



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

TELEPHONE: 020 8464 3333

CONTACT: Philippa Gibbs
Philippa.Gibbs@bromley.gov.uk

DIRECT LINE: 020 8461 7638

FAX: 020 8290 0608

DATE: 2 September 2019

To: Members of the
**EXECUTIVE, RESOURCES AND CONTRACTS POLICY DEVELOPMENT AND
SCRUTINY COMMITTEE**

Councillor Simon Fawthrop (Chairman)
Councillor Christopher Marlow (Vice-Chairman)
Councillors Gareth Allatt, Julian Benington, David Cartwright QFSM, Mary Cooke,
Ian Dunn, Nicky Dykes, Robert Evans, Will Harmer, Russell Mellor,
Michael Rutherford, Michael Tickner, Stephen Wells and Angela Wilkins

A meeting of the Executive, Resources and Contracts Policy Development and
Scrutiny Committee will be held at Bromley Civic Centre on **WEDNESDAY 11
SEPTEMBER 2019 AT 7.00 PM**

MARK BOWEN
Director of Corporate Services

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

PART 1 AGENDA

Note for Members: Members are reminded that Officer contact details are shown on each report and Members are welcome to raise questions in advance of the meeting.

STANDARD ITEMS

- 1 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**
- 2 DECLARATIONS OF INTEREST**
- 3 QUESTIONS FROM COUNCILLORS AND MEMBERS OF THE PUBLIC ATTENDING THE MEETING**

In accordance with the Council's Constitution, questions that are not specific to reports on the agenda must have been received in writing 10 working days before the date of the meeting.

Questions specifically on reports on the agenda should be received within two working days of the normal publication date of the agenda. Please ensure that questions specifically on reports on the agenda are received by the Democratic Services Team by **5pm on Thursday 5th September 2019.**

- 4 **MINUTES OF THE EXECUTIVE AND RESOURCES PDS COMMITTEE MEETINGS HELD ON 3 JULY 2019 AND 30 JULY 2019 (EXCLUDING EXEMPT ITEMS)** (Pages 5 - 28)
- 5 **MATTERS OUTSTANDING AND WORK PROGRAMME** (Pages 29 - 38)
- 6 **FORWARD PLAN OF KEY DECISIONS** (Pages 39 - 44)
- 7 **EMPTY HOMES PREMIUM: CALL-IN** (Pages 45 - 66)

HOLDING THE RESOURCES, COMMISSIONING AND CONTRACTS PORTFOLIO HOLDER TO ACCOUNT

- 8 **QUESTIONS TO THE PORTFOLIO HOLDER FROM MEMBERS OF THE PUBLIC AND COUNCILLORS ATTENDING THE MEETING**

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

Portfolio Holder decisions for pre-decision scrutiny.

- a **CAPITAL PROGRAMME MONITORING - 1ST QUARTER 2019/20** (Pages 67 - 74)

HOLDING THE EXECUTIVE TO ACCOUNT

- 10 **PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS**

Members of the Committee are requested to bring their copy of the agenda for the Executive meeting on

POLICY DEVELOPMENT AND OTHER ITEMS

- 11 **SCRUTINY OF THE LEADER**
- 12 **BT/ICT CONTRACT MONITORING REPORT** (Pages 75 - 102)
- 13 **BENEFITS SERVICE MONITORING REPORT** (Pages 103 - 124)
- 14 **REVENUES SERVICE MONITORING REPORT** (Pages 125 - 142)

- 15 **EXCHEQUER SERVICE - CONTRACT PERFORMANCE REPORT** (Pages 143 - 166)
- 16 **CUSTOMER SERVICES - CONTRACT PERFORMANCE REPORT** (Pages 167 - 178)
- 17 **UPDATE ON DEBT MANAGEMENT SYSTEM AND LATE PAYMENT CHARGES** (Pages 179 - 190)
- 18 **PROPERTY PORTFOLIO REVIEW** (Pages 191 - 202)

PART 2 AGENDA

- 19 **LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006, AND THE FREEDOM OF INFORMATION ACT 2000**

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

Items of Business

Schedule 12A Description

- 20 **EXEMPT MINUTES OF THE MEETING HELD ON 3 JULY 2019 AND 30 JULY 2019** (Pages 203 - 210)

- 21 **PRE-DECISION SCRUTINY OF EXEMPT EXECUTIVE REPORTS**

- 22 **PROPERTY PORTFOLIO REVIEW** (Pages 211 - 226)

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

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EXECUTIVE, RESOURCES AND CONTRACTS POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Minutes of the meeting held at 7.00 pm on 3 July 2019

Present:

Councillor Simon Fawthrop (Chairman)
Councillor Christopher Marlow (Vice-Chairman)
Councillors Gareth Allatt, Julian Benington,
David Cartwright QFSM, Ian Dunn, Nicky Dykes,
Robert Evans, Will Harmer, Keith Onslow,
Michael Rutherford, Gary Stevens, Stephen Wells and
Angela Wilkins

Also Present:

Councillor Graham Arthur, Portfolio Holder for Resources,
Commissioning and Contracts Management
Councillor Kira Gabbert , Executive Assistant for
Resources, Commissioning and Contracts Management
Councillor Colin Smith, Leader of the Council

18 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies for absence were received from Councillors Mary Cooke and Russell Mellor. Councillors Gary Stevens and Keith Onslow attended as their respective substitutes.

19 DECLARATIONS OF INTEREST

Councillor Simon Fawthrop declared an interest as an employee of British Telecom.

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

No questions were received.

21 MINUTES OF THE EXECUTIVE AND RESOURCES PDS COMMITTEE MEETING HELD ON 14 MAY 2019 (EXCLUDING EXEMPT ITEMS)

The minutes of the meeting held on 14th May 2019, were agreed and signed as a correct record.

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A member queried whether it was now possible to access the Contracts Database. The Chairman requested that an update be provided before the Special Meeting due to take place on 30th July 2019.

**22 MATTERS ARISING AND WORK PROGRAMME
Report CSD19093**

The Committee considered a report setting out matters outstanding from previous meetings and the proposed work plan for 2019/20.

Members noted that information concerning senior staff on interim contracts had been circulated earlier in the day.

A Member suggested that scrutiny of the Leader should take place more than twice a year. In response the Chairman indicated that bi-annual scrutiny was sufficient; the Leader attended most meetings and could respond to any urgent issues that may arise. In addition Members had the opportunity to submit questions at Executive meetings.

RESOLVED: that

- 1. Progress on matters outstanding from previous meetings be noted; and**
- 2. The Work Programme for 2019/20 be noted.**

23 FORWARD PLAN OF KEY DECISIONS

The Committee noted the Forward Plan of Key Decisions covering the period July 2019-October 2019.

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

No questions had been received.

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

The Committee considered the following reports where the Resources, Contracts and Commissioning Portfolio Holder was recommended to take a decision.

**a TREASURY MANAGEMENT - ANNUAL REPORT 2018/19
Report FSD19069**

The Committee considered a report summarising treasury management activity during the March quarter, including the Treasury Management Annual

Report for 2018/19, which was required to be reported to Full Council. Investments as at 31st March 2018 totalled £311.6 million and there was no external borrowing.

In response to a question concerning the property portfolio, the Director of Finance highlighted that the Treasury Management Annual report focused on cash investments but that information about the property portfolio could be provided to Members if necessary.

A Member noted that alternative investments were performing well and questioned whether it was time to move more from cash investments into alternative investments. The Director of Finance confirmed that this was being reviewed but a cautious approach was being taken as a result of the current markets.

In response to a question concerning why other Local Authorities would borrow from LB Bromley rather than from the Public Works Loan Board, the Director of Finance reported that to his knowledge the Public Works Loan Board was for longer term borrowing and was more restrictive. It was agreed that a more detailed answer would be provided following the meeting.

RESOLVED: That the Portfolio Holder and Council be recommended to:

- 1. Note the Treasury Management Annual report for 2018/19; and**
- 2. Approve the actual prudential indicators within the report.**

**b BUDGET MONITORING 2019/20 - DRAWDOWN OF CARRY FORWARDS FROM CENTRAL CONTINGENCY
Report FSD19059**

The Committee considered a report requesting approval for drawdown from the central contingency of underspends carried forward from 2018/19 to be allocated to the Resources, Commissioning and Contract Management Portfolio.

The Chairman expressed concern that GDPR appeared twice under both HR and IT. The Director of Finance agreed to circulate a response from the Head of IT following the meeting.

