of the current overspend is estimated at Dr £925k, an increase of £417k from the last reported figure of £508k in May. £885k of this relates to residential and nursing home placements and £40k to domiciliary care / direct payments. This is based on client numbers as at the end of Septmebr. The fye is reduced by management action relating to additional joint funding income from the CCG of an expected £340k, although it should be noted that this target has not yet been achieved for the current financial year.
Learning Disabilities - including Care Placements, Transport and Care Management	33,733	545 (net of planned management action)	The full year effect (FYE) is estimated at a net overspend of £1,007k. This figure is net of planned savings from management action, without which the FYE overspend would be £1,275k. The position reported in May 2018 monitoring was a £177k FYE overspend, net of planned savings, so this is a significant increase. There are many reasons for this but the single largest factor is the high number of new and increased care packages over and above that assumed in the previous forecast. The projections continue to include a number of assumptions so the position is likely to vary as the year progresses. There is nothing factored in to reflect any continuation of the increase in new and increased care packages so the figure may rise further.
Mental Health - Care Placements	6,169	160	Based on current placements and Panel agreements there is a full year overspend of £323k anticipated on Mental Health care packages. Similar to Learning Disabilities above, there has been a number of new and increased care packages since the last forecast but with Mental Health these have been mitigated to a greater extent by other factors (placements ending, attrition, charging income).
Supporting People	1,013	Cr 74	The full year effect of Supporting People is currently estimated to be a credit of £94k. This is a result of the estimated savings from retendering of the contracts that has taken place.
Children's Social Care	34,414	1,996	The overall full year effect of the Children's Social Care overspend is £2,100k, analysed as Residential, Fostering and Adoption Dr £2,352k, Leaving Care services (inc Staying Put and Housing Benefit clients) Dr £520k, No Recourse to Public Funds Cr £174k and Parental Assessments Cr £198k. This assumes that management action of £400k is achieved in 2019/20 and additional funding being negotiated from Bromley CCG of £500k is also received.
Legal Services - Legal / Counsel Fees and Court costs	389	140	The overspend for counsel fees and court costs projected for 2018/19 is due to the continuing high volume of childcare cases which is estimated to be around 70 this year and this level is likely to continue in 2019/20. At this time additional expenditure of around £140k is projected for 2019/20.

Description	2018/19 Latest Approved Budget £'000	Variation To 2018/19 Budget £'000	Potential Impact in 2019/20
Adult Education	Cr 525	152	The pressure in the Adult Education area is being caused by the provision of non-fee paying courses as required by the community learning element of the ESFA grant. This requires us to provide provision to support vulnerable communities and any reduction in the priority area risks a reduction in the future allocation of the grant. The full year effect is projected to be £130k.
Parking	Cr 7,419	0	The downward trend in Off and On Street parking income of approximately Dr £129k, and the reductions in number of PCNs issued by wardens Dr £300k is expected to be offset by the income from bus lane enforcement, after assuming a slight drop off in contraventions. At this stage a variance of circa £300k is projected for Parking in 2019/20.
Waste	17,744	Cr 78	The extra income generated from additional customers for the GW service is expected to continue in 2019/20 which will offset the net shortfall of income from the reduction in Trade Waste Collection customers. At this stage no overall variance is projected for Waste in 2019/20. From 1st April 2019, there will be new environment contracts.
Highways	6,520	Cr 41	Following the award of the contract for Major and Minor Highway Maintenance contracts, the overall saving will increase by £4k to £173k in 2019/20 rising to £324k per annum from 2020/21, mainly from Street Lighting efficiency savings as reported to Executive on 20th April 2018. The FYE is already included in the forecast.

SECTION 106 RECEIPTS

Section 106 receipts are monies paid to the Council by developers as a result of the grant of planning permission where works are required to be carried out or new facilities provided as a result of that permission (e.g. provision of affordable housing, healthcare facilities & secondary school places). The sums are restricted to being spent only in accordance with the agreement concluded with the developer.

The major balances of Section 106 receipts held by the Council are as follows:

31st March 2018 £000	Service	Income £000	Expenditure £000	Transfers to/(from) Capital £000	Actual as at 30th Sep 2018 £000
					<u>Revenue</u>
391	Highway Improvement Works	5	255	-	141
18	Road Safety Schemes	-	-	-	18
45	Local Economy & Town Centres	85	-	-	130
87	Parking	3	-	-	90
1,198	Healthcare Services	294	-	-	1,492
10	Community Facilities	-	-	-	10
311	Other	-	-	-	311
2,060		387	255	-	2,192
					<u>Capital</u>
3,311	Education	575	-	-	3,886
3,104	Housing	1,221	-	-	4,325
-	Local Economy & Town Centres	76	-	-	76
82	Highway Improvement Works	-	-	-	82
86	Other	-	-	-	86
6,583		1,872	0	-	8,455
8,643		2,259	255	0	10,647

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Report No.
FSD18094

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Executive

Date: Wednesday 28th November 2018

Decision Type: Non-Urgent Executive Non-Key

Title: CAPITAL PROGRAMME MONITORING – 2nd QUARTER 2018/19

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

Chief Officer: Director of Finance

Ward: All

1. Reason for report

This report summarises the current position on capital expenditure and receipts following the 2nd quarter of 2018/19 and seeks the Executive's approval to a revised Capital Programme.

2. **RECOMMENDATION(S)**

2.1 **The Executive is requested to:**

- (a) **Note the report, including a total rephasing of £28,311k from 2018/19 into future years, and agree a revised Capital Programme;**
- (b) **Approve the following amendments to the Capital Programme:**
 - (i) **Reduction of £192k to the Transport for London (TfL) funded Traffic and Highways schemes (see para 3.3.1);**
 - (ii) **Removal of £4k from the Woodlands Improvements Programme Scheme (see para 3.3.2);**
 - (iii) **Removal of £8k from the Betts Park Canal Bank Stabilisation Project as the scheme has completed (see para 3.3.3);**
 - (iv) **Note that a report elsewhere on the Agenda requests the addition of £100k to the Capital Programme for Housing Development Feasibility (see para 3.3.4);**
 - (v) **Note that a report elsewhere on the Agenda requests the allocation of £800k to the Affordable Housing capital scheme and £206k to the Property Acquisitions scheme from Housing Payment in Lieu Funds (see para 3.3.5);**

- (vi) Note that a report is due elsewhere on the Agenda which requests the addition to the Capital Programme of the IT Transformation scheme (see para 3.3.6);and**
- (vii) Note that the Council has been allocated funding of £1.1m from the Department of Transport, and that a report will be submitted to a future meeting of the Executive detailing the proposed use of this funding (see para 3.3.7).**

Corporate Policy

1. Policy Status: Existing Policy: Capital Programme monitoring and review is part of the planning and review process for all services. Capital schemes help to maintain and improve the quality of life in the borough. Effective asset management planning (AMP) is a crucial corporate activity if a local authority is to achieve its corporate and service aims and objectives and deliver its services. For each of our portfolios and service priorities, the Council reviews its main aims and outcomes through the AMP process and identify those that require the use of capital assets. The primary concern is to ensure that capital investment provides value for money and matches the Council's overall priorities as set out in the Community Plan and in "Building a Better Bromley".
 2. BBB Priority: Excellent Council
-

Financial

1. Cost of proposal: Estimated Cost: Total decrease of £0.1m over the 4 years 2018/19 to 2021/22, mainly due to £100k allocation for Housing Development Feasibility Studies and a £192k decrease in TfL funding for Highways and Traffic schemes.
 2. Ongoing costs: Applicable
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: Total £139.5m over 4 years 2018/19 to 2021/22
 5. Source of funding: Capital grants, capital receipts and earmarked revenue contributions
-

Staff

1. Number of staff (current and additional): 1fte
 2. If from existing staff resources, number of staff hours: 36 hours per week
-

Legal

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

Customer Impact

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

Ward Councillor Views

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

3. COMMENTARY

Capital Expenditure

- 3.1 Appendix A sets out proposed changes to the Capital Programme following a detailed monitoring exercise carried out after the 2nd quarter of 2018/19. The base position is the programme approved by the Executive on 11th July 2018, as amended by variations approved at subsequent Executive meetings. If the changes proposed in this report are approved, the total Capital Programme 2018/19 to 2021/22 would decrease by £0.1m, mainly due to £100k additional funding for Housing Development Feasibility Studies and a £192k decrease in funding for TfL Highways & Traffic schemes.

The variations are summarised in the table below with further detail set out in Appendix A.

	2018/19	2019/20	2020/21	2021/22	TOTAL 2018/19 to 2021/22
	£'000	£'000	£'000	£'000	£'000
Programme approved by Executive 11/07/18	76,439	38,530	21,321	2,240	138,530
Variations approved at subsequent Executive meetings	711	Cr 1,930	960	1,270	1,011
Approved Programme prior to 2nd Quarter's Monitoring	77,150	36,600	22,281	3,510	139,541
Variations requiring the approval of the Executive	Cr 154	50	0	0	Cr 104
Variations not requiring approval:					
Net rephasing from 2018/19 into future years	Cr 28,311	28,311	0	0	0
Total Amendment to the Capital Programme	Cr 28,465	28,361	0	0	Cr 104
Total Revised Capital Programme	48,685	64,961	22,281	3,510	139,437
Assumed Further Slippage (for financing purposes)	Cr 5,000	3,000	2,000	0	0
Assumed New Schemes (to be agreed)	0	3,500	3,500	3,500	10,500
	Cr 5,000	6,500	5,500	3,500	10,500
Projected Programme for Capital Financing Forecast (see appendix C)	43,685	71,461	27,781	7,010	149,937

3.2 Variations approved at subsequent Executive meetings

As detailed in Appendix A, variations of £1.0m have been approved since the July Executive meeting. This is as a result of additions of £596k for Basic Need, as approved by Executive on 11th July 2018, and £415k for Bromley High Street, as approved by the Executive on 17th October 2018. In addition £3m was added to the Capital Programme for the Social Care Case Management System IT scheme as approved by the Executive on 12th September 2018 (funded by a reduction to existing schemes).

3.3 Variations requiring the approval of the Executive (£104k net decrease)

3.3.1 Transport for London (TfL) – Revised support for Highways and Traffic Schemes (£192k decrease to budget in 2018/19)

Provision for transport schemes to be 100% funded by TfL was originally included in the Capital Programme 2018/19 to 2020/21 on the basis of the bid in the Borough Spending Plan (BSP). A decrease to the budget for 2018/19 of £192k is requested to reflect the revised allocations. TfL budgets change frequently and any further variations will be reported in subsequent capital monitoring reports.

3.3.2 The Woodlands Improvements Programme – (£4k removal from the Capital Programme)

The scheme completed last year and a small budget of £4k was rephased at the end of 2017/18 for outstanding payments, however this is no longer required as no further spend is expected. Members are requested to agree the removal of this sum from the Capital Programme.

3.3.3 Betts Park Canal Bank Stabilisation Project – (£8k removal from the Capital Programme)

The scheme completed last year and a small budget of £8k was rephased at the end of 2017/18 for outstanding payments, however this is no longer required as no further spend is expected. Members are requested to agree the removal of this sum from the Capital Programme.

3.3.4 Housing Development Feasibility Studies (£100k addition to the Capital Programme)

A report elsewhere on the agenda requests the approval of £100k addition to the Capital Programme for feasibility assessments of potential sites for housing development, to be funded from the Growth Fund.

3.3.5 Housing Payment in Lieu Funds for Affordable Housing and Property Acquisitions (£1,006k allocation)

A report elsewhere on the agenda requests that Members approve the allocation of £800k to the Affordable Housing provision and £206k to the Property Acquisition scheme from the S106 Housing Payment in Lieu Fund. This item is considered urgent in order to utilise the s106 funds due to expire in the near future and thus requiring spend between February and April 2019.

3.3.6 IT Transformation Scheme

Members are requested to note that a report due elsewhere on the agenda proposes an IT Transformation programme including associated capital expenditure requirements. This has not been reflected in the figures contained in this report pending Member approval.

3.3.7 London Highways Maintenance

On 12th November 2018 the Council was notified of £1.1m funding from the Department of Transport, to tackle potholes, repair damaged roads, and invest in keeping bridges open and safe. A report will be submitted to a future meeting of the Executive detailing the proposed use of this funding & requesting inclusion in the Capital Programme.

3.3.8 Scheme Rephasing

In the quarter 2 monitoring exercise, slippage of £28.3m has been identified and this has been re-phased from 2018/19 into future years to reflect the latest estimates of when expenditure is likely to be incurred. This has no overall impact on the total approved estimate for the capital programme. Further details are provided in Appendix B.

Capital Receipts

3.4 Details of the receipts forecast in the years 2018/19 to 2021/22 are included in Appendix E to this report to be considered under part 2 proceedings of the meeting.

The latest estimate for 2018/19 has decreased to £7.4m from £18.3m reported in July (excluding “other” capital receipts). The estimate for 2019/20 is £16.2m, which is an increase of £10.5m to what was reported in July 2018. These changes are mainly as a result of the expected delay of a major disposal. Estimates for 2020/21 and 2021/22 remain at £27.1m

and £1.6m respectively, as reported in July. A total of £1m per annum is assumed for receipts yet to be identified in later years. These projections, as detailed in Appendix E, reflect prudent assumptions for capital receipts, and don't include estimated disposal receipts from the review being undertaken by Cushman and Wakefield.

Financing of the Capital Programme

3.5 A capital financing statement is attached at Appendix C and the following table summarises the estimated impact on balances of the revised programme and revised capital receipt projections which, as noted above, reflect prudent assumptions on the level and timing of disposals. Total balances would reduce from £45.7m (General Fund £20.0m and capital receipts £25.7m) at the end of 2017/18 to £12.4m by the end of 2021/22 and would then increase to £38.4m by the end of 2025/26. It is therefore likely that any significant future capital schemes not funded by grants/contributions or revenue, may have to be funded from external borrowing.

	Balance 01/04/18	Estimated Balance 31/03/22	Estimated Balance 31/03/26
	£m	£m	£m
General Fund	20.0	12.4	12.4
Capital Receipts	25.7	0.0	26.0
	<u>45.7</u>	<u>12.4</u>	<u>38.4</u>

Investment Fund and Growth Fund

3.6 To help support the achievement of sustainable savings and income, the Council has set aside funding in the Investment and Growth Fund earmarked reserves (formerly known as the Economic Development and Investment Fund) to contribute towards the Council's economic development and investment opportunities. To date, total funding of £123.7m has been placed in the Investment Fund and Growth Fund earmarked reserves to contribute towards the Council's economic development and investment opportunities with a further £20.3m of capital receipts approved to supplement this.

Appendix D provides a detailed analysis of the Funds dating back to their inception in September 2011. To date schemes totalling £114.5m have been approved (£85.5m on the Investment Fund, and £29.0m on the Growth Fund), and the uncommitted balances as at the end of October 2018 stand at £19.3m for the Investment Fund and £10.2m for the Growth Fund.

Feasibility Works – Property Disposals

3.7 At its meeting on 24th May 2017, the Executive agreed to allocate £250k from the Growth Fund to allow feasibility works to be commissioned against specific sites so as to inform the Executive of sites' viability for disposal or re-development and potential scheme optimisation together with an appraisal as to worth.

Members requested that an update from Strategic Property be included in these quarterly capital monitoring reports, and the latest update is provided in Appendix F. Formal instructions are being processed for five locations, with three more estimated for April 2019 onwards. To date the committed value remains at £250k, with expenditure of £44k incurred

Section 106 Receipts

3.8 In addition to capital receipts from asset disposals, the Council is holding a number of Section 106 contributions received from developers. These are made to the Council as a result of the granting of planning permission and are restricted to being spent on capital works in accordance with the terms of agreements reached between the Council and the developers. These receipts are held as a receipt in advance on the Council's Balance Sheet, the balance of which stood at £8,455k as at 30th September 2018, and will be used to finance capital expenditure from 2018/19 onwards. The current position on capital Section 106 receipts (excluding commitments) is shown below:

	Balance 31/03/18	Receipts 2018/19	Expenditure 2018/19	Balance 30/09/18
Specified capital works	£'000	£'000	£'000	£'000
Housing	3,104	1,221	0	4,325
Education	3,311	575	0	3,886
Highways	82	0	0	82
Local Economy	0	76	0	76
Other	86	0	0	86
TOTAL	6,583	1,872	0	8,455

The Council's budgets are limited and, where a developer contribution can be secured, this will be required as a contribution towards projects, notwithstanding any other allocation of resources contained in the Council's spending plans.

Post-Completion Reports

3.9 Under approved Capital Programme procedures, capital schemes should be subject to a post-completion review within one year of completion. These reviews should compare actual expenditure against budget and evaluate the achievement of the scheme's non-financial objectives. Post-completion reports on the following schemes are due to be submitted to the relevant PDS Committees:

- Digital Print Strategy
- SEELS street lighting project
- Depots – Standby Generators
- Penge/Anerley Libraries
- Anerley Town Hall (Library Provision)
- Affordable Housing
- TfL Borough Support
- Borough Cycling
- Land Acquisitions (Cornwall Drive)

4. POLICY IMPLICATIONS

4.1 Capital Programme monitoring and review is part of the planning and review process for all services.

5. FINANCIAL IMPLICATIONS

- 5.1 These are contained in the main body of the report and in the appendices. Attached as Appendix C is a capital financing statement, which gives a long-term indication of how the revised Programme would be financed if all the proposed changes were approved and if all the planned receipts were achieved. The financing projections assume approval of the revised capital programme recommended in this report.

Non-Applicable Sections:	Legal, Personnel & Procurement Implications, Impact on Vulnerable Adults and Children
Background Documents: (Access via Contact Officer)	Capital Programme Monitoring Qtr 1 2018/19 (Executive 11/07/18) Capital Programme Monitoring & Capital Strategy Qtr 3 2017/18 (Executive 07/02/18) List of potential capital receipts from Strategic Property as at 06/11/18. List of feasibility works for property disposal from Strategic Property as at 06/11/18.

APPENDIX A - VARIATION SUMMARY

CAPITAL PROGRAMME MONITORING - NOV 2018 - SUMMARY OF VARIATIONS FROM APPROVED PROGRAMME

Variations on individual schemes	Date of Portfolio meeting	Revised 2018/19 £'000	Revised 2019/20 £'000	Revised 2020/21 £'000	Revised 2021/22 £'000	TOTAL 2018/19 to 2021/22 £'000	Comments/reason for variation
Current Approved Capital Programme							
Programme approved by Executive 11/07/2018	Exec 11/07/18	76,439	38,530	21,321	2,240	138,530	
Social Care Case Management System	Exec 12/09/18	0	770	960	1,270	3,000	Funded from £2.7m Social Care Grant and £0.3m from LD provision capital scheme
Social Care Grant (various years)			Cr 2,700			Cr 2,700	
PCT Learning Disability reposition programme - Walpole Road		Cr 300				Cr 300	
Bromley High St Improvements	Exec 17/10/18	415				415	
Basic Need	Exec 11/07/18	596				596	
Approved Programme prior to 2nd Quarter's Monitoring		77,150	36,600	22,281	3,510	139,541	
Variations in the estimated cost of approved schemes							
(i) Variations requiring the approval of the Executive/Council							
Amendment in TFL funding for Highways & Traffic schemes		Cr 192				Cr 192	See paragraph 3.3.1
The Woodlands Improvements Programme		Cr 4				Cr 4	See paragraph 3.3.2
Betts Park Canal Bank Stabilisation Project		Cr 8				Cr 8	See paragraph 3.3.3
Housing Development Feasibility		50	50			100	See paragraph 3.3.4
Housing Payment in Lieu Fund - unallocated		Cr 1,006				Cr 1,006	See paragraph 3.3.5
Affordable Housing scheme		800				800	See paragraph 3.3.5
Property Acquisitions (PIL)		206				206	See paragraph 3.3.5
		Cr 154	50	0	0	Cr 104	
(ii) Variations not requiring approval							
Net rephasing from 2018/19 into future years		Cr 28,311	28,311	0	0	0	See section 3.3.8 and Appendix B
		Cr 28,311	28,311	0	0	0	
TOTAL AMENDMENT TO CAPITAL PROGRAMME		Cr 28,465	28,361	0	0	Cr 104	
TOTAL REVISED CAPITAL PROGRAMME		48,685	64,961	22,281	3,510	139,437	
Less: Further slippage projection		Cr 5,000	3,000	2,000		0	
Add: Estimate for further new schemes			3,500	3,500	3,500	10,500	
TOTAL TO BE FINANCED		43,685	71,461	27,781	7,010	149,937	

CAPITAL PROGRAMME MONITORING - NOV 2018 - SUMMARY OF VARIATIONS FROM APPROVED PROGRAMME - SCHEME REPHASING

Variations on individual schemes	2018/19 £'000	2019/20 £'000	TOTAL £'000	Comments/reason for variation
Rephasing of schemes				
Seed Challenge	Cr 346	346	0	This scheme has completed. Awaiting final payment to schools for small refurb works. It is anticipated that payment will be made in Q1 of 2019/20. .
Security Works	Cr 100	100	0	Budget underspend by £14.5k in 2017/18 - this has been added to available budget of £125k giving a revised budget of £139.5k for 2018/19 to be used for potential future works. Scheme expecting some invoices this financial year - £100k has been rephased to 2019/20 with a full review to be carried out at financial year end.
Suitability / Modernisation issues in schools	Cr 386	386	0	£386k has been rephased to 2019/20 - Officers are currently exploring options to take forward in order to utilise the budget.
Basic Need	Cr 7,300	7,300	0	A full detailed report on the various projects within the Basic Need Programme was reported to Executive on 11 Jul 18. This includes works at Trinity (now completed), Castlecombe (work started Feb'17), Bishop Justus (work started Summer'18), Edgebury (completed), Poverest (started in Jun'17), Stewart Fleming (now completed), and Leesons (started in Jul'17 however there are delays) and St George (now completed). £4.5m was rephased to 2019/20 in July 2018, and following a mid-year review, a further £7.3m has been rephased to 2019/20 due to works progressing slower than agreed programme.
Universal School Meals	Cr 19	19	0	Main phase of scheme has completed - remaining budget to be rephased to 2019/20 for final payments which are anticipated in Q1 of 2019/20.
Beacon House Refurbishment	Cr 390	390	0	Scheme completed and Defects Liability Period ongoing. The final account has been agreed. Remaining budget has been rephased to 2019/20 with a full review to be carried out at financial year end.
Phoenix Centre	Cr 40	40	0	Some expenditure is anticipated this financial year. Remaining budget has been rephased to 2019/20.
Gateway Review of Housing IT System	Cr 60	60	0	A new provider has been appointed and implementation works are ongoing. Phase one is due to be completed by the end of Jan 2019 with the final phase going live by March 2019. Approx £60k for retention and final account has been rephased to 2019/20.
Payment in Lieu Fund - Properties Acquisitions	Cr 85	85	0	£1m budget used to purchase 5 properties with remaining budget allocated for Capital refurbishment. The remaining funds are for any ad-hoc works that arise over the next few years. £85k has been rephased to 2019/20.
Winter Maintenance - Gritter Replacement	Cr 250	250	0	No planned gritter replacement will take place this year however funds need to remain available for any unplanned replacement of winter equipment over the next season and also taking account of the new Highways contracts from summer 2018. Team will look at the next round of replacement vehicles and come back with proposals. This is likely to be shown as part of new capital bids. Anticipate spend of £36k if there is no serious winter experienced this year. £250k has been rephased into 2019/20.
Carbon Management Programmes	Cr 378	378	0	All repayments have now been made. Spend of £5k is forecast for this FY with £378k rephased to 2019/20. Officers are currently reviewing potential projects which includes LED lighting and controls in Stockwell Blocks and the Central Library.
Central Depot Wall Scheme	Cr 576	576	0	Approved by Executive in March 2018. Budget of £716k funded from £163k carry forward & £553k from Infrastructure Investment. Structural Engineer selected and design and tender to be completed by financial year end and on-site by Q1 2019/20. Project is likely to take 3-4 months to complete. £576k has been rephased to 2019/20.
Depot Improvement Works	Cr 150	150	0	New scheme - approved by Exec on 11th July 2018. Currently in process of recruiting PM and project board for the scheme. It is anticipated that once project resource is in place that works on site will commence Q1 2019/20. £150k has been rephased to 2019/20.

