

TO MEMBERS OF THE COUNCIL

Notice is hereby given that a meeting of the Council of the London Borough of Bromley is to be held in the Council Chamber at Bromley Civic Centre on Monday 16 July 2018 at 7.00 pm which meeting the Members of the Council are hereby summoned to attend.

Prayers


A G E N D A

- 1 Apologies for absence
- 2 Declarations of Interest
- 3 To confirm the Minutes of the two special meetings of the Council held on 16th May 2018, the annual meeting on 16th May and the special meeting held on 30th May 2018
(Pages 3 - 34)
- 4 Questions from members of the public where notice has been given.

Questions must be received by 5pm on Tuesday 10th July 2018.
- 5 Questions for oral reply from Members of the Council where notice has been given.
- 6 Questions for written reply from Members of the Council where notice has been given
- 7 To consider any statements that may be made by the Leader of the Council, Portfolio Holders or Chairmen of Committees.
- 8 Depot Strategy - Capital Works
(Pages 35 - 46)
- 9 Capital Programme Monitoring - 1st Quarter 2018/19
(Pages 47 - 62)
- 10 Treasury Management - Annual Report 2017/18
(Pages 63 - 82)
- 11 Health and Wellbeing Board - Annual Report 2017/18
(Pages 83 - 86)
- 12 Councillor Attendance 2017/18
(Pages 87 - 92)

- 13 To consider Motions of which notice has been given.
- 14 The Mayor's announcements and communications.

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Chief Executive

BROMLEY CIVIC CENTRE
BROMLEY BR1 3UH
Friday 6 July 2018
Vol.55 No.3

LONDON BOROUGH OF BROMLEY

MINUTES

of the proceedings of the special Meeting of the
Council of the Borough
held at 5.45 pm on 16 May 2018

Present:

**The Worshipful the Mayor
Councillor Kathy Bance MBE**

**The Deputy Mayor
Councillor Kevin Brooks**

Councillors

Marina Ahmad	Simon Fawthrop	Peter Morgan
Gareth Allatt	Peter Fortune	Keith Onslow
Vanessa Allen	Kira Gabbert	Tony Owen
Graham Arthur	Hannah Gray	Chris Pierce
Yvonne Bear	Will Harmer	Neil Reddin FCCA
Julian Benington	Colin Hitchins	Will Rowlands
Nicholas Bennett J.P.	Samaris Huntington-	Michael Rutherford
Kim Botting FRSA	Thresher	Suraj Sharma
Mike Botting	William Huntington-	Colin Smith
Katy Boughey	Thresher	Diane Smith
Mark Brock	Simon Jeal	Gary Stevens
David Cartwright QFSM	David Jefferys	Melanie Stevens
Mary Cooke	Charles Joel	Harry Stranger
Aisha Cuthbert	Josh King	Kieran Terry
Peter Dean	Kate Lymer	Michael Tickner
Ian Dunn	Christopher Marlow	Pauline Tunnicliffe
Nicky Dykes	Robert Mcilveen	Michael Turner
Judi Ellis	Russell Mellor	Stephen Wells

The meeting was opened with prayers

In the Chair
The Mayor
Councillor Kathy Bance MBE

104 ADMISSION OF HONORARY FREEMAN OF THE BOROUGH

The report of the General Purposes and Licensing Committee on 6th February 2018 was considered and the following motion was moved by Councillor Colin Smith and seconded by Councillor Stephen Wells –

Council
16 May 2018

That the honorary freedom of the London Borough of Bromley be conferred on Mr Stephen L Carr in recognition of his distinguished service as Leader of the Council from 2004 to 2017; for the significant contribution he has made to the life of the borough as a councillor since 1999 and his outstanding qualities of leadership and integrity. In particular, he has led the Council through challenging times of financial constraint whilst maintaining quality services, especially for vulnerable people, and made regeneration a key priority, securing many improvements across the borough. The Council also recognises his highly respected work representing Bromley on London Councils' committees, in particular on the Leader's Committee and the Grants Committee.

The motion was **CARRIED** unanimously.

The Meeting ended at 6.00 pm

Mayor

LONDON BOROUGH OF BROMLEY

MINUTES

of the proceedings of the special Meeting of the
Council of the Borough
held at 6.00pm on 16 May 2018

Present:

**The Worshipful the Mayor
Councillor Kathy Bance MBE**

**The Deputy Mayor
Councillor Kevin Brooks**

Councillors

Marina Ahmad	Peter Fortune	Keith Onslow
Gareth Allatt	Kira Gabbert	Tony Owen
Vanessa Allen	Hannah Gray	Chris Pierce
Graham Arthur	Will Harmer	Neil Reddin FCCA
Yvonne Bear	Colin Hitchins	Will Rowlands
Julian Benington	Samaris Huntington-	Michael Rutherford
Nicholas Bennett J.P.	Thresher	Suraj Sharma
Kim Botting FRSA	William Huntington-	Colin Smith
Mike Botting	Thresher	Diane Smith
Katy Boughey	Simon Jeal	Gary Stevens
Mark Brock	David Jefferys	Melanie Stevens
David Cartwright QFSM	Charles Joel	Harry Stranger
Mary Cooke	Josh King	Kieran Terry
Aisha Cuthbert	Kate Lymer	Michael Tickner
Peter Dean	Christopher Marlow	Pauline Tunncliffe
Ian Dunn	Robert Mcilveen	Michael Turner
Nicky Dykes	Russell Mellor	Stephen Wells
Judi Ellis	Alexa Michael	Angela Wilkins
Simon Fawthrop	Peter Morgan	

The meeting was opened with prayers

In the Chair
The Mayor
Councillor Kathy Bance MBE

105 ADMISSION OF HONORARY ALDERMEN

The report of the General Purposes and Licensing Committee on 6th February 2018 was considered and the following motion was moved by Councillor Stephen Wells and seconded by Councillor Russell Mellor:

Council
16 May 2018

That the title of Honorary Alderman is conferred on the following former Councillors –

Reg Adams
Douglas Auld
Eric Bosshard
Peter Fookes
Catherine Rideout
Charles Rideout

The motion was **CARRIED** unanimously.

The Meeting ended at 6.17 pm

Mayor

LONDON BOROUGH OF BROMLEY

MINUTES

of the proceedings of the annual Meeting of the
Council of the Borough
held at 6.30 pm on 16 May 2018

Present:

The Worshipful the Mayor
Councillor Kathy Bance MBE

The Deputy Mayor
Councillor Kevin Brooks

Councillors

Marina Ahmad	Peter Fortune	Keith Onslow
Gareth Allatt	Kira Gabbert	Tony Owen
Vanessa Allen	Hannah Gray	Sarah Phillips
Graham Arthur	Will Harmer	Chris Pierce
Yvonne Bear	Colin Hitchins	Neil Reddin FCCA
Julian Benington	Samaris Huntington-	Will Rowlands
Nicholas Bennett J.P.	Thresher	Michael Rutherford
Kim Botting FRSA	William Huntington-	Suraj Sharma
Mike Botting	Thresher	Colin Smith
Katy Boughey	Simon Jeal	Diane Smith
Mark Brock	David Jefferys	Gary Stevens
David Cartwright QFSM	Charles Joel	Melanie Stevens
Mary Cooke	Josh King	Harry Stranger
Aisha Cuthbert	Kate Lymer	Kieran Terry
Peter Dean	Christopher Marlow	Michael Tickner
Ian Dunn	Robert Mcilveen	Pauline Tunnicliffe
Nicky Dykes	Russell Mellor	Michael Turner
Judi Ellis	Alexa Michael	Stephen Wells
Simon Fawthrop	Peter Morgan	Angela Wilkins

The meeting was opened with prayers

In the Chair
The Mayor
Councillor Kathy Bance MBE

1 To elect the Mayor of the Borough

It was moved by Councillor Graham Arthur and seconded by Councillor Pauline Tunnicliffe and

RESOLVED that Councillor Kim Botting be elected Mayor of the Borough.

Councillor Botting made and subscribed the Declaration of Acceptance of the Office of Mayor and thereupon adjourned from the chamber in company with the retiring Mayor to receive the insignia of office.

In the chair, Councillor Kim Botting.

On her return to the chamber, the Mayor expressed her thanks for the honour conferred on her and announced that during her year in office the charities that she would be supporting would be the Royal British Legion Poppy Appeal and Bromley, Lewisham and Greenwich Mind.

2 To record the appointment of the Deputy Mayor signified to the Council in writing

The Mayor signified orally and in writing her appointment of Councillor David Cartwright as the Deputy Mayor.

The Deputy Mayor was invested by the Mayor with the insignia of his office and expressed appreciation for the honour of his appointment.

3 The Retiring Mayor

On a motion by Councillor Angela Wilkins, which was seconded by Councillor Nicholas Bennett, it was

RESOLVED that at the conclusion of the year of office of Councillor Kathy Bance MBE as Mayor of the London Borough of Bromley, the Council places on record its appreciation of the able manner in which she has presided at meetings of the Council and the distinction with which she has maintained and discharged the high traditions and responsibilities of that office.

The Council also recognises the enthusiasm, commitment and dedicated manner in which she has carried out Mayoral duties when representing the Borough, spreading awareness of the history and tradition of the Mayoralty with dignity, as well as strengthening our long-standing relationship with Neuwied and the Mayoralty outside of the Borough.

It records with pleasure her particular involvement and support of the Borough's many uniformed groups and specifically the youth organisations. Additionally, it notes her consideration for the voluntary groups, business associations, community groups, schools, colleges and the welfare and wellbeing of residents from all age groups throughout the Borough.

The Council further acknowledges her enthusiastic support and fund raising efforts through her Charity Appeal for Bromley and Croydon Women's Aid and the Bromley Homeless Shelter.

That the Corporate Seal be affixed to an engrossment of this resolution for presentation to Councillor Kathy Bance MBE and a Past Mayor's Badge be presented to her in token of the appreciation hereby expressed.

Thereupon the Mayor, on behalf of the Council, invested Councillor Kathy Bance with a badge in token of the appreciation of her services as Mayor of the Borough.

Councillor Bance expressed her thanks for the terms of the resolution and the presentation, and for the support accorded to her which had contributed so greatly to her year in office as Mayor.

Councillor Bance presented a badge and resolution to her retiring chaplain, Rev Neil Draisey.

RESOLVED that the Council

(1) records its appreciation of the able and courteous services of Councillor Kevin Brooks and his consort Ms Maureen Kennedy when, as Deputy mayor and Deputy consort for the year 2017/18, they represented the Mayoralty and the Council; and

(2) provide them with an attested copy of this resolution.

Councillor Brooks expressed his thanks for the terms of the resolution and for the support accorded to him during his year of office as Deputy Mayor.

4 Apologies for absence

Apologies for absence were received from Councillors Robert Evans, Angela Page, Richard Scoates and Dave Wibberley.

5 Declarations of Interest

There were no declarations of interest.

6 To confirm the Minutes of the meeting of the Council held on 9th April 2018

RESOLVED that the minutes of the meeting held on 9th April 2018 be confirmed.

7 To record the election of Councillors for the respective wards of the Borough on 3rd May 2018 as set out in the notice attached.

The election of Councillors on 3rd May 2018 as set out in the schedule circulated with the agenda was noted.

8 To appoint a Leader of the Council for a four year term of office.

In accordance with the Council's constitutional arrangements consideration was given to the appointment of a Leader of the Council for a four year term of office.

On a motion by Councillor Michael Tickner and seconded by Councillor Neil Reddin it was

RESOLVED that Councillor Colin Smith be elected as Leader of the Council for a four year term of office.

9 To receive the appointments of the Deputy Leader of the Council and other Members of the Executive from the Leader of the Council.

In accordance with the Council's constitutional arrangements the Leader of the Council advised Council of the following appointments:

Councillor Peter Fortune – Deputy Leader of the Council

Members of the Executive:

Councillor Graham Arthur –
Portfolio Holder for Resources, Commissioning and Contracts
Councillor Peter Fortune –
Portfolio Holder for Children, Education and Families
Councillor William Huntington-Thresher –
Portfolio Holder for Environment and Community Services
Councillor Kate Lymer –
Portfolio Holder for Public Protection and Enforcement
Councillor Peter Morgan –
Portfolio Holder for Renewal, Recreation and Housing
Councillor Diane Smith –
Portfolio Holder for Adult Care and Health

He also reported that Councillor David Jefferys would be the chairman of the Health and Wellbeing Board.

RESOLVED that the appointments made by the Leader of the Council, as set out above, be noted.

10 To receive an address from the Leader of the Council if they so elect.

In accordance with the constitutional arrangement that the Leader of the Council may elect to address the annual meeting, Councillor Colin Smith made a brief statement. In particular, the Leader highlighted the work on improving children's services and the prospect of a unique turnaround; his determination to establish a new centre for SEN in the borough, on which he hoped to make announcements in the next few months; the work to integrate health and adult services; housing and services to reduce homelessness; completing the Local Development Plan, which he hoped would be achieved by the Autumn; financial self-sufficiency; continuing the fight to improve transport infrastructure links to Bromley North and hopefully Bromley South; continuing to fight for a fair share of London's policing resources; and working more closely with Bromley's voluntary sector and friends groups.

11 To appoint Committees and their Chairmen and Vice-Chairmen and agree proportionality

A schedule of proposed committee memberships had been circulated - the following changes were reported –

Education, Children and Families Select Committee:

Councillor Yvonne Bear to replace Councillor Robert Evans

Standards Committee:

Councillor Melanie Stevens to be added

Health Scrutiny Sub-Committee:

Councillor Angela Page to be added

A motion that the appointment of Councillors to Committees and the election of Chairmen and Vice-Chairmen be approved as set out in the schedule circulated (as amended above) was moved by Councillor William Huntington-Thresher, seconded by Councillor Simon Fawthrop and **CARRIED**.

After the end of the meeting, Committees met to appoint their Sub-Committees and appoint chairmen and vice-chairmen. The final version of the schedule is attached as appendix A to these minutes.

12 To receive the Scheme of Delegation of Executive Functions from the Leader of the Council, and to approve the Scheme of Delegation of Non-Executive Functions
Report CSD18075

A motion to note the Scheme of Executive Delegation and confirm the Scheme of Non-Executive Delegation was moved by Councillor Pauline Tunnicliffe, seconded by Councillor Michael Turner and **CARRIED**.

13 Councillor Attendance 2017/18
Report CSD 18076

A report summarising Members attendance at meetings during the 2017/18 Council year had been circulated. The appendix containing the attendance figures for each Councillor was not yet available – this would be presented to the next ordinary meeting of the Council.

14 Reports from Councillors Appointed to Outside Bodies in 2017/18

Reports were received from Councillors appointed to serve on outside bodies during the 2017/18 Council year.

15 The Mayor's announcements and communications.

The Mayor announced that her chaplain for the forthcoming year would be Rev Robert Parker- McGee of All Saints Church, Orpington.

The Mayor reminded members of the following events –

- Armed Forces Day – 28th June 2018
- Civic Reception for Voluntary Workers – 19th July 2018
- Corporate Parenting Fun day – 29th July 2018

The Meeting ended at 8.02 pm

Mayor

COUNCIL APPOINTMENTS 2018/19

1. POLICY DEVELOPMENT AND SCRUTINY COMMITTEES

(a) Proportionality and Size Of Committees

RECOMMENDED that the Committee sizes and proportionality indicated below be agreed.

* Plus Co-opted members to be appointed at the first meeting of PDS Committees as appropriate

	Size	Conservative	Labour	Independent
Executive, Resources and Contracts*	15	12	2	1
Adult Care and Health*	9	7	2	-
Education, Children and Families Select Cttee*	9	7	2	-
Environment & Community Services*	9	7	1	1
Public Protection and Enforcement*	9	7	1	1
Renewal, Recreation and Housing*	9	7	1	1

(b) Appointment of Members to Policy Development and Scrutiny Committees

RECOMMENDED that the following Schedule of Members to serve on Policy Development and Scrutiny Committees for the Municipal Year 2018/19 be agreed.