The Chairman also suggested that the £24,300 for the Biggin Hill Noise Action Plan should be held in contingency until it was required. The Director of Finance confirmed this could be done but that once drawn down there would be rigor in the use of the funding as it could not be released until full details of the use of the funding had been approved by the Portfolio Holder.

RESOLVED: That the Portfolio Holder be recommended to:

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- 1. Agree the drawdown from the Central Contingency of 2018/19 carry forward sums totalling £598.3k as detailed in the report; and**
- 2. Place £24.3k in contingency for the Biggin Hill Noise Action Plan to fund contracted specialist expert acoustic advice if and when it is need.**

**c CONTRACT AWARD: CIVIC CENTRE PROGRAMME AND OFFICE ACCOMMODATION PROPOSALS CONSULTANCY SERVICES
Report DRR19/039**

The Committee considered a Part 1 summary of a report which provided an overview of the tenders received for the consultancy services for works to the Civic Centre and Central Depot. The Part 2 report made recommendations for the award of contract.

RESOLVED: That the Portfolio Holder be recommended to award the Consultancy Services contract in accordance with the recommendations made in the part 2 report.

26 PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS

The Committee considered the following reports on the Part 1 agenda for the meeting of the Executive on 10th July 2019:

**(6) BUDGET MONITORING 2019/20
Report CSD19119**

The Committee considered the first budget monitoring position for 2019/20 based on expenditure and activity levels up to the end of May 2019. The report also highlighted significant variations which would impact on future years as well as early warnings that could impact on the final year end position.

The Director of Finance noted that growth pressures and the full year effect had to be carefully monitored.

The Chairman highlighted that on the whole the picture was positive and the financial position had been far worse in previous years.

Members noted the significant income received from property investments and requested a report on the performance of property investments at the next meeting.

RESOLVED: That the Executive be recommended to:

- 1. Consider the latest financial position;**

- 2. Note that a projected net overspend on services of £2,084k is forecast based on information as at May 2019;**
- 3. Consider the comments from Chief Officers detailed in Appendix 2 of the report;**
- 4. Note a projected variation of £696k debit from investment income as detailed in sections 3.6 and 3.7 of the report;**
- 5. Note the carry forwards being requested for drawdown as detailed in section 3.3 of the report;**
- 6. Note a projected reduction to the General Fund balance of £2,788k as detailed in section 3.4 of the report;**
- 7. Note the full year cost pressures of £3.7m as detailed in section 3.5 of the report;**
- 8. Agree to the release of £70k from the 2019/20 Central Contingency relating to street lighting costs as detailed in para. 3.2.2 of the report;**
- 9. Agree to the release of £52k from the 2019/20 Central Contingency relating to additional Exchequer and TFM contract costs as detailed in para. 3.2.4 of the report;**
- 10. Agree to the release of £584k credit from the 2019/20 Central Contingency relating to savings allocated to the review of staffing as detailed in para. 3.2.5 of the report;**
- 11. Note the return to the Central Contingency of £898k as detailed in para. 3.2.6 of the report;**
- 12. Agree to allocate £900k from the Health and Social Care Initiative Reserve to support additional Children's Social Care costs as detailed in para 3.10 of the report;**
- 13. Recommend to Council that £1m transferred from the Health and Social Care Initiative Reserve to support the BCCG with their transformation plan for 2019/20 as detailed in para. 3.10 of the report;**
- 14. Identify any issues that should be referred to individual Portfolio Holders for further action.**

**(7) CAPITAL PROGRAMME MONITORING – 1ST QUARTER 2019/20
Report FSD19067**

The Committee considered the current position on capital expenditure and receipts following the 1st quarter of 2019/20. The report also sought the Executive's approval to a revised Capital Programme.

RESOLVED: That Executive be recommended to:

- 1. Note the report, including a total rephrasing of £45,868k from 2019/20 into future years, and agree a revised Capital Programme;**
- 2. Approve the following amendments to the Capital Programme:**
 - (i) Deletion of the £391k residual balance on the Beacon House Refurbishment scheme and increase of £391k to the Basic Need scheme as detailed in paragraph 3.3.2;**
 - (ii) Deletion of £40k from the Phoenix Centre scheme as detailed in paragraph 3.3.3;**
 - (iii) Addition of £239k for the Devolved Formula Capital 19/20 scheme as detailed in paragraph 3.3.4; and**
 - (iv) Increase of £16k for the Banbury House Demolition/Site Preparation scheme as detailed in paragraph 3.3.5.**
- 3. Note that a report elsewhere on the Executive agenda requests the addition of £1.5m to the Capital Programme for Boiler Plant Works;**
- 4. Note that a report elsewhere on the Executive agenda requests the addition of £6.0m to the Capital Programme for the provision of modular homes as detailed in paragraph 3.3.6 of the report; and**
- 5. Recommend that Council agrees an increase of £1,922k on Transport for London (TfL) funded Traffic and Highways schemes as detailed in paragraph 3.3.1 of the report.**

**(8) CENTRAL LIBRARY/CHURCHILL THEATRE DEFECTIVE TILING:
REQUEST FOR ADDITIONAL FUNDING
Report DRR19/037**

The Committee considered a report seeking additional funding to enable works on the Central Library/Churchill Theatre tiling to proceed.

RESOLVED: That the Executive be recommended to:

- 1. Approve additional funding of £110k from the earmarked reserve for the Infrastructure Investment Fund to undertake the temporary works.**

- 2. Agree that call in should not be applicable to allow the purchase order to be raised immediately so that there is sufficient lead-in time for commencement of the work prior to the expiry of the extant planning permission.**

**(9) REPLACEMENT OF THE DISTRICT HEATING SYSTEM BOILERS
AND RELATED WORKS TO WALNUTS LEISURE CENTRE
Report DRR19/038**

The Committee considered a report requesting the funding to carry out essential replacement of the boilers at the Walnuts Leisure Centre to prevent total breakdown. In addition associated repairs to the secondary heating plant at the Walnuts Leisure Centre were also required.

RESOLVED: That the Executive be recommended to:

- 1. Approve funding in the sum of £1.5m from capital receipts to carry out the works outlined in this report and add the scheme to the Capital Programme, subject to agreement of Full Council.**
- 2. Approve the procurement proposals outlined in sections 3.14 to 3.17 in the report.**
- 3. Grant delegated authority to the Director of Regeneration to approve variations using the contingency; and**
- 4. Grant delegated authority to the Director of Regeneration to finalise the contributions from leaseholders which would reduce the net cost to the Council of this scheme.**

**(15) TRANSFORMING BROMLEY
Report CSD19108**

The Committee considered a report providing an overview of the Transforming Bromley roadmap for 2019 – 2023, which set out the organisation's strategic priorities to improve outcomes for residents over the next four years. The roadmap set out the principles of the Transformation Programme, a four-year programme formed of six cross-cutting work streams that would deliver transformation options to address the organisation's emerging budget gap of £31.7m by 2022/23, as well as addressing identified growth pressures affecting service delivery. The report also set out the eight strategic priorities of the Roadmap alongside the Transformation Programme.

The Chief Executive noted that the covering report provided the context to the Transformation Programme, whilst the Roadmap provided the details

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surrounding the development of proposals for managing the budget gap of £32m in 4 years.

The Vice-Chairman expressed concern around the fact that whilst there were firm proposals for managing pressures in the Housing and Environment directorates, the two directorates responsible for the majority of spend across the Council (Children's Services and Adults Social Care) had as yet not provided detailed proposals for delivering savings. In response, the Interim Chief Executive highlighted that the Transformation Programme had been launched in April 2019 and as such the Council was three months into a 4 year programme. In relation to service transformation in Adult Social Care, officers were awaiting the Government's Adult Social Care Green Paper which could have implications for the approach to service delivery in Adult Social Care.

The Chairman noted that the energy and enthusiasm that had been brought to service redesign in the Housing directorate was refreshing. The Chairman stressed the importance of ensuring this level of energy and enthusiasm across all directorates. In order to deliver savings of £32m in 4 years the Council would need to identify savings in the region of £40m-£42m as it was likely that not all the savings identified could be achieved. In response the Interim Chief Executive provided assurances that all work streams were working at the same pace and with the same rigor as the Housing work stream. There was innovative thinking and proposals would be presented, through the Transformation Board, in due course.

In response to a question, the Interim Chief Executive confirmed that the Corporate Transformation Team was reaching out to other Local Authorities across the Country to identify and learn from best practice.

The Interim Chief Executive also highlighted that the fact that some directorates were responsible for delivering statutory responsibilities should not be a barrier to delivering savings. As long as service redesign was approached sensitively and carefully savings could be delivered. What was important was ensuring that the right services were delivered to the right people at the right time. The Chairman suggested that it may be helpful for individual PDS Committee to review the statutory services in their areas and to understand the thresholds and statutory requirements.