APPENDIX B - REPHASING

Empty Homes Programmes	Cr	150	150	0	Funding criteria changed in 2017 to improve take up - all long term empty property owners being targeted and made aware of assistance available. Currently unlikely to spend all the budget as only 1 application has been received this FY which has been approved. £150k has been rephased into next financial year.
Norman Park Athletics Track	Cr	300	300	0	New scheme approved by Executive on 28 March 2018 for £300k S106 funding, provided by Kent County Cricket Club, to undertake improvement works. Works and costs to be incurred from 2019/20 therefore £300k has been rephased to 2019/20.
Penge Town Centre	Cr	500	500	0	Project consisting of public realm improvements, Shopfront improvements, Business Support, and Wayfinding. The scheme was to implement planned TfL bus route and carriageway improvements. The scheme commenced implementation in November 2017 and completed in September 2018. Final claim from FM Conway expected in Q1 of 2019/20, therefore £500k has been rephased into future year.
Bromley High St Improvement Fund	Cr	776	776	0	Approved Executive 22/03/17. Funded from the Growth Fund, the programme of improvements to the public realm of Bromley High Street is a continuation of the Bromley North Village scheme which aims to enhance the pedestrian experience of the prime shopping areas to increase footfall in the town centre. Budget holder is forecasting to only spend £1m this FY - £700k from Growth fund and £76k S106 funding has been rephased to 2019/20. Delay has been largely due to supply chain issues.
Chipperfield Road Development - St Pauls Cray	Cr	105	105	0	Approved by Executive 18/10/16 - £45k to be spent on clarification of development potential and viability, £60k for marketing. No spend expected this FY - £105k has been rephased to 2019/20.
Property Investment Fund	Cr	15,400	15,400	0	No further property purchases will occur this FY - budget of £15,400k has been rephased to 2019/20.
Civic Centre Development Strategy	Cr	100	100	0	Approved by Council 04/07/16. Feasibility carried out on the use of the Old Town Hall as a Democratic Hub was deemed not suitable. £62k of the budget earmarked for feasibility costs this financial year. £100k has been rephased to 2019/20.
West Wickham Leisure Centre	Cr	900	900	0	Scheme feasibility currently being progressed. Majority of costs anticipated to be incurred in 2019/20. £900k therefore rephased to 2019/20.
TOTAL REPHASING ADJUSTMENTS	Cr	28,311	28,311	0	

APPENDIX C - FINANCING

CAPITAL FINANCING STATEMENT - EXECUTIVE 28/11/18 - ALL RECEIPTS

(NB. Assumes all capital receipts - see below)

	2017-18		2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Estimate £'000	Actual £'000	Estimate £'000	Estimate £'000	Estimate £'000	Estimate £'000	Estimate £'000	Estimate £'000	Estimate £'000	Estimate £'000
<u>Summary Financing Statement</u>										
Capital Grants	18,721	15,614	23,577	10,230	865	0	0	0	0	0
Other external contributions	10,688	9,126	13,164	2,820	2,419	2,200	2,200	2,200	2,200	2,200
Usable Capital Receipts	15,634	7,217	975	50,970	24,397	4,296	3,400	3,400	3,400	3,400
Revenue Contributions	3,044	8,339	5,969	1,316	100	100	100	100	100	100
General Fund	0	0	0	6,125	0	414	0	0	0	0
Borrowing	0	0	0	0	0	0	0	0	0	0
Total expenditure	48,087	40,296	43,685	71,461	27,781	7,010	5,700	5,700	5,700	5,700
<u>Usable Capital Receipts</u>										
Balance brought forward	24,108	24,108	25,695	32,190	0	2,689	0	7,898	12,987	19,493
New usable receipts	8,643	8,804	7,470	18,780	27,086	1,607	11,298	8,489	9,906	9,906
	32,751	32,912	33,165	50,970	27,086	4,296	11,298	16,387	22,893	29,399
Capital Financing	Cr 15,634	Cr 7,217	Cr 975	Cr 50,970	Cr 24,397	Cr 4,296	Cr 3,400	Cr 3,400	Cr 3,400	Cr 3,400
Balance carried forward	17,117	25,695	32,190	0	2,689	0	7,898	12,987	19,493	25,999
<u>General Fund</u>										
Balance brought forward	20,000	20,000	20,000	18,915	12,790	12,790	12,376	12,376	12,376	12,376
Less: Capital Financing	0	0	0	Cr 6,125	0	Cr 414	0	0	0	0
Less: Use for Revenue Budget	Cr 271		Cr 1,085	0	0	0	0	0	0	0
Balance carried forward	19,729	20,000	18,915	12,790	12,790	12,376	12,376	12,376	12,376	12,376
TOTAL AVAILABLE RESERVES	36,846	45,695	51,105	12,790	15,479	12,376	20,274	25,363	31,869	38,375

Assumptions:

New capital schemes - £3.5m p.a. from 2019/20 for future new schemes.

Capital receipts - includes £1m pa from 2018/19 for receipts yet to be identified.

Current approved programme - as recommended to Executive 28/11/18

APPENDIX D - INVESTMENT FUND GROWTH FUND

INVESTMENT FUND & GROWTH FUND - 28 November 2018

Investment Fund	£'000
Revenue Funding:	
Approved by Executive 7th September 2011	10,000
Approved by Council 27th February 2013	16,320
Approved by Council 1st July 2013	20,978
Approved by Executive 10th June 2014	13,792
Approved by Executive 15th October 2014	90
Approved by Executive 26th November 2014 (Transfer to Growth Fund)	Cr 10,000
New Home Bonus (2014/15)	5,040
Approved by Executive 11th February 2015 (New Homes Bonus)	4,400
Approved by Executive 10th June 2015	10,165
Approved by Executive 2nd December 2015 (New Homes Bonus)	141
Approved by Executive 10th Feb 2016 (New Homes Bonus)	7,482
Approved by Executive 6th December 2017	3,500
Approved by Executive 21st May 2018	2,609
	84,517
Capital Funding*:	
Approved by Executive 11th February 2015 (general capital receipts)	15,000
Approved by Executive 10th February 2016 (sale of Egerton Lodge)	1,216
Approved by Executive 7th November 2017 (Disposal of 72-76 High Street)	4,100
	20,316
Total Funding Approved:	104,833
Property Purchase	
Approved by Executive 7th September 2011 (95 High St)	Cr 1,620
Approved by Executive 6th December 2012 (98 High St)	Cr 2,167
Approved by Executive 5th June 2013 (72-76 High St)	Cr 2,888
Approved by Executive 12th June 2013 (104 - 108 High St)	Cr 3,150
Approved by Executive 12th February 2014 (147 - 153 High St)	Cr 18,755
Approved by Executive 19th December 2014 (27 Homesdale)	Cr 3,938
Approved by Executive 24th March 2015 (Morrison's)	Cr 8,672
Approved by Executive 15th July 2015 (Old Christchurch)	Cr 5,362
Approved by Executive 15th July 2015 (Tilgate)	Cr 6,746
Approved by Executive 15th December 2015 (Newbury House)	Cr 3,307
Approved by Executive 15th December 2015 (Unit G - Hubert Road)	Cr 6,038
Approved by Executive 23rd March 2016 (British Gas Training Centre, Thatcham)	Cr 3,666
Approved by Executive 15th June 2016 (C2 and C3)	Cr 6,394
Approved by Executive 14th March 2017 (Trinity House)	Cr 6,236
Approved by Executive 1st December 2017 (54 Bridge Street, Peterborough)	Cr 3,930
	Cr 82,869
Other Schemes	
Approved by Executive 20th November 2013 (Queens's Garden)	Cr 990
Approved by Executive 15th January 2014 (Bromley BID Project)	Cr 110
Approved by Executive 26th November 2014 (BCT Development Strategy)	Cr 135
Approved by Executive 2nd December 2015 (Bromley Centre Town)	Cr 270
Approved by Executive 15th June 2016 (Glades Shopping Centre)	Cr 400
Approved by Executive 11th January 2017 (Disposal of Small Halls site, York Rise)	Cr 46
Valuation for 1 Westmoreland Rd	Cr 5
Valuation for Biggin Hill - West Camp	Cr 10
Growth Fund Study	Cr 170
Crystal Park Development work	Cr 200
Civic Centre for the future	Cr 50
Strategic Property cost	Cr 258
Total further spending approvals	Cr 2,644
Uncommitted Balance on Investment Fund	19,320
*Executive have approved the use of specific and general capital receipts to supplement the Investment Fund	
Growth Fund:	
£'000	
Funding:	
Approved by Executive 26th November 2014 (Transfer from Investment Fund)	10,000
Approved by Executive 2nd December 2015	6,500
Approved by Executive 23rd March 2016	6,000
Approved by Executive 15th June 2016	7,024
Approved by Executive 22nd March 2017	4,000
Approved by Executive 14th June 2017	3,311
Approved by Executive 21st May 2018	2,319
Total funding approved	39,154
Schemes Approved and Committed	
Approved by Executive 24th March 2015 (Housing Zone Bid (Site G))	Cr 2,700
Approved by Executive 24th March 2015 ((Site G) - Specialist)	Cr 200
Approved by Executive 18th May 2016 (Feasibility Studies and Strategic Employment Review)	Cr 180
Approved by Executive 18th May 2016 (Broadband Infrastructure Investment)	Cr 50
Approved by Executive 20th Jul 2016 (BID - Penge & Beckenham)	Cr 110
Approved by Executive 1st Nov 2016 (19-25 Market Square)	Cr 10,705
Approved by Executive 1st Nov 2016 (63 Walnuts)	Cr 3,804
Approved by Executive 22nd March 2017 (Bromley Town Centre Public Realm Improvement Scheme)	Cr 2,844
Approved by Executive 7th November 2017 (Bromley Town Centre and Public Realm)	Cr 464
Approved by Executive 17th October 2018 (Bromley Town Centre - Mirrored Canopies & Shops)	Cr 415
Approved by Executive 22nd March 2017 (Project Officer cost Bromley Town Centre Public Realm impro	Cr 40
Approved by Executive 22nd March 2017 (Community Initiative)	Cr 15
Approved by Executive 24th May 2017 (Feasibility Works/Property Disposal)	Cr 250
Renewal Team Cost	Cr 310
Subject to approval by Executive 28th November 2018 (Housing Development Feasibility)	Cr 100
Total further spending approvals	Cr 22,187
Schemes Approved, but not committed	
Approved by Executive 26th November 2014 (for Biggin Hill and Cray Valley)	Cr 6,790
Uncommitted Balance on Growth Fund	10,177

APPENDIX F - FEASIBILITY WORKS

CAPITAL PROGRAMME MONITORING - NOV 2018

Location	Estimated Feasibility / Viability Cost (£'000)	Description	Nov 2018 Status
West Wickham Leisure Centre	35	To fund study to deliver optimal new leisure facilities based on market evidence as to rents from third party operators' together with residential development to generate a capital receipt to fund the cost of re-provision of facilities.	Report to RR PDS March and Executive in April - concept scheme approved. Multi disciplinary design/real estate team appointed via SCAPE Framework as of Sept 18. Programme in development.
The Glades Department Store	49	To fund work to progress the business case for the development of a new Department Store at the Glades Shopping Centre utilising the Council's interests at Market Square so as to improve footfall and therefore improve the asset value and return on income derived from the Councils ownership of The Glades.	Discussions held with interested party and architects appointed to advise on initial feasibility. The interested party have advised that market conditions are in flux and that an update will be forthcoming in Dec/Jan.
The Walnuts Centre	33	To fund work to progress the business case for the development at the Walnuts utilising the Council's interests at and around the Walnut's Centre including the Leisure Centre so as to provide larger retail opportunities and improve footfall and therefore improve the asset value and return on income derived from the Councils ownership of The Walnuts.	Initial brief prepared and architect appointed. Architect has delivered works package - need to market test for a Property Advisor - subject to Executive approval - anticipate taking to Executive in February 2019 once initial cost analysis undertaken.
Old Town Hall/Civic Centre	44	To fund a review of the Council's accommodation strategy at the Civic Centre based on the addition of the former Town Hall becoming available as part of the Council's property portfolio and how that asset could be utilised as a Democratic Centre and associated offices/meeting space.	C&W undertaken review and provided disposal advice. Report to Executive in April 2018 - with disposal recommendation. Sale failed to progress and site now being re-marketed. Offers in by mid December.
Depots Review - Disposal Options	45	To fund disposal viability studies as to density and permitted development together with initial planning briefs so as to be in a position to take to market as an outcome of the Depot review.	C&W undertaken review and provided advice - papers from Env Services taken to Executive and approved.
Biggin Hill Aviation College - Alternative	20	To fund potential alternative site viability studies for Biggin Hill should the Council decide not to pursue Area 1 purchase for an Aviation College/Enterprise Zone.	C&W undertaken valuation advice in respect of potential land acquisition/ provided advice - no further action.
Libraries (Chislehurst model roll out)	18	To fund the investigation of viability of renewing other library facilities by redeveloping their sites and using the capital receipt proceeds to develop replacement facilities within said schemes.	Not actioned as yet - due to Dev Agreement not yet entered into. Meeting with Developers to finalise on 8 Nov.
Lease standardisation	6	To fund legal work to create standard T&C's to the property portfolio	Under review.
TOTAL	250		

Report No.
FSD18082

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE

Date: Wednesday 28 November 2018

Decision Type: Non-Urgent Executive Key

Title: COUNCIL TAX SUPPORT/REDUCTION SCHEME 2019/20

Contact Officer: John Nightingale, Head of Revenues and Benefits
Tel: 020 8313 4858 E-mail: john.nightingale@bromley.gov.uk

Chief Officer: Peter Turner, Director of Finance

Ward: (All Wards);

1. Reason for report

To advise Members of the result of the public consultation exercise and seek approval of the scheme to be forwarded to Full Council for approval.

2. RECOMMENDATION(S)

Members are asked to:

2.1 consider the updated Impact Assessment at Appendix 1.

2.2 consider the responses of the public consultation exercise at Appendix 3.

2.3 consider that the Council Tax Support/Reduction scheme for 2019/20 retains the calculation of entitlement for working-age claimants on 75% of the households Council Tax liability. Thereby the maximum assistance provided to a claimant of working- age is 75% of his/her Council Tax liability.

2.4 Subject to the outcome of 2.1 to 2.3 above recommend to Council the Council Tax Support/Reduction scheme for 2019/20.

Impact on Vulnerable Adults and Children

1. Summary of Impact: 4306 households with children and 1505 working age disabled claimants
-

Corporate Policy

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

Financial

1. Cost of proposal: Estimated annual cost of the scheme with 25% liability is £9.797m
 2. Ongoing costs: Recurring Cost:
 3. Budget head/performance centre: Benefits and Admin
 4. Total current budget for this head: £7.204m
 5. Source of funding: Government funding (although not separately identified in the grant notification)
-

Personnel

1. Number of staff (current and additional): 8+ Liberata staff
 2. If from existing staff resources, number of staff hours: once the scheme is adopted the work will fall onto Liberata, taken into account in the costings provided,
-

Legal

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

Procurement

1. Summary of Procurement Implications: N/A
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 14,726 (the current number of households in receipt of Council Tax Support/Reduction)
-

Ward Councillor Views

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

3. COMMENTARY

3.1 Introduction

From the 1 April 2013 the national scheme for providing assistance with Council Tax (Council Tax Benefit) ceased to exist and was replaced by a local authority designed scheme for those claimants of working-age. The scheme is known as Council Tax Support/Reduction (CTS/R). For those of pensionable age, the scheme continued to be based on national rules and regulations.

In the financial year 2013/14, working-age claimants were liable to pay a minimum of 8.5% of their Council Tax liability. For the financial years 2014/15 and 2015/16 working-age claimants were liable for a minimum of 19% of their Council Tax liability, before this increased to 25% in 2016/17.

At the 5th July 2018 meeting of the Executive, Resources & Contracts PDS, it was agreed that a minimum liability of 25% be the Authority's preferred option for inclusion in the public consultation exercise, the results of which are contained later in the report.

Attached as Appendix 1 to this report is an updated Impact Assessment based on the re-adoption of a scheme retaining the minimum contribution for a working-age household at 25% of the Council Tax liability. Members are asked to note the content of the "assessment" when considering the third recommendation contained in this report.

It should be noted that the scheme needs to be adopted at Full Council by the 31st January prior to the financial year it relates to.

3.2 Consultation

At the 5 July 2018 meeting of the Executive, Resources & Contracts PDS, it was agreed to undertake a consultation exercise, with the recommendation being that the preferred option was for CTS/R scheme to continue to be based on 75% of the households Council Tax liability due to the uncertain impact of Universal Credit (UC) rollout during 2019/20.

The consultation exercise closed on the 14 October 2018 by which time 211 responses had been received. Included in this was a response from the GLA which is attached as Appendix 2.

Responses to the questions contained in the consultation exercise are entered as Appendix 3.

To summarise the main findings were:

- In respect of financial year 2019/20, 67% of respondents confirmed their preference to keep the minimum contribution at 25%. The responses were weighted in favour of maintaining this level of support irrespective of whether the respondent was in receipt of CTS/R
- Of those indicating that the current level of assistance should not be maintained, 70% said the scheme should be more generous and 30% less.
- 96% of respondents said that there should be a hardship fund, with 72% agreeing that it should remain at the current level (£100k)

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

There are currently 1505 disabled, working-age claimants and 4306 working-age households with children affected by the policy. This excludes pensioner claimants whose entitlement continues to be based on 100% of their Council Tax liability.

The impact on vulnerable adults and children is mitigated by building into the scheme disregards and additional assistance contained in the Housing Benefit scheme. In addition a hardship fund is available to those faced with exceptional circumstances.

Summary of Equality Impact Assessment (EIA)

The EIA recognises that the requirement of working-age claimants to contribute a minimum of 25% towards their Council Tax liability disproportionately impacts upon several of the protected characteristic groups. Lone parents (who are predominately women) and the disabled are both over represented in the Council Tax Support/Reduction caseload. Mitigation of the impact is supplied by the retention of the safeguards included in the Housing Benefit scheme for these client groups, for example the disregard of certain income types for the disabled and allowances for child care costs. Further mitigation is supplied by the Hardship Fund from which assistance can be granted for those facing exceptional circumstances.

A copy of the Equality Impact Assessment can be found at Appendix 1.

5. POLICY IMPLICATIONS

5.1 A copy of the 2018/19 scheme can be accessed by the following web link:

https://www.bromley.gov.uk/downloads/file/2860/council_tax_support_scheme_2018

This scheme will be revised in light of any changes agreed by Members, required by legislative change and/or resultant of the annual uprating of the benefit system

The Authority's scheme needs to be adopted on an annual basis following a public consultation.

6. FINANCIAL IMPLICATIONS

6.1 The table below shows the projected expenditure of the scheme based on working-age claimants having their entitlement based on 75% of the households Council Tax liability: -

Minimum working-age CTS liability	25%
	£'000
LBB estimated annual CTS expenditure costs (79.91%)	9,797
GLA estimated costs (20.09%)	2,463
Total estimated annual CTS expenditure	<u>12,260</u>

6.2 The sums included in the above table are based on the Council Tax levels for 2018/19 and the current number of households in receipt of CTS/R as at the 5/11/18.

6.3 In addition to the above expenditure figures, the sum of £100k per annum is available for the provision of discretionary awards.

7 LEGAL IMPLICATIONS

7.1 Full legal implications were set out in the report considered by members of the Executive on 15 July 2015 and are not repeated here. Members should however have regard to these and the earlier Equality Impact assessment undertaken. However, in summary Section 33 (1)(e) of the Welfare Reform Act 2012 abolished the national scheme of Council Tax benefit. Section 10(1) of that Act introduced a new Section 13A (2) into the Local Government Finance Act 1992 which obliged each local authority to make its own scheme for those it considered to be in financial need.

Schedule 1A of the 1992 Act sets out the procedural steps required to make or revise a scheme. These include an obligation to consider whether or not to change a scheme for any financial year. Where changes are made there is a statutory obligation to publish a draft scheme and to consult with such persons as we deem to have an interest. This will include both individuals who receive benefit and those who don't. Any new scheme must be adopted by 31st January in the financial year preceding that in which it is to apply. Bromley has undertaken the required consultation exercise. Members' must have regard to consultation exercise but they are not obliged to follow the majority view. However, introducing new proposals or disregarding consultation views which point to a strong preference without clear reasoning will create a risk of challenge. Members' also have to consider the impact of the scheme and any changes on individual which protected characteristics in line with the public sector equality duty and equality impact assessment which identifies appropriate mitigation measures is appended to the report.

Non-Applicable Sections:	Personnel and Procurement
Background Documents: (Access via Contact Officer)	

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Impact Assessment for Council Tax Support

London Borough of Bromley

Part 1: Description of policy change and its relevance to equality

Category of trigger for Impact Assessment: Re-adoption of existing policy

Background

Council Tax Benefit (CTB) was abolished on the 01 April 2013. The Local Government Act replaced CTB for working age claimants with a scheme to be designed by the local authority – Council Tax Support (CTS). Funding was no longer demand led, but based on an estimate of Borough caseloads, with an initial overall budget 10% lower than that of CTB. Residents meeting the state pension credit age being eligible for a separate national scheme to "leave them no worse off than they are now".

Reason for review

Bromley adopted a 2 year scheme in January 2013 for the financial years 2013/14 and 2014/15. The scheme was based on a minimum liability of 8.5% for 2013/14 and 19% for 2014/15. This scheme was retained for 2015/16 before revision to a 25% minimum contribution for 2016/17. It remained at this level for 2017/18 and 2018/19 it is proposed that the minimum contribution remains at 25% for 2019/20

CTS is a local scheme to assist those who are on a low income to meet their Council Tax liability. Individuals apply for CTS and if their income is below a certain level, which takes account of their circumstances, they are eligible for a reduction on their Council Tax bill.

The "generosity" of the scheme has a direct impact on the Authority's finances. Therefore, the cost of the scheme will influence service provision in other areas, reserves and/or the Council Tax level.