**(i) EXECUTIVE, RESOURCES AND CONTRACTS PDS
(To include the Chairmen of other PDS Committees)**

	<u>Councillors</u>
1	Simon Fawthrop (Ch)
2	Keith Onslow (VC)
3	Gareth Allatt
4	Nicholas Bennett
5	David Cartwright
6	Mary Cooke
7	Robert Evans
8	Will Harmer
9	Christopher Marlow
10	Russell Mellor
11	Michael Rutherford
12	Stephen Wells
13	Ian Dunn (LAB)
14	Angela Wilkins (LAB)
15	Julian Benington (IND)
**	Plus Co-opted Members as appropriate

(ii) ADULT CARE AND HEALTH PDS

	<u>Councillors</u>
1	Mary Cooke (Ch)
2	Robert Mcilveen (VC)
3	Gareth Allatt
4	Aisha Cuthbert
5	Judi Ellis
6	Robert Evans
7	David Jefferys
8	Simon Jeal (LAB)
9	Angela Wilkins (LAB)
**	Plus Co-opted Members as appropriate

(iii) EDUCATION, CHILDREN & FAMILIES SELECT COMMITTEE

	<u>Councillors</u>
1	Nicholas Bennett (Ch)
2	Neil Reddin (VC)
3	Yvonne Bear
4	Judi Ellis
5	Christopher Pierce
6	Will Rowlands
7	Stephen Wells
8	Marina Ahmad (LAB)
9	Kathy Bance (LAB)
**	Plus Co-opted Members as appropriate

(iv) ENVIRONMENT & COMMUNITY SERVICES PDS

	<u>Councillors</u>
1	Will Harmer (Ch)
2	David Jefferys (VC)
3	Mark Brock
4	Colin Hitchins
5	Samaris Huntington-Thresher
6	Will Rowlands
7	Kieran Terry
8	Ian Dunn (LAB)
9	Melanie Stevens (IND)
**	Plus Co-opted Members as appropriate

(v) PUBLIC PROTECTION AND ENFORCEMENT PDS

	<u>Councillors</u>
1	David Cartwright (Ch)
2	Christopher Pierce (VC)
3	Mike Botting
4	Hannah Gray
5	Samaris Huntington-Thresher
6	Alexa Michael
7	Harry Stranger
8	Kathy Bance (LAB)
9	Julian Benington (IND)
**	Plus Co-opted Members as appropriate

(vi) RENEWAL, RECREATION AND HOUSING PDS

	<u>Councillors</u>
1	Michael Rutherford (Ch)
2	Suraj Sharma (VC)
3	Yvonne Bear
4	Aisha Cuthbert
5	Angela Page
6	Gary Stevens
7	David Wibberley
8	Josh King (LAB)
9	Julian Benington (IND)
**	Plus Co-opted Members as appropriate

(c) **Appointment of Chairman and Vice-Chairman**

RECOMMENDED that the following Councillors be appointed as Chairman and Vice-Chairman of Policy Development and Scrutiny Committees.

	<u>Chairman</u>	<u>Vice-Chairman</u>
Executive, Resources and Contracts	Simon Fawthrop	Keith Onslow
Adult Care and Health	Mary Cooke	Robert Mcilveen
Education, Children and Families	Nicholas Bennett	Neil Reddin
Environment & Community Services	Will Harmer	David Jefferys
Public Protection and Enforcement	David Cartwright	Christopher Pierce
Renewal, Recreation and Housing	Michael Rutherford	Suraj Sharma

2. GENERAL PURPOSES AND LICENSING COMMITTEE

(a) Proportionality, Size of Committee and Terms of Reference

RECOMMENDED that the Committee size and proportionately indicated above be agreed.

	<u>Size</u>	<u>Conservative</u>	<u>Labour</u>	<u>Independent</u>
General Purposes and Licensing Committee	15	12	2	1

(b) Membership of the General Purposes and Licensing Committee

RECOMMENDED that the following Schedule of Members to serve on the General Purposes and Licensing Committee be agreed.

(i) GENERAL PURPOSES AND LICENSING COMMITTEE

	<u>Councillors</u>
1	Pauline Tunnicliffe (Ch)
2	Michael Turner (VC)
3	Gareth Allatt
4	Nicholas Bennett
5	Mary Cooke
6	Robert Evans
7	Russell Mellor
8	Alexa Michael
9	Tony Owen
10	Neil Reddin
11	Harry Stranger
12	Stephen Wells
13	Marina Ahmad (LAB)
14	Vanessa Allen (LAB)
15	Melanie Stevens (IND)

(c) Appointment of Chairmen and Vice-Chairman

RECOMMENDED that the following Councillors be appointed as Chairman and Vice-Chairman of the General Purposes and Licensing Committee.

	<u>Chairman</u>	<u>Vice-Chairman</u>
GENERAL PURPOSES AND LICENSING COMMITTEE	Pauline Tunnicliffe	Michael Turner

3. DEVELOPMENT CONTROL COMMITTEE

(a) Proportionality and size of Committee

RECOMMENDED: That the Committee size and proportionately indicated below be agreed.

	<u>Size</u>	<u>Conservative</u>	<u>Labour</u>	<u>Independent</u>
Development Control Committee	17	14	2	1

(b) Membership of Development Control Committee

RECOMMENDED that the Schedule of Members to serve on Development Control Committee be agreed as follows.

(i) DEVELOPMENT CONTROL COMMITTEE

	<u>Councillors</u>
1	Alexa Michael (Ch)
2	Kira Gabbert (VC)
3	Yvonne Bear
4	Katy Boughey
5	Mark Brock
6	Peter Dean
7	Nicky Dykes
8	Simon Fawthrop
9	Will Harmer
10	Colin Hitchins
11	Charles Joel
12	Kate Lymer
13	Richard Scoates
14	Michael Turner
15	Vanessa Allen (LAB)
16	Kevin Brooks (LAB)
17	Melanie Stevens (IND)

(c) Appointment of Chairman and Vice-Chairman

RECOMMENDED: that the following Councillors be appointed as Chairman and Vice-Chairman of the Development Control Committee.

	<u>Chairman</u>	<u>Vice-Chairman</u>
DEVELOPMENT CONTROL COMMITTEE	Alexa Michael	Kira Gabbert

4. STANDARDS COMMITTEE (5 Councillors)

RECOMMENDED that

(1) Councillors Nicholas Bennett, Michael Tickner and Stephen Wells (CON) Vanessa Allen (LAB) and Melanie Stevens (Independent) be appointed to serve on the Standards Committee for the 2018/19 Municipal Year

(2) Dr Simon Davey and Mr Nicholas Marcar be appointed as co-opted members of the Committee for 2018/19.

5. STANDING ADVISORY COUNCIL FOR RELIGIOUS EDUCATION (SACRE) (7 Councillors)

(a) Proportionality and size of SACRE

<u>Size</u>	<u>Conservative</u>	<u>Labour</u>	<u>Independent</u>
6	5	1	0

(b) Membership of SACRE

RECOMMENDED that Councillors Robert Evans, David Jefferys, Keith Onslow and Christopher Pierce (CON) and Kevin Brooks (LAB), be appointed to serve on SACRE for the 2018/2019 Municipal Year (one Conservative vacancy).

6. APPOINTMENT PANELS

(a) Proportionality and size of Appointment Panels (as and when required)

RECOMMENDED that the Panel sizes and proportionality indicated below be agreed.

<u>Size</u>	<u>Conservative</u>	<u>Labour</u>	<u>Independent</u>
8	7	1	0

(b) Membership of Appointment Panels

RECOMMENDED: that Appointment Panels to fill vacancies for Chief and Deputy Chief Officer posts should compose 8 Members as follows; the Leader of the Council, a majority Party Member of the Executive, a majority Party PDS Chairman, the Chairman or Vice-Chairman of the General Purposes and

Licensing Committee, one Labour Member and up to 3 other Majority Party Members nominated by the Leader of the Council.

7. CHIEF OFFICER DISCIPLINARY PANEL

(a) Proportionality And Size of Appointment Panel

RECOMMENDED that the Panel sizes and proportionality indicated below be agreed.

<u>Size</u>	<u>Conservative</u>	<u>Labour</u>	<u>Independent</u>
7	6	1	0

(b) Appointment of Members and Alternates

RECOMMENDED: that Chief Officer Disciplinary Panels for Chief and Deputy Chief Officer posts should compose 7 Members as follows; the Leader of the Council, a majority Party Member of the Executive, a majority Party PDS Chairman, one Labour Member, and 3 Members from the following 4 choices:

Either the Chairman of the General Purposes and Licensing Committee, the Vice-Chairman of the General Purposes and Licensing Committee, a second Majority Party Member of the Executive or a second Majority Party Member PDS Chairman.

8. CHIEF EXECUTIVE ANNUAL REVIEW PANEL

(a) Proportionality and size of Review Panels (as and when required)

RECOMMENDED that the Panel sizes and proportionality indicated below be agreed.

<u>Size</u>	<u>Conservative</u>	<u>Labour</u>	<u>Independent</u>
8	7	1	0

(b) Membership of Review Panels

RECOMMENDED: that the Chief Executive Remuneration Panel should compose 8 Members as follows; the Leader of the Council, the Deputy Leader of the Council, the Resources, Commissioning and Contracts Portfolio Holder, the Leader of the largest Minority Group (or their nominee) and up to three other Majority Party Members.

9. URGENCY COMMITTEE

To appoint 7 Councillors (comprising the Mayor, the Chairman of the General Purposes and Licensing Committee, the Chairman of the Executive, Resources and Contracts PDS Committee, the relevant Portfolio Holder or Committee Chairman and the Leaders of the three largest party groups) to deal with urgent non-executive decisions that are not of a sensitive nature.

RECOMMENDED: that the Urgency Committee be composed of the Mayor, the Chairman of the General Purposes and Licensing Committee, the Chairman of the Executive, Resources and Contracts PDS Committee, the relevant Portfolio Holder or Committee Chairman and the Leaders of the three largest party groups.

10. SAFER BROMLEY PARTNERSHIP

RECOMMENDED that Councillor Kate Lymer be appointed as the Council representative on the Safer Bromley Partnership.

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DEVELOPMENT CONTROL COMMITTEE - APPOINTMENTS

1. PROPORTIONALITY OF SUB-COMMITTEES

RECOMMENDED that the following proportionality be agreed

	<u>Size</u>	<u>Conservative</u>	<u>Labour</u>	<u>Independent</u>
Plans Sub No. 1	9	8	1	0
Plans Sub No. 2	9	8	1	0
Plans Sub No. 3	9	8	1	0
Plans Sub No. 4	9	8	1	0

2. MEMBERSHIP OF SUB-COMMITTEES

RECOMMENDED that the following Schedule of Members to serve on the Sub-Committees of the Development Control Committee be agreed.

(i) PLANS SUB-COMMITTEE NO. 1

	<u>Councillors</u>
1	Alexa Michael (Ch)
2	Charles Joel (VC)
3	Katy Boughey
4	Mark Brock
5	Kira Gabbert
6	Tony Owen
7	Will Rowlands
8	Suraj Sharma
9	Simon Jeal (LAB)

(ii) PLANS SUB-COMMITTEE NO. 2

	<u>Councillors</u>
1	Peter Dean (Ch)
2	Michael Turner (VC)
3	Nicky Dykes
4	Simon Fawthrop
5	Colin Hitchins
6	Russell Mellor
7	Angela Page
8	Richard Scoates
9	Josh King (LAB)

(iii) PLANS SUB-COMMITTEE NO. 3

	<u>Councillors</u>
1	Katy Boughey (Ch)
2	Charles Joel (VC)
3	Robert Evans
4	William Huntington-Thresher
5	Alexa Michael
6	Tony Owen
7	Keith Onslow
8	Kieran Terry
9	Kevin Brooks (LAB)

(iv) PLANS SUB-COMMITTEE NO. 4

	<u>Councillors</u>
1	Richard Scoates (Ch)
2	Simon Fawthrop (VC)
3	Gareth Allatt
4	Peter Dean
5	Kate Lymer
6	Robert Mcilveen
7	Russell Mellor
8	Michael Turner
9	Marina Ahmad (LAB)

3. APPOINTMENT OF CHAIRMEN AND VICE CHAIRMEN

RECOMMENDED: that the following Councillors be appointed as Chairmen and Vice Chairmen of the Sub-Committees of the Development Control Committee.

PLANS SUB-COMMITTEE NO. 1	Alexa Michael	Charles Joel
PLANS SUB-COMMITTEE NO. 2	Peter Dean	Michael Turner
PLANS SUB-COMMITTEE NO. 3	Katy Boughey	Charles Joel
PLANS SUB-COMMITTEE NO. 4	Richard Scoates	Simon Fawthrop

GENERAL PURPOSES AND LICENSING COMMITTEE APPOINTMENTS

1. PROPORTIONALITY OF SUB-COMMITTEES

RECOMMENDED that the proportionality of Sub-Committees be agreed as follows -

	<u>Size</u>	<u>Conservative</u>	<u>Labour</u>	<u>Independent</u>
Audit Sub-Committee	7	6	1	0
Industrial Relations Sub-Committee	7	6	1	0
Local Joint Consultative Cttee	9	8	1	0
Pensions Investment Sub-Committee	7	6	1	0
Rights of Way Sub-Committee	7	6	1	0

2. MEMBERSHIP OF SUB-COMMITTEES

RECOMMENDED that the Schedule of Members to serve on the Sub-Committees of the General Purposes and Licensing Committee be agreed as below.

(i) AUDIT SUB-COMMITTEE

	<u>Councillors</u>
1	Neil Reddin (Ch)
2	William Huntington-Thresher (VC)
3	Gareth Allatt
4	Robert Evans
5	Christopher Marlow
6	Tony Owen
7	Ian Dunn (LAB)

(ii) INDUSTRIAL RELATIONS SUB-COMMITTEE (to include Leader, Deputy Leader, Chairman and Vice-Chairman of the General Purposes and Licensing Committee.)

	<u>Councillors</u>
1	Colin Smith (Ch)
2	Peter Fortune (VC)
3	David Cartwright
4	Simon Fawthrop
5	Pauline Tunncliffe
6	Michael Turner
7	Josh King (LAB)

(iii) LOCAL JOINT CONSULTATIVE COMMITTEE (to include Leader or named Deputy, Chairman of Executive & Resources, Policy Development and Scrutiny Committee or named Deputy and Chairman of the General Purposes and Licensing Committee or named Deputy)

	<u>Councillors</u>
1	Russell Mellor (Ch)
2	Nicholas Bennett
3	David Cartwright
4	Simon Fawthrop
5	Kate Lymer
6	Colin Smith
7	Pauline Tunncliffe
8	Michael Turner
9	Josh King (LAB)
	(Other members to be appointed by the Staff-side.)

(iv) PENSIONS INVESTMENT SUB-COMMITTEE

	<u>Councillors</u>
1	Keith Onslow (Ch)
2	Russell Mellor (VC)
3	Gareth Allatt
4	Simon Fawthrop
5	David Jefferys
6	Gary Stevens
7	Simon Jeal (LAB)

(v) RIGHTS OF WAY SUB-COMMITTEE

	<u>Councillors</u>
1	Michael Rutherford (Ch)
2	Mike Botting (VC)
3	Harry Stranger
4	Michael Tickner
5	Michael Turner
6	Stephen Wells
7	Vanessa Allen (LAB)

3 APPOINTMENT OF CHAIRMEN AND VICE-CHAIRMEN

RECOMMENDED that the following Councillors be appointed as Chairman and Vice-Chairman of the Sub-Committees of the General Purposes and Licensing Committee.

AUDIT SUB-COMMITTEE	Neil Reddin	William Huntington-Thresher
INDUSTRIAL RELATIONS SUB-COMMITTEE	Colin Smith	Peter Fortune
LOCAL JOINT CONSULTATIVE COMMITTEE	Russell Mellor	-
PENSIONS INVESTMENT SUB-COMMITTEE	Keith Onslow	Russell Mellor
RIGHTS OF WAY SUB-COMMITTEE	Michael Rutherford	Mike Botting

4. APPOINTMENT OF APPEALS SUB-COMMITTEE

RECOMMENDED:

(1) that all Members of the Council, except Executive Members, be eligible for appointment to the Appeals Sub-Committee.