The Interim Chief Executive highlighted the success of the recently formed specialist Early Intervention Team. The Team carried a caseload of approximately 40 children and young people and delivered specific and targeted early intervention. Currently the cost of the Team was less than £200,000 however it was anticipated that the work being done by the Team could deliver savings in the region of £600,000-£700,000. It would take time for the results and key outcomes for this cohort of 40 children and young people to be realised but this was exactly the type of service transformation needed. Similar work in terms of early intervention was also being delivered within Adult Social Care through Integrated Care Networks.

In response to a question concerning recruitment to the posts currently filled by Interim Directors, the Interim Chief Executive highlighted that the interim Directors had brought new ideas and energy to their directorates. As services stabilised there would be a need to go out to the market to recruit permanent staff but the Interim arrangements had worked well.

The Interim Chief Executive, in relation to questions surrounding the risks around failure to deliver the required service transformation, highlighted that the Transformation Programme was not about 'salami slicing' budgets. It was about identifying how and why some local authorities were able to deliver services for lower unit costs. It was also about identifying how services could be delivered more efficiently and effectively, and about managing the needs of residents differently. That was why there was a need to proceed with caution and take time to identify the most appropriate savings. The Transformation Programme was not about taking easy options but instead identifying what could be done to continue to provide quality services at a lower cost. The reality was that there may be a need to spend more in order to deliver bigger savings in the future.

The Chairman noted that there was money within the Capital Programme for improvements to peoples' homes. This was one obvious area for invest-to save as it would enable people to remain in their homes for longer. The Chairman suggested that there was a need to take an holistic approach to the strategy for transformation.

In response to a question, the Interim Chief Executive highlighted that Councillors had a fundamental duty to deliver a balanced budget and this was enshrined in statute. It was therefore essential that Members and Officers worked together. Officers would put forward proposals to meet the level of savings required and Members would need to take decisions on the proposals based on Officer advice. There was a clear need to make progress in terms of identifying and delivering savings.

RESOLVED: That the Executive be recommended to:

- 1. Note and comment on the report.**
- 2. Agree that the relevant Chief Officer reports back to their respective PDS Committee/s on the progress of the Transforming Bromley Programme as a standing item.**
- 3. Note that the Transformation Programme is on the Corporate Risk Register and will be monitored in line with the Council's risk management procedures.**

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**(16) REVIEW OF CORPORATE LEADERSHIP STRUCTURE
Report CSD19110**

The Committee considered a report setting out the key proposals following a review of the corporate leadership structure to ensure an appropriately robust and effective leadership and management structure was in place to deliver the transformation agenda for Bromley. The key reasons for the review of the corporate leadership structure were:-

- a) Identifying and addressing current and future business requirements to create a sustainable and fit-for-purpose leadership structure; and
- b) Reconfiguring complementary functions/services to improve organisational performance.

The Chairman welcomed the report and asked the Interim Chief Executive to also give consideration to evolving the Member structure to enable it to complement the new Officer structure. The Chairman also suggested that there should be adequate contingency to meet the Council's requirement to deliver services going forward.

In relation to leadership training and a leadership development programme, the Interim Chief Executive confirmed that work had begun on this with the corporate Leadership Team reviewing leadership qualities going forward. A training programme would be cascaded through the organisation.

In response to a question concerning the 'vacancy factor', the Interim Chief Executive explained that an alternative way of looking at it was the savings that could be made as a result of recruitment drag – i.e. the time a post was vacant after an employee left the Council and before a replacement was appointed.

A Member sought assurances that the recent improvement seen by Members in processes for procurement and commissioning would not fall away as a result of the changes to the organisational structure. The Interim Chief Executive confirmed that the recent improvements should be sustained. The Commissioning Team had early input into any reports and there was now added value in terms of the alignment between the procurement and legal teams. The Assistant Director: Governance and Contracts was chairman of the internal Procurement Board and therefore had early input into reports through this process.

RESOLVED: That:

- 1. The Executive be recommended to note and comment on the report.**
- 2. That the Leader be recommended to agree to the consequential name changes of officer titles for the scheme of Executive**

delegation to reflect the corporate leadership structure and recommends that Council agree the necessary consequential officer name changes for the Non-Executive scheme and descriptive text in the constitution.

- 3. Prior to finalising the 2020/2021 budget, the Executive ensure adequate contingency to meet the Council's core capacity requirements to deliver services and key transformation challenges.**

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

The Portfolio Holder for Resources, Commissioning and Contract Management, Cllr Graham Arthur, addressed the Committee outlining activity across the Portfolio since the last update:

- A Finance Seminar for Members had been held on Monday 24th June and had provided useful information. Another seminar was scheduled for September and would focus on Pensions.
- The Budget forecasted a projected overspend but it was early in the financial year and management action was planned to address the overspend.
- Going forward the income received by the Council was projected to increase marginally. There now needed to be a focus on controlling growth areas such as Adult Social Care, Children's Social Care and Homelessness.
- Pensions were now moving into a position where commitments were fully funded and this had been helped by the gifting of the Mears Scheme to the Pension Fund.
- Mears 'Mark 2' would follow a different model and would not be gifted to the Pension fund.
- There needed to be a sharp focus on homelessness going forward.
- There were a number of graduates and apprentices employed across the Council. Two of the Council's Care Leavers who had secured apprenticeships were now being taken on as employees of Amey.
- Amey was regularly monitored and scrutinised by the Dep Rep Forum.
- Registrars had won Team of the Year at the recent Bromley Stars event. At the event there had been a special award for the Finance Team. Ron Shockness who had recently retired also received a Lifetime Achievement Award for his service to LB Bromley.
- Work was ongoing in terms of resident engagement.
- Consideration needed to be given to where the Council would find itself in 5-10 years' time and the impact that innovations such as electric vehicles and artificial intelligence would have across the Borough.

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**28 RISK MANAGEMENT
Report FSD19065**

The Committee considered the current Risk Registers for Chief Executive's, Finance, Human Resources, and Corporate Services.

The Chairman stated that in relation to the risk around the Transformation Programme it would be helpful for the Interim Chief Executive to set out 'Plan B' and mitigation on the Risk Register. The Interim Chief Executive agreed to take the comments back to his leadership meeting and provide an update for the next Risk Management report in October 2019.

A Member thanked the report writer for the helpful way in which the salient amendments made to the Chief Executive's, Human Resources and Corporate Risk Registers were presented in section 3.5 of the report.

RESOLVED: That the report be noted.

**29 CONTRACTS REGISTER AND CONTRACTS DATABASE
Report CEO18010**

The Committee considered a report presenting July 2019's Corporate Contracts Register for consideration. Members noted that the Contracts Register presented in Part 2 of the agenda included a commentary on each contract.

The Director of Finance agreed to arrange for an update on the Mortuary Contract to be provided following the meeting. The Chairman of the Public Protection and Enforcement PDS Committee suggested that the contract was progressing well and Officers had been working hard to get the best deal. A report would be presented to the PPE PDS Committee in September.

The Chairman noted that in relation to the Funeral Services contract, more work should be done to facilitate small funeral directors bidding for the contract or elements of the contract.

RESOLVED: That the report be noted.

**30 SECTION 106 AGREEMENTS: UPDATE
Report FSD19058**

The Committee considered a report which provided an update on Section 106 agreements. A Member suggested that there should be greater scrutiny of s.106 monies and it was noted that how s.106 money was spent was an issue for the ERC PDS Committee to scrutinise. There was a need to ensure that the s.106 money in the Borough was spent.

The Portfolio Holder for Resources, Commissioning and Contract Management agreed that there was a need for greater rigor and imagination around the use of s.106 money.

It was agreed that consideration should be given to establishing a Task and Finish Group to review use of s.106 money. Terms of Reference, Membership and Officer Support could be agreed at the Committee's meeting in September.

A Member noted that one issue with s.106 money was that it tended to inflate the costs of land resulting in modest developers being priced out of land they may develop.

RESOLVED: That the report be noted.

**31 TMF AUDIT REPORT RECOMMENDATION SPOT CHECKS
 Report DRR19/040**

The Audit Sub-Committee met on 4th June 2019 and considered the Audit report on Total Facilities Management. One of the recommendations had been accepted by management in principle, but without any action being proposed. Members expressed concern regarding this, and asked for the matter to be referred back to the ER&C PDS Committee for their attention and scrutiny.