Consultation on the scheme for 2019/20

Views on the retention of the proposed scheme have been sought from the Greater London Authority and a sample of Bromley households. These households included those currently in receipt of CTS as well as those meeting their Council Tax liability from their own means.

Part 2: Collection of Evidence — what do we know?

Description of data used

In order to assess the impact of this policy change, Bromley has used information from a variety of different sources including:

- Data collected from records from the Council Tax and Housing Benefit systems;
- Consultation responses – including equality monitoring data;
- Census 2011 first release data;
- Bromley's Budget Strategy & other financial information about the service
- Office for National Statistics (NOMIS)
- Bromley Joint Strategic Needs Assessment 2017

Financial Information and Impact

The impact of this proposed scheme will affect all working-age claimants from the 1/4/19. For the financial year 2019/20 it is proposed that the maximum amount of assistance available to working-age claimants under the CTS scheme will be unchanged. Calculations have been supplied based on a minimum liability of 25% using the current years (18/19) Council Tax levels.

Table 1 - Financial Impact of Introduction of Local Scheme

	2018/19 Liability	2018/19 Maximum assistance Pensionable Age	2018/19 Maximum assistance under proposed CTS (75%)	2018/19 Minimum weekly amount to pay (25%)
Band A - Full Charge	£968.47	£968.47	£726.35	£4.64
Band A - with 25% discount	£726.35	£726.35	£544.76	£3.48

Band B - Full Charge	£1,129.89	£1,129.89	£847.42	£5.42
Band B - with 25% discount	£847.42	£847.42	£635.57	£4.06
Band C - Full Charge	£1,291.30	£1,291.30	£968.48	£6.19
Band C - with 25% discount	£968.48	£968.48	£726.36	£4.64
Band D - Full Charge	£1,452.71	£1,452.71	£1,089.53	£6.97
Band D - with 25% discount	£1,089.53	£1,089.53	£817.15	£5.22
Band E - Full Charge	£1,775.53	£1,775.53	£1,331.65	£8.51
Band E - with 25% discount	£1,331.65	£1,331.65	£998.74	£6.38
Band F - Full Charge	£2,098.36	£2,098.36	£1,573.77	£10.06
Band F - with 25% discount	£1,573.77	£1,573.77	£1,180.33	£7.55
Band G - Full Charge	£2,421.18	£2,421.18	£1,815.89	£11.61
Band G - with 25% discount	£1,815.89	£1,815.89	£1,361.92	£8.71
Band H - Full Charge	£2,905.42	£2,905.42	£2,179.07	£13.93

Band H - with 25% discount	£2,179.07	£2,179.07	£1,634.30	£10.45
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Breakdown of current claimants

In order to understand how the proposed changes will impact on different protected groups Bromley has examined data, where available, based on the current benefit caseload. Data is available on the following: age, gender and disability which are noted in Table 2. There is very limited data available on the ethnic breakdown of current claimants as the appropriate section is seldom completed on the application form.

Table 2 - Breakdown of Current claimants Council Tax Support

Type	Total	Female	Male	Disabled	Disabled female	Disabled male	DLA/PIP Income
Working age - Passported (equalisation definition)							
Single no child dependant	3246	1668	1578	977	506	471	1674
Single with child dependant	2243	2171	72	177	165	12	665
Couple no child dependant	269	114	155	84	33	51	201
Couple with child dependant	395	209	186	66	24	42	247
Working age - Non Passported							
Single no child dependant	875	479	396	131	71	60	194
Single with child dependant	1186	1137	49	26	26	0	126
Couple no child dependant	119	38	81	26	7	19	54
Couple with child dependant	482	230	252	18	9	9	92
Total Working age	8815	6046	2769	1505	841	664	3253
Pensioner- Passported	3889	2609	1280	1083	798	285	736
Pensioner- Non Passported	2022	1122	900	470	273	197	243
Total Pensioner	5911	3731	2180	1553	1071	482	979
Overall Total	14726	9777	4949	3058	1912	1146	4232

The table below provides some additional evidence by protected characteristic that has been used to complete this EIA.

Protected Characteristic	Evidence																																																							
Age	<p>Please see table 2 for detailed breakdown</p> <p>8,815 (59.86%) of current claimants are under Pension Credit age and will be affected by the Authority's Council Tax Support policy. <i>Data based on Oct 2018 caseload. Caseload numbers may fluctuate on a daily basis.</i></p> <p>The data demonstrates that 3429 (39%) of current working-age claimants are single parent families with child dependents</p>																																																							
Disability	<p style="text-align: center;">Bromley's population</p> <p>The following table shows the number and percentage of working-age residents in receipt of benefits, including those related to sickness and Disability (latest identified data – November 2016).</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">Brom (numbers)</th> <th style="text-align: center;">Brom (%)</th> <th style="text-align: center;">London (%)</th> <th style="text-align: center;">Gt Bri (%)</th> </tr> </thead> <tbody> <tr> <td>Total claimants</td> <td style="text-align: center;">16,520</td> <td style="text-align: center;">8.1</td> <td style="text-align: center;">9.3</td> <td style="text-align: center;">11.0</td> </tr> <tr> <td colspan="5" style="text-align: center;">By statistical group</td> </tr> <tr> <td>Job seekers</td> <td style="text-align: center;">1,740</td> <td style="text-align: center;">0.9</td> <td style="text-align: center;">1.2</td> <td style="text-align: center;">1.1</td> </tr> <tr> <td>ESA and incapacity benefits</td> <td style="text-align: center;">8,270</td> <td style="text-align: center;">4.1</td> <td style="text-align: center;">4.8</td> <td style="text-align: center;">6.1</td> </tr> <tr> <td>Lone parents</td> <td style="text-align: center;">1,920</td> <td style="text-align: center;">0.9</td> <td style="text-align: center;">1.0</td> <td style="text-align: center;">1.0</td> </tr> <tr> <td>Carers</td> <td style="text-align: center;">2,400</td> <td style="text-align: center;">1.2</td> <td style="text-align: center;">1.3</td> <td style="text-align: center;">1.7</td> </tr> <tr> <td>Others on income related benefits</td> <td style="text-align: center;">240</td> <td style="text-align: center;">0.1</td> <td style="text-align: center;">0.2</td> <td style="text-align: center;">0.2</td> </tr> <tr> <td>Disabled</td> <td style="text-align: center;">1,590</td> <td style="text-align: center;">0.8</td> <td style="text-align: center;">0.7</td> <td style="text-align: center;">0.8</td> </tr> <tr> <td>Bereaved</td> <td style="text-align: center;">350</td> <td style="text-align: center;">0.2</td> <td style="text-align: center;">0.1</td> <td style="text-align: center;">0.2</td> </tr> <tr> <td>Key out-of-work benefits'</td> <td style="text-align: center;">12,180</td> <td style="text-align: center;">6.0</td> <td style="text-align: center;">7.2</td> <td style="text-align: center;">8.4</td> </tr> </tbody> </table> <p>Source: DWP benefit claimants - working age client group</p> <p>Key out-of-work benefits include the groups: job seekers, ESA and incapacity benefits parents and others on income related benefits. Note: % is a proportion of resident population of area aged 16-64. Figures do not yet include Universal Credit</p> <p style="text-align: center;">Breakdown of current claimants</p> <p>Please see table 2 for detailed breakdown of information on our current claimants</p> <ul style="list-style-type: none"> • 1505 (17.1%) of current claimants below pension credit age have declared a disability • 3253 (36.9%) are receiving DLA/PIP 		Brom (numbers)	Brom (%)	London (%)	Gt Bri (%)	Total claimants	16,520	8.1	9.3	11.0	By statistical group					Job seekers	1,740	0.9	1.2	1.1	ESA and incapacity benefits	8,270	4.1	4.8	6.1	Lone parents	1,920	0.9	1.0	1.0	Carers	2,400	1.2	1.3	1.7	Others on income related benefits	240	0.1	0.2	0.2	Disabled	1,590	0.8	0.7	0.8	Bereaved	350	0.2	0.1	0.2	Key out-of-work benefits'	12,180	6.0	7.2	8.4
	Brom (numbers)	Brom (%)	London (%)	Gt Bri (%)																																																				
Total claimants	16,520	8.1	9.3	11.0																																																				
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Bereaved	350	0.2	0.1	0.2																																																				
Key out-of-work benefits'	12,180	6.0	7.2	8.4																																																				
Sex	<p style="text-align: center;">Bromley population</p> <p>According to nomis official labour market stats Bromley's population (2015) is 51.95% female and 48.05% male</p> <p style="text-align: center;">Breakdown of current claimants</p> <p>Please see table 2 for detailed breakdown of information on our current claimants</p> <p style="text-align: center;">68.59% of current claimants under pensionable age are female</p> <p style="text-align: center;">Indicates that women are over represented amongst our CTS claimants</p>																																																							

Gender reassignment	The Council does not anticipate this policy will have a particular equality impact on this protected group.
Pregnancy & Maternity	No specific evidence. We do not anticipate this policy will have a particular equality impact on this protected group.
Race	<p style="text-align: center;">Bromley population - Current claimants</p> <p>As advised earlier, there is very limited data available on the ethnic breakdown of the current claimants as only a few complete the non-mandatory section of the form.</p> <p style="text-align: center;">Borough wide information</p> <p>The 2017 GLA population projection estimates show that 19% of its population is made up of black and minority (BME) groups. This percentage does not include Gypsy Travellers, Bromley has a large settled Gypsy Traveller community living in “brick and mortar” concentrated chiefly in the Crays.</p>
Religion & Belief	No specific evidence. We do not anticipate this policy will have a particular equality impact on this protected group.
Civil Partnerships & Marriage	No specific evidence. We do not anticipate this policy will have a particular equality impact on this protected group.
Sexual Orientation	No specific evidence. We do not anticipate this policy will have a particular equality impact on this protected group.

Part 3 - Analyse of evidence and description of the impact

Characteristic	Actual or likely impacts (negative/positive/no impact) and justification	Actions to be taken to mitigate potential negative impacts (include name of lead and estimated date of completion)
Age	<p>Neutral impact for pension age claimants as the Government has stipulated this group must have their claims assessed as they are now.</p> <p>Given the large number of CTS claimants that are single parent families with dependent children increases in the minimum contribution would have a negative impact on levels of child poverty. It is not possible to evaluate the scale of this impact.</p>	<p>It is proposed a hardship fund be retained for those faced with exceptional circumstances. It is further planned to retain all aspects of the current CTS scheme that provides assistance by way of disregards of income and increased allowances.</p> <p>The Council will monitor the impact on this Client group through monitoring of communications, complaints, appeals, request for discretionary awards</p> <p>Responsible Officer(s) Welfare Reform Manager & Head of Revenues & Benefits —</p>

		Monitoring to be ongoing
Disability	<p>Any increased level of 'contribution' will have a negative impact on current and future disabled CTS claimants as working age claimants will have to pay more towards their council tax bill.</p>	<p>The proposed Council Tax Support scheme allows for the complete disregard of certain income types such as Disability Living Allowance/PIP and the award of Disability premiums in the benefit calculation. These will be retained to mitigate the impact on those who are disabled. The planned continuation of the hardship scheme for those faced with exceptional circumstances will further alleviate any impact on the disabled.</p> <p>Responsible Officer(s) Welfare Reform Manager & Head of Revenues & Benefits — Monitoring to be ongoing</p>
Sex	<p>Females are disproportionately represented amongst current CTS claimants.</p> <p>Any reduction in the level of assistance given would have a negative impact on current and future working age CTS claimants (regardless of gender) as claimants would have to contribute more towards their council tax bill than they have had previously.</p> <p>Although any change in the scheme would be applied universally (i.e. men and women would face the same reduction in CTS) our evidence makes clear that a greater proportion of current CTS claimants are women and therefore as a protected group women would feel the impact of any change in greater numbers.</p>	<p>Monitoring of the impact on women who claim Council Tax Support will continue. In order to mitigate impact it is proposed that the scheme retains the income disregards and allowances that are predominately received by females for example allowances in respect of child care costs. The planned continuation of the hardship scheme will provide a further safeguard for those faced with exceptional circumstances.</p> <p>Responsible Officer(s) Head of Revenues & Benefits — Monitoring to be ongoing</p>
Gender reassignment	No specific impact identified other than all claimants will have to contribute more towards their council tax bill	
Pregnancy & Maternity	No specific impact identified other than all claimants will have to contribute more towards their council tax bill	

Race	Any reduction in the level of assistance provided would have a negative impact on current and future CTS claimants (regardless of race) as some claimants will have to contribute more towards their council tax bill than they have had previously. There is very limited evidence available to quantify if there will be a differential impact on the different ethnicities.	In order to mitigate any adverse impact is proposed that a hardship fund is retained for those faced with exceptional circumstances. Responsible Officer(s) Head of Revenues & Benefits — Monitoring to be ongoing.
	There is evidence to indicate that BME communities are more likely to be unemployed or in lower paid employment and, therefore, possibly more reliant on CTS. However, there is insufficient evidence on current claimants to demonstrate this is in fact the case in Bromley.	
Religion & Belief	No specific impact identified other than all claimants will have to contribute more towards their council tax bill	
Civil Partnerships & Marriage	No specific impact identified other than all claimants will have to contribute more towards their council tax bill	
Sexual Orientation	No specific impact identified other than all claimants will have to contribute more towards their council tax bill	

Part 5 — Completion and authorisation

Officer completing assessment	John Nightingale, Head of Revenues and Benefits
EIA completed	20/10/18
Officer responsible for monitoring impact	John Nightingale
Date EIA is scheduled to be reviewed	November 2019

GREATER LONDON AUTHORITY
RESOURCES GROUP FINANCE

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Web: www.london.gov.uk

John Nightingale
Head of Revenues and Benefits
London Borough of Bromley
Civic Centre,
Stockwell Close
Bromley
BR1 3UH

Our ref: CTS
Your ref:
Date: 8 October 2018

Dear John

**LONDON BOROUGH OF BROMLEY COUNCIL TAX SUPPORT SCHEME 2019-20
RESPONSE TO CONSULTATION**

Thank you for your letter of 25 July informing the GLA about the Council's consultation on proposals for the draft council tax support (CTS) scheme for 2019-20. The GLA notes that the Borough wishes to retain the current level of minimum contribution paid by working age council tax support recipients. This letter sets out the GLA's response to the key issues raised in the consultation.

Introduction

As in previous years, the GLA recognises that the determination of council tax support schemes under the provisions of the Local Government Finance Act 2012 are a local matter for each London borough. Individual schemes need to be developed which have regard to specific local circumstances, both in respect of the potential impact of any scheme on working age claimants (particularly vulnerable groups) and, more generally, the financial impact on the council and local council tax payers – and therefore the final policies adopted may, for legitimate reasons, differ across the capital's 33 billing authorities.

This fact notwithstanding the GLA also shares in the risks and potential shortfalls arising from the impact of council tax benefit localisation in proportion to its share of the council tax in each London billing authority. It is therefore important that we are engaged in the scheme development process and have an understanding of both the factors which have been taken into account by boroughs in framing their proposals, as well as the data and underlying assumptions used to determine any forecast shortfalls which will inform the final scheme design.

Framing Proposals

As part of the introduction of council tax support in 2013-14, the Government set out its expectation that, in developing their scheme proposals, billing authorities should ensure that:

- Pensioners see no change in their current level of awards whether they are existing or new claimants;
- They consider extending support or protection to other vulnerable groups; and

- Local schemes should support work incentives and, in particular, avoid disincentives to move into work.

The GLA concurs with those general broad principles and would encourage all billing authorities in London to have regard to them in framing their schemes.

Proposed 2019-20 Scheme

Under Bromley's current 2018-19 scheme, the maximum level of CTS available to working age claimants is 75% of their council tax liability, after any other discounts or exemptions. The Council is consulting on maintaining this level of support, whilst continuing to uprate benefit levels in line with changes to Housing Benefit, including the level of non-dependant deductions.

The GLA notes if the minimum level of contribution was to be lowered, the Council states there would be a financial cost to the council which would have to be met through council tax increases, reduce spending or the use of reserves.

The Council currently operates a hardship scheme to provide additional support to residents who are experiencing exceptional financial hardship and are unable to pay their council tax. An allocation of £100,000 is made available for the fund. The consultation seeks views on whether the hardship scheme should be retained and whether the current level of funding remains correct.

The proposal to maintain the minimum contribution at 25% is in line with several other schemes in London. However, the Council's scheme remains amongst the schemes that require the highest level of contribution from working age claimants. In total, 5 of 33 billing authorities in London require a minimum contribution of 25%, with an additional 3 requiring a higher minimum contribution level.

The GLA welcomes the proposal to continue to make a hardship fund available at the same level as previous years. We would encourage the Council to take a proactive approach to informing those council tax support claimants who are facing difficulties paying council tax bills about this policy.

Notwithstanding the above comments and recognising that the proposed scheme is in accordance with the general principles set out by Government (as listed above), the GLA is content to endorse the broad approach taken by Bromley.

It is however the GLA's view that the proposed changes should be considered in the whole. If one proposed change results in greater savings for the Council that could be used to reduce the need to apply other proposals, then we would encourage the Council to consider doing this as it would help to reduce the financial burden on individuals and families in Bromley who see their Council Tax Support entitlement reduced.

The GLA considers that, before finalising their 2019-20 schemes, all billing authorities should re-examine the challenges which they will face in collecting relatively small sums of money from claimants on low incomes, who may not be able to pay by direct debit or other automatic payment mechanisms, based on their experiences in the first five years of the localised system. In some cases, the administrative costs of enforcing such payments may outweigh the cost saved by reducing support.

Financial Implications of the Proposed 2019-20 Scheme

It would be helpful for the GLA's planning purposes if Bromley could provide us with a forecast total cost for the proposed scheme in 2019-20, based on the forecast 2018-19 caseload, taking into account any developments since the public consultation was launched – ideally apportioning all elements between the GLA and the council having regard to 2018-19 council tax shares. This would also allow the GLA to calculate its share of the cost of the scheme proposed by Bromley.

Technical Reforms to Council Tax

The GLA considers that in formulating its council tax support scheme each billing authority should both consider and address the impact of the additional revenue it is expecting to raise from the technical reforms to council tax introduced in the Local Government Finance Act 2012, which provide greater flexibility in relation to discounts, exemptions and premiums for second and empty homes. The additional revenues from the technical reforms could be used to reduce any shortfalls and thus have a bearing on the overall minimum contribution level for council tax support claimants.

The GLA understands that, in 2018-19, Bromley has the following policies in place:

- For properties requiring or undergoing major repairs or structural alterations (former class A): a 0% discount
- For properties unoccupied and substantially unfurnished (former class C): a 0% discount
- Second homes: 0% discount
- Long-term empty properties: It is not clear from the information on Bromley's website whether a premium is charged on properties that have been unoccupied and substantially unfurnished for a continuous period of two years.

The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Bill is currently progressing through its legislative stages in Parliament and is expected to receive Royal Assent before the end of 2018. It is expected that the Bill will become law in time to enable councils from April 2019 to charge 100% premiums on properties which have been empty for more than two years. The legislation, as currently amended, will also give councils the ability to charge higher premiums in subsequent years for properties which have been empty for longer periods of time.

The legislation as currently amended will also give councils the ability to charge higher premiums in subsequent years for properties which have been empty for longer periods of time. Again, the GLA would encourage councils to take into account potential additional revenues from these reforms when considering the detail of council tax support schemes.

We would encourage the council to inform us as soon as possible if any changes are proposed to its discount and premium policies, in order to assist us in assessing the potential impact on the Mayor's funding and tax base for 2019-20 and future years.

Council Tax Protocol

In recent years the issue of council tax collection practices has become more high profile. The GLA, of course, recognises the importance of ensuring council tax arrears are collected wherever possible. However, in some instances poor collection practices can worsen debt problems for vulnerable residents.

Citizens Advice, in partnership with the Local Government Association, has developed a council tax protocol¹, which outlines a number of practical steps for early intervention to support people struggling with payments. In summary, the Protocol asks that councils:

- work with enforcement and advice agencies to help people pay their council tax bills while accessing debt advice;
- ensure all communication with residents about council tax is clear;
- use the Standard Financial Statement when calculating repayment plans;
- offer flexible payment arrangements to residents;
- do not use enforcement agents where a resident receives council tax support;
- publish their policy on residents in vulnerable circumstances

In London, eight boroughs have now signed up to the protocol and the GLA would encourage all boroughs to consider adopting the protocol.

Providing Information on Schemes

Whilst we recognise that the detailed rules on council tax support schemes are inevitably complex, the GLA would encourage all boroughs to make every effort to set out information on their schemes as clearly as possible. Information that may help potential claimants could include an online calculator, to identify whether potential claimants are likely to be entitled to support, as well as 'Frequently Asked Questions' and a summary document outlining concise details of the scheme. In addition, for existing claimants, we would encourage boroughs to consider how the process for reporting changes in circumstances can be made as straightforward as possible.

Setting the Council Tax Base for 2019-20 and Assumptions in Relation to Collection Rates

The council will be required to set a council tax base for 2019-20 taking into account the potential impact of the discounts the Council may introduce in respect of council tax support and any potential changes the Council may implement regarding the changes to the treatment of second and empty homes.

The Council will need to make a judgement as to the forecast collection rates from those claimants and council taxpayers affected by any changes to council tax support, taking into account the experience in the first six years of the council tax support arrangements.

The GLA would encourage the council to provide it with an indicative council tax base forecast as soon as options are presented to members for approval, in order that it can assess the potential implications for the Mayor's budget for police, fire and other services for 2019-20. This should ideally be accompanied by supporting calculations disclosing any assumptions around collection rates and discounts granted having regard to the final council tax support scheme design.

Collection Fund and Precept Payments

By 23 January 2019 the council is required to notify the GLA of its forecast collection fund surplus or deficit for 2018-19, which will reflect the cumulative impact of the first six years of the localisation of council tax support. The GLA would encourage the council to provide it with this information as soon as it is available.

¹<https://www.citizensadvice.org.uk/Global/CitizensAdvice/campaigns/Council%20Tax/Citizens%20Advice%20Council%20Tax%20Protocol%202017.pdf>

I would like to thank you again for consulting the GLA on your proposed council tax support options for 2019-20.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Martin Mitchell', written in a cursive style.

Martin Mitchell
Finance Manager

London Borough of Bromley
Council Tax Reduction – Consultation Report

23rd October 2018

1. Details of Recommendations

The council is asked to agree the following:

- 1.1 To note the proposed Council Tax Reduction Scheme for Bromley residents is to come into effect from 1st April 2019.
- 1.2 To note the outcome of the consultation exercise undertaken with regard to the proposed scheme.
- 1.3 To note the findings on equalities and other impacts arising from the proposed Scheme.
- 1.4 To approve the local Council Tax Reduction Scheme for Bromley at Full Council on 10 December 2018. A consultation exercise was undertaken to seek resident's views as to whether to continue to grant Council Tax Reduction for working-age claimants at a maximum of 75% of Council Tax liability.

2. Report Summary

The Welfare Reform Act 2012 abolished the previous system of Council Tax Benefit with effect from 31st March 2013. Its replacement, Localised Support for Council Tax, was introduced from 1st April 2013 through Council Tax Reduction.