(2) three Members be drawn as required, to constitute an Appeals Sub-Committee.

5. APPOINTMENT OF LICENSING SUB-COMMITTEE

RECOMMENDED:

(1) that all Members of the General Purposes and Licensing Committee be eligible for appointment to the Licensing Sub-Committee;

(2) three Members be drawn as required, to constitute a Licensing Sub-Committee.

EXECUTIVE, RESOURCES AND CONTRACTS PDS COMMITTEE - APPOINTMENTS

1. PROPORTIONALITY OF SUB-COMMITTEE

RECOMMENDED that the following proportionality be agreed.

	<u>Size</u>	<u>Conservative</u>	<u>Labour</u>	<u>Independent</u>
Contracts and Commissioning Sub-Committee	7	6	1	0

2. MEMBERSHIP OF SUB-COMMITTEE

RECOMMENDED that the following Schedule of Members to serve on the Sub-Committee of the Executive, Resources and Contracts PDS Committee be agreed.

(i) CONTRACTS AND COMMISSIONING SUB-COMMITTEE

	<u>Councillors</u>
1	Stephen Wells (Ch)
2	Neil Reddin (VC)
3	Christopher Marlow
4	Russell Mellor
5	Michael Tickner
6	Gary Stevens
7	Angela Wilkins (LAB)

3. APPOINTMENT OF CHAIRMAN AND VICE CHAIRMAN

RECOMMENDED: that the following Councillors be appointed as Chairman and Vice Chairman of the Sub-Committee of the Executive, Resources and Contracts PDS Committee.

CONTRACTS AND COMMISSIONING SUB-COMMITTEE	Stephen Wells	Neil Reddin
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ADULT CARE AND HEALTH PDS COMMITTEE - APPOINTMENTS

1. PROPORTIONALITY OF SUB-COMMITTEE

RECOMMENDED that the following proportionality be agreed.

	<u>Size</u>	<u>Conservative</u>	<u>Labour</u>	<u>Independent</u>
Health Scrutiny Sub-Committee	9	8	1	0

2. MEMBERSHIP OF SUB-COMMITTEE

RECOMMENDED that the following Schedule of Members to serve on the Sub-Committee of the Adult Care and Health Services PDS Committee be agreed.

(i) HEALTH SCRUTINY SUB-COMMITTEE

	<u>Councillors</u>
1	Mary Cooke (Ch)
2	Robert McIlveen (VC)
3	Gareth Allatt
4	Aisha Cuthbert
5	Judi Ellis
6	Robert Evans
7	David Jefferys
8	Angela Page
9	Ian Dunn (LAB)

Plus Co-opted Members as appropriate, and as appointed to the Care Services PDS Committee.

3. APPOINTMENT OF CHAIRMAN AND VICE CHAIRMAN

RECOMMENDED: that the following Councillors be appointed as Chairman and Vice Chairman of the Sub-Committee of the Adult Care and Health PDS Committee.

HEALTH SCRUTINY SUB-COMMITTEE	Mary Cooke	Robert Mcilveen
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EDUCATION, CHILDREN AND FAMILIES SELECT COMMITTEE - APPOINTMENTS

Education, Children and Families Budget and Performance Monitoring Sub-Committee to be appointed at the first ordinary meeting of the Education, Children and Families Select Committee.

LONDON BOROUGH OF BROMLEY

MINUTES

**of the proceedings of the special meeting of the
Council of the Borough
held at 7.00 pm on 30 May 2018**

Present:

**The Worshipful the Mayor
Councillor Kim Botting FRSA**

**The Deputy Mayor
Councillor David Cartwright QFSM**

Councillors

Marina Ahmad	Peter Fortune	Keith Onslow
Gareth Allatt	Kira Gabbert	Tony Owen
Vanessa Allen	Hannah Gray	Angela Page
Graham Arthur	Will Harmer	Chris Pierce
Kathy Bance MBE	Colin Hitchins	Neil Reddin FCCA
Yvonne Bear	William Huntington-	Will Rowlands
Julian Benington	Thresher	Michael Rutherford
Nicholas Bennett J.P.	Simon Jeal	Richard Scoates
Mike Botting	Charles Joel	Harry Stranger
Kevin Brooks	Josh King	Michael Tickner
Mary Cooke	Kate Lymer	Pauline Tunnicliffe
Aisha Cuthbert	Christopher Marlow	Michael Turner
Ian Dunn	Robert Mcilveen	Stephen Wells
Judi Ellis	Russell Mellor	Dave Wibberley
Robert Evans	Alexa Michael	Angela Wilkins
Simon Fawthrop	Peter Morgan	

The meeting was opened with prayers

In the Chair
The Mayor
Councillor Kim Botting FRSA

15 Apologies for absence

Apologies for absence were received from Councillors Katy Boughey, Mark Brock, Nicky Dykes, Samaris Huntington-Thresher, David Jefferys, Suraj Sharma, Colin Smith, Diane Smith, Melanie Stevens, Gary Stevens and Kieran Terry.

16 Declarations of Interest

Councillor Peter Morgan declared that his daughter was a director of Kier, one of the Council's contractors.

17 Provisional Final Accounts 2017/18
Report FSD18040

A motion to receive the 2017/18 provisional final accounts and agree to set aside funds as recommended in the report was moved by Councillor Graham Arthur, seconded by Councillor Peter Fortune, and **CARRIED**.

18 Urgent Questions for Oral Reply

Two questions for urgent oral reply had been received from members of the Council. These are set out, with the answers given, in Appendix A to these minutes.

The Meeting ended at 8.05 pm

Mayor

SPECIAL COUNCIL MEETING

30TH MAY 2018

URGENT QUESTIONS FROM MEMBERS OF THE COUNCIL FOR ORAL REPLY

1. From Cllr Angela Wilkins to the Deputy Leader of the Council

How much value do you place on the induction and training sessions organised by the Council for Members?

(Justification for urgency – The induction process will be complete by the end of June.)

Reply:

I believe that the inductions serve a helpful purpose for Members who elect to attend them and their feedback tends support this view.

Supplementary Question:

Will he consider at least a metaphorical applause for the Labour group which has so far put in near 100% attendance at these sessions, and what will he be able to do to encourage his own Members to follow suit?

Reply:

The Inductions are useful; people decide to learn how it best suits them. Some people do it through formal inductions, some with support from colleagues and some on the job. People who are elected representatives, who have been sent here can make up their own mind about how they wish to contribute to the Council. I do not think that whipping is appropriate - I do not think that putting mandatory directions in place is something that works or treats people like adults. This is probably one of the fundamental differences between a pragmatic Conservative view and a dogmatic Labour one.

Additional Supplementary Question:

Councillor Simon Fawthrop whether the Deputy Leader agreed that the implication from the Labour Group was that experience counted for nothing.

Reply:

Experience is very important and there is a lot of experience on these benches. When I joined the Council in 2010 there was a friendly arm put around me and I was guided and steered and given help when I needed it, not just from Members and colleagues but from officers as well. I do take the point that it is worth saying thank you very much to the officers for pulling this together. All of the information is subsequently emailed out and in my experience officers are always there to help and guide if it is needed.

2. From Cllr Simon Jeal to the Portfolio Holder for Resources, Commissioning and Contract Management

Universal credit will be rolled out across Bromley in July, could you please outline the actions the department has taken to prepare for the impact it will have on Bromley residents?

(Justification for urgency – The roll out of Universal Credit begins in Bromley in July.)

Reply:

Universal Credit 'Full service' starts in Bromley on 25th July 2018. Preparations have been on-going with the Jobcentre Plus to ensure that residents that are affected by this will receive the support needed to claim Universal Credit.

London Borough of Bromley has a partnership with Bromley CAB to provide Budgeting Support to all those on Universal Credit to ensure they can pay their rent and do not get into debt. There is also an increased provision for money and debt advice within the Housing department as part of the ongoing homelessness prevention work.

An advice HUB is being created at the Jobcentre which will be staffed by the Jobcentre, Clarion Housing Association, CAB, LB Housing and the Children's Project.

The DWP will shortly be starting a major advertising campaign locally to make residents aware that Universal Credit is the benefit they should apply for. There will also be events for landlords and partner organisations to ensure that any questions are answered and landlords know what to expect if they have a tenant on Universal Credit.

Supplementary Question:

Other councils where the roll-out has occurred have seen increases in evictions, people getting into severe debt and becoming homeless. Given the large number of vulnerable residents in the private rented sector on insecure tenancies how will the Council seek to prevent this happening in Bromley?

Reply:

I share your concerns. Universal Credit has caused problems where it has actually been implemented. I went to the north of England and saw how a pilot was operating there. We also took part in the consultation process and asked for certain changes to be made, and indeed some of those changes have been made. One I was particularly concerned about was the idea that the total payment would be made to one person in the household. I think in some households that would be very problematical and that has now been changed – it can be split payments. Also, payments can now be made to the landlord in certain cases – I think this is an improvement. The reduction in delay in payments, which has been halved, as far as I understand it, in some areas that has not been working very well and we need to look at that closely. The fact is that Universal Credit is coming; it has all-party support. There is no point in us being in denial about it, we just have to make sure that we are as prepared as we can be, and I think that we have done that.

Additional Supplementary Question:

Councillor Kevin Brooks commented that, where Universal Credit had been implemented, the people that it had hit most were the most vulnerable people - people who did not open envelopes, who did not have support services that we might think are quite easy. For that most vulnerable group of people, and I realise that Universal Credit is not a Council decision, what are the Council pro-actively doing to ensure that that group of people do not get into debt which spirals out of control and leads to homelessness and further health issues?

Reply:

I have walked through that with officers and with the pilot when I was up there. It is an area of great concern for all members of the Council and I think what we will have to do is to organise a briefing session in the month of July where we can walk through cases and if people have concerns they can be addressed by officers.

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Report No.
CSD18103

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: COUNCIL

Date: Monday 16 July 2018

Decision Type: Non-Urgent Non-Executive Key

Title: DEPOT STRATEGY - CAPITAL WORKS

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. At its meeting on 11th July 2018 the Executive will be considering the attached report of the Executive Director, Environment and Community Services, recommending that a scheme of Depot Improvement works be approved. Subject to Executive approving the scheme at its meeting, Council is asked to approve the addition of the scheme to the capital programme.
-

2. **RECOMMENDATION(S)**

That, subject to the decision of the Executive, Council approves the addition of the scheme for Depot Improvement Works to the capital programme with a total cost of £6.5m.

Impact on Vulnerable Adults and Children

1. Summary of Impact: N/A
-

Corporate Policy

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

Financial

1. Cost of proposal: £6.5m.
 2. Ongoing costs: There are no additional revenue costs as a result of the proposed works.
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: N/A
 5. Source of funding: Capital receipts, internal borrowing and external borrowing where required.
-

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: None:
 2. Call-in: Not Applicable
-

Procurement

1. Summary of Procurement Implications: Two levels of procurement are required to support this proposal - the appointment of Consultancy Services and the appointment of contractors.
-

Customer Impact

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

Ward Councillor Views

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

Non-Applicable Sections:	See attached report
Background Documents: (Access via Contact Officer)	See attached report

Decision Maker: EXECUTIVE
COUNCIL

**FOR PRE DECISION SCRUTINY BY THE ENVIRONMENT PDS
COMMITTEE ON 10TH JULY 2018**

Date: Executive 11th July 2018
Council 16th July 2018

Decision Type: Non Urgent Executive Key

Title: DEPOT STRATEGY - CAPITAL WORKS

Contact Officer: Paul Chilton, Transport Operations Manager
Tel: 020 8313 4849 E-mail: paul.chilton@bromley.gov.uk

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

Ward: All Wards

Reason for report

- 1.1 The waste management, street cleansing and grounds maintenance contracts are being re-tendered with the new contracts due to commence in April 2019. In preparation for this, a strategic review of the Council's depots has been undertaken in order to provide cost-effective and flexible facilities based on a contract structure where the contractor is able to self-provide modular buildings and storage facilities, reducing the Council's ongoing costs.
 - 1.2 An assessment of the condition of these depots has been carried out and a range of essential capital works has been identified including the replacement of hard standings and demolition of dilapidated buildings. Budget costs for these works have been assessed.
 - 1.3 At the larger depots, particularly those associated with waste management, the improvements will help to maintain site safety and environmental compliance as well as sustaining fitness-for-purpose throughout the duration of the contracts.
 - 1.4 This report therefore recommends that the sum of £6.5m is approved to carry out the identified capital works.
-

2. RECOMMENDATION(S)

That the Executive:

- 2.1 Recommend that Council approves the addition of the scheme for Depot Improvement Works to the capital programme, with a total cost of £6.5m, to be financed as set out in paragraph 5.5;
- 2.2 Delegates authority to the Programme Manager to authorise variations against the construction and/ or consultancy contracts within the 10% tolerances.
- 2.3 Approves an additional 10% contingency of £587k, for any additional depot works that are identified through the negotiation process for the Environment contract.
- 2.4 Agrees to delegate authority to use the additional 10% funding for depot works to the Executive Director of ECS in consultation with the ECS Portfolio Holder.
- 2.5 Agrees to utilise a suitable framework for the appointment of consultancy services;
- 2.6 Agrees the procurement of contractors for works as outlined in the report.

That Council:

- 2.7 Approves the addition of the scheme for Depot Improvement Works to the capital programme, with a total cost of £6.5m.

Impact on Vulnerable Adults and Children

1. Summary of Impact: None
-

Corporate Policy

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

Financial

1. Cost of proposal: £6.5m
 2. Ongoing costs: No additional revenue costs as a result of these works
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: N/A
 5. Source of funding: Capital receipts, internal borrowing, and external borrowing where required
-

Personnel

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

Legal

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

Procurement

1. Two levels of procurement are required to support this proposal.
 - a) The appointment of Consultancy Services
 - b) The appointment of Contractors
-

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

- 3.1 Depots play a key role in supporting the provision of Council services and in many cases feature in the front-line and public interface. Part of the procurement process for the group of Environment contracts due to start in April 2019 included a strategic review of depots. The review aimed to establish the number, location and condition of the current depots in the context of service delivery and identify sites that would provide sufficient geographical coverage, but reduce where possible any future financial liabilities and future cost pressures and release sites where there would be an opportunity to generate capital receipts.
- 3.2 The review included a survey to ascertain the state of each site and to assess scope of improvement works required. This was carried out by the Council's Property team who commissioned their contractors Cushman and Wakefield to produce a condition survey report.
- 3.3 The results of the review concluded that a number of existing premises would not be required to support the new contracts and in some cases, better use of existing sites would bring operational efficiencies, fundamental to providing the services. Any surplus sites would be disposed of in due course.
- 3.4 As reported to the Executive on the 06/12/17 (Report [ES17088](#)) the conclusion was that in addition to the two main waste related depots (Central and Churchfields), 7 smaller sites would be retained as bases to operate the services from. Seven existing sites would not be required after April 2019 and 3 others are proposed to be transferred to Crystal Palace Trust in 2022. Estimates for the improvement works required at the retained sites were obtained through the Council's Property team which included consultancy fees.
- 3.5 The works proposed comprise the provision of hardstanding and utility access points to allow contractors to self provide modular offices and storage units, essential hardstanding repairs and improvements, other structural repairs and the demolition of dilapidated buildings.
- 3.6 The tendering of of new Environmental Services Contracts will be completed by autumn 2018 with contracts commencing on 1st April 2019. The anticipated programme for this project is outlined in the attached table:

Task	Completion Date
Approval to project	July 2018
Appointment of Consultancy Services and Programme Manager	October 2018
Design Development and Tender	October 2019
Construction/ demolitions	October 2020

- 3.7 It is unlikely that all sites will be ready to coincide with the commencement of the new contracts however, due to complexities of the various works required, this will enable the new contractors to participate in the design and phasing of the works.
- 3.8 It is proposed that this project is delivered by Amey's Capital Project Team using multi-disciplinary consultancy services.