The Head of Asset and Investment Management provided assurance that monitoring took place. There were approximately 400 reactive maintenance tasks per month and Officers were confident that these tasks were monitored through self-reporting. In addition to this, applications for payment submitted by Amey were scrutinised line by line. There were very few occasions when the same issue was submitted a number of times as a result of slightly differing descriptions of the same fault. However these were always picked up through scrutiny of the applications for payment. It was also possible for the client team to audit the raising of faults and the resources being put into fixing faults.

Responding to a question from the Chairman concerning repeat faults, the Head of Asset and Investment confirmed that the Client Team put a lot of effort into analysing trends. The majority of issues with repeat fault trends were the result of staff behaviours which had previously been discussed at Committee.

A Member who had attended the Audit Sub-Committee meeting confirmed that the Audit Team did not have a level of confidence about how the process worked and there were concerns that the system was not robust and relied too heavily on the meetings that took place with Amey on a Monday morning. The Head of Asset and Investment confirmed that the audit had focused on the process for monitoring. Amey operated a standard system for fault reporting and the internal checks that were in place were broadly in line with

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what would be expected. The Client Team had also put in place other measures for checking and whilst there was always a small risk that something could be double charged it was difficult to see what more could be done without adding further resource.

The Committee noted that it was a small Client Team (of 3 members of staff) that undertook some checks around the Civic Centre site. The Chairman indicated that this should have provided some assurance but it was suggested that it would be helpful to conduct more visible checks in the future.

A Member highlighted the significant amount of detailed scrutiny that the TFM Contract had been subjected to over the past year and suggested that this level of scrutiny should also be applied to contracts in other portfolios such as Adult Care and Health where there were similar serious concerns that required detailed consideration.

Noting that grounds of urgency had been applied in order to ensure that the issues were scrutinised at the earliest opportunity, the Chairman urged all PDS Committee to bring referrals from the Audit Committee forward straight away.

RESOLVED: That the report be noted.

32 LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006, AND THE FREEDOM OF INFORMATION ACT 2000

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

The following summaries refer to matters involving exempt information

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

The Committee considered the following reports on the Part 2 agenda where the Resources, Contracts and Commissioning Portfolio Holder was recommended to take a decision.

**a CONTRACT AWARD: CIVIC CENTRE PROGRAMME AND
OFFICE ACCOMMODATION PROPOSALS CONSULTANCY
SERVICES
Report DRR19/039**

The Committee considered a report providing details of the tenders received for the consultancy services for works to the Civic Centre and Central Depot. The report also made recommendations for the award of contract.

RESOLVED: That the Portfolio Holder be recommended to approve the recommendations outlined in the Part 2 (exempt from publication) report.

**34 PRE-DECISION SCRUTINY OF EXEMPT EXECUTIVE
REPORTS**

The Committee considered the following reports on the Part 2 agenda for the meeting of the Executive on 10th July 2019:

(23) EXTENSION TO AGENCY CONTRACT

The Committee considered the report and supported the recommendations.

**35 SECTION 106 AGREEMENTS: UPDATE
Report FSD19058**

The Committee noted the Part 2 (exempt from publication) addendum to the update on Section 106 Agreements.

RESOLVED: That the Part 2 addendum be noted.

**36 PART 2 CONTRACTS REGISTER AND DATABASE
Report CE018011**

The Committee considered the Part 2 commentary on each contract on the Contracts Register.

The Meeting ended at 9.47 pm

Chairman

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**EXECUTIVE, RESOURCES AND CONTRACTS POLICY DEVELOPMENT
AND SCRUTINY COMMITTEE**

Minutes of the special meeting held at 7.00 pm on 30 July 2019

Present:

Councillor Simon Fawthrop (Chairman)

Councillors Gareth Allatt, Julian Benington, Mary Cooke,
Ian Dunn, Nicky Dykes, Will Harmer, Christine Harris,
Keith Onslow, Michael Rutherford, Kieran Terry,
Michael Tickner, Stephen Wells and Angela Wilkins

Also Present:

Councillor Graham Arthur

**37 APOLOGIES FOR ABSENCE AND NOTIFICATION OF
SUBSTITUTE MEMBERS**

Apologies for absence were received from Councillors Christopher Marlow, David Cartwright and Robert Evans; Councillors Christine Harris, Keith Onslow and Kieran Terry attended as substitutes.

38 DECLARATIONS OF INTEREST

Councillor Stephen Wells declared an interest in item 5 on the Executive's agenda - Empty Homes Premium - as the owner of an empty property in the borough.

**39 QUESTIONS FROM COUNCILLORS AND MEMBERS OF THE
PUBLIC ATTENDING THE MEETING**

No questions had been received.

40 PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS

The Committee considered the following reports on the Part 1 agenda for the meeting of the Executive on 2nd August 2019:

(4) COUNCIL TAX SUPPORT/REDUCTION SCHEME 2020/21
Report FSD19068

The Committee considered a report seeking a decision on the Authority's recommended Council Tax Support/Reduction scheme to be included in the annual public consultation exercise.

Members considered that, in view of the financial pressures on the Council, increasing the level of contributions from claimants occupying larger

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properties should be considered. It was confirmed that some authorities did do this. Additional information would be circulated before the Executive's meeting.

RESOLVED:

(1) That the Executive be recommended to agree that the Council Tax Support/Reduction (CTS) be forwarded for public consultation based on 75% liability for working-age claimants; all other elements of the scheme remain unchanged, subject to annual benefit uprating, legislative changes to the Council Tax Support/Reduction scheme and maintaining alignment with the Housing Benefit scheme.

(2) That the Executive be recommended to consult on requiring higher contributions (100%) from working age claimants in larger properties above band E.

**(5) EMPTY HOMES PREMIUM
Report FSD19063**

The Committee considered a proposal that a public consultation exercise be undertaken recommending that the Empty Homes Premium be introduced from April 2020.

A Member queried the amount (£59k) given in paragraph 5.1 of the report for additional collection costs. The Head of Revenues and Benefits explained that this was more than just sending out additional invoices and agreed to circulate a breakdown of these costs.

The Director of Housing explained that the Council had a number of initiatives to deal with empty properties, including offering grants and advice (including on insurance for landlords with tenants on benefits) and matching landlords to letting agencies. There was an empty property team and a rolling programme of contacting owners of properties that were empty for a long period (usually more than six months.) In addition, the Council could take enforcement action in the form of management orders or compulsory purchase orders. A Member asked whether the Council could offer incentives and top-ups of housing benefit to encourage private landlords to take on tenants on benefits - the Director of Housing confirmed that this could be done, but the Council's policy was to find more effective ways to help than providing on-going large top-ups.

The Committee proposed that the Council should apply the maximum premiums, although it was noted that the 300% extra for properties empty for more than ten years could only be applied from 2021/22 onwards, so a decision was not required for another year.

Additional information would be circulated before the Executive's meeting on the potential additional income from applying the premium, the linking of empty periods and the additional collection costs of £59k.

RESOLVED: That the Executive be recommended to agree that:

- 1. A public consultation exercise be undertaken on the introduction of the Empty Homes Premium;**
- 2. The Authority recommends in the consultation document that the maximum “Premium” be introduced from the financial year 2020/21 at the rate of 100% for properties empty longer than 2 years, increasing to 200% where the property has been empty for 5 years.**

(Councillor Stephen Wells requested that his abstention be recorded as he had declared an interest in this item.)

**(6) AWARD OF CONTRACT: PROVISION OF HOUSING IN BURNT ASH LANE
Report DRR19/044a**

The Committee considered a report setting out recommendations for the approval of a capital scheme for the design and construction of up to 25 residential units in a car park behind Burnt Ash Lane, off of Brindley Way, Bromley. In addition the report sought approval to utilise the LHC, NH2 Framework for a direct contract award permitted under the Framework.

Councillor Gareth Allatt reported that the ward councillors had been consulted on the proposals, and were in support of the scheme as it would alleviate housing pressures and provide enhancements for the site. They had drawn attention to the recycling facilities currently on the site, and the loss of parking, but were reassured that some public parking would remain and the effect on footfall for local shops would be mitigated by more people living nearby. There had been problems with anti-social behaviour in the car park, but the proposals included CCTV and landscaping.

A member asked whether the property assets would appreciate in value. It was expected that they would, although it was unlikely that the Council would need to dispose of them.

A slightly updated version of recommendation 2.2 (resolution 1 below) was tabled.