Bromley formally approved a scheme limiting increases to 8.5% of Council Tax liability for 2013/14, rising to 19% in 2014/15 and 25% for 2016/17, 2017/18 and 2018/19.

This report is to approve the new scheme, this will be required to be formally approved at full council on 10th December 2018 for the next financial year commencing 1st April 2019.

The proposal is to retain the scheme rules from 2018/19 for the financial year 2019/20 and continue to grant Council Tax Reduction under the scheme to a maximum of 75% of Council Tax liability.

This reports sets out:

The background to the design of a local scheme of Council Tax Reduction for 2018/19 for the London Borough of Bromley and details of the interaction with legislation and guidance supplied by the Department of Communities and Local Government (DCLG).

Details the proposed scheme of Council Tax Reduction for Bromley, recognising that the matter is one which will need to be approved by full Council.

Details of the consultation exercise undertaken on the proposed Council Tax Reduction Scheme during a period from 30th August 2018 until 14th October 2018.

The financial implications of the proposed scheme for Council Tax Reduction for the residents of Bromley and risks associated with the design of a local scheme.

3. Reason for Decision and Options Considered

The Welfare Reform Act 2012 abolished the existing system of Council Tax Benefit with effect from 31st March 2013. Its replacement, Localised Support for Council Tax was introduced from 1st April 2013 and was contained within the Local Government Finance Act which received Royal Assent on 31st October 2012

There are a number of key differences between the two schemes of assistance with Council tax liabilities. These include the fact that responsibility has changed from the Department of Work and Pensions (DWP) to the Department for Communities and Local Government (DCLG).

In addition the funding regime changed from being demand-led Annual Managed Expenditure (AME).

While Bromley was able to design its own scheme to support working age applicants, the Government desire to protect those of state pension credit age resulted in centrally provided legislation covering those in this group.

These Prescribed Regulations introduced a Statutory Scheme, similar to the previous Council Tax Benefit scheme, for those of pensionable age and also maintain previous provisions with regard to limiting entitlement to those classed as Persons from Abroad and deal with minor administrative issues. These provisions are replicated for 2019/20 subject to any legislative amendments that may be imposed by Central Government.

Once a local Council Tax Reduction scheme has been made by the Council, it cannot be revised for at least one financial year. A Billing Authority must however *consider* whether to revise or replace its scheme with another one on an annual basis.

Any revision to a scheme must be made by the Council by the 31st January immediately preceding the financial year in which it is to take effect and will require consultation arrangements to be applied. Additionally, consideration must be given to providing transitional protection where the support is to be reduced or removed.

3. Key Implications

The proposed Council Tax Reduction scheme for Bromley for 2019/20 has been established with due regard to the Council's statutory obligations, consultation responses and in order to attempt to distribute the reduced funding available amongst those claimants most in need of financial assistance, while still achieving the necessary financial savings to meet the funding deficit.

Bromley again proposes to follow the DCLG Prescribed Scheme for those who have reached pensionable age, ensuring that they are protected from the effects of the funding reduction and continue to receive assistance with their Council Tax liability as now.

It is intended that the working age scheme will continue to be based on the rules introduced for 2013/14. This largely mirrored the previous Council Tax Benefit scheme with the exception of protecting the level of support relevant classes of individual's receive. This adjustment was required in order to pass on the reduction in funding received.

The outline principles for the Bromley working age Council Tax Reduction (CTR) scheme for 2019/20 are:

- All working age customers will have to make some payment towards their council tax as the maximum help under the Council Tax Reduction scheme available for residents of London Borough of Bromley will be limited to 75% of the charge.
- The scheme will be reviewed annually.
- Non-dependant deductions will be aligned with any increase supplied by DCLG in the Prescribed Requirement Regulations updates and will be in line with the pensioner claims.
- Applicable amounts will be up-rated or frozen in line with Housing Benefits for working age claimants.

The scheme will also be adapted to meet any further legislative requirements imposed by DCLG and consideration will be given as to how to determine income from benefits established under the Welfare Reform Act 2012.

Other requirements

A number of other scheme principles introduced in 2013/14 will be carried forward to 2019/20;

- New customers will be required to complete an application form for all new claims from 1 April 2019, existing awards under the 2018/19 scheme will continue in payment, where entitlement remains.
- The scheme allows for a review period. The period will be agreed and failure by the customer to provide details requested may mean their entitlement to CTS is ended.

- Any award or adjustment will be confirmed in the council tax bill but the bill itself will not be formal notification and a separate notification of entitlement will be supplied.
- Where awarded the notification letter will also:
 - a) inform the applicant that there is a duty to notify the authority of the relevant change in circumstances
 - b) explain the possible consequences (including prosecution) of failing to comply with that duty; and
 - c) set out the circumstances in which a change of circumstances might affect entitlement
- Any “overpayments” of CTR will be reclaimed by recovery through the council tax billing process
- Where an applicant is aggrieved about a decision regarding entitlement they may appeal under Section 16 of the Local Government Finance Act 1992.
- A person may only appeal to the Valuation Tribunal where:
 - a) They are notified in writing by the authority that it believes the grievance is not well founded, but they are still aggrieved;
 - b) They are notified in writing that steps have been taken to deal with the grievance, but they are still aggrieved; or
 - c) The period of two months, beginning with the date of service of their notice being ended, has elapsed and they have not received notification under paragraph a) or b) above.

Level of Entitlement

Bromley made a decision, for the 2018/19 scheme, to pass on a maximum of 25% of the cost (resulting in a maximum entitlement, for working age claimants, of 75% of their liability).

The proposal for 2019/20 is to continue with this level of support and limit working age recipients to 75% of their council tax liability.

4. Financial Details

Financial Impact On The Budget (Mandatory)

Costs of 2019/20 Scheme

Specific central government grant levels for Council Tax Reduction now form part of the overall Revenue Support Grant and are not therefore distinguishable.

5. Equalities, Human Rights and Community Cohesion

Equality Impact Assessment

The Council has to give due regard to its Equalities Duties, in particular with respect to general duties arising pursuant to the Equality Act 2010, section 149. Having due regard to the need to advance equality involves, in particular, to the need to remove or minimize disadvantages suffered by persons who share a relevant characteristic that are connected to that characteristic.

The Council's tax system is programmed to identify all Council Tax Reduction accounts. The Council keeps under review the impact of the revised Council Tax Reduction Scheme and has found no evidence to indicate that any equalities protected groups have been disproportionately affected by the operation of the scheme.

Specific regard has also been paid to the guidance provided by DCLG which will also provide mitigation to minimise disadvantage to those most likely to experience disadvantage.

The previous Equalities Analysis has been updated to reflect the options proposed in the consultation exercise. This can be found as enclosure 1 to the Executive Report entitled "Council Tax Support/Reduction scheme 2018/19". For information, the document is on the Council's website via the URL link below:

www.bromley.gov.uk/CouncilTaxSupport

Incentivising Work

It is again intended that Bromley will incentivise work by continuing the disregards of weekly income currently offered which are dependent upon the applicant's status:

- Lone parent £25 per week
- Disabled individual or carer £20 per week
- Single person £5 per week and Couple £10 per week

Where the applicant pays child care costs in order to achieve employment an additional weekly disregard of up to £175 (for 1 child) or £300 (for 2 or more children) from earnings will apply subject to the circumstances of the applicant and age of the child.

Where the applicant works in excess of 30 hours per week a further disregard of at least £17.10 will apply.

Customers who have been out of work, and receiving an appropriate benefit for 26 weeks, will receive an Extended Payment of Council Tax Reduction, at the same rate as they received when out of work, for the first 4 weeks of their new employment.

Child Poverty

It is intended that Child Benefit and Guardian's Allowance will be disregarded as income types during the means tested assessment of Council Tax Reduction.

Access to relevant dependants allowances and family premiums within the applicable amount calculation will continue where applicants have responsibility for children and have been continuously in receipt of CTR since prior to 1st April 2016.

Armed Forces

Income derived from war widow's/widower's pensions, war disablement pensions or Guaranteed Income Payments from the Armed Forces/Reserve Forces Compensation Fund will be fully disregarded during the means tested assessment of Council Tax Reduction, whether for working or pensionable age applicants.

Disabled Applicants

Income derived from Disability Living Allowance or its replacement (Personal Independence Payments) and Attendance Allowance will be fully disregarded but receipt of such benefits will allow access to premiums within the applicable amount calculation.

There will be no non-dependant deduction taken as a result of the claimant or partner receiving Disability Living Allowance (care component), Attendance Allowance, the daily living component of PIP or where the claimant or partner is registered blind.

6. Consultation

A public consultation exercise was undertaken for the 18/19 Council Tax Reduction Scheme during a period from 30th August 2018 until 14th October 2018.

The survey was available through a variety of channels:

- A link was available on the Bromley website
- A paper copy was issued to 2,000 households comprising of a mix of CTR recipients and non CTR recipients (1,000 households not in receipt of CTR, 500 recipients of working age and 500 recipients of pensionable age)
- A paper flyer enclosed with all Council Tax Bills issued during this period advising of the link on the website.

In total there were 211 responses received with the majority, 173, being by post and 38 via the website.

Supplementary questions were asked, for monitoring purposes, to determine whether respondents were currently in receipt of Council Tax Reduction or were completing the consultation on behalf of a representative body.

Of those who chose to respond to these questions, 45% stated that they were not currently in receipt of CTR.

The consultation exercise was based on 6 simple questions to residents of the Borough, 3 of which required specific responses with the remaining 2 being less direct and allowing a degree of free text response.

Of those that were specific, they sought responses in respect of:

Q1: Whether it was agreeable to maintain the level of assistance at 75%

Q2: If LBB were to increase the level of support, how should this be funded?

Q3: Whether there should be a hardship fund available and whether the sum of £100,000 was reasonable.

Standard Equality and Diversity questions were also asked but it was made clear that providing this information was voluntary.

7. Outcomes.

Details of the full consultation question and analysis responses, both overall and broken down, are detailed below.

Question 1

Q1 The current maximum level of support for working-age claimants is 75% of the household's Council Tax liability after any discounts or exemptions have been applied. This would require working age claimants to pay a minimum of 25% of their liability.

	Yes	No
Please confirm whether you:		
a. Agree with maintaining the assistance at 75%	<input type="checkbox"/>	<input type="checkbox"/>
b. If NO do you think Council Tax Support claimants should;		
Pay more Council Tax e.g. receive less support	<input type="checkbox"/>	<input type="checkbox"/>
Pay less Council Tax e.g. receive more support to	<input type="checkbox"/>	<input type="checkbox"/>

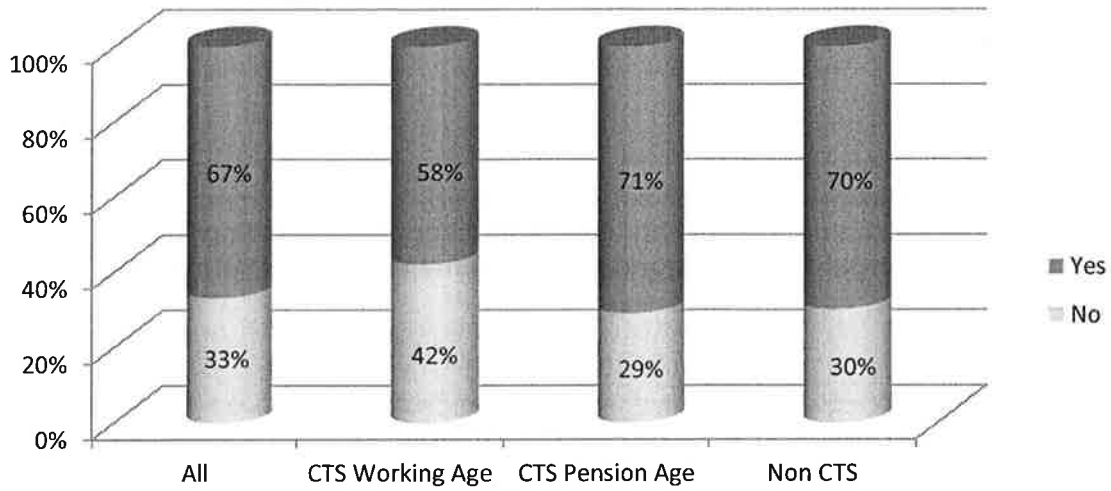
If you disagree with maintaining assistance for working-age claimants at 75%, please state why:

.....

Overall response.

Of those who responded the *overall* outcome was that they wished to keep the scheme the same with 67% confirming this to be their preference. This was a lower percentage when this question was asked last year as in 2018/19 it was 68%. The responses were weighted in favour of keeping support at this level irrespective of whether the respondent was in receipt of Council Tax Reduction or not.

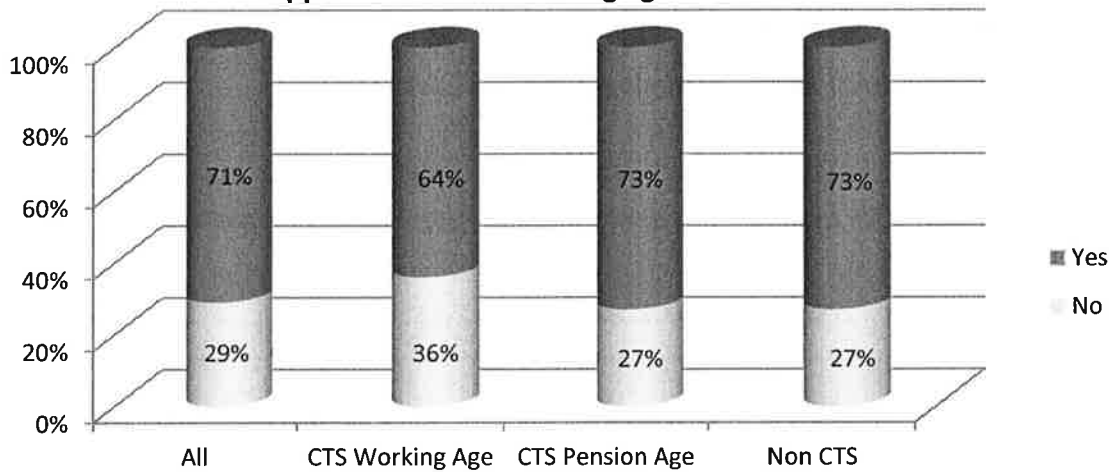
Total Respondents: Do you agree with maintaining Council Tax Support at 75% for working age claimants?



Analysis of Respondents by Survey Type.

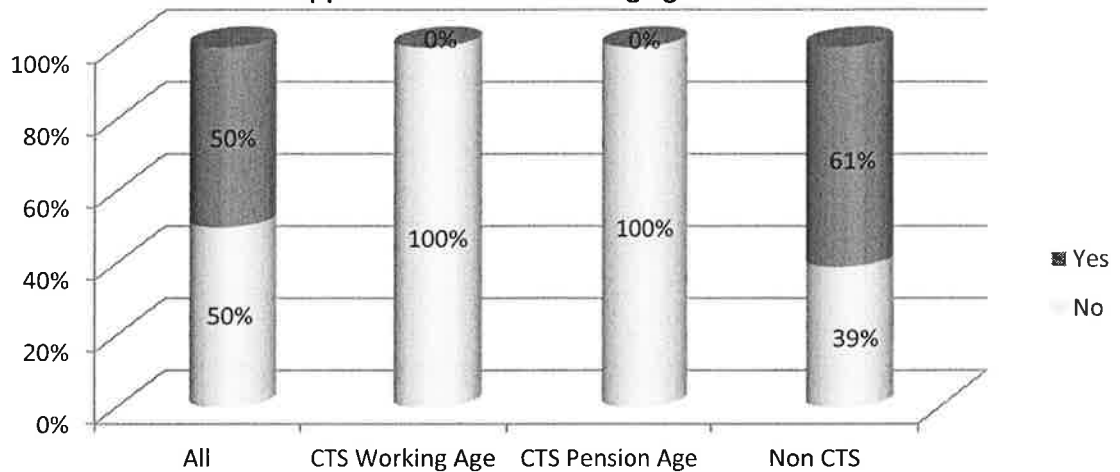
Of the postal responses received, overall 71% were in favour of retaining the level of support at a maximum of 75%. Again the result was irrespective of whether they were in receipt of Council Tax Reduction or not.

Postal Respondents: Do you agree with maintaining Council Tax Support at 75% for working age claimants?



For on-line there was a split for all respondents overall and this included both working age and pension age stating they don't agree with paying 25%, although the number of CTS working and pensioner age accounted for only 6 replies. However for non CTS claimants a similar situation was recorded with those who completed the survey on-line.

On-line Respondents: Do you agree with maintaining Council Tax Support at 75% for working age claimants?

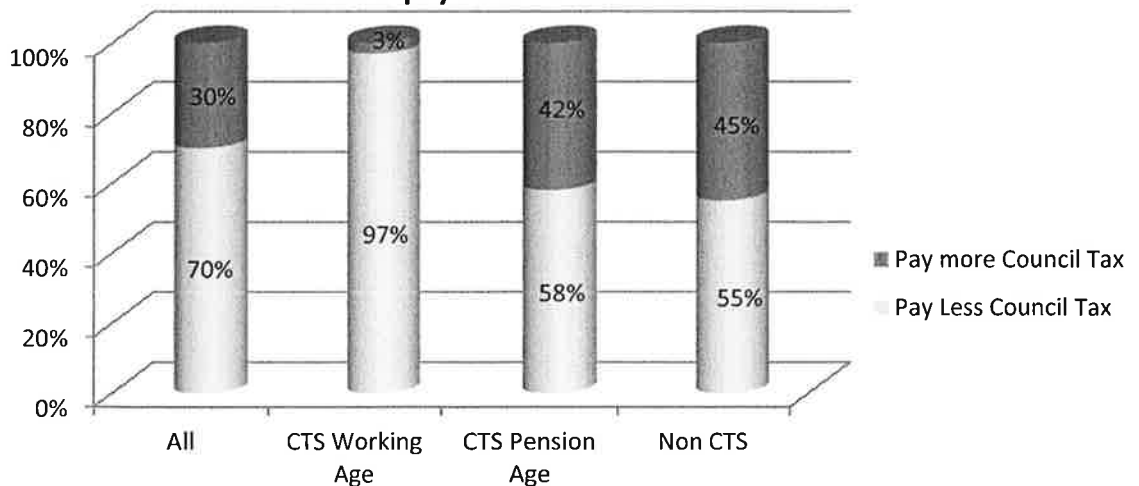


Question 1b.

Overall response.

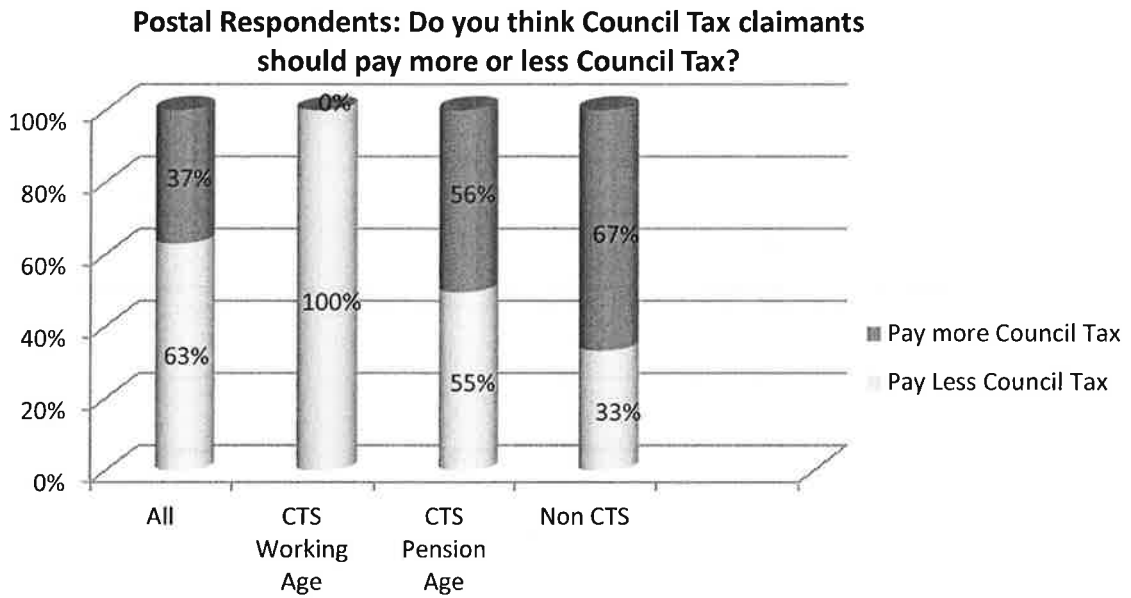
Of those who responded to state that they believe assistance should not be maintained at 75%, the *overall* outcome was that they wished to increase the level of support thereby decreasing the levels of Council Tax which recipients would need to pay.

Total Respondents: Do you think Council Tax Support claimants should pay more or less Council Tax?

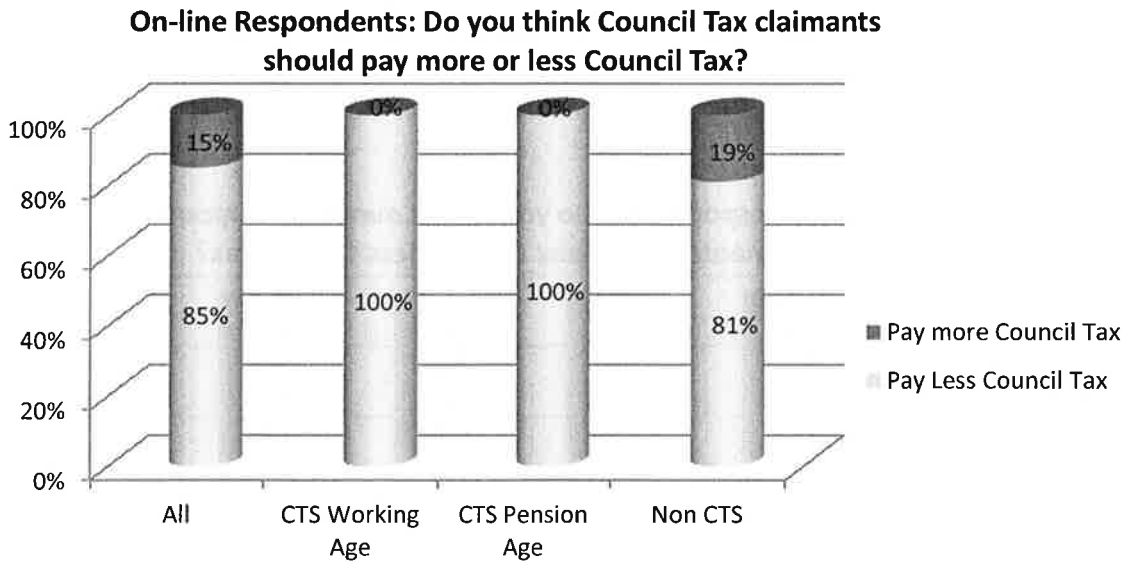


Analysis of Respondents by Survey Type.