3.9 The table below summarises the works that need to be carried out for each depot along with the estimated costs:-

Depot	Summary of works	Estimated costs £'000	Consultants fees £'000	Total £'000
Central Depot	Hardstandings/Concrete slabs/Utilities	2,127.5	212.8	2,340.3
Churchfields Depot	Hardstandings/Concrete slabs/demolition/Utilities	750.4	75.0	825.4
Kelsey Park (Lower)	Hardstandings/Concrete slabs/Demolition/Utilities	797.5	79.7	877.2
Priory Gardens	Hardstandings/Concrete slabs/Demolition/Utilities	312.8	31.3	344.1
London Road Cemetery	Hardstandings/Concrete slab/Utilities	86.3	8.6	94.9
Croydon Road Recreation Ground	Hardstandings/Concrete slabs/demolition/Utilities	173.6	17.4	191.0
Den Barn	Hardstandings/Concrete slabs/Storage (Re-provision at alternative site)	92.0	9.2	101.2
Kelsey Park (Upper)	Demolition	62.6	6.3	68.9
High Elms Country Park	Hardstandings/Concrete slabs/Utilities	644.0	64.4	708.4
Crystal Palace Information Centre	Demolition	111.5	11.2	122.7
Programme Manager	N/A		200.0	200.0
Sub Total		5,158.2	715.9	5,874.1
Contingency of 10%, for additional works that may be required following the award of the new Environment contract				587.4
TOTAL				6,461.5

3.10 It should be noted that the costs will be finalised following the appointment of consultants to carry out the design works.

3.11 The figures shown above includes a 10% construction contingency. Delegated authority is sought for the Programme Manager to authorise variations against the construction and/ or consultancy contracts within this tolerance.

3.12 Given the short timescale between award of the new Environment Contract and the commencement date, it is recommended that an additional contingency of 10% is set aside in the event that extra work is identified through the negotiation process that needs to be undertaken at short notice. It is recommended that delegated authority be given spend this contingency, to the Executive Director of ECS in consultation with the ECS Portfolio Holder.

3.13 Any programme of work would have to be carefully phased and planned to ensure that services are not interrupted and it is proposed that funding is provided to Amey to appoint a Programme Manager to co-ordinate this complex project.

- 3.14 At the major depots connected with waste operations, the Council's service provider as holder of the Environmental Permit, will be fully involved in the specification and work planning aspects of the project.
- 3.15 Land contamination surveys and ground investigations would be required during the design stage of the project. The intensification of depot space would also require traffic management plans to be prepared to limit any impact up on the local environment.
- 3.16 The project will improve the general appearance and workings of such sites and will enhance the efficiency and professionalism of those whom operate from these bases. This is expected to reduce the overall running costs, providing a long-term solution that aligns with new service provision proposals.
- 3.17 This scheme aims to create a sustainable infrastructure and reduce the Council's long term financial liability. Where depots are beyond economic repair buildings will be replaced by hardstanding upon which the contractor can self-provide modular offices and sea containers. This will ensure that the provision is matched to need and costs associated with surplus real estate will be minimised.

Risks

- 3.18 Risks associated with not funding the improvements are:
- Operational sites identified would become unsafe and or unusable and therefore would have to close, meaning the services that operate from these locations would have to relocate, causing significant service disruption resulting in temporary loss of service and significant customer complaints and reputational damage.
 - That the tenders from the prospective contractors would include the costs of making the depots fit for purpose, therefore increasing the costs of the contracts and the annual revenue budgets.
- 3.19 Risks relating to the management and delivery of this project are those affecting operations and the impact on the surrounding areas. This is due to the project involving multiple sites, which are in constant operational use and which will have to be kept open during the works and the likely increase in vehicle movements due the maintenance contractors. The further risk is the impact of any land contamination. In respect of Central Depot, the Waldo Road waste transfer station is licenced by the Environment Agency and must comply with site condition standards.
- 3.20 The current Waste Transfer Stations and Household Waste Recycling Centres will continue to provide services to the local community and the essential works proposed will facilitate that uninterrupted use.
- 3.21 This investment will enable the provision of waste and other environmental services to operate effectively and meet the Council's statutory requirement to provide these services. It will also serve to uphold the requirements of the Waste Permits, issued by the Environment Agency in respect of the Central and Churchfields Depots.
- 3.22 The reduction in the number of depots will reduce the Council's long-term financial liability and that the risk of surplus provision is minimised.

4. POLICY IMPLICATIONS

- 4.1 This proposal links to Portfolio/Service Plans, the Asset Management Plan and will contribute towards our Key Priority of enhancing our clean and green borough, improving the Quality

Environment by providing fit-for-purpose infrastructure to support Environmental Services' contracts.

5. FINANCIAL IMPLICATIONS

5.1 This report is proposing to undertake essential works to ten of the Council's depots as summarised in 3.9 above, totalling £6.5m and that the scheme be added to the capital programme, subject to approval by Full Council.

5.2 The table below summarises the cost of the scheme: -

Summary of estimated costs and funding	£'000
Estimated costs	
Capital works	5,158.2
Consultant costs	515.9
Programme Manager	200.0
Additional 10% contingency for depot works	587.4
Total estimated costs	<u>6,461.5</u>

5.3 These costs are currently estimated to be incurred as set out below:-

	£'000
2018/19	300.0
2019/20	3,000.0
2020/21	3,161.5
	<u>6,461.5</u>

5.4 The strategy for the provision of depots has identified some depots as surplus to requirements, some of which could be disposed of and produce a capital receipt. The options for these sites will be considered in a future report to Members.

5.5 It is currently projected that the Council's capital receipts will have been fully utilised by the end of 2019/20, and then building up again from 2022/23 onwards. As a result, it is proposed that, where possible, the scheme costs will be funded from unallocated capital receipts and internal borrowing and that only where necessary will external borrowing, such as from the Public Works Loan Board (PWLB), be utilised.

5.6 However, it should be noted that the capital receipts projections currently includes an estimate for receipts from depot disposals. Should the options appraisal fail to identify sufficient disposals to fund the costs of this scheme, then the report will also include alternative funding options for the scheme, such as longer term external borrowing.

5.7 There are no additional on-going revenue maintenance costs resulting from these works.

6. LEGAL IMPLICATIONS

6.1 The estimated contract value for the consultancy services contract is £516k which is above EU threshold level for services and will need to be procured in full compliance with the Public Contracts Regulations 2015 "Regulations"). Using an EU compliant a framework set up by another public body is permitted under the Regulations and the Council's Contract Procedure Rules ("CPR"). A suitable framework will be identified in consultation with the Head of Procurement.

6.2 The total value of the works contract is estimated at £5.2m and is above the EU threshold value for works and will need to be procured in full compliance with the Regulations. Compliance with the Regulations will ensure compliance with the Council's CPR.

7. PROCUREMENT IMPLICATIONS

7.1 For a construction project of this value an OJEU compliant process will have to be undertaken. An alternative to OJEU is to use a framework. Frameworks are available to public sector bodies, often within a geographical area and the suppliers on the framework are selected via an EU compliant tendering process.

7.2 LB Bromley uses a number of frameworks and Property officers will liaise with Amey on the selection of the most appropriate one for a particular project. It is recommended that the Council appoints the consultancy services using a suitable framework.

7.3 The Programme Manager will be commissioned as part of the the Multi-Disciplinary Consultancy team or as part of the Total Facilities Management Contract within Amey's selection process.

7.4 Contractors will be selected in accordance with the appropriate EU/ Public Procurement Regulations.

Non-Applicable Sections:	Impact on Vulnerable Adults and Children; Personnel
Background Documents: (Access via Contact Officer)	ES17088 Environment Services Commissioning Programme Update 06/12/2017

APPENDIX 1

The report from Cushman & Wakefield proposed that the overall number of depots retained by the Council reduced from 19 to 9.

The following site will be retained:

1. Central (Main Depot - Waste Services & HWRC, Street Cleansing and Grounds Maintenance)
2. Churchfields Road (Main Depot – Waste Services & HWRC, Street Cleansing, Grounds Maintenance)
3. Kelsey Park Lower (Main Depot - Grounds Maintenance)
4. Priory Gardens (Satellite Depot – Grounds Maintenance)
5. London Road Cemetery (Grounds Maintenance)
6. BEECH Centre High Elms (Education Facility – Grounds Maintenance)
7. Chislehurst Cemetery (Grounds Maintenance)
8. St Luke`s Cemetery (Grounds Maintenance)
9. Croydon Road Recreational Ground (Satellite Depot – Grounds Maintenance)

The Councils two waste transfer sites (Central Depot and Churchfields), will be retained for the provision of the Waste Management service, Winter services, Street Cleansing, Grounds Maintenance and Passenger Transport Service.

The sites suggested for decommissioning are to be considered for disposal or alternative use, due to a combination of poor geographical location, high cost liabilities and potential to generate capital receipts, are as follows:

- Alligator House (Civic Centre)
- Beaverwood – Depot
- Church House Gardens – Depot
- Lodge at Church Gardens
- Lodge at High Elms
- Den Barn at High Elms
- Chapels, London Rd Cemetery (x2)
- Chapel at St Luke`s Cemetery
- Kelsey Park Upper Depot

A further 3 depots at Crystal Palace Park are likely to transfer to the Trust at a future date.

This would then leave 9 sites (including the two central depots) for the provision of environmental services.

The condition survey report from C&W also highlighted the risks associated with Churchfields and Central Depots during the contract term, which will need to be considered by the service in due course. The Council has the option to ask any prospective bidder for the tendered Environmental Services Contracts to include any capital works required in their submission which will spread these costs over the contract period or for the Council to finance any capital works required from the capital programme as and when required. This will be dealt with in the award report of the Environmental Services Contracts and once C&W have finalised their overall report.

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Report No.
CSD18104

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: COUNCIL

Date: Monday 16 July 2018

Decision Type: Non-Urgent Non-Executive Key

Title: CAPITAL PROGRAMME MONITORING - 1ST QUARTER
2018/19

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 At its meeting on 11th July 2018 the Executive is due to consider the attached report and will be recommended to approve a revised Capital Programme. This will include 2018/19 funding of £1,995k Disabled Facilities Grant (DFG) from the Ministry of Housing, Communities and Local Government (see paragraph 3.3.1). Subject to the Executive's consideration on 11th July, Council is requested to approve the addition of the latest DFG funding to the capital programme.
-

2. **RECOMMENDATION(S)**

That, subject to the decision of the Executive, Council approves the addition to the capital programme of £1,995k on the Disabled Facilities Grant funded scheme to reflect the latest grant funding available.

Impact on Vulnerable Adults and Children

1. Summary of Impact: N/A
-

Corporate Policy

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

Financial

1. Cost of proposal: Estimated Cost: £1,995k - see attached report
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: N/A
 5. Source of funding: Capital Grants
-

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: Non-Statutory - Government Guidance:
 2. Call-in: Not Applicable:
-

Procurement

1. Summary of Procurement Implications: N/A
-

Customer Impact

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

Ward Councillor Views

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

Non-Applicable Sections:	See attached report
Background Documents: (Access via Contact Officer)	See attached report

Decision Maker: Executive
Council

Date: Executive 11th July 2018
Council 16th July 2018

Decision Type: Non-Urgent Executive Non-Key

Title: CAPITAL PROGRAMME MONITORING – 1ST QUARTER 2018/19

Contact Officer: James Mullender, Principal Accountant
Tel: 020 8313 4292 E-mail: James.mullender@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 1st 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 £14,666k from 2018/19 into future years, and agree a revised Capital Programme.**
- (b) **Approve the following amendments to the Capital Programme:**
 - (i) **Deletion of the £1k residual balance on Penge & Anerley Libraries (see para 3.3.2);**
 - (ii) **Increase of £472k on Transport for London (TfL) funded Traffic and Highways schemes (see para 3.3.3);**
 - (iii) **Addition of £129k for The Widmore Centre scheme (see para 3.3.4);**
 - (iv) **Addition of EFA allocation of £29k for Healthy Pupils Capital Fund scheme (see para 3.3.5);**
 - (v) **Increase of £26k to the Performance Management/Children Services IT scheme funded by a decrease to the Social Care Grant scheme (see para 3.3.6);**
 - (vi) **Deletion of £36k from the Anerley Town Hall Library Provision as the scheme has completed (see para 3.3.7); and**

(vii) Note that a report elsewhere on the Agenda requests the addition of £6,462k to the Capital Programme for Depot Improvement Works (see para 3.3.8).

(c) Recommend Council to approve the addition of £1,995k on the Disabled Facilities Grant funded scheme to reflect the latest grant funding available (see para 3.3.1).

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 increase of 9.0m over the 4 years 2018/19 to 2021/22, mainly due to £6,462k Depot Improvement Works, £1,995k additional Disabled Facilities Grant funding (which has been profiled to 2019/20), £472k increase in TfL funding for Highways and Traffic schemes, and £129k allocation for The Widmore Centre scheme.
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: Total £129.5m 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: Not Applicable
-

Customer Impact

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

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: 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 1st quarter of 2018/19. The base position is the programme approved by the Executive on 7th February 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 increase by £9,050k, mainly due to £6,462k of new funding for the Depot Improvement works scheme, £1,995k additional Disabled Facilities grant, £472k additional funding for TfL Highways & Traffic scheme, and £129k for the Widmore Centre scheme.

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 07/02/18	76,603	18,869	18,159	2,240	115,871
Variations approved at subsequent Executive meetings	13,609	0	0	0	13,609
Approved Programme prior to 1st Quarter's Monitoring	90,212	18,869	18,159	2,240	129,480
Variations requiring the approval of the Executive	893	4,995	3,162	0	9,050
Variations not requiring approval:					
Net rephasing from 2018/19 into future years	Cr 14,666	14,666	0	0	0
Total Amendment to the Capital Programme	Cr 13,773	19,661	3,162	0	9,050
Total Revised Capital Programme	76,439	38,530	21,321	2,240	138,530
Assumed Further Slippage (for financing purposes)	Cr 15,000	10,000	5,000	0	0
Assumed New Schemes (to be agreed)	0	3,500	3,500	3,500	10,500
	Cr 15,000	13,500	8,500	3,500	10,500
Projected Programme for Capital Financing Forecast (see appendix C)	61,439	52,030	29,821	5,740	149,030

3.2 Variations approved at subsequent Executive meetings

As detailed in Appendix A, variations of £2.3m have been approved since the February Executive meeting. This mainly comprises £1.0m for West Wickham Leisure Centre & Library Redevelopment, £0.7m for Central Depot Wall scheme and £0.3m for Norman Park Athletics Track, all of which were approved by the Executive on 28th March 2018.

On 21st May 2018 the Executive approved additional funding amounts on 3 existing schemes; £0.01m for 30 Hour Childcare IT scheme, £0.17m for Disabled Facilities Grant and £0.1m for the Biggin Hill Memorial Museum.

3.3 Variations requiring the approval of the Executive (£9,050k net increase)

3.3.1 Renovation Grants – Disabled Facilities (£1,995k increase)

The Disabled Facilities Grant (DFG) is provided for the provision of adaptations to disabled people's homes to help them to live as independently and safely as possible. The capital allocation received for 2018/19 from the Ministry of Housing, Communities and Local Government totals £1,995k. The funding will enable additional schemes to provide physical improvements to clients' home environments and to assist with creating safer and healthier

homes, and reduce admissions to hospital. Members are asked to agree the addition of £1,995k to the DFG scheme to reflect the total funding available.

3.3.2 Penge & Anerley Libraries – 46 Green Lane (£1k reduction in 2018/19)

On 6th Feb 2013 the Executive agreed the scheme for the provision of a combined Penge and Anerley library with an estimated cost of £669k. Final accounts for the scheme have now been agreed at £668k, and it is recommended that the residual balance of £1k be deleted.

3.3.3 Transport for London (TfL) – Revised support for Highways and Traffic Schemes (£472k increase 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). An increase to the budget for 2018/19 of £472k is requested to reflect the revised allocations following the re-instatement of budgets which were reduced by £1.8m by TfL in November 2017 and reported to members in Feb 2018 monitoring. TfL budgets change frequently and any further variations will be reported in subsequent capital monitoring reports.