RESOLVED: That the Executive be recommended to:

- 1. Request that Council approve the addition of £3,786k to the Capital Programme funded from Section 106 contributions (£500k) and the Investment Fund earmarked reserve (£3,286k) for the provision of Affordable Housing, in line with the Local Plan, National Planning Policy Frameworks/Section 106 agreements in the form of up to 25**

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**residential units for temporary accommodation on the site known as
Burnt Ash Lane car park;**

- 2. Approve a direct contract award to Lesko Modular Housing, using the LHC, HN2 Framework, for a design and build of housing at the site, as set out in the report;**
- 3. Approve the concept design for the proposed scheme subject to planning permission and public consultation;**
- 4. Agree that officers apply for planning permission based on the proposed design; and**
- 5. Approve the appropriation of land at the site known as Burnt Ash Lane Car Park from its current purpose to the purpose of housing land held under the general fund in accordance with section 122 of the Local Government Act 1972.**

**(7) 0-19 PUBLIC HEALTH NURSING
Report ECHS19074**

The Committee considered a report setting out options for the future of the Health Visiting and School Nursing service in terms of funding and commissioning options. Both the 0-4 years Health Visiting Service incorporating Family Nurse Partnership (HV) and the Health Support to Schools (HSS) contracts were due to expire at the end of September 2020. The HV contract was held by Public Health, funded through the Public Health grant at £3,288k per annum. The HSS contract was currently held by the Bromley Clinical Commissioning Group (CCG), funded through Public Health reserves at £603k per annum. In November 2018, the Executive agreed to fund this contract to September 2020 to align it with the expiry of the HV contract and commission a combined 0-19 service. A small contract for Primary screening (vision screening and national child measurement programme in primary schools) was also due to expire at the end of September 2020. This contract was held by Public Health, funded through the Public Health grant at £165k per annum. It was proposed to also include this contract in the 0-19 Public Health Nursing contract from 1st October 2020.

A Member pointed out that Bromley currently had the lowest spend per head in London at £11, while the long term funding for the service was unclear. The Chairman stated that a further report to members would be needed to consider funding issues. Officers confirmed that a full needs assessment had been carried out in 2016 to establish the level of service. Another Member commented that the service needed to keep a particular watch over pupil referral units.

RESOLVED: The Executive be recommended to agree to tender a new 0-19 Public Health Nursing Service from 1st October 202 for a period of 5

years plus an optional 2 year extension at an estimated cost of £4 million per annum.

**(8) AWARD OF CONTRACT FOR EXCHEQUER SERVICES
Report FSD19073**

The Committee considered the Part 1 (Public) report which accompanied the Part 2 report on the agenda recommending that the Council award a contract for the provision of Exchequer Services.

RESOLVED: That the Executive be recommended to award the Exchequer Services Contract, as detailed in the accompanying Part 2 report, for a contract period of 8 years, with the option to extend for a further 4 years (based on a 2 plus 2 option).

41 SCRUTINY OF PROPERTY TRANSACTIONS

The Head of Asset and Investment Management apologised to the Committee that his report was not yet available as the time needed to analyse the data and check it with Finance had been under-estimated. The report would be ready for the next meeting in September. He did outline that the Council's property assets were valued at £458m, produced income of £10.7m pa and investment returns of £7.9m pa.

Councillor Gareth Allatt had seen a draft of the report, and raised a number of issues for inclusion in the final version -

- Valuations. External auditors had queried the basis of valuation; it was explained that Cushman and Wakefield had not initially carried out valuations based on the latest guidelines (from November 2018). This had been rectified and the differences in outcomes were minimal. It was confirmed that site visits/visual inspections had been carried out.
- Small parcels of highway land. These were not included in the valuation required for the statutory accounts but had been valued separately at £40m to give Members an overall picture.
- Lease documentation. Leases were stored in the Legal Deeds Room, but Cushman and Wakefield held electronic copies of all documents. Signing in/out procedures were in place for the paper documents.
- Rent arrears and aged debtor reports. There was considerable interaction with Liberata to ensure that rent arrears were followed up.
- Tenancies voiding on expiry/lease breaks. A simple format was needed to show forthcoming tenancies voiding.

30 July 2019

- Expected rental values. It was confirmed that regional trends were analysed by Cushman and Wakefield in plotting expected rental values.
- Property Schedules. Schedules needed to show tenant names (it was useful to know whether they were local or well-known national organisations) and separate tabs were needed identifying types of assets - i.e. toilets, Metropolitan Open Land, car parks etc. empty properties needed to be easily identified.

Other Members added further comments -

- The report should identify surplus properties that should be sold.
- The service level agreement with Cushman and Wakefield should be examined to ensure that the contract was being adhered to and the Council was not losing money due to rent increases not being implemented. The Chairman stated that Cushman and Wakefield should attend the committee the next time that the Amey contract was scrutinised.

The Head of Asset and Investment Management confirmed that the report had been requested in May. There had not been any delay with Cushman and Wakefield providing the information. He explained that they had inherited the Council's database but, although the lease records were good the information had not previously been required in the format requested by the Committee.

42 LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006, AND THE FREEDOM OF INFORMATION ACT 2000

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

The following summaries refer to matters involving exempt information

43 PRE-DECISION SCRUTINY OF EXEMPT EXECUTIVE REPORTS

The Committee considered the following reports on the Part 2 agenda for the meeting of the Executive on 2nd August 2019:

**(10) AWARD OF EXCHEQUER SERVICES CONTRACT
Report FSD19074**

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

**(11) LEASE OF THE PLAYING FIELD AT THE WIDMORE CENTRE TO
THE SECRETARY OF STATE FOR HOUSING COMMUNITIES AND
LOCAL GOVERNMENT
Report ECHS19075**

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

**(12) AWARD OF CONTRACT: PROVISION OF HOUSING IN BURNT ASH
LANE
Report DRR19/044b**

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

The Meeting ended at 9.06 pm

Chairman

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Report No.
CSD19133

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Executive, Resources & Contracts PDS Committee

Date: 11th September 2019

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

Title: **MATTERS OUTSTANDING & FORWARD WORK PROGRAMME**

Contact Officer: Philippa Gibbs, Democratic Services Officer
Tel: 0208 313 4508 E-mail: Philippa.Gibbs@bromley.gov.uk

Chief Officer: Mark Bowen, Director of Corporate Services

Ward: (All Wards);

1. Reason for report

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

- Monitoring progress against actions arising from previous meetings;
 - Developing the 2019/20 Forward Work Programme; and
 - A schedule of Sub-Committees and Working Groups across all PDS Committees
-

2. **RECOMMENDATION(S)**

That PDS Committee reviews and comments on:

1. Progress on matters arising from previous meetings;
2. The 2019/20 work programme, indicating any changes or particular issues that it wishes to scrutinise for the year ahead; and
3. Terms of Reference and Membership for the proposed Section 106/CIL Task and Finish Group.

Impact on Vulnerable Adults and Children

1. Summary of Impact: None
-

Corporate Policy

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

Financial

1. Cost of proposal: No Cost
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Democratic Services
 4. Total current budget for this head: £358,740
 5. Source of funding: 2018/19 Revenue Budget
-

Personnel

1. Number of staff (current and additional): 8 posts (6.79fte)
 2. If from existing staff resources, number of staff hours: N/A
-

Legal

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

Procurement

1. Summary of Procurement Implications: N/A
-

Customer Impact

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

Ward Councillor Views

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

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

3. COMMENTARY

Matters Arising from Previous Meetings

- 3.1. **Appendix 1** provides a progress update on requests made by the Committee at previous meetings. This list is checked after each meeting so that any outstanding issues can be addressed at an early stage and timely progress made.

Work Programme

- 3.2 Each PDS Committee determines its own work programme, balancing the roles of (i) pre-decision scrutiny and holding the Executive to account, (ii) policy development and review and (iii) external scrutiny. ERC PDS Committee has the additional role of providing a lead on scrutiny issues and co-ordinating PDS work.
- 3.3 PDS Committees need to prioritise their key issues. The work programme also needs to allow room for items that arise through the year, including Member requests, call-ins and referrals from other Committees. Committees need to ensure that their workloads are realistic and balanced, allowing sufficient time for important issues to be properly scrutinised. Members also need to consider the most appropriate means to pursue each issue – the current overview and scrutiny arrangements offer a variety of approaches, whether through a report to a meeting, a time-limited working group review, a presentation, a select committee style meeting focused on a single key issue, or another method.
- 3.4 **Appendix 2** sets out the ERC PDS Committee Work Programme for 2019/20, including: the provisional report title (or activity); the lead division; and Committee's role. Committee is invited to comment on the proposed schedule and suggest any changes it considers appropriate.
- 3.5 Other reports will be added to the 2019/20 Work Programme as items arise. In addition, there may also be references from other committees, the Resources, Contracts and Commissioning Portfolio Holder, or the Executive.