Of the postal responses received, overall 63% were in favour of Council Tax Reduction claimants receiving more support and paying less Council Tax. However, this was not supported by the majority of respondents not currently in receipt of support.



Of the on-line responses received, overall 85% were in favour of Council Tax Reduction claimants receiving more support and paying less Council Tax.



Question 2.

Q2 If you think that Council should increase the level of assistance for working-age people from 75%, how do you think this should be funded? In particular, should the Council increase Council Tax or cut other Council services or use the Council reserves, or all three?

Please choose any of these that apply:

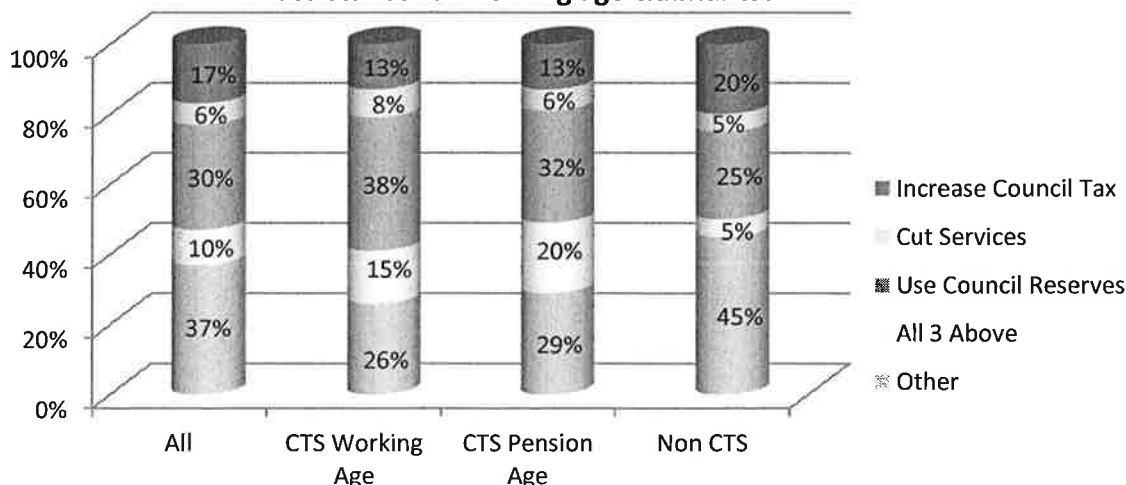
- a. Increase Council Tax
- b. Cut services
- c. Use Council reserves
- d. All three above
- e. Other

If you think services should be cut or have another suggestion, please write your answer here:

Overall response

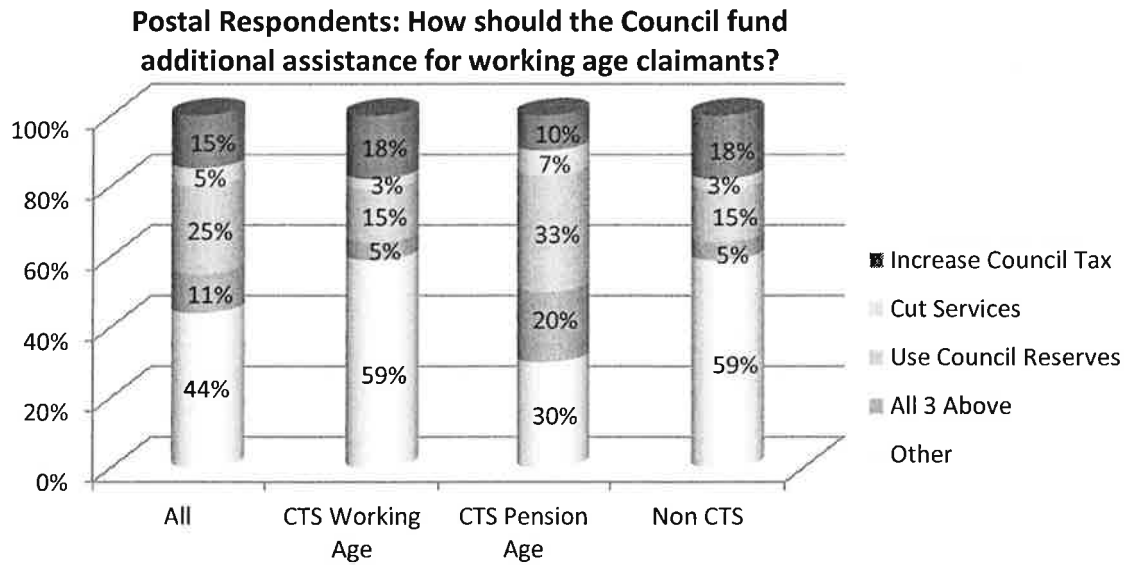
The overall response to this question was that the Council should use other funding to fund any additional contribution to the Council Tax Reduction scheme with 37% stating this to be their preference. The next highest preference at 30% was to use its reserves to fund any additional contribution to the Council Tax Reduction scheme.

Total Respondents: How should the Council fund additional assistance for working age claimants?

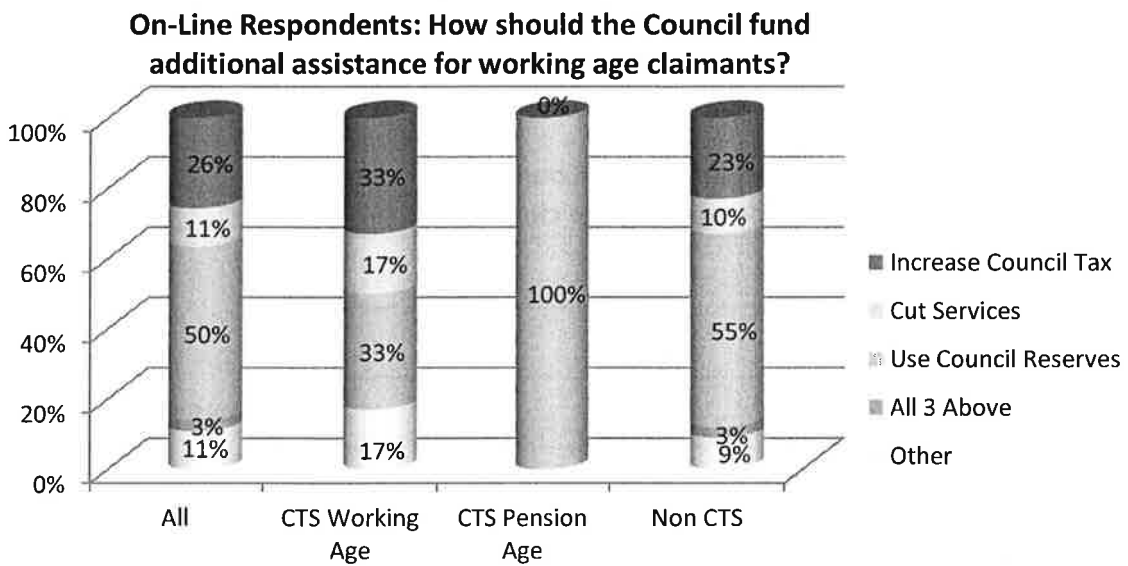


Analysis of Respondents by Survey Type.

Of those who completed the postal survey, other funding to fund any additional contribution to the Council Tax Reduction scheme with 44% stating this to be their preference. The next highest preference at 25% was to use its reserves to fund any additional contribution to the Council Tax Reduction scheme.



Of those who completed the on-line survey 50% confirmed to use its reserves to fund any additional contribution to the Council Tax Reduction scheme to be their preferred option with the highest percentage of respondents choosing this option being those of working age who are currently in receipt of Council Tax Reduction.



Question 3.

Q3 The Council has a hardship fund of £100,000 to protect the most vulnerable. This is to provide extra help to residents who are experiencing exceptional financial hardship and are unable to pay their Council Tax.

	Yes	No
a. Do you agree that there should be a hardship fund?	<input type="checkbox"/>	<input type="checkbox"/>
b. Do you agree the level of funding at £100,000 is correct?	<input type="checkbox"/>	<input type="checkbox"/>

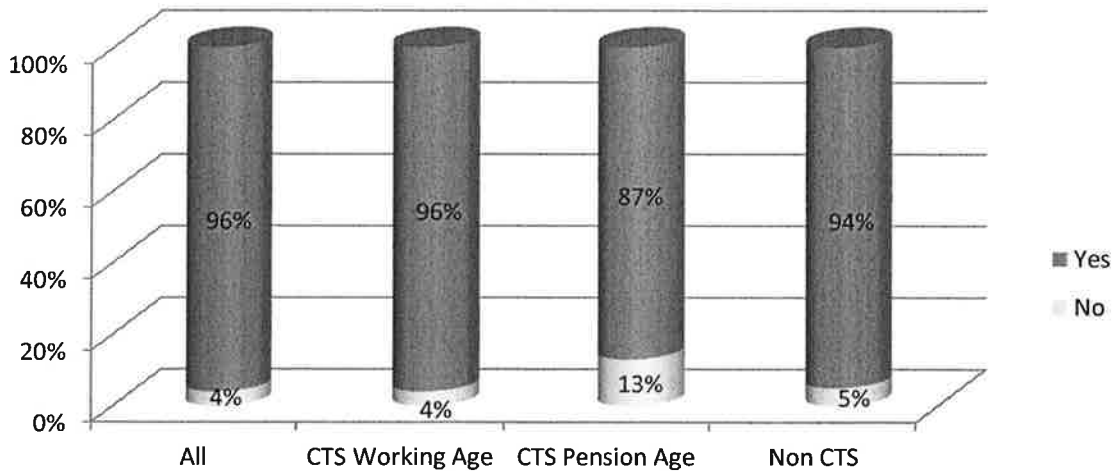
If you disagree please write your answer here:

.....

Overall response – part a.

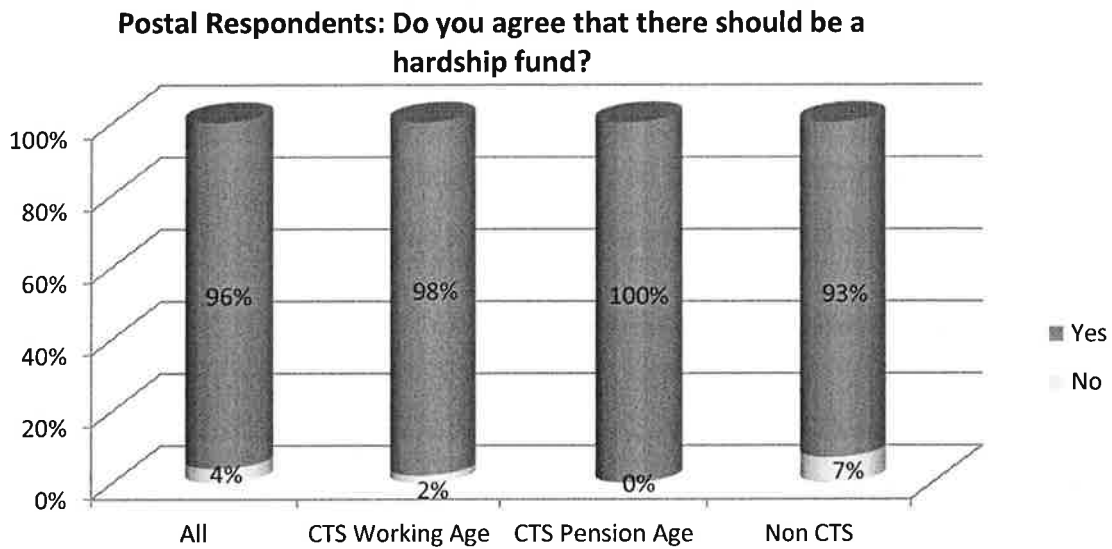
The overall response to part (a) of this question was that, yes, the Council should have a hardship fund with 96% agreeing with this statement.

All respondents: Do you agree there should be a hardship fund?

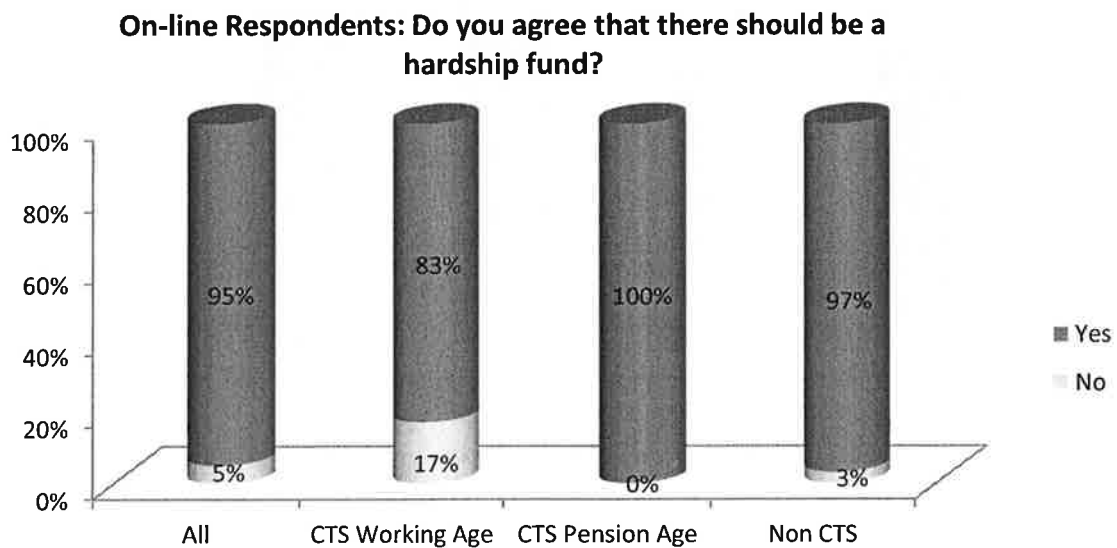


Analysis of Respondents by Survey Type.

Of those who completed the postal survey 96% confirmed that there should be a hardship fund with a 100% of those in receipt of CTS who were pension age agreeing with this statement.



Of those who completed the on-line survey 95% confirmed that there should be a hardship fund with a continued high support at 100% of those at Pensionable Age in receipt of CTR agreeing with this statement.



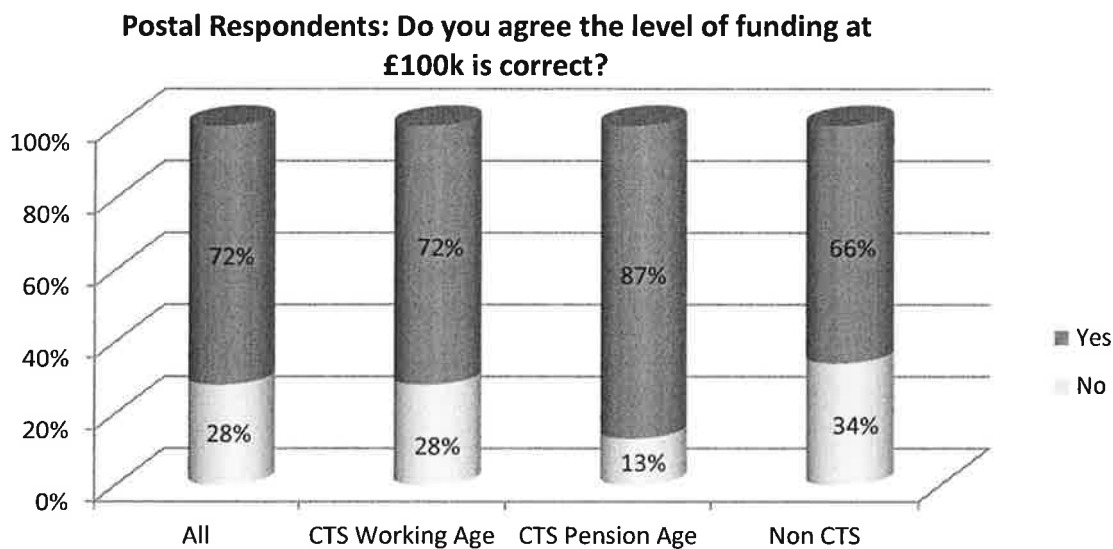
Overall response – part b.

The overall response to part (b) of this question was that, yes, the level of £100,000 for a hardship funding was correct with 72% agreeing with this statement.

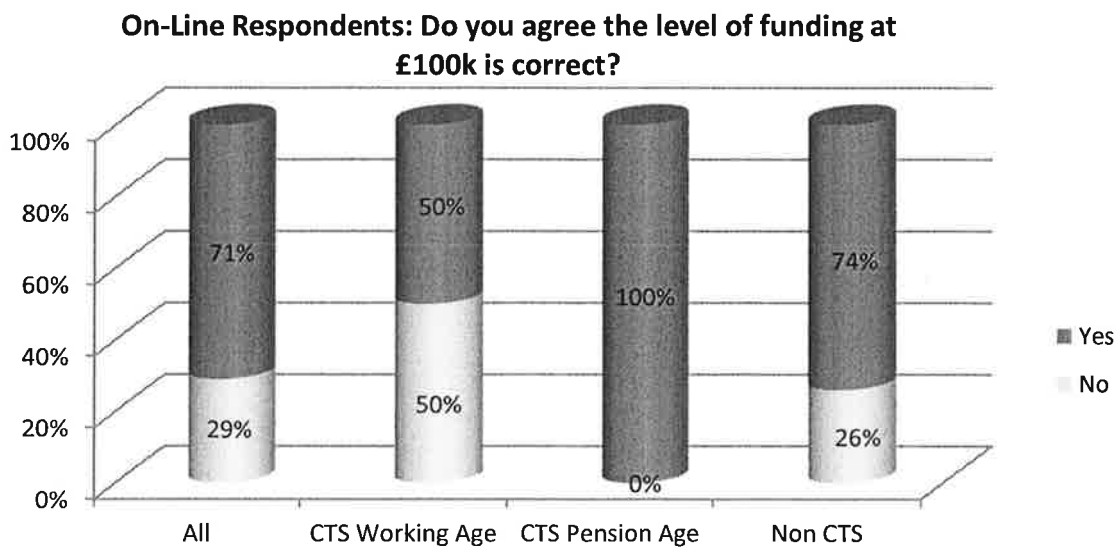
Many of the other respondents felt that they were unable to comment without any further facts and figures being provided regarding the potential spend, numbers affected and the criteria qualifying for this fund.

Analysis of Respondents by Survey Type.

Of those who completed the postal survey 72% confirmed that the sum of £100,000 was correct.



Of those who completed the on line survey only 71% confirmed that the sum of £100,000 in respect of a hardship fund was correct.



Question 4 provided the respondents with the opportunity to raise anything else which they believed should alter in respect of the CTR scheme.

Q4 Are there any other changes you would like to see to the Council Tax Support scheme 2019/20 or any further comments you would like to make regarding the scheme?

Please write your answer here:

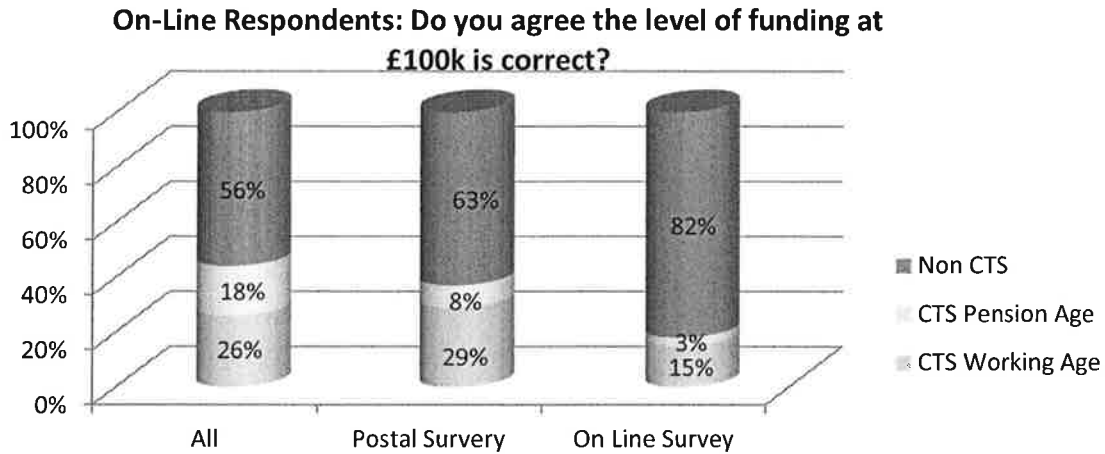
Where respondents did suggest changes, responses here fell into a number of broad categories with many suggesting the following:

- Undertaking better checks into those receiving CTS
- Increased protection for certain categories of people such as the disabled or single parents
- Employing a sliding scale of assistance
- Limiting the support further e.g. to those living in the lowest CTAX band
- Helping citizens to help themselves through employment opportunities

Q5 Please choose any of these that apply:	Yes	No
a. Are you currently in receipt of Council Tax Support?	<input type="checkbox"/>	<input type="checkbox"/>
If you answered yes to (5a) please tick one of the following:		
bi. Are you a pensioner?	<input type="checkbox"/>	<input type="checkbox"/>
bii. Are you of working age?	<input type="checkbox"/>	<input type="checkbox"/>

Overall response

Of those who completed the survey, overall 56% were from respondents not in receipt of Council Tax assistance, and 44% confirmed they were either pension age or working age currently receiving Council Tax Support.



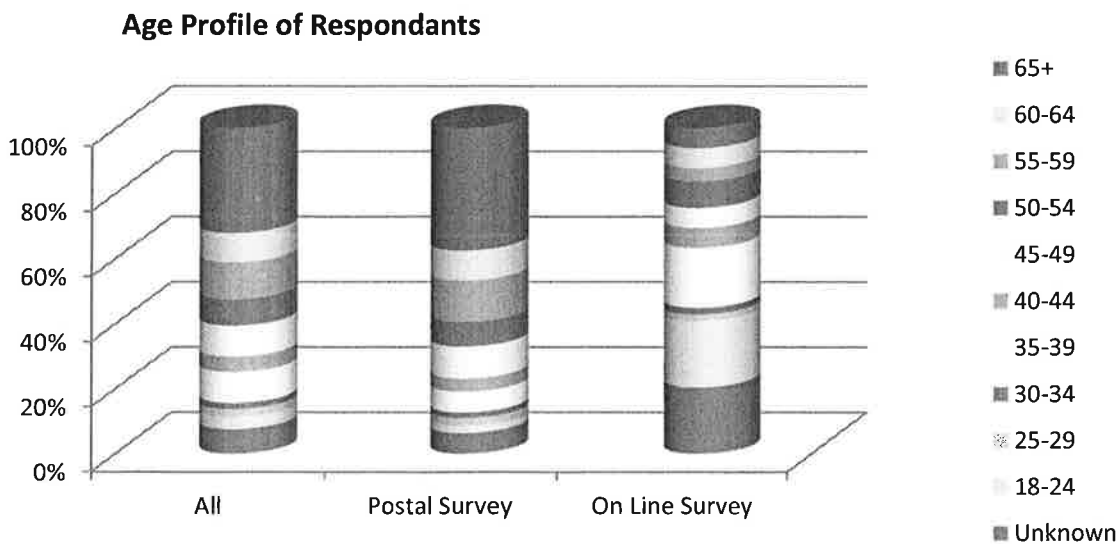
Details of all the narrative responses, to this question and others, have been included at Appendix 1.