3.3.4 The Widmore Centre (£129k Addition to the Capital Programme)

Following the sale of the Widmore Centre the Department for Education has invoked clawback of early year's capital funding of £129k as the local authority can no longer meet the conditions of the grant. This amount takes into account the period the asset was in compliant use (9 years 7 months out of an expected 25 years use). The clawback will be funded from proceeds of the disposal of the Widmore Centre. Members are requested to agree the addition of this sum to the Capital Programme.

3.3.5 Healthy Pupils Capital Fund – (£29k Addition to the Capital Programme)

The ESFA have allocated the Council £29k from Healthy Pupils Capital Fund. The HPCF is intended to improve children's and young people's physical and mental health by improving and increasing availability to facilities for physical activity, healthy eating, mental health and wellbeing and medical conditions. Funding will be distributed through a bidding round from school and the allocations will be reported to the Children, Education and Families Budget and Performance Monitoring Sub-Committee. This funding is provided from the Soft Drinks Industry Levy for 2018-19 only. Members are requested to agree the addition of this sum to the Capital Programme.

3.3.6 Performance Management & Children Services IT & Social Care Grant (net nil variation)

Following a Gateway review in April 2015, Bromley began working on a project for the implementation of new case management systems for Children's Social Care. The project has been through the development stage, and the implementation stage commenced in November 2016. Members are asked to approve the increase of £26k, for additional resource to continue the implementation, funded by a reduction to the Social Care Grant scheme.

3.3.7 Anerley Town Hall Library Provision (£36k Reduction)

This scheme was approved in July 2014 and has now completed £36k under budget. Members are requested to approve the removal of this amount from the Capital Programme.

3.3.8 Depot Improvement Works (£6,462k Addition to the Capital Programme)

A report elsewhere on the agenda requests the addition to the Capital Programme of £6,462k for the demolition and build of a new Depot, to be funded from capital receipts.

3.3.9 Scheme Rephasing

The 2017/18 Capital Outturn was reported to the Executive on 21st May 2018. The final capital outturn for the year was £40.3m compared to a revised budget of £51.6m. The variation of £11.3m was rephased from 2017/18 into 2018/19.

In the quarter 1 monitoring exercise, slippage of £14.7m 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. Actual receipts from asset disposals totalled £8.6m in 2017/18 and were the same as the estimated figure reported to the Executive in February 2018 (£8.6m).

The latest estimate for 2018/19 has increased to £18.3m from £16.2m reported in February (excluding “other” capital receipts). The estimate for 2019/20 is £5.7m, the same as was reported in February 2018. Estimates for 2020/21 and 2021/22 remain at £27.1m and £1.6m respectively, as reported in February. 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 £11.1m by the end of 2021/22 and would then increase to £27.9m 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	11.1	11.1
Capital Receipts	25.7	0.0	16.8
	<u>45.7</u>	<u>11.1</u>	<u>27.9</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 Fund earmarked reserve (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 £144.0m has been

placed in the Investment Fund and Growth Fund earmarked reserves to contribute towards the Council's economic development and investment opportunities. In November 2014, £10m was set aside in the Growth Fund to support growth initiatives in Biggin Hill, the Cray Valley and Bromley Town Centre. Council approved additional allocations of £6.5m in December 2015, £6m in March 2016, £7m in June 2016, £4m in March 2017, £3.3m in June 2017 and £2.3m in May 2018 to the Growth Fund.

Appendix D provides a detailed analysis of the Funds dating back to their inception in September 2011. To date schemes totalling £114.0m have been approved (£85.5m on the Investment Fund, and £28.5m on the Growth Fund), and the uncommitted balances as at the end of June 2018 stand at £19.3m for the Investment Fund and £10.7m for the Growth Fund.

Feasibility Works – Property Disposals

- 3.7 At its meeting on 21st May 2018, Executive agreed to the creation of a new Earmarked Reserve with an initial allocation of £250k to be funded 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 four locations, with four more estimated for September/October. To date the commitment value remains at £250k, and no expenditure has been 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 £7,420k as at 31st May 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 31/05/18
	£'000	£'000	£'000	£'000
Specified capital works				
Housing	3,104	561	0	3,665
Education	3,311	200	0	3,511
Highways	82	0	0	82
Local Economy	0	76	0	76
Other	86	0	0	86
TOTAL	6,583	837	0	7,420

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:

- Office Accommodation Strategy
- Digital Print Strategy
- SEELS street lighting project
- Depots – Standby Generators
- Penge/Anerley Libraries
- Anerley Town Hall (Library Provision)

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 2017/18 & Annual capital Review 2018-2022 (Executive 07/02/18) Capital Programme Outturn 2017/18 report (Executive 21/05/18). List of potential capital receipts from Strategic Property as at 21/06/18. List of feasibility works for property disposal from Strategic Property as at 26/06/18.

APPENDIX A - VARIATION SUMMARY

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

Variations on individual schemes	Date of Portfolio meeting	2017/18 £'000	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 07/02/2018	Exec 07/02/18	51,587	76,603	18,869	18,159	2,240	115,871	
30 Hours Childcare IT scheme	Exec 21/05/18		15				15	Funded from Revenue Underspend in 2017/18
Disabled Facilities Grant (DFG)	Exec 21/05/18		178				178	Additional DFG received
Biggin Hill Memorial Museum	Exec 21/05/18		116				116	Funded from £54k Revenue & £62k from various external sources.
Norman Park Athletics Track	Exec 28/03/18		300				300	to be funded from S106 receipts
West Wickham Leisure Centre & Library Redevelopment	Exec 28/03/18		993				993	funded from 2017/18 Central Contingency
Central Depot Wall Scheme	Exec 28/03/18		716				716	funded from £163k cfwd & £553k from Infrastructure Investment Fund
Rephasing from 2017/18 into 2018/19		Cr 11,291	11,291				11,291	
Approved Programme prior to 1st Quarter's Monitoring		40,296	90,212	18,869	18,159	2,240	129,480	
Variations in the estimated cost of approved schemes								
(i) Variations requiring the approval of the Executive/Council								
Disabled Facilities Grant 2018/19 Allocation			Cr 1	1,995			1,995	See paragraph 3.3.1
Penge Anerley Libraries - 46 Green Lane			472				472	See paragraph 3.3.2
Increase in TfL funding for Highways & Traffic schemes			129				129	See paragraph 3.3.3
Widmore Centre			29				29	See paragraph 3.3.4
Healthy Pupils Capital Fund			26				26	See paragraph 3.3.5
Performance Management / Childrens Services - Information Tech			Cr 26				Cr 26	See paragraph 3.3.6
Social Care Grant 2011/12 to 2012/13 settlement			Cr 36				Cr 36	See paragraph 3.3.6
Anerley Town Hall Library Provision			300	3,000	3,162		6,462	See paragraph 3.3.7
Depot Improvement Works								See paragraph 3.3.8
(ii) Variations not requiring approval								
Net rephasing from 2018/19 into future years		0	893	4,995	3,162	0	9,050	
			Cr 14,666	14,666	0	0	0	See section 3.3.9 and Appendix B
		0	Cr 14,666	14,666	0	0	0	
TOTAL AMENDMENT TO CAPITAL PROGRAMME		0	Cr 13,773	19,661	3,162	0	9,050	
TOTAL REVISED CAPITAL PROGRAMME		40,296	76,439	38,530	21,321	2,240	138,530	
Less: Further slippage projection			Cr 15,000	10,000	5,000		0	
Add: Estimate for further new schemes			3,500	3,500	3,500	3,500	10,500	
TOTAL TO BE FINANCED		40,296	61,439	52,030	29,821	5,740	149,030	

APPENDIX B - REPHASING

CAPITAL PROGRAMME MONITORING - JUL 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				
The Highway Primary - partial rebuild	Cr 113	113	0	Scheme completed. Awaiting outstanding final payment for consultancy cost and other legal issues. As significant period of time has passed since the scheme was completed and possible payment has not been requested, the budget is to be returned to Basic Need.
Social Care Grant 2011-12 and 2012-13 settlement	Cr 500	500	0	Scheme approved by Council 14/04/14. £500k has been rephased to 2019/20 - Officers are currently exploring options to take forward in order to utilise the budget.
Social Care Grant 2013-14 and 2014-15 settlement	Cr 1,293	1,293	0	£1.29m has been rephased to 2019/20 - Officers are currently exploring options to take forward in order to utilise the budget.
Social Care Grant 2015-16 settlement	Cr 663	663	0	£663k has been rephased to 2019/20 - Officers are currently exploring options to take forward in order to utilise the budget.
Mental Health Grant	Cr 326	326	0	Budget has been rephased to 2019/20 as works are still being designed for approval - due to new legislation for adult social care it is likely that this funding will be used to support the changes required.
Basic Need	Cr 4,500	4,500	0	A full detailed report on the various projects within the Basic Need Programme was reported to Executive on 19 Jul 17. This includes works at Trinity (now completed), Castlescombe (work started Feb 17), Bishop Justus (work expected to start Summer 18), Edgebury (completed), Poverest (started in Jun 17), Stewart Fleming (now completed), and Leasons (started in Jul 17 however there are delays) and St George (now completed). £4.5m has been rephased to 2019/20 as programme not expected to spend to budget.
S106 Education (Unallocated)	Cr 788	788	0	Several proposed schemes are in the pipeline. These are unlikely to be delivered this financial year. Budget has therefore been rephased into 2019/20.
Civic Centre Dev Strategy	Cr 3,822	3,822	0	Approved by Council 04/07/16. Members have decided to review whether the Old Town Hall could be used as a Democratic Hub and an Options Study will be undertaken to assess the feasibility and cost of this alternative and its impact on the Business Case. There is a possibility of some feasibility work this year at approximately £165k. The remainder of the budget £3.8m has been rephased into next financial year as expenditure is unlikely to take place in 18/19.
Upgrade of Core Network Hardware	Cr 426	426	0	The additional hardware has been purchased and is being configured to meet the needs of London Public Service Network. Direct access, Citrix and reverse proxy application servers. A full Network Refresh proposal has also been delivered by BT. £426k has been rephased into FY19/20
Replacement of Storage Area Networks	Cr 721	721	0	The major SAN replacement project is almost complete. The project is at final stage. Works are still continuing to insure that new SAN is sufficiently working, however it is likely to fall into next financial year. £720k has been rephased into FY19/20
Rollout of Windows 7 and Office 2000	Cr 97	97	0	The project is almost complete apart from some of the XP machines that Officers are struggling to replace due to the software installed on those machines. The issue is with the Service to resolve with their 3rd party due to the specific nature of the software. Microsoft audit recently undertaken to ensure compliance. £97k has been rephased to FY 19/20
Replacement of MD110 telephone switch	Cr 138	138	0	The bulk of the works (including MD110, Lync and call recording) are completed. The move to the new provider (Virgin) are completed. Awaiting confirmation of all outstanding invoices and project completion from 3rd party. £138k has been rephased into FY19/20
SharePoint Productivity Platform upgrade/replacement	Cr 1,156	1,156	0	Officers are now taking a tactical solution where project will move to SharePoint 2010 from 2007 version, before finally moving to new platform of Office 365. Ongoing project which is gaining momentum. £150K to be spent this year. remaining budget has been rephased to FY 19/20
Windows Server 2003 replacement program	Cr 123	123	0	These servers support CRM and SharePoint systems which we are in the process of migrating. There is possibly a few more hardware to purchase until project is completed. The project is still ongoing and anticipated to be completed by late Spring/early Summer. £123k has been rephased to FY 19/20.
TOTAL REPHASING ADJUSTMENTS	Cr 14,666	14,666	0	

APPENDIX C - FINANCING

CAPITAL FINANCING STATEMENT - EXECUTIVE 11/07/18 - 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	Actual	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Summary Financing Statement																			
Capital Grants	18,721	15,614	23,577	8,235	865	0	0	0	0	0	0	0	0	0	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	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Usable Capital Receipts	15,634	7,217	17,992	34,343	26,437	2,256	2,256	2,256	2,256	2,256	2,256	2,256	2,256	2,256	2,256	2,256	2,256	2,256	2,256
Revenue Contributions	3,044	8,339	6,706	1,316	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
General Fund	0	0	0	5,316	0	1,184	0	0	0	0	0	0	0	0	0	0	0	0	0
Borrowing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total expenditure	48,087	40,296	61,439	52,030	29,821	5,740	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Usable Capital Receipts																			
Balance brought forward	24,108	24,108	25,695	26,063	0	649	0	649	0	649	0	5,598	0	5,598	0	5,598	0	5,598	0
New usable receipts	8,643	8,804	18,360	8,280	27,086	1,607	27,086	1,607	1,607	1,607	11,298	11,298	8,489	8,489	9,906	9,906	9,906	9,906	9,906
Capital Financing	32,751	32,912	44,055	34,343	27,086	2,256	27,086	2,256	2,256	2,256	11,298	11,298	14,087	14,087	18,293	18,293	22,499	22,499	22,499
	Cr 15,634	Cr 7,217	Cr 17,992	Cr 34,343	Cr 26,437	Cr 2,256	Cr 2,256	Cr 2,256	Cr 2,256	Cr 2,256	Cr 5,700	Cr 5,700	Cr 5,700	Cr 5,700	Cr 5,700	Cr 5,700	Cr 5,700	Cr 5,700	Cr 5,700
Balance carried forward	17,117	25,695	26,063	0	649	0	5,598	0	5,598	0	5,598	8,387	12,593	8,387	12,593	16,799	16,799	16,799	16,799
General Fund																			
Balance brought forward	20,000	20,000	20,000	17,604	12,288	12,288	12,288	12,288	12,288	12,288	11,104	11,104	11,104	11,104	11,104	11,104	11,104	11,104	11,104
Less: Capital Financing	0	0	0	5,316	0	1,184	0	0	0	0	0	0	0	0	0	0	0	0	0
Less: Use for Revenue Budget	Cr 271	Cr 2,396	Cr 2,396	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance carried forward	19,729	20,000	17,604	12,288	12,288	11,104	11,104	11,104	11,104	11,104	11,104	11,104	11,104	11,104	11,104	11,104	11,104	11,104	11,104
TOTAL AVAILABLE RESERVES	36,846	45,695	43,667	12,288	12,937	11,104	16,702	19,491	23,697	27,903	36,846	45,695	43,667	12,288	12,937	11,104	16,702	19,491	23,697

Assumptions:

New capital schemes - £3.5m p.a. from 2020/21 for future new schemes.

Capital receipts - includes figures reported by Property Division as at 25/06/18 (including Tweedy Road & Town Hall) and £1m pa from 2018/19.

Current approved programme - as recommended to Executive 11/07/18

APPENDIX D - INVESTMENT FUND GROWTH FUND

INVESTMENT FUND & GROWTH FUND - 11 July 2018

<u>Investment Fund</u>	£'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 (Morrisons)	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 23th 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 22nd March 2017 (Project Officer cost Bromley Town Centre Public Realm imprc)	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
Total further spending approvals	Cr 21,672
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	10,692

APPENDIX F - FEASIBILITY WORKS

CAPITAL PROGRAMME MONITORING - JUL 2018

Location	Estimated Feasibility / Viability Cost (£'000)	Description	June 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. Scheme currently being costed for delivery subject to new Executive report.
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 Council's ownership of The Glades.	C&W continue undertaking discussions with Glades Managing Agents - all parties continuing discussions.
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 Council's ownership of The Walnuts.	Initial brief prepared - with intention to market test for a Property Advisor - anticipated in Autumn 2018.
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 - Anticipated completion Aug 2018.
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 .
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.
Lease standardisation	6	To fund legal work to create standard T&C's to Portfolio	Under review.
TOTAL	250		

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Report No.
CSD18110

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: COUNCIL

Date: Monday 16 July 2018

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

Title: TREASURY MANAGEMENT - ANNUAL REPORT 2017/18

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 At its meeting on 5th July 2018, the Executive, Resources and Contracts PDS Committee will be considering the attached report on Treasury Management addressed to the Resources, Commissioning and Contracts Portfolio Holder. The report summarises treasury management activity during the March quarter and includes the Treasury Management Annual Report for 2017/18, which is required to be reported to full Council. The report ensures that the Council is implementing best practice in accordance with the CIPFA Code of Practice for Treasury Management. Investments as at 31st March 2018 totalled £284.8m and there was no external borrowing.