Sub-Committees and Working Groups

- 3.6 The Policy Development and Scrutiny Toolkit suggests that each Committee should aim to carry out no more than two or three full scale reviews each year, and it offers guidance and techniques for prioritising reviews. At a time of pressure on Member and officer resources it is important that any additional work is carefully targeted at priority issues where improvements can be achieved. In recent years, this Committee has examined a number of issues through its Working Groups - part of the Committee's workload may include follow-up work on some of these reviews.
- 3.7 A schedule of Sub-Committees and Working Groups across all PDS Committees is attached as **Appendix 3** to this report. This will be updated for future meetings as other PDS Committees meet and confirm the appointment of Working Groups.
- 3.8 At its last meeting on 3rd July 2019, the Committee considered establishing a Task and Finish Group to review the use of Section 106 and CIL (Community Infrastructure Levy) money. Proposed Terms of Reference for the Task and Finish Group will be tabled at the meeting for consideration by the Committee.
- 3.9 The Committee is also asked to seek volunteers to sit on the working group and agree the Membership.

Appendix 1

Minute Number/Title/Date	Action/PDS Request	Update	Action by	Expected Completion Date
21 Minutes of Previous Meeting (3 rd July 2019)	That an update on Member access to the Contracts Database be provided before the next meeting.	An update was circulated to all Members on 29 th July 2019.	Assistant Director Governance and Contracts	29/07/19
26(6) Executive Agenda - Budget Monitoring 2019/20 (3 rd July 2019)	That a report on the performance of property investments be provided to the next meeting	An item is on the agenda.	Head of Asset and Investment	11/09/19
29 Contracts Register and Contracts Database (3 rd July 2019)	That an update on the Mortuary Contract be provided	The award of contract is due to be considered at the meeting of the Public Protection and Enforcement PDS Committee on 10 th September 2019.	Assistant Director of Public Protection	10/09/19
30 Section 106 Agreement: Update (3 rd July 2019)	That consideration be given to establishing a Task and Finish Group to review the use of s.106 money	The Committee is being asked to consider terms of reference and Membership of the Task and Finish Group as part of this report.	Assistant Director (Planning)	11/09/19

**EXECUTIVE, RESOURCES & CONTRACTS PDS COMMITTEE
WORK PROGRAMME 2019/20**

Meeting Date: 14 May 2019	Division	Committee Role
Matters Arising/Work Programme/Forward Plan	Democratic Services	Standard Items
Executive Agenda	Various	Pre-decision scrutiny
Contract for Agency Staff	HR	PDS Committee – Monitoring Report
Scrutiny of the Interim Chief Executive	N/A	PDS Committee
Contracts Register and Contracts Database Update	Procurement	PDS Committee
Meeting Date: 3 July 2019	Division	Committee Role
Matters Arising/Work Programme/Forward Plan	Democratic Services	Standard Items
Executive Agenda	Various	Pre-decision scrutiny
Treasury Management - Annual Report 2018/19	Finance	Pre-decision scrutiny (PH)
Scrutiny of the Resources, Commissioning & Contract Management Portfolio Holder	N/A	PDS Committee
Budget Monitoring 2019/20	Finance	Pre-decision scrutiny (PH)
Risk Management	Audit	PDS Committee
Scrutiny of Property Transactions	Property	PDS Committee
Section 106 Agreements: Update*	E&CS	PDS Committee – Monitoring Report
Contracts Register and Contracts Database Update	Procurement	PDS Committee
Meeting Date: 11 September 2019	Division	Committee Role
Matters Arising/Work Programme/Forward Plan	Democratic Services	Standard Items
Executive Agenda	Various	Pre-decision scrutiny

Capital Programme Monitoring - 1st Quarter 2019/20	Finance	Pre-decision scrutiny (PH)
Scrutiny of the Leader	Chief Execs	PDS Committee
Referral from Audit Sub-Committee – TFM Contract	Property	PDS Committee
Scrutiny of Property Transactions	Property	PDS Committee
BT/ICT Contract Monitoring Report	IT	PDS Committee – Monitoring Report
Benefits Service Monitoring Report And Update On Council Tax Support\Reduction	Revenues & Benefits	Pre-decision scrutiny (PH)
Customer Services - Contract Performance Report	Customer Services	PDS Committee – Monitoring Report
Revenues Service Monitoring Report	Revenues & Benefits	PDS Committee – Monitoring Report
Exchequer Service - Contract Performance Report	Finance	PDS Committee – Monitoring Report
Update on Debt Management System and Late Payment Charges	Finance	PDS Committee
Meeting Date: 9 October 2019	Division	Committee Role
Matters Arising/Work Programme/Forward Plan	Democratic Services	Standard Items
Scrutiny of the Chief Executive to include update on Transformation Programme	N/A	PDS Committee
Executive Agenda	Various	Pre-decision scrutiny
Insurance Fund - Annual Report 2019/19	Finance	Pre-decision scrutiny (PH)
Contracts Register and Contracts Database Update	Procurement	PDS Committee
Risk Register (Red Risks)	Audit	PDS Committee
Update from the Chairman of the Bromley Confederation of Small Businesses (see Minute 14 – 14.05.19)	Contracts and Procurement	PDS Committee
Expenditure on Consultants 2018/19 and 2019/20	Finance	PDS Committee

Meeting Date: 20 November 2019	Division	Committee Role
Matters Arising/Work Programme/Forward Plan	Democratic Services	Standard Items
Executive Agenda	Various	Pre-decision scrutiny
Benefits Service Monitoring Report	Revenues & Benefits	PDS Committee – Monitoring Report
Revenues Service Monitoring Report	Revenues & Benefits	PDS Committee – Monitoring Report
Customer Services - Contract Performance Report	Customer Services	PDS Committee – Monitoring Report
Exchequer Service - Contract Performance Report	Finance	PDS Committee – Monitoring Report
Treasury Management - Quarter 2 Performance 2019/20 & Mid-Year Review	Finance	Pre-decision scrutiny (PH)
Risk Register	Audit	PDS Committee
Scrutiny of the Executive Assistant to the Leader	N/A	PDS Committee
TFM Contract (Amey)	Property	PDS Committee – Monitoring Report
Meeting Date: 8 January 2020	Division	Committee Role
Matters Arising/Work Programme/Forward Plan	Democratic Services	Standard Items
Executive Agenda	Various	Pre-decision scrutiny
Capital Programme Monitoring - 2nd Quarter 2019/20	Finance	Pre-decision scrutiny (PH)
Scrutiny of the Resources, Commissioning & Contract Management Portfolio Holder	N/A	PDS Committee
Contracts Register and Contracts Database Update	Procurement	PDS Committee
Section 106 Agreements: Update*	Regeneration & Housing	PDS Committee – Monitoring Report
Meeting Date: 5 February 2020	Division	Committee Role
Matters Arising/Work Programme/Forward Plan	Democratic Services	Standard Items
Executive Agenda	Various	Pre-decision scrutiny

Scrutiny of the Chief Executive	Chief Execs	PDS Committee
Scrutiny of the Resources, Commissioning and Contract Management Executive Assistant	N/A	PDS Committee
Contracts Register and Contracts Database Update	Procurement	PDS Committee
Risk Register (Red Risks)	Audit	PDS Committee
Meeting Date: 26 March 2020	Division	Committee Role
Matters Arising/Work Programme/Forward Plan	Democratic Services	Standard Items
Executive Agenda	Various	Pre-decision scrutiny
Scrutiny of the Leader	N/A	PDS Committee
Annual PDS Report 2019/20	Democratic Services	PDS Committee

*Part 2 (Exempt) Report

PDS SUB-COMMITTEES AND WORKING GROUPS 2018/19

SUBJECT	DATE OF NEXT MEETING	MEMBERSHIP
EXECUTIVE, RESOURCES & CONTRACTS PDS		
Any 2019/20 Working Groups of to be appointed by the parent bodies.		
ADULT CARE AND HEALTH PDS		
Health Scrutiny Sub-Committee	8 th October 2019	Cllr Cooke, Cllr Allatt, Cllr Dunn, Cllr Ellis, Cllr Evans, Cllr Jeffereys, Cllr McIlveen, Cllr Onslow.
Any 2018/19 Working Groups of ACH PDS or the Health Scrutiny Sub-Committee to be appointed by the parent bodies.		
Our Healthier South East London Joint Health Overview and Scrutiny Committee (with Bexley, Greenwich, Lambeth, Lewisham & Southwark)		Cllr Ellis, Cllr McIlveen.
CHILDREN, EDUCATION AND FAMILIES PDS COMMITTEE		
Children, Education and Families Budget and Performance Monitoring Sub-Committee	12 th November 2019	TBC
Any 2019/20 Working Groups of the Children, Education & Families PDS Committee or Sub-Committee to be appointed by the parent bodies.		
ENVIRONMENT & COMMUNITY SERVICES PDS		
Any 2019/20 Working Groups of the Environment & Community Services Committee to be appointed by the parent body.		
PUBLIC PROTECTION AND ENFORCEMENT PDS		
Any 2019/20 Working Groups of the PPE PDS Committee to be appointed by the parent body.		
RENEWAL, RECREATION & HOUSING PDS		
Beckenham Working Group		Cllr Tickner, Cllr Allen, Cllr Dunn, Cllr Mellor, Cllr Wells, Cllr King,