Equality and Diversity.

Standard questions relating to Equality and Diversity were included on the survey but it was made clear that answering these was not compulsory.

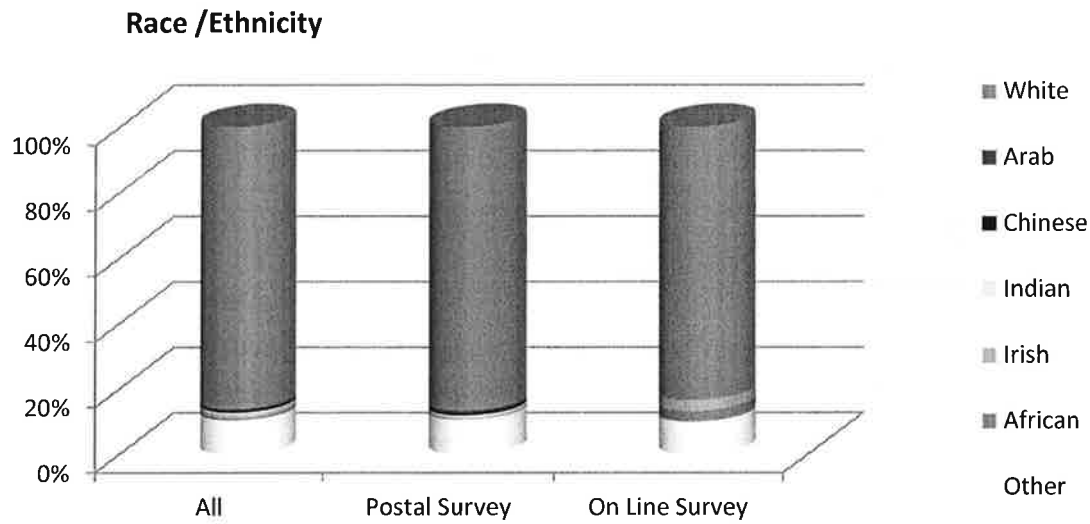
While 249 responses were received, not all respondents chose to complete the questions regarding their circumstances or ethnic background.

Overall, 211 people confirmed their age with the highest volumes of respondents being from those aged over 65 years of age.



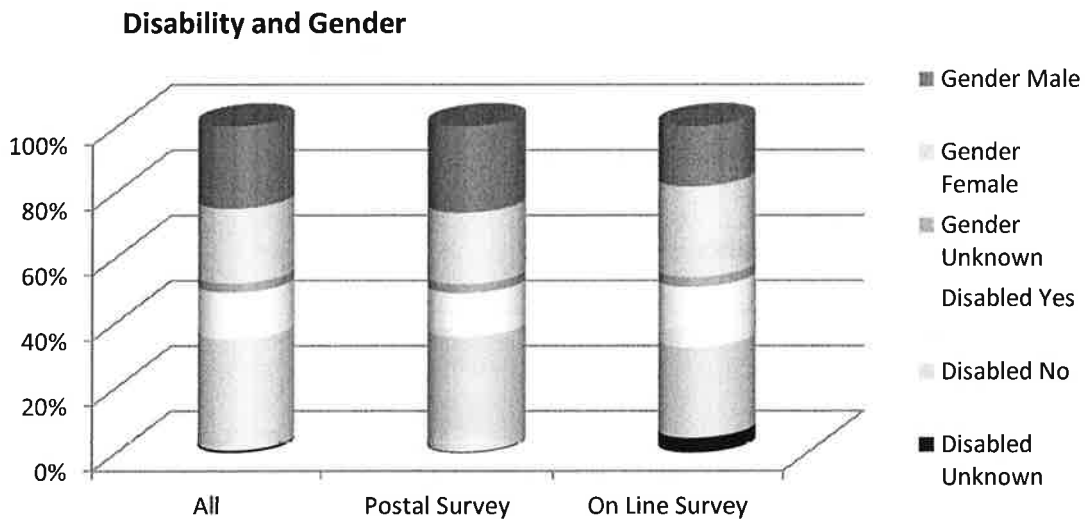
Ethnic Background.

175 respondents confirmed their ethnic background with the majority of respondents, 85%, stating that they were from a white background.



Disability and Gender.

211 respondents were happy to confirm whether they were disabled or not. 196 confirmed their gender of which 48% were female and 52% were male respondents. The analysis is shown below.



8. Timetable for Implementation

The new scheme will commence on 1st April 2019 for one year.

9. Appendix 1 – Narrative responses.

While narrative responses have been reproduced here for completeness, those respondents who simply stated “yes”, “no” or “don’t know” have been removed as these have been included in the analysis undertaken of the results above.

Q1 If you disagree with maintaining assistance for working-age claimants at 75%, please state why:

- How can people who receive benefits able to afford to pay the ridiculous council tax!
- I think the amount paid by working-age claimants should be capped, perhaps to £5.00 a month for adults, so if you have four adults in a property the bill would be £20.00 a month, six adults would be £30.00 a month for a property, reflecting the service each individual receives, such as household bin services, street sweeping etc.
- I earn £8000 a year yet I pay full tax of £1775. I am hanging by a thin thread trying to reach the next day as my life feels too expensive and at times it is too much to bare. How can you charge so much to me when my salary is low? People who earn less should not have to pay council tax. Yet not everyone who earns less claims benefits etc. I don't want to claim benefits as the whole system makes you feel degraded. You should set your council tax according to people's salaries.
- Austerity continues to bite. Bromley going Full Service for Universal Credit in July has meant more and more sick, out-of-work and low paid, unsecure employed people are having to wait longer for their entitlement, facing more sanctions etc...
- It's already too expensive and I don't get the service/assistance I expect for that price
- We are talking here about the poorest and most disadvantaged in our community, on whom austerity has had the greatest effect. This is a small way to improve their situation.
- the level of young homeless people living and begging on the streets has increased and will increase every time the council withdraw or reduce support and people having to turn to food banks to feed themselves and their families.
- Working age claimants should pay toward council services especially if they are living in a property on their own. I would expect them to pay 35-50% towards council tax
- As benefits (ESA / JSA) having gone up by less than rise in CTAX we are being penalised
- Benefits have been cut, difficult to live on what already receiving. Also have to top up rent due to capping. I have to find £400 extra rent to be able to live and go without basics to keep a roof over my head. Even when you apply for hardship it just gets rejected. So need more support. the Hardship fund didn't help me when I applied so its useless, stop wasting money on top heavy management
- It would be better to pay £85% so we only pay 15%. So we can afford other household bills
- Not enough support given to those not working.
- If you have to live on disability benefits finding extra money is hard. If you are house bound it cost extra as have to order everything online.

- It would be better to pay 85% so we only pay 15% so that we can afford other household bills
- Why should any working person get reduction if paying council tax. I am retired and I still have to pay a full amount which I've had to pay all my life.
- We should do more to support the more vulnerable in society
- We are trying to make ends meet which is hard enough without paying more council tax. Personally I have not claimed anything from the council.
- Council tax has risen & risen whilst wages have not. This is unfair to those on in work and already contributing (via council tax & national taxes). To those who do not work. There has to be more fairness.
- There are many residents of Bromley struggling with severe financial problems, as revealed at the local food bank. they need and deserve more help to survive.
- Working age claimants should contribute more towards council tax as they are likely to be using numerous local services. Why should those already contributing 100% pay more or lose services -they have been reduced enough already.
- A claimants savings should be taken into account when deciding the subsidy they receive.
- Why should any working person get reduction if paying council tax? I am retired and I still have to pay the full amount which I have paid all my life
- I think it should be a means tested support that has no cap.
- Everyone has to pay more at this present time in spite of any discounts they may be entitled to. This is a countrywide problem that has implications for us all. The max support should be 65%.
- Several reasons, there are other benefits these claimants may be entitled to e:g lower taxation.
- It is difficult enough in current times to support your own family, let alone having to support other families.
- Reduce the cap to a lower level of support i.e.: 60/40
- The poor & vulnerable need more support in this era of government cuts & austerity. Public services are in crisis and its terrible what this government are doing to our services.
- If working age then should pay more
- Council tax is expensive but so is electric and gas that has just gone up again. Plus we will be getting millions back from our brexit fee so this can be used for ctax support too and shared among councils
- There are many jobs that these people could do so should make an effort and not have to rely on people who pay full ctax
- Im a single parent being evicted as my ctax and rent is Â£1450 per month without my council debts, I struggle everyday with bills and I cannot work anymore hours due to ill health

- Not enough support given to people not working
- If you have to live on disability benefits finding extra money is hard. If you are housebound it costs you extra as have to order everything online
- The council up for 2016/17 was 25% in view of the current time of austerity and possible cuts across the board - I feel it should now be 30%
- Every household faces tough challenges in their day due to high inflation and low increase in their wages so its only fair that the benefits are reduced so the system is fair.
- You haven't given enough info i.e. who gets this? Yet another badly thought out 'consultation' and why 7 pages long? With 7th page practically blank..Given to an intern to do?
- I believe 66% assistance is the right balance. 1/3 paid & 2/3 assisted. Everyone of working age should make reasonable contribution to our society.
- I think people in hardship should receive more support
- Are all claimants genuine?
- As a young single mother of two who only works once a week the amount of council tax I am expected to pay is far too high
- Tax those with money who can afford it. This will significantly increase the Councils revenue and subsequently increase the quality and quantity of the services that can be provided to the Bromley Borough residents
- Because you are hitting the poorest sector of society if you reduce assistance the current government already penalise the working class and those on benefits too heavily
- As a young single mother of two who only works once a week the amount of Council Tax I am expected to pay is far too high
- Claimants should pay 75% of their liability and receive 25% support
- Continue at 25% provided the majority of claimants are able to afford 25%. If not the percentage should reduce and the extra costs paid by those not receiving benefit
- Support % must be adjusted (reduced) by inflation levels (ie at least that much) to make up for the increased cost of the council services
- They should move to a property they can afford. Reduce their spending to sort out their income (less fags & booze) why should people working hard to earn a living have their income cut so others can leech in theirs
- I am a single parent being evicted as my council tax and rent is Â£1,450 per month without my council tax debts. I struggle every day with bills and I cannot work any more hours due to ill health.
- Not enough support given to those not working
- If you have to live on disability benefits finding extra money is hard. If you are housebound it costs you extra as have to order everything online

- It would be better to pay 85% so we only pay 15% so we can afford other household bills.

Q2 If you think that Council should increase the level of assistance for working-age people from 75%, how do you think this should be funded? In particular, should the Council increase Council Tax or cut other Council services or use the Council reserves, or all three?

If you think services should be cut or have another suggestion, please write your answer here.

- Better management of the contracted-out services from which we benefit.
- Charge council tax according to salary. I earn £8000 a year and pay full council tax. Someone who earns £100,000 pays the same rate as me. This isn't fair.
- Increase Council Tax for bigger properties.
- Cut inefficiency in the Council. Reduce red tape and back end functions increase parking fees
- If you need to cut services then do so to protect the people struggling in Bromley. Not all if us use your services ie social services, housing
- Increase council tax to those more financially secure - the middle class, those earning £50,000+ per year
- No service should be cut. There are too many 'layabouts' getting money from council. Everybody should work, pay their taxes and council rates fully.
- Apart from my bus pass I don't know what other help the council gives.
- cutting existing services will be in nobody's interest, least of all those who need it most.
- No further cuts to services, investments in some arrears would help fund the service itself. Making better use of libraries rather than close them. Making use of empty premises in the main street. Utilising local under developed parks, Norman park in particular, no events.
- Get an improved allocation of funds from the GLA. Bromley receive a disappointedly low funding. Bromley receives less per head of funding compared with almost all other boroughs. This should be rectified to allow improved funding and a fairer system.
- No service should be cut. There are too many 'layabouts' getting money from council. Everybody should work pay their tax's and rates fully.
- If the result of change there is an increase in total subsidy (unlikely) then that would be my choice.
- Why can't this council use all the reserves it makes from parking permits to aid this situation?
- No services should be cut. Public services are in crisis. The government should stop austerity and increase tax. Bromley is a wealthy borough and should help the poor & vulnerable.
- Looking after children by the Council should be stopped parents that have children

should make their own arrangement and not rely on the council only disabled etc should be fully helped

- I struggle every month to pay my council tax and have outstanding debts of ctax amounting to over 6000 due to illness I currently have and being unable to work more than 15 hours per week to which I struggle with and having bailiffs threaten me all the time is awful
- Increase ctax to those more financially secure - the middle class earning 50k + per year
- Whatever the outcome I believe the Council should raise council tax in order for it to be in a better position to meet its commitments
- I know some of the local business's enjoy the benefit of reduced or even no rate at present, you will have to review such arrangements.
- I don't. No more cuts
- 1, Efficiency measures. 2, Invest more in your fraud teams for benefit, housing and support. Incentive these people with commission and I believe you will earn millions.
- More council tax bands required for most expensive properties.
- I struggle every month to pay my council tax and have outstanding debts of council tax amounting to over £6,0000 due to an illness I currently have and being unable to work more than 15 hours per week to which I struggle with and having bailiffs threatening all the time its so awful.
- Increase council tax to those more financially secure, the middle class, those earning £50,000+ per annum.

Q3 The Council has a hardship fund of £100,000 to protect the most vulnerable. This is to provide extra help to residents who are experiencing exceptional financial hardship and are unable to pay their Council Tax. Do you agree that there should be a hardship fund? Do you agree the level of funding at £100,000 is correct? If you disagree please write your answer here:

- £100,000 is a lot of money! Anyone who earns that much does not need help or funding.
- I don't know if the amount is correct or incorrect as I don't know how it is currently spent / under/overspent? And what criteria are used to assess, so it is impossible to say.
- This is an impossible question to answer without knowing how many claims are made on the fund. £100,000 does sound a very small amount for a whole borough.
- It should be increased to help more people stay in the homes they already have
- Unable to answer as I don't know how you use this fund and if it is fully utilised or not
- It should be more
- I tried to get hardship fund but did not get it even though I couldn't pay my rent - waste of time

- The Hardship fund should be increased to at least £200.000.
- It is not a lot of money as such to help the people with. Only a few will benefit and it will be for a short time.what happens next year or the year after?
- it does not sound adequate for those in serious need in a wealthy borough like Bromley.
- Unsure what the criteria is for receiving this but would hope it is there for families and individuals in exceptional one off circumstances-regularly receiving this would suggest mis-use/inappropriate claim. Unsure if current fu7nding is correct. Once this is used up are claimants refused fund despite their circumstances?
- Insufficient information is given to know whether it is : a: spent wisely/effectively and b: whether the amount is sufficient for its purpose.
- The means test and no cap should mean the hardship fund would be superfluous. If necessary, however, then the £100,000 seems suitable
- This level is too low. Bromley is a rich borough and should support the poor. We need a Labour council, they support the poor and would not let this happen to the vulnerable. it is shameful to think of increasing charges on the poor.
- Hardship fund should be more as it should have enough to cope with hardship demand. Otherwise sending people to Court or jail wont ease their hardship, this will only make their situation worse
- I think the Council needs first to make sure they are truly vulnerable as many are not
- The hardship fund should be increased to at least 200k
- You should get a discount for physical disability
- The level of funding should be more.
- The cost is of getting 25% where I expect a lot of people will be in arrears outweighs any saving. Councils should raise a lot of the fund they need not have this ridiculous collection process.
- Doesn't seem to be much of a budget, £250.000
- Unknown whether £100K is sufficient, what cases are currently unable to be funded?
- B, qualified to judge.
- I have not been provided with enough information to know whether this is a sufficient amount for residents who are experiencing exceptional financial hardship. So I cannot say whether the level of funding is correct
- seems exceptionally low considering the huge number of people that live in the Borough and that is the largest borough in London
- Cancel CTS
- The level of funding should be determined by the cost of justable hardship claims. If 100k is sufficient the amount should be increased by increasing the amount of ctax paid by those not receiving benefit

- Don't live beyond your means
- The hardship fund should increase to at least £200,000

Q4 Are there any other changes you would like to see to the Council Tax Support scheme 2019/20 or any further comments you would like to make regarding the scheme?

- Residents should be able to feed themselves and their families adequately, be safely housed, be able to afford to keep themselves clean, and enjoy a 21st century quality of life. If residents qualify for help in paying council tax there should be practical help offered on how to manage better on the pittance we expect them to survive on.
- Please do not charge Council Tax to those on low incomes.
- How can you justify charging me £1775 Council Tax when I earn £8000 a year? This is unfair.
- We need a standalone form for Council Tax Support for people on Universal Credit and those that already receive HB, but their eligibility for CTS moves (such as a reduction in income). Having to fill out a HBCTS1 just to claim CTS is confusing for the claimant (and their advisors/helpers/advocates) and must also confuse the assessors too.
- It would be great if the recycling system improved. So far, it has not excelled since I moved in (3 years ago) and the situation is getting worse. I have asked for recycling bins twice with no response, there are not enough recycling stations and it's hard to find all kinds of bin bags
- Reduce the salaries at the very top
- Contribute less as already struggling and the hardship scheme is not working as it should, never heard back and had to borrow money to pay rent
- Payment cards to pay Council Tax would be easier
- As above, its unfair to the unemployed.
- You should get a discount for physical disability not just mental disability
- Payment cards to pay council tax would be much easier.
- There are programmes on TV about council's not checking who's in their flats and subletting, lying about disabilities and claiming benefits. If there were better checking council's would have enough money for everything. I am 82 and I hate that I have to support working age people because that just want easy money.
- I would hope that family concerns, number of children and dependents with special needs all would be taken into consideration in a compassionate manner.
- Think individuals should have to contribute more than max 25%. Raising annually so that each year their contributes and the amount of council tax decrease to discourage benefit, possibly contribute to local services if necessary.
- The single persons discount should be reduced by 5%

- I would like to see those failing to contribute but still receive the same levels of service pursued for back payment etc.
- Increase the support to the poor. Reverse austerity!! Hopefully we will have a government that cares soon and will reverse all these cuts and put public services first!! Bromley should reverse the cuts it is shameful to hurt the poor. Increase support to the poor, they deserve our help.
- yes use funds from brexit
- Many of these scheme are not paid by parents the Council need to check these people carefully many parents are able to pay for their children and should do so
- its unfair to the unemployed
- If you told me who this applied to I might be able to comment more than just make comments about the need for wholesale reform Also could someone have made sure this didn't run for 7 pages making the last page one line?
- No, believe it should remain as in for our pensioners. They have already made their contributions
- More council tax should be raised on more expensive properties. Council should be able to purchase land at pre planning permission prices for more council housing.
- The true measure of any society can be found in how it treats its most vulnerable members - quote by M Gandhi
- Cancel CTS
- Scrapped
- As above, its unfair to the unemployed
- You should get a discount for physical disability not just mental disability
- Payment cards to pay council tax would be so much easier

Report No.
DR18/1057

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE

For pre decision scrutiny by the Renewal, Recreation and Housing Policy, Development and Scrutiny Committee on 13 November 2018

Date: 28 November 2018

Decision Type: Non Urgent Executive Non-Key

Title: BUILDING CONTROL – SERVICE REVIEW

Contact Officer: Alicia Munday, Strategic Commissioning Manager
Tel: 020 8313 4559 E-mail: Alicia.Munday@bromley.gov.uk

Chief Officer: Colin Brand, Director of Regeneration

Ward: (All Wards);

1. Reason for report

- 1.1 This report seeks permission from the Executive to review the current Building Control Service.
- 1.2 As part of the agreed Gateway process for determining the method that offers best value and quality for delivering Services (in accordance with the Council's Corporate Operating principles), this report provides a high level options appraisal of the Building Control service.

2. RECOMMENDATION(S)

The Renewal, Recreation and Housing PDS Committee are asked to note and comment on the content of this report, prior to the Executive being asked to:

- 2.1 approve that officers review the Building Control service, as set out in para 5, which includes consideration of a shared service with the LB Bexley.

Corporate Policy

1. Policy Status: Existing Policy: Further Details
 2. BBB Priority: Excellent Council Supporting Independence:
-

Financial

1. Cost of proposal : Not known at this time
 2. Ongoing costs: £81.5k
 3. Budget head/performance centre: Building Control
 4. Total current budget for this head: £81.5k
 5. Source of funding: Existing controllable revenue budget 2018/19
-

Staff

1. Number of staff (current and additional): 15.4 ftes
 2. If from existing staff resources, number of staff hours:
-

Legal

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

Customer Impact

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

Ward Councillor Views

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

3. COMMENTARY

- 3.1. Under the Building Act 1984, Local authorities have a duty to make provision for Building Controlled activities. Building Control is a service, which encompasses a legal requirement with which owners, builders and designers are obliged to comply with the Building Regulations in respect of building works. However it is important to recognise that there are many other significant service provisions which also form part of the overall Building Control service. Whilst residents must comply with Building Control, they do not have to utilise Council Building Control services in the same way they have to utilise the Local Authority planning department. Residents, developers and business may use private organisations that provide Building Control services.
- 3.2 The Building Regulations (Local Authority Charges) 2010, introduced a new flexible charging regime. The prescribed building regulation functions and advice relating to those factors for which charges should be levied as specified in the Charges Regulations 2010 are as follows: -
- Checking full plans applications
 - Inspecting work associated with full plans applications
 - Checking/inspecting work associated with building notices
 - Checking/inspecting work reverting to Local Authority control
 - Checking/inspecting work associated with regularisation applications
- 3.3 Building Regulation Charges should relate to the costs of carrying out the Building Regulations Chargeable Service (BRCS) (i.e. the chargeable functions and chargeable advice described above). However, there are other significant non-chargeable services which also form part of the Building Control service. The regulations allow Authorities to isolate those costs which are attributable to the chargeable service from the other Building Control functions.
- 3.4 The overarching principles under the Building Regulations 2010 are full cost recovery and that users only pay for the service they receive. For this reason the Building Control services are required to be split into Chargeable and Non Chargeable costs.
- 3.5 The Chartered Institute of Public Finance & Accountancy (CIPFA) has issued formal guidance to Local Authorities on how to account for Building Control expenditure and at the end of each year authorities are required to produce a financial statement for the building regulation chargeable and non-chargeable account.

Service Challenges

- 3.6 The Building Control service within Bromley faces a number of challenges. Seven of the fifteen posts are vacant and the Head of Building Control post is currently being filled by a secondment arrangement with London Borough of Bexley.
- 3.7 . Activity volumes are down which has resulted in a shortfall of income being received for the last few years and projected for the current year. This has created further pressure on the limited Building Control resources, which has resulted in more customers utilising other services, and a spiralling effect on staff time and resources. Building Control has suffered from the impact of an ageing workforce in many Local authorities as the budgetary pressures have continued to impact on training and development programmes
- 3.8 There is a national shortage of qualified Building Control surveyors, which has been exacerbated by the increase in building activity, particularly in and around London.
- 3.9 As a consequence of this, the Council has been significantly limited in its ability to provide an out of hours Building Control service. Whilst there is no statutory requirement to provide an

out of hours service, it is a reputational risk to the Council in not being able to respond to potential emergencies, and putting undue pressure on emergency services that may have to respond in the Council's absence.