2. **RECOMMENDATIONS**

2.1 **Council are asked to:**

(a) Note the Treasury Management Annual Report for 2017/18;

(b) Approve the actual prudential indicators within the report.

Impact on Vulnerable Adults and Children

1. Summary of Impact: N/A
-

Corporate Policy

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

Financial

1. Cost of proposal: Not Applicable
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Interest on Balances
 4. Total current budget for this head: £2.891m budget (net interest earnings) in 2017/18; surplus of £1.158m achieved in 2017/18. Budget for 2018/19 £3.491m
 5. Source of funding: Net investment earnings
-

Personnel

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

Legal

1. Legal Requirement: Non-Statutory - Government Guidance
 2. Call-in: Not Applicable
-

Procurement

1. Summary of Procurement Implications: Not Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Not Applicable
-

Ward Councillor Views

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

Non-Applicable Sections:	Legal, Personnel & Procurement Implications, Impact on Vulnerable Adults and Children
Background Documents: (Access via Contact Officer)	See attached report

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

Date: For pre-decision scrutiny by Executive, Resources and Contracts
Policy Development and Scrutiny Committee on 5 July 2018
Council 16th July 2018

Decision Type: Non-Urgent Executive Non-Key

Title: TREASURY MANAGEMENT - ANNUAL REPORT 2017/18

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

Chief Officer: Director of Finance

Ward: All wards

1. Reason for report

1.1 This report summarises treasury management activity during the March quarter and includes the Treasury Management Annual Report for 2017/18, which is required to be reported to full Council. The report ensures that the Council is implementing best practice in accordance with the CIPFA Code of Practice for Treasury Management. Investments as at 31st March 2018 totalled £284.8m and there was no external borrowing. For information and comparison, the balance of investments stood at £310.6m as at 31st December 2017 and £269.9m as at 31st March 2017, and, at the time of writing this report (25th June 2018) it stood at £315.7m.

2. **RECOMMENDATION(S)**

2.1 **The Portfolio Holder and Council are asked to:**

- (a) **Note the Treasury Management Annual Report for 2017/18;**
- (b) **Approve the actual prudential indicators within the report.**

Corporate Policy

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

Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A
 3. Budget head/performance centre: Interest on Balances
 4. Total current budget for this head: £2.891m budget (net interest earnings) in 2017/18; surplus of £1.158m achieved in 2017/18. Budget for 2018/19 £3.491m
 5. Source of funding: Net investment earnings
-

Staff

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

Legal

1. Legal Requirement: Non-statutory - Government guidance.
 2. Call-in: Call-in is applicable
-

Customer Impact

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

Ward Councillor Views

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

3 COMMENTARY

3.1 General

- 3.1.1 Under the requirements of the CIPFA Code of Practice on Treasury Management, the Council is required, as a minimum, to approve an annual treasury strategy in advance of the year, a mid-year review report and an annual report following the year comparing actual activity to the strategy. In practice, the Director of Finance has reported quarterly on treasury management activity for many years, as well as reporting the annual strategy before the year and the annual report after the year-end. This report includes details of investment performance in the final quarter of 2017/18 and the annual report for the whole of the financial year 2017/18.
- 3.1.2 The 2017/18 annual treasury strategy, including the MRP (Minimum Revenue Provision) Policy Statement and prudential indicators, was originally approved by Council in March 2017, and was subsequently amended following approval by Council in December 2017 to reflect an increase in the limit for pooled funds/collective investment vehicles to £100m.
- 3.1.3 Recent changes in the regulatory environment place a much greater onus on Members for the review and scrutiny of treasury management policy and activities. This report is important in that respect, as it provides details of the actual position for treasury activities and highlights compliance with the Council's policies previously approved by Members.
- 3.1.4 The Council has monies available for Treasury Management investment as a result of the following:
- Positive cash flow;
 - Monies owed to creditors exceed monies owed by debtors;
 - Receipts (mainly from Government) received in advance of payments being made;
 - Capital receipts not yet utilised to fund capital expenditure;
 - Provisions made in the accounts for liabilities e.g. provision for outstanding legal cases which have not yet materialised;
 - General and earmarked reserves retained by the Council.
- 3.1.5 Some of the monies identified above are short term and investment of these needs to be highly "liquid", particularly if it relates to a positive cash flow position, which can change in the future. Future monies available for Treasury Management investment will depend on the budget position of the Council and whether the Council will need to substantially run down capital receipts and reserves. Against a backdrop of unprecedented cuts in Government funding (which will require the Council to make further revenue savings to balance the budget in future years), there is a likelihood that such actions may be required in the medium term, which will reduce the monies available for investment.
- 3.1.6 The Council has also identified an alternative investment strategy relating to property investment. To date, this has resulted in actual and planned acquisitions which generated £3m income in 2015/16, £4.6m in 2016/17, £5.6m in 2017/18 and is projected to achieve £5.6m for 2018/19. This is based on a longer term investment timeframe of at least 3 to 5 years and ensures that the monies available can attract higher yields over the longer term.
- 3.1.7 A combination of lower risk investment relating to Treasury Management and a separate investment strategy in the form of property acquisitions (generating higher yields and risks) provides a balanced investment strategy. Any investment decisions will also need to consider the likelihood that interest rates will increase at some point. The available resources for the medium term, given the ongoing reductions in Government funding, will need to be regularly reviewed.

3.2 Treasury Performance in the quarter and year ended 31st March 2018

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

3.2.2 **Investments:** The following table sets out details of investment activity during the third quarter of 2017/18 and the whole of the 2017/18 financial year:

	Qtr ended 31/03/18		2017/18 financial year		Ref para
	Deposits	Ave Rate	Deposits	Ave Rate	
	£m	%	£m	%	
Balance of "core" investments b/f	205.00	1.11	193.00	1.42	
New investments made in period	20.00	1.15	135.00	0.85	
Investments redeemed in period	-45.00	0.48	-148.00	1.40	
"Core" investments at end of period	180.00	1.00	180.00	1.00	
Money Market Funds	22.50	0.42	22.50	0.30	3.4.1.1
CCLA Property Fund*	40.00	8.21	40.00	7.00	3.4.4.6
Diversified Growth Funds*	10.00	-9.20	10.00	-0.81	3.4.4.8
Multi-Asset Income Funds*	30.00	-10.47	30.00	-1.86	3.4.4.12
Project Beckenham Loan	2.30	6.00	2.30	6.00	3.4.3.1
"Alternative" investments at end of period	104.80	-0.52	104.80	2.26	
Total investments at end of period	284.80	0.44	284.80	1.46	
* The rates shown here are the total return i.e. dividend income received, plus change in capital value. Only dividend income will be recognised during the year; the change in capital value is held in the Available for Sale Financial Assets reserve, and will be recognised on the sale of the investments. A more detailed breakdown of the rates for these investments is shown in the relevant paragraphs.					

3.2.3 Details of the outstanding investments at 31st March 2018 are shown in maturity date order in Appendix 2 and by individual counterparty in Appendix 3. An average return of 0.9% was assumed for new investments in the 2017/18 budget in line with the estimates provided by the Council's external treasury advisers, Link Asset Services (previously Capita), and with officers' views. The return on the two new "core" investment placed during the third quarter of 2017/18 was 0.48%, both of which were for 3 months. This compares to the average LIBID rates of 0.36% for 7 days, 0.44% for 3 months, 0.53% for 6 months and 0.74% for 1 year.

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

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

3.2.6 Active UK banks on the Council's list now comprise only Lloyds, RBS, HSBC, Barclays, Santander UK, Goldman Sachs International Bank, Standard Chartered, and Nationwide and Skipton Building Societies, and all of these have reduced their interest rates significantly in recent years. The Director of Finance will continue to monitor rates and counterparty quality and take account of external advice prior to any investment decisions.

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

3.3 Interest Rate Forecast

3.3.1 As expected, the Monetary Policy Committee (MPC) delivered a 0.25% increase in Bank Rate at its meeting on 2 November. This removed the emergency cut in August 2016 after the EU referendum. The MPC also gave forward guidance that they expected to increase Bank rate only twice more by 0.25% by 2020 to end at 1.00%. The Link Asset Services forecast below includes increases in Bank Rate of 0.25% in November 2018, September 2019, June 2020 and November 2020.

Date	LATEST FORECAST (May18)				PREVIOUS FORECAST (Nov17)			
	Base Rate	3 month Libid	6 month Libid	1 year Libid	Base Rate	3 month Libid	6 month Libid	1 year Libid
Jun-18	0.50%	0.60%	0.70%	0.80%	0.50%	0.40%	0.50%	0.80%
Dec-18	0.75%	0.90%	1.00%	1.10%	0.75%	0.60%	0.80%	1.00%
Jun-19	0.75%	0.90%	1.00%	1.20%	0.75%	0.60%	0.80%	1.10%
Dec-19	1.00%	1.20%	1.40%	1.47%	1.00%	0.90%	1.00%	1.30%
Jun-20	1.25%	1.40%	1.50%	1.60%	1.00%	1.00%	1.10%	1.40%
Dec-20	1.50%	1.60%	1.70%	1.80%	1.25%	1.20%	1.30%	1.50%

3.4 Other Investments

3.4.1 Money Market Funds

3.4.1.1 The Council currently has 7 AAA-rated Money Market Fund accounts, with Prime Rate, Ignis, Insight, Blackrock, Fidelity, Morgan Stanley and Legal & General, all of which have a maximum investment limit of £15m. In common with market rates for fixed-term investments, interest rates on money market funds have fallen considerably in recent years. The Ignis and Prime Rate funds currently offer the best rate at around 0.53%. The total balance held in Money Market Funds has varied during the year, moving from £6.9m as at 31st March 2017 to £29.3m as at 30th June 2017, £14.1m as at 30th September 2017, £23.3m at 31st December 2017 and £22.5m as at 31st March 2018. The Money Market Funds currently offer the lowest interest of all eligible investment vehicles with the exception of the Government Debt Management Account Deposit Facility (currently 0.10%); however they are the most liquid, with funds able to be redeemed up until midday for same day settlement.

Money Market Funds	Date Account Opened	Ave. Rate 2017/18	Ave. Daily balance 2017/18	Actual balance 31/03/18	Latest Balance 25/06/18	Latest Rate 25/06/18
		%	£m	£m	£m	%
Prime Rate	15/06/2009	0.29	11.4	-	15.0	0.53
Ignis	25/01/2010	0.29	13.2	15.0	15.0	0.53
Insight	03/07/2009	0.28	3.0	7.5	14.9	0.52
Legal & General	23/08/2012	0.28	4.5	-	14.5	0.51
Blackrock	16/09/2009	0.17	-	-	-	0.42
Fidelity	20/11/2002	0.22	-	-	1.2	0.43
Morgan Stanley		0.24	-	-	-	0.45
TOTAL			32.1	22.5	60.6	

3.4.2 Housing Associations

3.4.2.1 Following the reduction of the counterparty rating criteria to A- for Housing Associations approved by Council in June 2017, deposits of £10m each were placed with Hyde Housing

Association (A+) and Places for People Homes (A) for two years at rates of 1.30% and 1.60% respectively.

3.4.3 Loan to Project Beckenham

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

3.4.4 Pooled Investment Schemes

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

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

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

3.4.4.4 To mitigate the effect of this, and to smooth the volatility in these investments, interest/dividend earnings above 2.5% (£1,086k) during 2017/18 relating to the CCLA Property Fund and Fidelity Multi-Asset Income Fund were set aside in an Income Equalisation earmarked reserve. There is the potential that the effect of this change in accounting will be nullified by a statutory override; however at the time of writing MHCLG have yet to issue a consultation on this, and the new requirements remain in place.

CCLA Property Fund

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

Annualised net return	Dividend %	Capital Growth %	Total return %
01/02/14 - 31/03/14	4.29	-29.64	-25.35
01/04/14 - 31/03/15	5.03	3.44	8.47
01/04/15 - 31/03/16	5.02	1.63	6.65
01/04/16 - 31/03/17	4.55	-2.50	2.05
01/04/17 - 31/03/18	4.59	2.41	7.00
Cumulative return	4.71	0.58	5.29

3.4.4.6 The negative “growth”, particularly in the first two months, was mainly a result of the bid-offer spread that is inherent in property funds when the original and subsequent investments were made. This has less of an effect over the longer term that these investments are expected to be held, and overall there has been modest capital growth of 0.6%.

Diversified Growth Funds

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

3.4.4.8 The Funds both performed very well in just over three months to 31st March 2015, with returns over 21%. Performance has not so impressive since, with net returns of -1.98% in 2015/16, 1.25% in 2016/17, 0.76% in 2017/18, with overall net returns since inception of 1.30%, as shown in the table below.

Annualised net return	Newton %	Standard Life %	Combined %
22/12/14 - 31/03/15	21.25	21.64	21.44
01/04/15 - 31/03/16	0.81	-4.77	-1.98
01/04/16 - 31/03/17	2.08	0.37	1.25
01/04/17 - 31/03/18	-2.23	0.71	-0.76
Cumulative return	1.99	0.62	1.30

3.4.4.9 The downturn in performance echoes that seen in the Pension Fund’s DGFs (and Global Equities Funds to an extent) during 2015/16 and subsequent rebound during 2016/17 and 2017/18. However, it should be noted that these types of investments should be considered as longer term investments over a three to five year period.

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

Multi-Asset Income Fund

3.4.4.11 Following the approval by Council in June 2017, the limit for pooled investment schemes was increased to £80m, and an investment of £30m was made on 12th July 2017 in the Fidelity Multi-Asset Income Fund following the agreement of the Resources Portfolio Holder. The fund return for the quarter to 31st March 2018 was capital growth of -14.73% and dividends paid of 3.98%, resulting in a total return of -10.47%. Since inception, dividends paid have totalled 4.44%, with a reduction of -6.30% to the capital value, resulting in a total return of -1.86%. The capital value has since recovered somewhat, and there was a total return since inception of 0.25% as at 30th April 2018.

Investment with Heritable Bank

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

3.5 **Actual prudential indicators for 2017/18**

3.5.1 The old capital control system was replaced in April 2004 by a prudential system based largely on self-regulation by local authorities themselves. At the heart of the system is The Prudential Code for Capital Finance in Local Authorities, developed by CIPFA. The Code requires the Council to set a number of prudential indicators designed to monitor and control capital expenditure, financing and borrowing. The indicators for 2017/18 were approved by the Executive and the Council in March 2017 and were revised and updated in December 2017. Appendix 4 sets out the actual performance in 2017/18 against those indicators.

3.6 **Economic Background during 2017/18 (provided by Link Asset Services)**

3.6.1 UK: The outcome of the EU referendum in June 2016 resulted in a gloomy outlook and economic forecasts from the Bank of England based around an expectation of a major slowdown in UK GDP growth, particularly during the second half of 2016, which was expected to push back the first increase in Bank Rate for at least three years. Consequently, the Bank responded in August 2016 by cutting Bank Rate by 0.25% to 0.25% and making available over £100bn of cheap financing to the banking sector up to February 2018. Both measures were intended to stimulate growth in the economy. This gloom was overdone as the UK economy turned in a G7 leading growth rate of 1.8% in 2016, (actually joint equal with Germany), and followed it up with another 1.8% in 2017, (although this was a comparatively weak result compared to the US and EZ).