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LONDON BOROUGH OF BROMLEY

FORWARD PLAN OF KEY AND PRIVATE EXECUTIVE DECISIONS PUBLISHED ON: 20th AUGUST 2019

PERIOD COVERED: September 2019 - December 2019

DATE FOR PUBLISHING NEXT FORWARD PLAN OF KEY AND PRIVATE EXECUTIVE DECISIONS: 17th September 2019

WHAT IS BEING DECIDED?	WHO IS THE DECISION MAKER?	WHEN WILL THE DECISION BE MADE AND WHO WILL BE CONSULTED BEFORE THE DECISION IS MADE?	HOW WILL THE CONSULTATION TAKE PLACE?	HOW CAN YOU MAKE COMMENTS ON THE DECISION BEFORE IT IS MADE?	WILL THIS ITEM BE CONSIDERED IN PUBLIC OR IN PRIVATE?	WHAT SUPPORT DOCUMENTS AND OTHER INFORMATION WILL BE AVAILABLE?
COUNCIL						
COUNCIL TAX SUPPORT/ REDUCTION SCHEME 2020/21	Council	09 December 2019 Executive Executive, Resources & Contracts PDS Committee	Meetings Public Consultation	Contact Officer: John Nightingale Tel: 020 8313 4858 john.nightingale@bromley.gov.uk	<u>Meeting in Public</u>	Report and relevant background documents
EXECUTIVE						
SALIX STREET LIGHTING LED UPGRADE	Executive	18 September 2019 Environment & Community Services PDS Committee	Meetings	Contact Officer: Lee Gullick Tel. 020 8461 7623 lee.gullick@bromley.gov.uk	<u>Meeting in public</u>	Report and relevant background documents

WHAT IS BEING DECIDED?	WHO IS THE DECISION MAKER?	WHEN WILL THE DECISION BE MADE AND WHO WILL BE CONSULTED BEFORE THE DECISION IS MADE?	HOW WILL THE CONSULTATION TAKE PLACE?	HOW CAN YOU MAKE COMMENTS ON THE DECISION BEFORE IT IS MADE?	WILL THIS ITEM BE CONSIDERED IN PUBLIC OR IN PRIVATE?	WHAT SUPPORT DOCUMENTS AND OTHER INFORMATION WILL BE AVAILABLE?
DEMENTIA POST-DIAGNOSIS SERVICE HUB - GATEWAY REPORT	Executive	18 September 2019 Adult Care & Health PDS Committee.	Meetings	Contact Officer: Heather Sinclair- Constance Tel. 020 8313 4641 heather.sinclair-contance@bromley.gov.uk	<u>Meeting in Public</u>	Report and relevant background documents
ONE YEAR EXTENSION TO AGREEMENT FOR THE PROVISION OF DIRECT PAYMENT SUPPORT AND PAYROLL SERVICES	Executive	18 September 2019 Adult Care & Health PDS Committee	Meetings	Contact Officer: Garnett Clough Tel. 020 8461 7304 garnett.clough@bromley.gov.uk	<u>Private meeting - Exempt information - Financial/business affairs of a person or body</u>	Part 2 Report - confidential
AWARD OF CONTRACT FOR THE MORTUARY SERVICE	Executive	18 September 2019 Public Protection & Enforcement PDS Committee	Meetings	Contact Officer: Joanne Stowell Tel: 020 8313 4332 Joanne.Stowell@bromley.gov.uk	<u>Private meeting - Exempt information - Financial/business affairs of a person or body.</u>	Part 2 Report - Confidential

WHAT IS BEING DECIDED?	WHO IS THE DECISION MAKER?	WHEN WILL THE DECISION BE MADE AND WHO WILL BE CONSULTED BEFORE THE DECISION IS MADE?	HOW WILL THE CONSULTATION TAKE PLACE?	HOW CAN YOU MAKE COMMENTS ON THE DECISION BEFORE IT IS MADE?	WILL THIS ITEM BE CONSIDERED IN PUBLIC OR IN PRIVATE?	WHAT SUPPORT DOCUMENTS AND OTHER INFORMATION WILL BE AVAILABLE?
DISPOSAL OF Y BLOCKS - DECISION TO DISPOSE OF OPEN SPACE AND TO APPROPRIATE LAND AND BUILDINGS FROM OFFICE TO HOUSING USE UNDER SECTION 232 OF THE TOWN AND COUNTRY PLANNING ACT 1990	Executive	18 September 2019 Executive, Resources & Contracts PDS Committee	Meetings	Contact Officer: Michael Watkins Tel: 020 8313 4178 Michael.Watkins@bromley.gov.uk	<u>Item is expected to be considered during the public part of the Executive meeting, with confidential material to be considered during exempt proceedings.</u>	Report and relevant background documents
AGREE LOCAL CIL CHARGING RATES AND AUTHORISE THE PUBLIC CONSULTATION ON THE CIL DRAFT CHARGING SCHEDULE	Executive	16 October 2019 Development Control Committee	Meetings	Contact Officer: Terri Holding Tel: 020 8313 4344 Terri.Holding@bromley.gov.uk	<u>Meeting in Public</u>	Report and relevant background documents
CORPORATE PARENTING REPORT	Executive	16 October 2019 Children, Education & Families PDS Committee	Meetings	Contact Officer: Aneesa Kaprie Te. 020 8313 4329 Aneesa.kaprie@bromley.gov.uk	<u>Meeting in Public</u>	Report and relevant background documents

WHAT IS BEING DECIDED?	WHO IS THE DECISION MAKER?	WHEN WILL THE DECISION BE MADE AND WHO WILL BE CONSULTED BEFORE THE DECISION IS MADE?	HOW WILL THE CONSULTATION TAKE PLACE?	HOW CAN YOU MAKE COMMENTS ON THE DECISION BEFORE IT IS MADE?	WILL THIS ITEM BE CONSIDERED IN PUBLIC OR IN PRIVATE?	WHAT SUPPORT DOCUMENTS AND OTHER INFORMATION WILL BE AVAILABLE?
CUSTOMER SERVICES IT SYSTEMS	Executive	16 October 2019 Executive, Resources & Contracts PDS Committee	Meetings	Contact Officer: Duncan Bridgewater Tel: 0208 461 7676 Duncan.Bridgewater@bromley.gov.uk	<u>Item is expected to be considered during the public part of the Executive meeting with confidential material to be considered during exempt proceedings</u>	Report and Relevant Background Documents
EMPTY HOMES PREMIUM	Executive	27 November 2019 Executive, Resources & Contracts PDS Committee	Meetings Public Consultation	Contact Officer: John Nightingale Tel: 020 8313 4858 john.nightingale@bromley.gov.uk	<u>Meeting in Public</u>	report and relevant background documents
PROCUREMENT STRATEGY FOR LEARNING DISABILITY SUPPORTED LIVING SERVICES	Executive	27 November 2019 Adult Care & Health PDS Committee	Meetings	Contact Officer: Andrew Royle Tel: 020 8461 7601 andrew.royle@bromley.gov.uk	<u>Meeting in public</u>	Report and relevant background documents
TWO YEAR EXTENSION FOR THE PROVISION OF LEARNING DISABILITY DAY, RESPITE AND SUPPORTED LIVING SERVICES	Executive	27 November 2019 Adult Care & Health PDS Committee	Meetings	Contact Officer: Andrew Royle Tel: 020 8461 7601 andrew.royle@bromley.gov.uk	<u>Meeting in public</u>	Report and relevant background documents