- 3.10 Given the current staffing position, there is an urgent need to review the service with a view to modernise the service using better technology and to undertake a review of the fees and charges. Officers are seeking approval to review this service, as set out below.
- 3.11 The interim secondment of the Head of Building Control from the LB Bexley on a part time basis providing the service with the managerial expertise required during the service review period. Bexley have also agreed to support Bromley with an out of hour's service during this period.
- 3.12 The approach outlined in para 3.11 is in effect a stop gap measure to allow officers time to look at all of the options available in order to meet the Council's statutory duty to provide a Building Control service.

4. **OPTIONS APPRAISAL**

The key options that could be considered include:

- 4.1 *Option 1 – Undertake a review of the service with the intention of continuing an improved internal service*
 - 4.1.1. The current staffing structure is not fit for purpose; there are insufficient resources to meet current demand, which is compounded by the national and local shortage of Building Control staff, as well as the age profile of the existing workforce.
 - 4.1.2. Currently the shortage of income is being offset by the under spend in staffing as a result of the large number of vacancies; this is not a sustainable delivery model in order for the Council to meet its obligations to deliver its statutory responsibilities which reflect the non-fee earning elements of the service. There has been insufficient investment made in the service in relation to agile working, and insufficient use of technology, which is likely to present even more challenges in the future in terms of sustainability. This option will be considered as part of the service review; however this could result in significant costs which may be able to be funded from the surplus held in the earmarked reserve.
- 4.2. *Option 2 - Stop providing Building Control Services*
 - 4.2.1. Whilst the Council could discharge its function for regulated Building Control to a third party, the Council has a statutory duty to provide the non-fee earning elements of the service. There are also likely to be recommendations from the Hackett Review, (following the Grenfell tragedy) that will require a far greater involvement of Local Authority Building Control departments in the near future. This option is therefore being discounted.
- 4.3. *Option 3 – Commission Building Control Services*
 - 4.3.1. The Building (Local Authorities Charging) Regulations 2010 prohibit a Local Authority or a contracting provider to make profit on the chargeable services within Building Control. Charges can only be based on actual costs. This option is therefore not likely to attract external providers. In addition, as highlighted in Options 1 and 2, Building Control also provides a number of non-chargeable activities, such as advice for internal services within the Council, enforcement notices et al.
 - 4.3.2. The current service is also under achieving on income, and not sustainable from a resource perspective. It is therefore important that the service is streamlined prior to any future

consideration for commissioning to ensure it is fit for purpose, and that any real savings that could potentially be achieved by the Council are identified. Given the Council's financial position it is also important that consideration is given to protecting income streams and as such, this option at this stage, is also being discounted.

4.4. *Option 4- Enter into a Shared Service with another Local Authority*

- 4.4.1. The proposals around shared services have at their heart the principle that by combining services across the two boroughs, there is a better prospect to reduce management costs and other overheads, in a manner which retains the delivery of the frontline service. Bromley and Bexley have existing and have successfully shared services, including libraries and parking services. Given the close proximity and the current financial position of both Local Authorities the option of a shared service should be considered, in addition to the review of the service.
- 4.4.2. There are several stand-alone activities within the Building Control service that could operate on a shared basis, such as the out of hour's operation. Bromley officers typically attend circa 15-20 call outs per annum, given the unlikelihood of 2 emergencies occurring in both Boroughs simultaneously, it makes sense for the two Councils to share this resource. There are also likely to be managerial efficiencies achieved through a shared service such as a joint Head of Building Control post.

5. **PREFERRED OPTIONS**

5.1 Given the information set out in Section 4 above, it is recommended that a full review of the service (Option 1) is carried out which includes the potential to operate a Shared Service Model (Option 4). This would include updating and improving the service by using better technology. When considering the shared service option, the following areas will be examined:

- shared service staffing structure
- costs for delivering a shared service
- IT and line of business applications for a shared service
- fees and charging within a shared service
- benefits and risks of a shared service
- staff and stakeholder feedback
- governance arrangements

6. **STAKEHOLDER ENGAGEMENT**

6.1 There has been staff engagement with the Building Control teams at both Bromley and Bexley, as well as engagement with staff representatives for both boroughs about the recommendation to review the service, which would include the option of exploring a shared service delivery model.

7. **POLICY IMPLICATIONS**

7.1 The recommendation to review the service, and in particular a shared service model, is in line with the Council's Corporate Operating Principles, which include a commitment that services will be provided by whoever is best placed to deliver services, and offer value for money.

8. FINANCIAL IMPLICATIONS

8.1 The current Building Control service is split into chargeable and non-chargeable services. The latest budget monitoring position is shown below: -

	Chargeable Service			Non-Chargeable Service		
	Budget	Projected Outturn	Variation	Budget	Projected Outturn	Variation
	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure						
Employee costs	552.9	393.9	-159.0	236.7	153.7	-83.0
Running costs	77.5	77.5	0.0	14.4	14.4	0.0
Contribution to reserve	0.0	186.7	186.7	0.0	0.0	0.0
	<u>630.4</u>	<u>658.1</u>	<u>27.7</u>	<u>251.1</u>	<u>168.1</u>	<u>-83.0</u>
Income						
Fees & charges	-797.3	-622.3	175.0	-2.7	-2.7	0.0
Contribution to reserve	0.0	-202.7	-202.7	0.0	0.0	0.0
	<u>-797.3</u>	<u>-825.0</u>	<u>-27.7</u>	<u>-2.7</u>	<u>-2.7</u>	<u>0.0</u>
Total controllable budget	<u>-166.9</u>	<u>-166.9</u>	<u>0.0</u>	<u>248.4</u>	<u>165.4</u>	<u>-83.0</u>
Non-controllable recharges						
Recharges & insurance	166.9	166.9	0.0	72.2	72.2	0.0
Recharges out	0.0	0.0	0.0	-109.3	-109.3	0.0
Total non-controllable recharges	<u>166.9</u>	<u>166.9</u>	<u>0.0</u>	<u>-37.1</u>	<u>-37.1</u>	<u>0.0</u>
Net Expenditure	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>211.3</u>	<u>128.3</u>	<u>-83.0</u>

8.2 The financial implications of the outcome of the review of the service (5.1) will be reported back to Members following the review.

9. LEGAL IMPLICATIONS

9.1 Building control services are provided under the Building Act 1984 and Regulations made under the Act. There are various models available to structure shared service arrangements between two or more authorities and detailed legal consideration will need to be given to each. There are enabling powers under sections 101, 111 and 113 of the Local Government Act 1972. There are also powers available under section 19 of the Local government Act 2000 and the power of competence under section 1 of the Localism Act 2011.

9.2 In looking at the options and depending on any further recommendations, consideration will be given to staffing issues in particular staff terms and conditions, TUPE, and staff consultation requirements under section 113 of the Local Government Act 1972. Consideration also needs to be given to the Councils best value duty arising under section 3 of the Local Government Act 1999 and also the need to carry out appropriate consultation. Consideration should also be given to community right to challenge under section 81 of the Localism Act 2011 and the public sector equality duty arising under section 149 of the Equalities Act 2010.

10. PERSONNEL IMPLICATIONS

10.1 To date there has been informal consultation with staff, managers and staff representatives about the review of the service. Any comments received on this report from staff and their representatives will be verbally reported to members at the meeting. In the event that the option to explore a shared service model is agreed, and as more detailed proposals are developed these will be the subject of formal consultation with staff, trade unions and departmental representatives in line with the Council's procedures for managing change.

Non-Applicable Sections:	[List non-applicable sections here]
Background Documents: (Access via Contact Officer)	

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Report No.
CS18181

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker: EXECUTIVE

Date: For Pre-Decision Scrutiny by the Adult Care and Health Policy Development and Scrutiny Committee on Wednesday 21st November 2018

Decision Type: Non-Urgent Executive Non-Key

Title: PROCEEDING TO PROCUREMENT (GATEWAY 1): MENTAL HEALTH FLEXIBLE SUPPORT SERVICE

Contact Officer: Colin Lusted, Strategic Commissioner
Tel: 020 8461 7650 E-mail: colin.lusted@bromley.gov.uk

Chief Officer: Ade Adetosoye, Deputy Chief Executive and Executive Director: ECHS

Ward: Not Applicable

1. REASON FOR REPORT

- 1.1 The contract for Mental Health Flexible Support Services expires 30th September 2019. There are no further options to extend the current contract which has an annual value of £0.401m and cumulative spend over the life of the contract to 30th September 2019 of approx. £2.935m and therefore procurement options must be explored to determine how relevant needs will be met from 1st October 2019.
- 1.2 As the value of the new contract is expected to exceed £1M, this report seeks Executive approval to commence the procurement of services in alignment with the LBB Commissioning Plan and the Joint CCG Mental Health Strategy.
-

2. RECOMMENDATIONS

- 2.1 The Adult Care and Health PDS Committee is asked to note and comment on the contents of this report prior to Council's Executive being requested to:
- i) Approve the tendering of the Mental Health Flexible Support service on a part fixed (block) / part variable hours basis with one provider (Option 3 detailed at 4.2.4) to meet the current and future needs of people requiring flexible mental health support within the community and which are aligned with the LBB Commissioning Plan and the Joint CCG Mental Health Strategy; and,
 - ii) Approve that, in the event Option 1 (Develop a framework of providers as detailed at 4.2.2) is established through market engagement activity as the best option, the decision to procure on this basis is delegated to the Chief Officer in consultation with the Portfolio Holder for Adult Care and Health.

Impact on Vulnerable Adults and Children

1. Summary of Impact: To ensure people with significant mental health illness are supported to remain living in the community and are able to avoid the need for intensive, high cost services.
-

Corporate Policy

1. Policy Status: Existing policy.
 2. BBB Priority: Supporting Independence.
-

Financial

1. Cost of proposal: Estimated cost £0.401m
 2. Ongoing costs: Recurring cost.
 3. Budget head/performance centre: 821 500 3614 & 821 600 3614
 4. Total current budget for this head: £0.544m
 5. Source of funding: Council's General Fund (within existing budget envelope)
-

Staff

1. Number of staff (current and additional): Not Applicable
 2. If from existing staff resources, number of staff hours: Contract Compliance Officer @ 20 hours per annum for monitoring
-

Legal

1. Legal Requirement: Statutory requirement.
 2. Call-in: Applicable: Executive decision
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 84
-

Ward Councillor Views

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

3. COMMENTARY

- 3.1 The current Mental Health Flexible Support Service (MHFSS) is a specialist service for adults with mental ill health that supports their independence and resettlement in the community following hospital discharge through the provision of floating support. It aims to move mental health service users away from reliance on hospital and residential care towards more cost effective services such as supported accommodation through targeted support to enable independent living.
- 3.2 The MHFSS ensures the Council meets its duties under the Care Act 2014, where there is a requirement that people will be supported to remain living within the community and it also enables the Council to be compliant with the Mental Health Act 1983 in relation to hospital discharges. The key objective is to provide an effective, timely and flexible response to the needs of service users to enable their rehabilitation and wellbeing.
- 3.3 Referrals into the service are agreed by the Mental Health Practice Review Group (PRG) and are reviewed at a minimum of 6 monthly intervals by the service user's care coordinator.
- 3.4 The MHFSS requires a skilled workforce providing practical and emotional support who are trained to understand the complexities of people with mental health illness. Support may range from assistance with bill paying to providing emotional support and guidance to people with significant mental health conditions. Outcomes from this type of intervention can include:
- Support that avoids a person making multiple calls to emergency services
 - Assistance to ensure their vulnerability does not result in them becoming prey to others and becoming victims or perpetrators in criminal activity
 - Providing support to avoid dependency on drugs or alcohol
 - Assisting them to gain acceptance and maintain relationships with others in the community such as neighbours
 - Working with landlords and organisations such as banks and utility companies to ensure people do not fall into debt and become homeless

On occasions, floating support workers may provide personal care but their skill set and the training they receive is far beyond that which a conventional domiciliary care provider would be required to deliver.

- 3.5 The existing MHFSS contract has been in place with Heritage Care since 2012 and will expire on 30 September 2019. There are no further options to extend the contract and so a procurement exercise must be undertaken to ensure ongoing provision.
- 3.6 The Council has developed a MH Commissioning Plan and has worked with the CCG to develop a joint Mental Health Strategy. The Commissioning Plan considers the financial pressures faced by the service and has influenced the proposed commissioning intentions in relation to this service.
- 3.7 This report seeks Executive approval to progress the procurement of services to meet the current and future needs of people requiring flexible mental health support

within the community and which are aligned with the LBB Commissioning Plan and the Joint CCG Mental Health Strategy.

4. SUMMARY OF THE BUSINESS CASE

4.1 SERVICE PROFILE/DATA ANALYSIS

4.1.1 The MHFSS contract with Heritage Care commenced in 2012 and will expire on 30 September 2019. There are no further options to extend the contract and procurement should be undertaken in consideration of the LBB Commissioning Plan and the Joint CCG Mental Health Strategy.

4.1.2 The contract was initially let on a block basis for 500 hours per week but this was reduced to 470 hours per week from April 2014 when 49 of the 470 hours were ring-fenced for specialist support workers to provide intensive 1:1 to people with particular MH needs using guidance from clinicians.

4.1.3 The existing contract is banded upon the needs category of the people receiving services, with rates dependent upon the number of hours each person receives.

Type of needs	No. of hours PW Needed by Client
Low	1 – 5 hours per week
Medium	6 – 10 hours per week
High	Over 10 hours per week

4.1.4 The contract provides support to people to enable them to live in the community without going into crisis and requiring more intensive and expensive services. This includes people who have recently developed mental health problems as well as those who have a long history of drug and alcohol abuse or diagnosed mental health conditions such as schizophrenia, personality disorder and depression.

4.1.5 During the early part of 2017/18 there was a reduction in usage against the block contract although this subsequently increased. The reduction resulted from the combination of a high number of service users successfully moving on from the service and/or having their hours reduced as their mental health improved whilst there was also a reduction in the number of new referrals from care management.

4.1.6 With increased focus from the Director of Adult Care Services at MH PRG's, support was redirected to the block contract to maximise utilisation and reduce less cost effective specialist placements. Although utilisation improved, commissioners negotiated a move to a 'payment for hours used' basis to remove risk in relation to any future underutilisation, this was implemented from 1 October 2018 and will remain in place until contract end on 30 September 2019.

4.1.7 The budget for the whole area is approximately £0.544m per annum for all providers, with spend forecast to outturn in 2018/19 at £0.401m for this contract following the move to a 'payment for hours used' basis. The renegotiated rates with the existing provider (Heritage Care) are known to be competitive as a benchmarking exercise was recently undertaken.

4.1.8 The LBB Commissioning Plan and Joint CCG Mental Health Strategy are aligned with national direction in that there is a greater emphasis on community based provision. There are national drivers within the Care Act and from the NHS England to reduce the reliance upon long term provision with a requirement to focus upon:

- Reablement & rehabilitation
- Prevention
- Commissioning local, community based provision
- Returning people placed out of area to local provision by 2021

4.1.9 The LBB Commissioning Plan, with input from the Joint Strategic Needs Analysis (JSNA), identified that approximately 39,500 people in Bromley have a mental health problem with 2,598 having a severe mental illness and 37,063 suffering from depression, the third highest level of recorded depression in London. Bromley's population is set to grow by around 10% over the next 10 years with at least a proportional increase in mental health problems.

4.1.10 In consideration of current and future demand and the future direction and strategies relating to the provision of local, community based services, it is proposed to undertake scoping to identify the most suitable option that ensures the Council can meet demand at the lowest level of risk and at best value.

4.2 OPTIONS APPRAISAL

4.2.1 The following options are being considered in relation to the MHFSS:

4.2.2 Option 1 - Develop a framework of providers

Providers of mental health community support will be invited to submit bids and hourly rates to join a framework of providers within Bromley. The process will require their bids to demonstrate that they are capable of meeting the specification to provide services in Bromley and explain how the services will be supported and managed. The providers would need to achieve quality scoring above a threshold in order to join the framework. Market scoping undertaken recently has identified that providers capable of providing this support are very limited in Bromley. It would be necessary to develop the market to make this option work and this may include engaging with the Third Sector to see if they would be keen to develop a suitable service.

4.2.3 Option 2 - Purchase services on a spot basis

Services would be purchased on a spot basis. Market scoping undertaken recently has identified that providers of this specialist type of support are very limited in Bromley. It would be necessary to develop the market to make this option work and if providers were required to invest in setting up services locally it is likely they would expect some assurance of work to justify their set up costs.

4.2.4 Option 3 - Tender MHFSS on a block basis with one provider.

Tendering for the MHFSS would be undertaken on a part fixed (block) basis with a guaranteed core number of hours and the option to purchase additional hours at a rate stated within the bid. This option would require market development (in light of recent market scoping). The number of hours included within the block would need to be carefully set so that fluctuations in demand did not pose a financial risk to the Council through underutilisation but the attraction of a guaranteed core level of income drives competitive pricing. The number of hours in the block will be determined through historical and projected usage (informed by the MH Strategy) combined with market engagement. The block (or fixed) part of the contract would ensure the provider is able to recover their core costs whilst committing to meet additional demand at an agreed rate.

4.2.5 Option 4 – Decommission the Service.

Decommissioning the service is not a viable option as there is an existing need that the Council has a statutory duty to meet by way of this type of support; national direction and strategies are also moving towards prevention and meeting people's MH support needs locally within the community. There is an ongoing and potentially growing need for this type of support.

4.3 PREFERRED OPTION

4.3.1 As explained at 4.4 below, in view of the current situation in Bromley, unless commissioners undertake market engagement, the pool of viable providers will be limited. It is therefore proposed that market engagement is undertaken to develop competition for this specialist service within Bromley.

4.3.2 It is recommended that, following market engagement, procurement will be undertaken in accordance with Option 3, with the contract awarded to a single provider on a part fixed (block hours), part variable hours basis. The number of hours contained within the block element will be determined through market engagement and analysis of historic and projected demand and will be incorporated into the tender specification. There would be a requirement to submit bids that detail the cost of providing the fixed (block) hours and the hourly cost of providing additional hours that would fluctuate according to demand.

4.3.3 In the event that the market engagement activity identifies a suitable number of providers to be part of a framework of MHFSS providers at competitive rates, Option 1 may be progressed. In the event that Option 1 is believed to be the best option, the decision to progress procurement on that basis will be delegated to the Chief Officer in consultation with the Portfolio Holder.

4.3.4 Option 2 is discounted because spot procurement will necessitate significant market development in Bromley. Commissioning on a spot basis is unlikely to attract new provider investment given the lack of assurance regarding volumes and this potentially puts the Council at risk from a very limited number of providers being able to profit from the lack of competition.

4.4 MARKET CONSIDERATIONS

4.4.1 Market scoping has been undertaken by contacting care providers to determine the opportunity to spot purchase specialist mental health floating support services. There is currently only one provider who is able to deliver this type of specialist MH service in Bromley.

4.4.2 People with MH requirements can be challenging to support as they have complex needs and care staff must be well trained and possess particular skills to engage successfully. It is important for the provider to have a local base to interact with care coordinators and to be skilled in the provision of MH services. The scoping identified that there were no local providers of specialist MH services in Bromley other than the existing provider. A high degree of market engagement will be necessary to attract specialist providers into Bromley and develop the market to stimulate competition.

5. STAKEHOLDER ENGAGEMENT

- 5.1 Heritage Care merged with Community Options approximately 3 years ago. Community Options are responsible for providing MH support into the specialist accommodation services commissioned by the CCG and into which the Council places people on a spot basis.
- 5.2 Heritage Care also provide services into Registered Social Landlord properties within Bromley utilising some of the MHFSS hours. The LBB Housing Needs Team, RSLs and their tenants will also need to be consulted in the event of a change of provider.
- 5.3 Heritage Care is an external organisation and so there is no direct impact upon the Council's infrastructure.

6. PROCUREMENT AND PROJECT TIMESCALES AND GOVERNANCE ARRANGEMENTS

- 6.1 The following table details the proposed elements of the procurement process:

Timetable for MHFSS Provider Engagement & Tendering

Activity	From	To
Provider engagement (3 months)	05/11/2018	01/02/2019
Delegated procurement decision	04/02/2019	15/02/2019
Spec. writing	18/02/2019	01/03/2019
Tender Period (PQQ and ITT combined)	11/03/2019	22/04/2019
Tender Close		22/04/2019
Tender Evaluation & Interviews	24/04/2019	10/05/2019
SMT Presentation (Award)		22/05/2019
DLT Presentation (Award)		29/05/2019
Commissioning Board (Award)		06/06/2019
PDS (Award)		Early July
Executive Approval (Award)		Mid July
Notification & Mobilisation	01/08/2019	30/09/2019
Commencement		01/10/2019

- 6.2 The first 3 months will focus upon market engagement and will influence the procurement option that would be followed (see 4.3.2 above).
- 6.3 The existing specification will be enhanced following market engagement and in consideration of the LBB Commissioning Plan, the Joint CCG MH Strategy and national direction. The specification will include a focus upon prevention. Key Performance Indicators will include statistical data returns as well as outcome based measures such as:
- The number of people in the last 3 months whose needs have reduced to the point where their package of care has also reduced
 - The number of people no longer requiring support over the last 3 months
 - The number of people who have required no increase in services over the last 3 months since preventative support was introduced

The Key Performance Indicators and outcome based measures will be refined during the market engagement period with input from providers, other local authorities (sharing of best practice), professionals and service users before being incorporated into the specification that will be used for tendering.

- 6.4 The tender will determine the suitability (against the spec. and in relation to quality) of bidders for inclusion on a framework (Option 1) and will include pricing or it will determine suitability (against the spec. and in relation to quality) and pricing to undertake all MHFSS provision (Option 3).
- 6.5 The tender process will be compliant with the all national and local procedure rules. Questions will enable effective scoring in relation to quality and will focus upon the provider demonstrating their ability and experience in undertaking this type of work and explaining how they would meet the requirements of the outcomes based measures.
- 6.6 There will be engagement with stakeholders during the process and service users will form part of the interview panel with bidders.
- 6.7 The timescales will allow for contract mobilisation in the event that TUPE applies.
- 6.8 The existing contract value of £0.401m pa provides a benchmark and it is envisaged that a 5 year contract at current levels of usage is likely to result in a total contract value of approximately £2m. Mental health strategies are moving services towards a local, community based approach with prevention as a key element. It is probable that there will be growth in the provision of community based specialist MH support above existing levels and therefore the specification and financial bid summaries will require bidders to provide competitive pricing that acknowledges volume growth. The growth in volume and associated costs would be met through a reduced dependence on other MH commissioned services such as residential placements and budgets would be moved across.
- 6.9 It is proposed that the contract(s) (depending upon option) would be let for a period of 5 years on a 3 + 2 basis, with authority to extend the additional 2 years, delegated to the Chief Officer in consultation with the Portfolio Holder.

7. SUSTAINABILITY AND IMPACT ASSESSMENTS

- 7.1 There are no sustainability related issues that would result from the recommendation within the paper.