3.6.2 During the calendar year of 2017, there was a major shift in expectations in financial markets in terms of how soon Bank Rate would start on a rising trend. After the UK economy surprised on the upside with strong growth in the second half of 2016, growth in 2017 was disappointingly weak in the first half of the year; quarter 1 came in at +0.3% (+1.7% y/y) and quarter 2 was +0.3% (+1.5% y/y), which meant that growth in the first half of 2017 was the slowest for the first half of any year since 2012. The main reason for this was the sharp increase in inflation caused by the devaluation of sterling after the EU referendum, feeding increases into the cost of imports into the economy. This caused a reduction in consumer disposable income and spending power as inflation exceeded average wage increases. Consequently, the services sector of the economy, accounting for around 75% of GDP, saw weak growth as consumers responded by cutting back on their expenditure. However, growth did pick up in quarter 3 to 0.5% before dipping slightly to 0.4% in quarter 4.

3.6.3 Consequently, market expectations during the autumn rose significantly that the MPC would be heading in the direction of imminently raising Bank Rate. The MPC meeting of 14 September provided a shock to the markets with a sharp increase in tone in the minutes where the MPC considerably hardened their wording in terms of needing to raise Bank Rate very soon. The 2 November MPC quarterly Inflation Report meeting duly delivered on this warning by withdrawing the 0.25% emergency rate cut which had been implemented in August 2016. Market debate then moved on as to whether this would be a one and done move for maybe a year or more by the MPC, or the first of a series of increases in Bank Rate over the next 2-3 years. The MPC minutes from that meeting were viewed as being dovish, i.e. there was now little pressure to raise rates by much over that time period. In particular, the GDP growth forecasts were pessimistically weak while there was little evidence of building pressure on wage increases despite remarkably low unemployment. The MPC forecast that CPI would peak at about 3.1% and chose to look through that breaching of its 2% target as this was a one off result of the devaluation of sterling caused by the result of the EU referendum. The inflation forecast showed that the MPC expected inflation to come down to near the 2% target over the two to three year time horizon. So this all seemed to add up to cooling expectations of much further action to raise Bank Rate over the next two years.

3.6.4 Further information on the economic background is included as Appendix 5.

3.7 Regulatory Framework, Risk and Performance

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

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

Under section 238(2) of the Local Government and Public Involvement in Health Act 2007, the Secretary of State has taken powers to issue guidance on accounting practices. Guidance on Minimum Revenue Provision was issued under this section on 8th November 2007.

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

4 POLICY IMPLICATIONS

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

5 FINANCIAL IMPLICATIONS

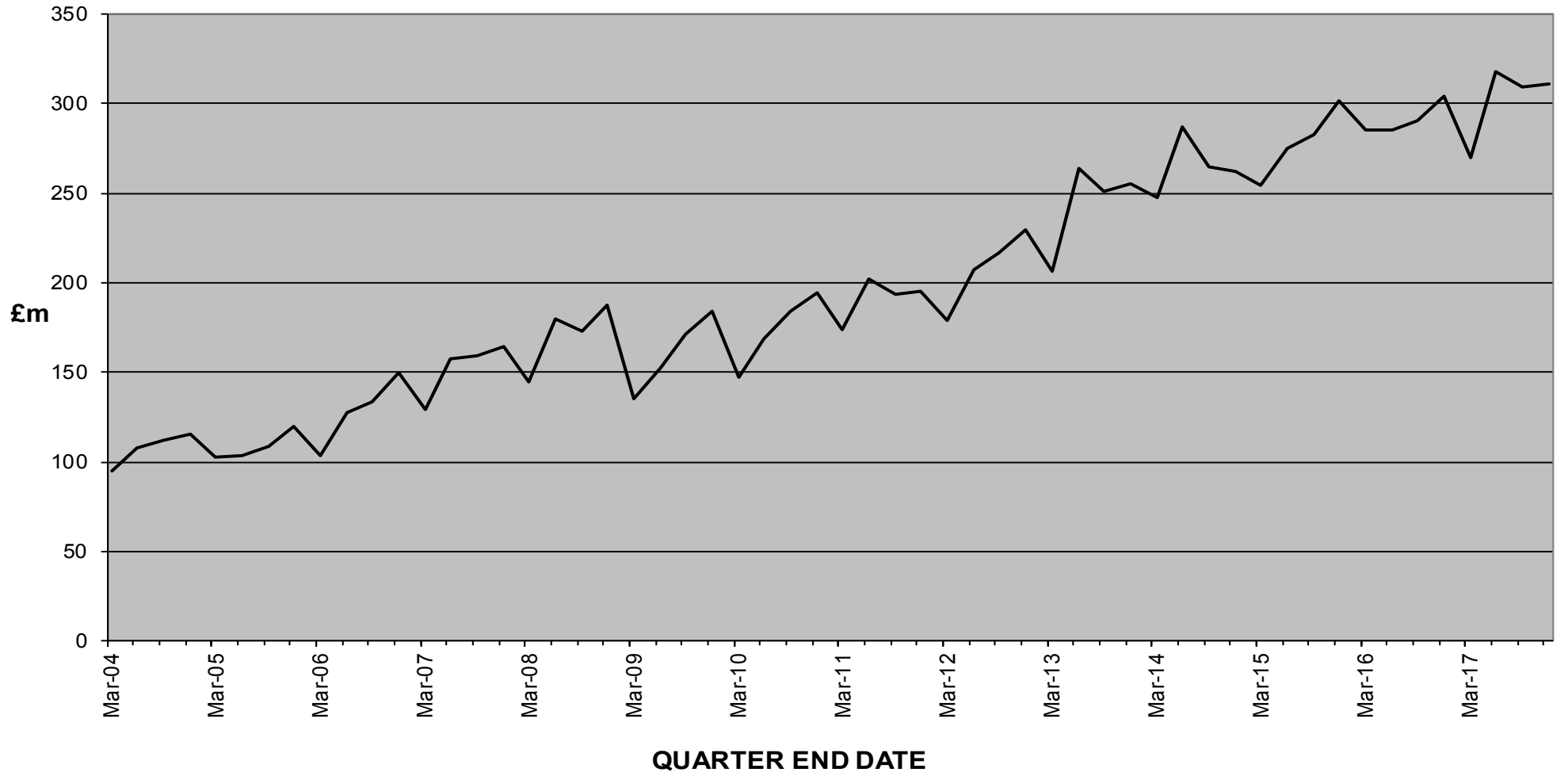
5.1 At the time of setting the 2017/18 budget, there was still no sign of interest rates improving following the reduction to the Bank of England base rate and coupled with the ability of banks to borrow from the Bank of England at very low rates through its Term Funding Scheme, so an average rate of 0.9% was prudently assumed for interest on new fixed term deposits. In addition to this, further Investment Fund and Growth Fund expenditure, and the Highways Investment capital scheme were expected to reduce the funds available for investment, and a reduction of £600k was included in the 2017/18 budget.

5.2 The final outturn for net interest on investments and borrowing in 2016/17 was £4,049k compared to the budget of £2,891k, mainly due to the continued high level of balances available for investment, as well as the further investment in pooled funds, and high level of interest earned on the pooled funds, housing association deposits and Project Beckenham loan.

- 5.3 To reflect the increased level of interest earnings from alternative investments as set out above, in part offset by an expected reduction in balances available for investment as a result of the utilisation of capital receipts and grants/contributions as well as earmarked revenue reserves, and an increase of £600k has been included in the 2018/19 budget.

Non-Applicable Sections:	Legal, Personnel & Procurement Implications, Impact on Vulnerable Adults and Children
Background Documents: (Access via Contact Officer)	Treasury Management - Annual Investment Strategy 2017/18, Council, 1 st March 2017 CIPFA Code of Practice on Treasury Management CIPFA Prudential Code for Capital Finance in Local Authorities CLG Guidance on Investments External advice from Link Asset Services

TOTAL INVESTMENT PORTFOLIO



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INVESTMENTS HELD AS AT 31ST MARCH 2018

Counterparty	Start Date	Maturity Date	Rate of Interest %	Amount £m
FIXED DEPOSITS				
LLOYDS BANK	16/04/2015	16/04/2018	1.49	30.0
LLOYDS BANK	26/05/2016	25/05/2018	1.48	10.0
GOLDMAN SACHS	02/08/2017	01/08/2018	0.93	10.0
GOLDMAN SACHS	18/08/2017	17/08/2018	0.79	5.0
GOLDMAN SACHS	19/09/2017	18/09/2018	0.95	5.0
SKIPTON BUILDING SOCIETY	03/11/2017	02/11/2018	0.92	10.0
LLOYDS BANK	19/11/2015	19/11/2018	1.82	5.0
LANCASHIRE COUNTY COUNCIL	18/12/2015	18/12/2018	1.50	10.0
CLOSE BROTHERS	02/03/2018	01/03/2019	1.15	20.0
RBS	09/10/2017	09/04/2019	1.00	20.0
LLOYDS BANK	29/07/2016	31/07/2019	1.34	2.5
PLACES FOR PEOPLE HOMES LTD	16/08/2017	16/08/2019	1.60	10.0
HYDE HOUSING ASSOCIATION	22/08/2017	22/08/2019	1.30	10.0
LLOYDS BANK	18/08/2016	19/08/2019	1.14	7.5
LLOYDS BANK	05/12/2016	05/12/2019	1.37	25.0
TOTAL FIXED INVESTMENTS				180.0
OTHER FUNDS				
STANDARD LIFE (IGNIS) LIQUIDITY FUND				15.0
INSIGHT STERLING LIQUIDITY FUND				7.5
CCLA LOCAL AUTHORITY PROPERTY FUND	30/01/2014			40.0
STANDARD LIFE - DIVERSIFIED GROWTH FUND	22/12/2014			5.0
NEWTON - DIVERSIFIED GROWTH FUND	22/12/2014			5.0
FIDELITY MULTI-ASSET INCOME FUND	12/07/2017			30.0
PROJECT BECKENHAM LOAN	09/06/2017			2.3
TOTAL INVESTMENTS				284.8

INVESTMENTS HELD AS AT 31ST MARCH 2018

	Start Date	Maturity Date	Rate of Interest %	Amount £m	Total £m	Limit £m	Remaining £m
<u>UK BANKS</u>							
LLOYDS BANK	16/04/2015	16/04/2018	1.49	30.0			
LLOYDS BANK	26/05/2016	25/05/2018	1.48	10.0			
LLOYDS BANK	19/11/2015	19/11/2018	1.82	5.0			
LLOYDS BANK	29/07/2016	31/07/2019	1.34	2.5			
LLOYDS BANK	18/08/2016	19/08/2019	1.18	7.5			
LLOYDS BANK	05/12/2016	05/12/2019	1.37	25.0	80.0	80.0	0.0
GOLDMAN SACHS INTERNATIONAL BANK	03/08/2016	01/08/2018	0.93	10.0			
GOLDMAN SACHS INTERNATIONAL BANK	18/08/2016	17/08/2018	0.79	5.0			
GOLDMAN SACHS INTERNATIONAL BANK	19/09/2017	18/09/2018	0.95	5.0	20.0	20.0	0.0
SKIPTON BUILDING SOCIETY	03/11/2017	02/11/2018	0.92	10.0	10.0	10.0	0.0
CLOSE BROTHERS	02/03/2018	01/03/2019	1.15	20.0	20.0	30.0	10.0
RBS	09/10/2017	09/04/2019	1.00	20.0	20.0	80.0	60.0
<u>LOCAL AUTHORITIES</u>							
LANCASHIRE COUNTY COUNCIL	18/12/2015	18/12/2018	1.50	10.0	10.0	15.0	5.0
<u>HOUSING ASSOCIATIONS</u>							
PLACES FOR PEOPLE HOMES LTD	04/12/2014	16/08/2019	1.60	10.0	10.0	10.0	0.0
HYDE HOUSING ASSOCIATION	18/12/2015	22/08/2019	1.30	10.0	10.0	10.0	0.0
<u>OTHER INVESTMENTS</u>							
STANDARD LIFE (IGNIS) LIQUIDITY FUND	25/01/2010			15.0	15.0	15.0	0.0
INSIGHT STERLING LIQUIDITY FUND	15/06/2009			7.5	7.5	15.0	7.5
CCLA LOCAL AUTHORITY PROPERTY FUND	30/01/2014			40.0			
STANDARD LIFE - DIVERSIFIED GROWTH FUND	22/12/2014			5.0			
NEWTON - DIVERSIFIED GROWTH FUND	22/12/2014			5.0			
FIDELITY MULTI-ASSET INCOME FUND	12/07/2017			30.0	80.0	100.0	20.0
PROJECT BECKENHAM LOAN	09/06/2017			2.3	2.3	2.3	0.0
TOTAL INVESTMENTS				284.8	284.8		

Prudential and Treasury Indicators – Actual 2017/18

Prudential and Treasury Indicators are relevant for the purposes of setting an integrated treasury management strategy and require the approval of the Council. The table below shows the actual performance in relation to the indicators in 2016/17 and compares the actual in 2017/18 with the original estimates approved in March 2017 and with the revised estimates (“probable”) reported in the mid-year review in December 2017. Further details on capital expenditure outturn were reported to the Executive on 21st May 2018.

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

PRUDENTIAL INDICATORS	2016/17	2017/18	2017/18	2017/18
	actual	estimate	probable	actual
Total Capital Expenditure	£53.0m	£77.0m	£67.0m	£40.3m
Ratio of financing costs to net revenue stream	0%	0%	0%	0%
Net borrowing requirement (net investments for Bromley) brought forward 1 April carried forward 31 March	£261.1m £269.9m	£255.0m £241.1m	£269.9m £246.7m	£269.9m £284.8m
in year borrowing requirement /movement in net investments	£8.8m	-£13.9m	-£23.2m	£14.9m
Capital Financing Requirement as at 31 March	£3.1m	£2.2m	£2.3m	£2.3m
Incremental impact of capital investment decisions Increase in council tax (band D) per annum	£ p -	£ p -	£ p -	£ p -

TREASURY MANAGEMENT INDICATORS	2016/17	2017/18	2017/18	2017/18
	actual	estimate	probable	actual
Authorised Limit for external debt - borrowing	£30.0m	£30.0m	£30.0m	£30.0m
other long term liabilities	£30.0m	£30.0m	£30.0m	£30.0m
TOTAL	£60.0m	£60.0m	£60.0m	£60.0m
Operational Boundary for external debt - borrowing	£10.0m	£10.0m	£10.0m	£10.0m
other long term liabilities	£10.0m	£20.0m	£20.0m	£20.0m
TOTAL	£20.0m	£30.0m	£30.0m	£30.0m
Actual external debt	£3.1m	£2.2m	£2.3m	£2.3m
Upper limit for fixed interest rate exposure	100%	100%	100%	100%
Upper limit for variable rate exposure	20%	20%	20%	20%
Upper limit for total principal sums invested for more than 364 days beyond year-end dates	£170.0m	£170.0m	£170.0m	£170.0m

Further Information on the Economic Background during 2017/18 (provided by Link Asset Services)

GDP growth in the second half of 2017 came in stronger than expected, while in the new year there was evidence that wage increases had started to rise. The **8 February MPC meeting** minutes therefore revealed another sharp hardening in MPC warnings focusing on a reduction in spare capacity in the economy, weak increases in productivity, higher GDP growth forecasts and a shift of their time horizon to focus on the 18 – 24 month period for seeing inflation come down to 2%. (CPI inflation ended the year at 2.7% but was forecast to still be just over 2% within two years.) This resulted in a marked increase in expectations that there would be another Bank Rate increase in May 2018 and a bringing forward of the timing of subsequent increases in Bank Rate. This shift in market expectations resulted in **investment rates** from 3 – 12 months increasing sharply during the spring quarter.

PWLB borrowing rates increased correspondingly to the above developments with the shorter term rates increasing more sharply than longer term rates. In addition, UK gilts have moved in a relatively narrow band this year, (within 25 bps for much of the year), compared to **US treasuries**. During the second half of the year, there was a noticeable trend in treasury yields being on a rising trend with the Fed raising rates by 0.25% in June, December and March, making six increases in all from the floor. The effect of these three increases was greater in shorter terms around 5 year, rather than longer term yields.

As for **equity markets**, the FTSE 100 hit a new peak near to 7,800 in early January before there was a sharp selloff in a number of stages during the spring, replicating similar developments in US equity markets.

The major UK landmark event of the year was the inconclusive result of the **general election** on 8 June. However, this had relatively little impact on financial markets. However, **sterling** did suffer a sharp devaluation against most other currencies, although it has recovered about half of that fall since then. Brexit negotiations have been a focus of much attention and concern during the year but so far, there has been little significant hold up to making progress.

The **manufacturing sector** has been the bright spot in the economy, seeing stronger growth, particularly as a result of increased demand for exports. It has helped that growth in the EU, our main trading partner, has improved significantly over the last year. However, the manufacturing sector only accounts for around 11% of GDP so expansion in this sector has a much more muted effect on the average total GDP growth figure for the UK economy as a whole.

EU. Economic growth in the EU, (the UK's biggest trading partner), was lack lustre for several years after the financial crisis despite the ECB eventually cutting its main rate to -0.4% and embarking on a massive programme of quantitative easing to stimulate growth. However, growth eventually picked up in 2016 and subsequently gathered further momentum to produce an overall GDP figure for 2017 of 2.3%. Nevertheless, despite providing this massive monetary stimulus, the ECB is still struggling to get

inflation up to its 2% target and in March, inflation was still only 1.4%. It is, therefore, unlikely to start an upswing in rates until possibly towards the end of 2019.

USA. Growth in the American economy was volatile in 2015 and 2016. 2017 followed that path again with quarter 1 at 1.2%, quarter 2 3.1%, quarter 3 3.2% and quarter 4 2.9%. The annual rate of GDP growth for 2017 was 2.3%, up from 1.6% in 2016. Unemployment in the US also fell to the lowest level for 17 years, reaching 4.1% in October to February, while wage inflation pressures, and inflationary pressures in general, have been building. The Fed has been the first major western central bank to start on an upswing in rates with six increases since the first one in December 2015 to lift the central rate to 1.50 – 1.75% in March 2018. There could be a further two or three increases in 2018 as the Fed faces a challenging situation with GDP growth trending upwards at a time when the recent Trump fiscal stimulus is likely to increase growth further, consequently increasing inflationary pressures in an economy which is already operating at near full capacity. In October 2017, the Fed also became the first major western central bank to make a start on unwinding quantitative easing by phasing in a gradual reduction in reinvesting maturing debt.

Chinese economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus and medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems.

Japan. GDP growth has been improving to reach an annual figure of 2.1% in quarter 4 of 2017. However, it is still struggling to get inflation up to its target rate of 2% despite huge monetary and fiscal stimulus, although inflation has risen in 2018 to reach 1.5% in February. It is also making little progress on fundamental reform of the economy.

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Report No.
CSD18105

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: COUNCIL

Date: Monday 16 July 2018

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

Title: HEALTH AND WELLBEING BOARD - ANNUAL REPORT
2017/18

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 At its final meeting in 2017/18 on 29th March 2018, the Health and Wellbeing Board received a report from its chairman, Councillor David Jefferys, summarising the Board's activities during 2017/18. The Board noted the report and that it would be submitted to full Council.
-

2. **RECOMMENDATION**

Council is recommended to receive and note the annual report from the Health and Wellbeing Board

Impact on Vulnerable Adults and Children

1. Summary of Impact: N/A
-

Corporate Policy

1. Policy Status: Existing Policy:
 2. BBB Priority: Healthy Bromley:
-

Financial

1. Cost of proposal: No Cost:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: N/A
 4. Total current budget for this head: N/A
 5. Source of funding: N/A
-

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: None:
 2. Call-in: Not Applicable:
-

Procurement

1. Summary of Procurement Implications: N/A
-

Customer Impact

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

Ward Councillor Views

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

Non-Applicable Sections:	Impact on Vulnerable Adults and Children, Policy, Financial, Personnel, Legal, Procurement
Background Documents: (Access via Contact Officer)	None

Health and Wellbeing Board Chairman's Annual Report

Chairman: Cllr. David Jefferys
Vice-Chairman: Cllr. Robert Evans

The Health and Wellbeing Board met four times in 2017/18.

Areas of work that have been explored include the Iris Project (Identification and Referral to Improve Safety) in Bromley, a review of Winter Health and Social Care services and the development of Bromley's Homelessness Strategy. The Board continues to engage with a wide range of voluntary sector partners including receiving a presentation on the work of the Bromley Third Sector and Bromley Well.

The Board has considered a range of work related to the health and wellbeing of children and young people including health support to school-aged children, childhood obesity, the Vulnerable Adolescent Strategy and the Bromley Safeguarding Children Board's annual report. Infant mortality has been investigated by the Board following its identification as a key issue in the Joint Strategic Needs Assessment 2017, and the Board has also received a presentation on the Local CAMHS Transformation Plan 2017/18.

Work has been undertaken to consider how the Better Care Fund and Improved Better Care Fund can best be used to support the development of sustainable adult social care services. The significant improvement in Delayed Transfer of Care Performance has been closely monitored. Regular updates have been provided on Dementia Services and new initiatives from across the Borough have been reviewed. The new Pharmaceutical Needs Assessment and Supporting Statement as well as the Joint Strategic Needs Assessment 2017 have been approved. The Board has also represented Bromley's interests at a regional level, including providing a response to the consultation on the London Health Inequalities Strategy and the Chairman's attendance at a range of national and regional groups and forums.

Having identified falls as an area of concern for the Borough's older population, the Board has convened the Falls Task and Finish Group which is being chaired by Professor Cameron Swift, a world expert on falls and a member of the NICE Falls Clinical Guideline Group and Quality Standards Advisory Committee with the aim of developing a collaborative approach to falls across health and social care partners. The Board has also championed and promoted the key issue of social isolation culminating in the highly successful November 2017 Campaign to support increased social inclusion.

There has been a continued emphasis on partnership working within the Health and Wellbeing Board which has representation from a range of key partners including the Local Authority, Bromley Clinical Commissioning Group, Bromley Safeguarding Adults Board, Bromley Safeguarding Children Board and Bromley Voluntary Sector.

In light of all these achievements, I would like to thank the commitment and hard work of Board Members, key partners and Local Authority Officers in continuing to support and provide challenge to this wide-ranging work programme which is key to improving the quality of health and wellbeing provision across Bromley.

Councillor David Jefferys
Chairman, Health and Wellbeing Board

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Report No.
CSD18104

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: COUNCIL

Date: Monday 16th July 2018

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

Title: COUNCILLOR ATTENDANCE 2017/18

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 One of the recommendations of the Constitution Improvement Working Group, endorsed by Council on 15th December 2009, was that details of Councillor attendance at meetings be published at the end of each Council year. Normally, this report is presented to the Council's annual meeting; unfortunately it was not ready in time this year, but is now set out in this report. The data covers formal meetings of the Council, the Executive, Committees and Sub-Committees, plus at the request of the Constitution Improvement Working Group various other meetings including executive and non-executive working groups.
- 1.2 This report does not purport to cover every meeting or to give an exhaustive account of the very wide range of activities undertaken by Councillors, of which these meetings form only a part.
-

2. **RECOMMENDATION**

Council is asked to note the Councillor attendance data for 2017/18 and agree that, subject to inclusion of data from any outstanding meetings and any minor corrections, this be published on the Council website.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Not Applicable
-

Corporate Policy

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

Financial

1. Cost of proposal: No Cost:
 2. Ongoing costs: Not Applicable:
 3. Budget head/performance centre: Democratic Representation
 4. Total current budget for this head: £1,067,960
 5. Source of funding: 2018/19 Revenue Budget
-

Personnel

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

Legal

1. Legal Requirement: None:
 2. Call-in: Not Applicable: This report does not require an executive decision.
-

Procurement

1. Summary of Procurement Implications: Not Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): This report is provided for the benefit of Councillors and to assist in providing transparency about the work of Councillors.
-

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 Constitution Improvement Working Group in its third report, presented to full Council on 15th December 2009, recommended that information about Councillor attendance at meetings should be recorded and published annually. This information has always been published through the minutes of meetings, but was not previously been brought together in one document. The following recommendation was adopted by Council -

“That attendance information be routinely collected and that it be published annually at the end of the Municipal Year including details of apologies for absence and the appointment of substitutes.”

3.2 The meetings covered are listed in appendix 1; these are all Council, Committee, Sub-Committee and Executive/Portfolio Holder meetings during the Council year 2017/18, plus a variety of other meetings and working groups. A schedule covering attendance of individual Members is attached as appendix 2.

3.3 The data in appendix 2 does not include attendance at a variety of more informal meetings, pre-meetings and callovers, partnership meetings, official engagements carried out by the Mayor and Deputy Mayor, or any of the wide range of ward-related activities and case-work carried out by Councillors throughout the year. The Constitution Improvement Working Group also suggested that individual Members be offered the opportunity to add any further notes or comments that take into account any other meetings not already covered – these are included in a notes column in appendix 2.

Non-Applicable Sections:	Impact on Vulnerable Adults and Children/Policy/ Financial/Personnel/Legal/Procurement
Background Documents: (Access via Contact Officer)	Minutes of meetings held in 2017/18

Meeting Name	Number of meetings in 2016/17	Number of Meetings in 2017/18
Council, Committees & Sub-Committees		
Council	6	10
General Purposes & Licensing	5	6
Appeals Sub-Committee	0	3
Audit Sub-Committee	3	3
Licensing Sub-Committee	13	10
Local Joint Consultative Committee	4	3
Pensions Investment Sub-Committee	6	5
Development Control Committee	6	6
Plans Sub-Committees (x4)	26	24
Appointment Panel	1	1
Standards Committee	0	2
Urgency Committee	1	0
PDS Committees and Sub-Committees		
Care Services PDS Committee	7	7
Education Select Committee	6	4
Environment PDS Committee	7	6
Executive & Resources PDS Committee	9	10
Public Protection & Safety PDS Committee	5	5
Renewal & Recreation PDS Committee	6	4
Education Budget PDS Sub-Committee	3	4
Health Scrutiny PDS Sub-Committee	3	3
Contracts Sub-Committee	6	5
OHSEL Joint Scrutiny Committee	3	3
Executive meetings		
Executive	15	16
Portfolio Holder Meetings	3	1
Other Meetings		
Health & Wellbeing Board	5	4
SACRE	3	3
Economic Partnership	4	4
Safer Bromley Partnership	1	4
Adoption Panel/Fostering & Adoption Panel	11	17
Foster Panel	18	12
Chief Executive Remuneration Panel	1	0
Crystal Palace Park Executive Project Board	3	1
Honorary Aldermen WG	0	1
Executive Working Groups		
Constitution Improvement WG	2	1
Children's Board	7	0
Child Safeguarding & Corporate Parenting WG	1	0
Local Development Framework Advisory Panel	8	1
Children's Services Governance WG	16	11
PDS Working Groups		
Beckenham Town Centre WG	7	5
School Places WG	1	1
Highways and Footways WG	2	0
Environmental Services Contract WG	1	0
TOTAL	235	206

Councillor Attendance at formal meetings 2017/18 (10th May 2017 to 15th May 2018)

Please note that this information relates only to formal meetings of the Council, the Executive, Committees, Sub-Committees and Working Groups and does not attempt to reflect the overall workload of Councillors. Councillors have an extensive workload beyond formal meetings, including a varied range of meetings not listed below, and events in their own wards. They also deal with extensive casework, visit schools and care homes and represent the borough on the boards of local and London-wide organisations and charities.

	Present <i>(Figures in brackets are for attendance as a substitute)</i>	Absent <i>(Figures in brackets are for apologies received)</i>	Percentage meetings attended <i>(excludes as a visiting Member)</i>	Present as Visiting Member	Total meetings attended	Notes/Councillor comments
Clr Vanessa Allen	32 (2)	4 (4)	89	3	35	
Clr Graham Arthur	26 (1)	1 (1)	96	13	39	
Clr Douglas Auld	16	11	59	1	16	Unwell for large parts of the Council year
Clr Kathy Bance	8	0	100	0	8	Mayor 2017/18
Clr Julian Benington	18	1 (1)	95	3	21	
Clr Nicholas Bennett	50 (1)	8 (8)	85	13	63	
Clr Ruth Bennett	19 (1)	5 (4)	79	0	19	
Clr Eric Bosshard	18	2 (2)	90	1	19	
Clr Kim Botting	21	5 (5)	81	0	21	
Clr Katy Boughey	22	5 (4)	81	0	22	
Clr Kevin Brooks	27	11 (6)	71	1	28	Deputy Mayor 2017/18
Clr Lydia Buttinger	25 (1)	4 (4)	86	0	25	
Clr Stephen Carr	27	4 (3)	87	3	30	
Clr David Cartwright	16	6 (6)	73	0	16	
Clr Alan Collins	28	17 (4)	62	0	28	
Clr Mary Cooke	49 (1)	9 (9)	84	3	52	
Clr Peter Dean	14	8 (5)	64	1	15	
Clr Ian Dunn	44 (6)	5 (5)	90	6	50	
Clr Nicky Dykes	27	11 (10)	71	0	27	Maternity Leave for part of the year.
Clr Judi Ellis	34	5 (5)	85	0	34	
Clr Robert Evans	49	3 (3)	94	2	51	
Clr Simon Fawthrop	57 (6)	1 (1)	98	11	68	
Clr Peter Fookes	6	2 (2)	75	4	10	
Clr Peter Fortune	30	6 (6)	83	7	37	
Clr Hannah Gray	18	3 (2)	86	7	25	
Clr Ellie Harmer	22 (3)	7 (4)	76	2	24	

	Present <i>(Figures in brackets are for attendance as substitute)</i>	Absent <i>(Figures in brackets are for apologies received)</i>	Percentage meetings attended	Present as Visiting Member	Total meetings attended	Councillor comments
Cllr Will Harmer	13	9 (7)	59	1	14	Paternity leave for part of the year
Cllr S Huntington-Thresher	27 (1)	2 (2)	93	0	27	
Cllr W Huntington-Thresher	37	4 (4)	90	12	49	
Cllr David Jefferys	15	11 (11)	58	0	15	
Cllr Charles Joel	23	5 (5)	82	0	23	
Cllr David Livett	45	3 (2)	93	0	45	
Cllr Kate Lymer	46	9 (9)	84	6	52	
Cllr Russell Mellor	47 (4)	5 (4)	90	3	50	
Cllr Alexa Michael	48	0	100	1	49	
Cllr Peter Morgan	28	2 (2)	93	6	34	
Cllr Terence Nathan	20	11 (9)	65	0	20	Unwell for large parts of the Council year
Cllr Keith Onslow	44 (9)	4 (4)	92	6	50	
Cllr Tony Owen	45 (2)	6 (6)	88	2	47	
Cllr Angela Page	17 (1)	3 (3)	85	9	26	
Cllr Ian F. Payne	23 (1)	13 (8)	64	2	25	
Cllr Sarah Phillips	20	5 (5)	80	1	21	
Cllr Tom Philpott	12	2 (2)	86	7	19	
Cllr Chris Pierce	17	2 (2)	89	0	17	
Cllr Neil Reddin	41	0	100	0	41	
Cllr Catherine Rideout	12 (1)	4 (4)	75	1	13	
Cllr Charles Rideout	24	4 (4)	86	1	25	
Cllr Michael Rutherford	20 (1)	3 (3)	87	2	22	
Cllr Richard Scoates	22	5 (4)	81	2	24	
Cllr Colin Smith	33 (2)	1 (1)	97	12	45	
Cllr Diane Smith	30	3 (3)	89	12	42	
Cllr Melanie Stevens	19	2 (2)	90	2	21	
Cllr Tim Stevens	13 (1)	3 (3)	81	3	16	
Cllr Teresa Te	25 (1)	2 (2)	93	1	26	
Cllr Michael Tickner	21	3 (3)	88	2	23	
Cllr Pauline Tunnicliffe	23	6 (4)	79	0	25	
Cllr Michael Turner	35	4 (3)	90	1	36	
Cllr Stephen Wells	44 (2)	9 (4)	83	4	48	
Cllr Angela Wilkins	46 (9)	3 (3)	94	9	55	
Cllr Richard Williams	4	25 (25)	13	0	4	Unwell for large parts of the Council year