8. POLICY CONSIDERATIONS

- 8.1 The provision of the MHFSS is in accordance with the Care Act 2014. The provision of specialist MH floating support within the community is a fundamental element of community based services detailed within the Care Act.
- 8.2 The Building a Better Bromley principles underpin the strategy and look to enable people within their communities. Community based specialist provision is in alignment with this goal.

9. IT AND GDPR CONSIDERATIONS

- 9.1 The service specification will include the standard wording and expectations upon providers in relation to IT and GDPR by the Council.

10. PROCUREMENT RULES

- 10.1 This report seeks to proceed to procurement for Mental Health Flexible Support Services, making use of either Option 1 or Option 3 outlined above in 4.3 following a period of market engagement. The preliminary engagement can be conducted in compliance with the Council's Contract Procedure Rules (CPR 9).
- 10.2 Health, social and related services are covered by Schedule 3 of the Public Contracts Regulations 2015, and thus any tender would be subject to the application of the "Light Touch" regime (LTR) under those regulations. Authorities have the flexibility to use any process or procedure they choose to run the procurement, as long as it respects the following obligations:
- i) The tender must be advertised in OJEU and on Contracts Finder;
 - ii) The relevant contract award notices must subsequently be published;
 - iii) The procurement must comply with EU Treaty principles of transparency and equal treatment;
 - iv) The procurement must conform with the information provided in the OJEU advert regarding any conditions for participation; time limits for contacting/responding to the authority; and the award procedure to be applied; and,
 - v) Time limits imposed, such as for responding to adverts and tenders, must be reasonable and proportionate. There are no stipulated minimum time periods in the LTR rules, so contracting authorities should use their discretion and judgement on a case by case basis.
- 10.3 In compliance with the Council's Contract Procedure Rules (Rule 3.6.1), any subsequent procurement must be carried out using the Council's e-procurement system.
- 10.4 The actions identified in this report are provided for within the Council's Contract Procedure Rules, and the proposed actions can be completed in compliance with their content.

11. FINANCIAL CONSIDERATIONS

- 11.1 The estimated spend on the current contract is detailed in the table below

	£'000
2012/13 (6 months)	190
2013/14	415
2014/15	507
2015/16	378
2016/17	448
2017/18	396
2018/19 (est)	401
2019/20 (est) (6 months)	200
	2,935

- 11.2 The current outturn is estimated at £0.401m per annum. This can move up or down according to need and client numbers.

11.3 The proposed contract is estimated on this basis. A five year contract would have a cumulative value of £2.005m.

11.4 Funding is available within existing budgets to support the contract going forward.

12. PERSONNEL CONSIDERATIONS

12.1 The service is commissioned externally and so there are no personnel considerations.

13. LEGAL CONSIDERATIONS

13.1 The services identified in the report are subject to the “light touch regime” as detailed on the Public Contract Regs 2015. A light touch tender process must comply with the principles of transparency, equal treatment and allow the council to take in to account the need to ensure quality, continuity, affordability, accessibility, availability and the comprehensiveness of the services, together with the involvement and empowerment of user.

13.2 All contracts awarded under the light touch regime must also comply with the principles of Reg 76 eg equal treatment.

13.3 Under Reg 40 of the Public Contract Regulations 2015, preliminary market consultations are permitted and are to be carried out in a fair and open manner. The Council also needs to be alert to Reg 41 to ensure that it does not act in an anti-competitive manner and that a future tenderer is not disadvantaged because they either did or did not participate in the preliminary market consultations. The tender process and documentation must be open, fair and treat all equally.

13.4 If it is decided that a framework arrangement is the chosen option (Option 1) then a framework must be set up in accordance with the requirements of Reg 33 e.g. no longer than 4 years , suitable terms and conditions for use. Legal Services should be consulted to ensure that suitable contract documentation is drafted in a timely fashion.

Non-Applicable Sections:	Not Applicable.
Background Documents: (Access via Contact Officer)	Not Applicable.

Report No
ES18082.

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker: EXECUTIVE

For Pre-Decision Scrutiny by the Environment & Community Services
PDS Committee on:

Date: 20th November 2018

Decision Type: Non-Urgent Executive Key

Title: AWARD OF CONTRACTS FOR WASTE DISPOSAL, WASTE
COLLECTION, STREET ENVIRONMENT AND PARKS
MANAGEMENT & GROUNDS MAINTENANCE

Contact Officer: Lesley Moore, Director of Commissioning
Tel: 0208 313 4633, Email: lesley.moore@bromley.gov.uk
Dan Jones, Director of Environmental Services Tel: 020 8313 4211 E-
mail: dan.jones@bromley.gov.uk

Chief Officer: Executive Director of Environment & Community Services

Ward: All;

1. Reason for report

1.1 This report requests approval to award a contract for the provision of Waste Disposal, Waste Collection, Street Environment and Parks Management & Grounds Maintenance.

1.2 This report accompanies a Part 2 report also being considered on this agenda.

2. RECOMMENDATIONS

2.1 Members of the Environment & Community Services PDS Committee are asked to review and provide their comments on the proposal for the award of the Environmental Services contracts (Lots 1- 4), to the Executive for their consideration.

2.2 Executive are asked to:

i) Award Lots 1 – 4 for a contract period of 8 years, with the option to extend for a further 8 years.

Impact on Vulnerable Adults and Children

1. Summary of Impact: An Equality Impact Assessment indicates that it is not expected that there will be any adverse impact from commissioning the environment service on vulnerable adults or children and young people. This is because the contract documents ensure that existing service levels are protected.
-

Corporate Policy

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

Financial

1. Cost of proposal: included within Part 2 report
 2. Ongoing costs: included within Part 2 report
 3. Budget head/performance centre: Various within Street Scene and Green Space
 4. Total current budget for this head: £31.8m
 5. Source of funding: Core Revenue Budget 2019/20 which includes 3% inflation
-

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:
 - a) Waste Collection Authorities (WCAs) duty to collect residual waste (EPA 1990 Ch. 43 Part 2)
 - b) WCA duty to collect three items for recycling (Household Waste Recycling Act 2003)
 - c) Duty under Waste Regulations (England & Wales) 2011 requires separate kerbside collection of paper, glass, metals and plastics
 - d) Duty on WCAs to provide free-to-use household waste recycling facilities 'reasonably accessible to persons resident in the area'
 - e) Duty to dispose of Municipal Waste (EPA 1990)
 - f) Duty as Principal Litter Authority to remove refuse and litter from public areas: Environmental Protection Act 1990
 - g) Duty to remove abandoned vehicles Road Traffic Regulation Act 1984 Section 99 and Refuse Disposal (Amenity) Act 1978
 - h) Duty to ensure the safe passage of users of the highway according to the Highways Act 1980

i) Duty to maintain the Highway (Highways Act 1980 section 41)

2. Call-in: Applicable:

Procurement

1. Summary of Procurement Implications: This tender was a competitive procedure with negotiations completed using a two stage process i.e., pre selection and invitation to tender. As well as negotiating on the basis of a compliant bid opportunities were also offered for tenderers to make “variant bids” for consideration by the Council. In addition options were given over an 8 and 16 year period agreed at the Councils volition.
-

Customer Impact

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

Ward Councillor Views

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

1. COMMENTARY

3.1 On the 8th February 2017 the Executive agreed the lotting structure and procurement route for the Environmental Services contracts as set out below:-

Competitive Procedure with Negotiations

- Lot 1 - Waste Disposal
- Lot 2 - Waste Collection
- Lot 3 - Street Environment
- Lot 4 – Parks Management & Grounds Maintenance

3.2 Further Lots 5 -7 were offered using a more standard restricted process. These covered Arboriculture, Highways Major and Minor works. The Highways Major and Minor contracts have been awarded and reported to members separately. The procurement of Arboriculture is in process and due to be awarded in January 2019.

3.3 The tender documents were published on the 18th January 2018 under a negotiated procedure, with Supplier Shortlisting stage at the end of March and expressions of interest to be returned by the middle of June 2018.

3.4 The providers were asked to submit a “compliant” bid based on the current service specification and the Councils published contract document which provided for the Councils minimum requirements under the negotiated process. Also included was an option to providers to submit bids on a “variant” basis, which the Council could consider if it was considered to provide a more cost effective service. This was to enable the Council to explore options around changes to the service provision if required, in light of the significant future years budget gap facing the Council, reported to Executive on 7th February 2018 as part of the 2018/19 Council tax report.

3.5 The selection criteria tender process (short listing) is made up of different stages with the Selection Questionnaire being stage 1, consideration of the “compliant bids” stage 2 and then consideration for “negotiation and variant bids” stage 3.

3.6 Whilst there were 48 initial expressions of interest, only 8 providers submitted the Selection Questionnaire for the first round. Of this one provider was not taken through to the next stage leaving 7 providers invited through to the second stage of which 5 providers submitted their initial tender bids back in June.

3.7 The bids received in June were:-

Lot 1 - Waste Disposal

Suez – Compliant Bid only

Veolia – Compliant Bid and 2 Variant Bids

Cory – Compliant Bid and 1 Variant Bid

Lot 2 - Waste Collection

Veolia – Compliant Bid and 2 Variant Bids

Lot 3 Street Environment

Veolia – Compliant Bid and 2 Variant Bids

Lot 4 Parks Management & Grounds Maintenance

Glendale Countryside – Compliant Bid

idverde – Compliant Bid

Veolia in Consortium with *idverde* – Compliant Bid and Variant Bid

- 3.8 The Council agreed a 60% Finance and 40% Quality evaluation criteria for the evaluation of the initial tenders with a number of agreed qualitative criteria for the 40% score broken down as follows:-

	Compliant	Variant
	%	%
1 Financial Resources and Contract affordability	10	10
2 Quality and Operational competence	25	20
3 Technical Ability	25	20
4 Health & Safety	5	5
5 Customer Care/Service Development	25	20
6 Sustainability	10	10
7 Deliverability of proposals	0	15
	100	100

- 3.9 The Tender process, including the evaluation arrangements were overviewed by a Management Board, Chaired by the Director of Commissioning and included Lead officers from Procurement, Legal and the Services area. A separate group of officers, with the necessary expertise carried out the initial evaluation of the tender proposals received, with the Management Board then separately carrying out any resulting negotiations. The outcomes from the negotiations were then reassessed and rescored as required by the Evaluation Panel, before being incorporated in to the final evaluation and scoring process.
- 3.10 Throughout June and July officers have reviewed all the tenders received and corresponded with the providers on elements of their bids to clarify any areas of uncertainty or corrections required to the Form of Tenders. They have also taken additional Client references and visited reference sites as considered necessary. On the Variant bids where the providers have marked up changes they would require to the contracts and specifications, officers have considered the proposed changes and there potential impact as part of the evaluation process.

4. POLICY IMPLICATIONS

- 4.1 The “Building a Better Bromley” objective of being an Excellent Council refers to the Council’s intention to provide efficient & effective services and value for money to our residents.
- 4.2 The Environment Portfolio Plan 2016-19 identifies commencement of a programme of activity to commission Environment Services.

5. PROCUREMENT IMPLICATIONS

- 5.1 The Tender process for the Environment Contracts has been conducted in compliance with the Public Contract Regulation 2015, as appropriate, for a Competitive Tender Procedure with Negotiation.

- 5.2 As identified in the Contract OJEU Notice, the evaluation of submitted tenders, including Variant bids and any Negotiated proposals made, has been completed in line with the Councils standard tender evaluation procedure, which views financial and quality matters in line with its pre-tender estimate of value and its stated quality criteria. A minimum quality score was also incorporated into the evaluation process in viewing quality matters, which also considered any additional value provided from bidding across several Lots.
- 5.3 The tenders were evaluated by a number of Council officers with scoring being overviewed and moderated, as necessary by a member of the Corporate Procurement Division in arriving at a consensus score for the panel.

6. FINANCIAL IMPLICATIONS

- 6.1 Please see Part 2 (exempt) report for further details on the financial implications.

7. PERSONNEL IMPLICATIONS

- 7.1 At this stage there are no personnel implications for staff employed directly by the Council.

8. LEGAL IMPLICATIONS

- 8.1 This report seeks review and comments by the Environment and Community Services Policy Development and Scrutiny Committee on the proposals to award four contracts for the provision of Environmental Services within the Borough.
- 8.2 The tender process was carried out pursuant to the **Public Contracts Regulations 2015**, procuring the contracts using a competitive procedure with negotiation which is a compliant procedure under Regulation 29.
- 8.3 Pursuant to Rule 5 of the Council's Contract Procedure Rules the Executive was formally consulted on the intended action and contracting on 8th February 2017
- 8.4 The Council as the waste authority has a duty to have general conformity with the Mayor's policies and proposals concerning municipal waste that are set out in the London Environmental Strategy, providing information to the Mayor about how the proposed waste contracts conform with the Strategy. The project team liaised with the London Mayor's office on the tender in compliance with this requirement and approved appropriate wording was included in the documentation.
- 8.5 The tender documents and the contracts ensure compliance with the Council's duty to achieve Social (Social value - Public Sector (Social Value) Act 2012) and Best Value (Local Government Act 1999) as well as the Equality Act 2010.
- 8.6 Once the contract award is formally made by award letter, the usual 10 days' 'Alcatel' standstill period applies before the contract can be entered into; a contract award notice must be published in the usual way, and unsuccessful bidders notified with the statutory details.
- 8.7 Contract documents should be finalised by Legal Department before signing by the contractor, and sent back to Legal Department for sealing.

Non-Applicable Sections:	Personnel,
Background Documents: (Access via Contact Officer)	Report to Executive on the 6 th December 2017, supporting papers for the tenders and evaluations held in Commissioning & Finance teams

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Report No.
ES18077

London Borough of Bromley

PART 1 – PUBLIC

Decision Maker: EXECUTIVE

For Pre-Decision Scrutiny by the Environment and Community Services PDS Committee on:

Date: 20th November 2018

Decision Type: Non-Urgent Executive Key

Title: AWARD OF CONTRACT FOR ARBORICULTURAL SERVICES

Contact Officer: Peter McCreedy, Strategic Commissioner (Environment)
Tel: 020 8313 4942 E-mail: peter.mccreedy@bromley.gov.uk

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

Ward: Borough Wide

1. Reason for report

- 1.1. This report provides details of the tenders received for the Arboricultural Services Contract 2019 and makes recommendations for the award of contract.
 - 1.2. This report accompanies a Part 2 report also being considered on this agenda.
-

2. RECOMMENDATIONS

2.1 **Members of the Environment & Community Services PDS Committee are asked to review and provide their comments on the proposal for the award of the Arboricultural Services contract, to the Executive for their consideration.**

2.2 **The Executive are asked to:**

- (i) **Award the Arboricultural Services contract for a contract period of 8 years from 1st April 2019, with the option to extend for a further two 4 year periods.**
- (ii) **Delegate the option to extend the contract, under the terms of the contract, to the Executive Director of Environmental and Community Services in consultation with the Director of Commissioning, the Director of Corporate Services, the Director of Finance and the Environment Portfolio Holder.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: Arboricultural Services are used by all residents, including vulnerable adults and children. Protection is not their primary purpose but adjustments are made, as required, to ensure services are as accessible as possible and all users are safe.
-

Corporate Policy

1. Policy Status: Existing Policy:
 2. BBB Priority: Quality Environment:
-

Financial

1. Cost of proposal: Included within Part 2 Report
 2. Ongoing costs: Included within Part 2 Report
 3. Budget head/performance centre: Tree Maintenance
 4. Total current budget for this head: £533.8k
 5. Source of funding: Existing controllable revenue budget for 2019/20
-

Personnel

1. Number of staff (current and additional): 5FTE's
 2. If from existing staff resources, number of staff hours: N/A
-

Legal

1. Legal Requirement: Statutory Requirement: The Highways Act 1980 imposed on the London Borough of Bromley a duty of care to maintain all trees on the street in a safe condition, which includes routine maintenance.
 2. Call-in: Applicable:
-

Procurement

1. Summary of Procurement Implications: The tendering process was through a restricted procedure with a two stage process e.g. pre-selection and invitation to tender.
-

Customer Impact

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

Ward Councillor Views

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

3. COMMENTARY

- 3.1 The primary purpose of the Arboricultural Maintenance contract is to maintain the Council's tree stock across the borough, which includes street trees, school trees, trees in woodlands and trees in conservation sites. The Council takes direct responsibility for inspecting trees to identify those requiring any remedial work, removal or replacement under the requirements of contract resources. The borough has the largest number of street and park trees in London, and is also home to two thirds of London's woodlands; this is particularly valued by Bromley's residents, visitors and Council Members.
- 3.2 The existing contract supports the Council's 2016-2020 arboricultural strategy, which sets out to manage publicly-owned tree resources through good arboricultural practices.
- 3.3 The current contract was let on 18th July 2008 for a total of nine-years to Gristwood & Toms as the most economically advantageous tender; this contract was then extended with Executive Committee approval for period of twenty months (Report No. ES16049), to 31 March 2019, to enable contract end to align with the repackaging and tendering of all SS&GS Environmental Services contracts, due to commence from Spring 2019.
- 3.4 On the 8th February 2017 the Executive agreed the lotting structure and procurement route for the Environmental Services Contracts, which included the Arboricultural Services contract as Lot 5 being tendered under a standard restricted process. Arboricultural Services were subsequently tendered separately to the other Environmental Services contracts but using the agreed procurement route.
- 3.5 The proposed contract term for the 2019 Arboricultural Services contract will be based upon an initial eight year period with effect from 1 April 2019, with an option to extend for a further two four year periods, not exceeding eight years, subject to the performance of the service provider. This contract would then again align with a co-terminus procurement strategy with other Environmental Services contract renewals, including Grounds Maintenance, in order to allow consideration of, or to achieve any planned re-modelling options for environmental contracts at that time.
- 3.6 The contract is based upon the same Conditions of Contract format as the 2019 Environmental Services Contracts (e.g. Waste Disposal, Waste Collection, Street Environment, Parks Management & Grounds Maintenance), in order to provide a consistent approach to contract management and uniformity in the methodology of monitoring contractual performance.
- 3.7 The tender evaluation and award criteria comprises of a 40% quality and 60% price split, based on indicative quantities of work for one typical year.

Tender Evaluation

- 3.8 The selection criteria tender process (short listing) consisted of two stages, with the Selection Questionnaire (SQ), being stage 1, and consideration of the invited provider's submissions being stage 2. The Selection Questionnaire stage was published on 10th July 2018, with Supplier evaluation and shortlisting completed in August, with providers then invited to tender on 6th September 2018, with submissions originally requested to be returned on 23rd October 2018. This was subsequently extended to 31st October 2018.
- 3.9 Seven service providers submitted applications for the SQ, Stage 1 process.
- 3.10 The top three scoring organisations were invited to bid for the Stage 2 process via the Council's Due North portal in September 2018, in accordance with London Borough of Bromley's requirements.

- 3.11 Two compliant bids were received. In accordance with CPR 14.10 authority to proceed was obtained from both the Director of Resources and Director of Finance, in order to continue the evaluation of the two bids.
- 3.12 The Council agreed a 60% Finance and 40% Quality evaluation criteria for the evaluation of the initial tenders, with agreed qualitative criteria for the 40% score broken down as follows:-

	%
1 Financial Resources and Contract affordability	10
2 General Data Protection Regulations (GDPR) & Information Governance	5
3 Quality and Operational competence	20
4 Service Delivery & Sustainability	25
5 Technical Ability	20
6 Health & Safety and Risk Management	15
7 Social Value	5
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	100

- 3.13 As part of the evaluation, officers corresponded with the providers on elements of their bids to clarify any areas of uncertainty or corrections required.
- 3.14 Both tenders had been evaluated in accordance with Bromley's recommended procurement process. Marks were awarded for each tenderer's quality submission by a panel selected from an officer Project Group, including a Strategic Commissioner (Environment) Head of Finance, and two officers from the Service (including Contract Manager). The marks were converted to a score according to their weighting and added to a score derived from the financial bids.
- 3.15 Full details of the qualitative and financial evaluation are set out in the associated Part 2 report on the meeting's agenda.

4. IMPACT ON VULNERABLE ADULTS & CHILDREN

- 4.1 Arboricultural services affect the daily lives of all Bromley residents and tend to be universal in nature - rather than being directed at particular groups within our community. Where vulnerable adults or children may be affected by service delivery, the issues would be covered in the relevant report and not in this business management overview.

5. POLICY IMPLICATIONS

- 5.1 The borough's tree stock has a high profile and is valued by Bromley's residents, visitors and Council Members. Maintaining these assets to an appropriate standard will contribute to the Council's vision of providing a place where people choose to live and do business and links well with policy priorities of a quality environment, vibrant thriving town centres and supporting independence/safer communities.
- 5.2 The "Building a Better Bromley" objective of being an Excellent Council refers to the Council's intention to provide efficient & effective services and value for money to its residents.
- 5.3 The Environment Portfolio Plan 2016-19 identifies commencement of a programme of activity to commission Environment Services.

6. FINANCIAL IMPLICATIONS

6.1 Please see Part 2 (Exempt) Report for further details on the financial implications.

7. LEGAL IMPLICATIONS

- 7.1 This report seeks the approval of the Executive to award a contract to provide arboriculture services within the Bromley borough.
- 7.2 The Contract is for a period of 8 years with an option to extend for two further periods of 4 years at the discretion of the Council commencing on 1st April 2019.
- 7.3 The tender process was carried out pursuant to the Public Contracts Regulations 2015, procuring the contracts using the restrictive procedure which is a compliant procedure under Regulation 28 and Regulation 65. The requisite minimum numbers of qualified candidates were available at the end stage 1 as per Regulation 65(3); there were seven in this tender, three candidates were invited to submit tenders for the service.
- 7.4 Once the contract award is formally made by award letter, the usual 10 days' 'Alcatel' standstill period applies before the contract can be entered into; a contract award notice must be published in the usual way, and unsuccessful bidders notified with the statutory details.
- 7.5 The report author will need to consult with the Legal Department regarding the execution of the contract.

8. PROCUREMENT IMPLICATIONS

- 8.1 The Tender process for the Arboricultural Service Contract was conducted in accordance with the Council's Financial Regulations and Contract Procedure Rules and in compliance with the requirements of the Public Contract Regulation 2015.
- 8.2 As identified in the Contract OJEU Notice, the evaluation of submitted tenders has been completed in line with the Councils standard tender evaluation procedure, which views financial and quality matters in line with its pre-tender estimate of value, and its stated quality criteria. A minimum quality score was also incorporated into the evaluation process in viewing and considering quality matters.
- 8.3 The tenders were evaluated by a number of Client officers with scoring being overviewed and moderated, as necessary by a member of the Corporate Procurement Division in order to arrive at a consensus score for the panel.
- 8.4 Once the Council has made its decision, the Authority will issue the appropriate Award Notices, observe the mandatory Standstill Period and issue an OJEU and Contract Finder Award Notice as provided for in the Public Contract Regulations 2015.

Non-Applicable Sections:	PERSONNEL IMPLICATIONS
Background Documents: (Access via Contact Officer)	Report No. ES16049 Executive Committee – Procurement Strategy Arboricultural Services 2017-2019

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