WHAT IS BEING DECIDED?	WHO IS THE DECISION MAKER?	WHEN WILL THE DECISION BE MADE AND WHO WILL BE CONSULTED BEFORE THE DECISION IS MADE?	HOW WILL THE CONSULTATION TAKE PLACE?	HOW CAN YOU MAKE COMMENTS ON THE DECISION BEFORE IT IS MADE?	WILL THIS ITEM BE CONSIDERED IN PUBLIC OR IN PRIVATE?	WHAT SUPPORT DOCUMENTS AND OTHER INFORMATION WILL BE AVAILABLE?
GATEWAY REPORT: DEMENTIA CARERS RESPITE	Executive	27 November 2019 Adult Care & Health PDS Committee	Meetings	Contact Officer: Heather Sinclair-Constance Tel. 020 8313 4641 heather.sinclair-constance@bromley.gov.uk	<u>Meeting in Public</u>	Report and relevant background documents
ADULT CARE & HEALTH PORTFOLIO						
CHILDREN, EDUCATION & FAMILIES PORTFOLIO						
ENVIRONMENT & COMMUNITY SERVICES PORTFOLIO						
CIVIC CENTRE MULTI-STOREY CAR PARK - REPLACEMENT OF PARKING MANAGEMENT SYSTEM	Portfolio Holder for Environment and Community Services	Not before 28 August 2019 Environment & Community Services PDS Committee	Meetings	Contact Officer: Angus Culverwell Tel. 020 8313 4959 angus.culverwell@bromley.gov.uk	<u>Meeting in public</u>	Report and relevant background documents
LIP PROGRAMME	Portfolio Holder for Environment and Community Services	Not before 28 August 2019 Environment & Community Services PDS Committee	Meetings	Contact Officer: Alexander Baldwin-Smith Tel. 020 8313 4546 Alexander.Baldwin-Smith@bromley.gov.uk	<u>Meeting in public</u>	Report and relevant background documents

WHAT IS BEING DECIDED?	WHO IS THE DECISION MAKER?	WHEN WILL THE DECISION BE MADE AND WHO WILL BE CONSULTED BEFORE THE DECISION IS MADE?	HOW WILL THE CONSULTATION TAKE PLACE?	HOW CAN YOU MAKE COMMENTS ON THE DECISION BEFORE IT IS MADE?	WILL THIS ITEM BE CONSIDERED IN PUBLIC OR IN PRIVATE?	WHAT SUPPORT DOCUMENTS AND OTHER INFORMATION WILL BE AVAILABLE?
ANTI-IDLING LEGISLATION	Portfolio Holder for Environment and Community Services	Not before 28 August 2019 Environment & Community Services PDS Committee	Meetings	Contact Officer: Alexander Baldwin-Smith Tel. 020 8313 4546 Alexander.Baldwin-Smith@bromley.gov.uk	<u>Meeting in public</u>	Report and relevant background documents
PUBLIC PROTECTION & ENFORCEMENT PORTFOLIO						
RENEWAL, RECREATION & HOUSING PORTFOLIO						
RESOURCES, COMMISSIONING & CONTRACT MANAGEMENT PORTFOLIO						

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

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

Report No.
CSD19135

London Borough of Bromley

PART ONE - PUBLIC

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

Date: Wednesday 11 September 2019

Decision Type: Non-Urgent Executive Key

Title: EMPTY HOMES PREMIUM: CALL-IN

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

Chief Officer: Mark Bowen, Director of Corporate Services

Ward: All

1. Reason for report

- 1.1 At its special meeting on 2nd August 2019 the Executive considered the attached report on the Empty Homes Premium. The report had previously been scrutinised by this Committee at its special meeting on 30th July 2019. The Executive decided to approve the proposals as recommended in the report, rather than as amended by this Committee, and the decision has been called in by Councillors Angela Wilkins, Ian Dunn, Kathy Bance, Kevin Brooks, Simon Jeal, Vanessa Allen and Josh King. This Committee is requested to consider what action should be taken in response to the call-in of this decision.
-

2. **RECOMMENDATION(S)**

The Committee is recommended to agree one of the following options in response to the call-in:

- (i) to take no further action on the call-in;
- (ii) to refer the decision back to the Executive on 18th September 2019 giving reasons why it should be reconsidered.

Impact on Vulnerable Adults and Children

1. Summary of Impact: The revenue service impacts on all residents of the borough, including vulnerable adults and children.
-

Corporate Policy

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

Financial

1. Cost of proposal: Estimated Cost: £5k for one-off start- up and consultation costs
 2. Ongoing costs: Should the Premium be introduced in accordance with the recommendations in the report, and subject to consultation, approximately £87k of net additional income could be generated. This is dependent on the actual number of empty properties.
 3. Budget head/performance centre: Exchequer - Revenues
 4. Total current budget for this head: £3.273m
 5. Source of funding: Existing Revenues budget for 2019/20
-

Personnel

1. Number of staff (current and additional): 8 plus Liberata staff
 2. If from existing staff resources, number of staff hours: If the scheme is adopted the extra work will fall on Liberata which has been taken into account in costings provided.
-

Legal

1. Legal Requirement: Non-Statutory - Government Guidance:
 2. Call-in: Applicable: The decision has been called in.
-

Procurement

1. Summary of Procurement Implications: The Revenues Service forms part of the Exchequer Services contract which expires in April 2020.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 255 (current number of properties empty in excess of two years).
-

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 At its special meeting on 30th July 2019, this Committee scrutinised the attached report on the Empty Homes Premium, and recommended some changes to the recommendations to the Executive. The Executive considered the report at a special meeting on 2nd August 2019 and decided to approve original the recommendations as set out in the report, rather than as amended by this Committee.

3.2 On 30th August 2019 notice of a call-in was received from the Labour Group - Councillors Angela Wilkins, Ian Dunn, Kathy Bance, Kevin Brooks, Simon Jeal, Vanessa Allen and Josh King. The Labour Group's notice stated -

“As stated in the minutes, ER&C PDS Committee voted (by a large majority) to amend the recommendation as detailed in said minutes; obviously support for this was cross-party.

We therefore believe that the decision of the Executive to refuse this recommendation is deserving of further scrutiny and justification.”

3.3 The two options before a PDS Committee when considering a call-in are –

(i) to take no further action on the call-in (in which case the decision may be implemented); or

(ii) to refer the decision back to the Executive giving reasons why it should be re-considered.

In exceptional circumstances, a decision may be referred back to full Council for full Council to consider whether to refer it back to the Executive, but only where the Committee believes, on appropriate officer advice, that there is an intention by the Executive to take action that is contrary to law or the policy and budget framework of the Council. This does not apply in this case.

3.4 The following appendices are attached to this report -

Appendix A: Report to the Executive on 2nd August 2019

Appendix B: Minutes of Executive, Resources and Contracts PDS Committee on 30th July 2019

Appendix C: Minutes of the Executive on 2nd August 2019

Non-Applicable Sections:	Impact on vulnerable adults and children/Policy/Financial/Personnel/Legal/Procurement
Background Documents: (Access via Contact Officer)	None

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PART ONE - PUBLIC

Decision Maker: EXECUTIVE

Date: Friday 2 August 2019

Decision Type: Non-Urgent Executive Key

Title: EMPTY HOMES PREMIUM

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

Chief Officer: Peter Turner, Director of Finance

Ward: (All Wards);

1. Reason for report

- 1.1 Proposal that a public consultation exercise be undertaken where it is recommended that the Empty Homes Premium be introduced from April 2020.
-

2. RECOMMENDATION(S)

- 2.1 A public consultation exercise be undertaken on the introduction of the Empty Homes Premium
- 2.2 The Authority recommendations in the consultation document that the "Premium" be introduced from the financial year 2020/21 at the rate of 50% for properties empty longer than 2 years, increasing to 100% where the property has been empty for 5 years.

Impact on Vulnerable Adults and Children

1. Summary of Impact: The Revenue service impacts on all residents in the Authority including vulnerable adults/and or those with children.
-

Corporate Policy

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

Financial

1. Cost of proposal: Estimated £5k for one-off set up costs and consultation costs
 2. Ongoing costs: Should the Premium be introduced, following the consultation, approximately net additional income of £87k could be generated. This is dependent on the number of actual empty properties.
 3. Budget head/performance centre: Exchequer - Revenues
 4. Total current budget for this head: £3.273m
 5. Source of funding: Existing Revenues budget for 2019/20
-

Personnel

1. Number of staff (current and additional): 8 plus Liberata staff
 2. If from existing staff resources, number of staff hours: If the scheme is adopted the extra work will fall on Liberata which has been taken into account in costings provided
-

Legal

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

Procurement

1. Summary of Procurement Implications: The Revenues service forms part of the Exchequer Services contract which expires April 2020.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 255 (current number of empty properties in excess of 2 years)
-

Ward Councillor Views

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

3. COMMENTARY

3.1 Background

From the 1 April 2013 Local Authorities in England have been empowered to increase council tax on properties which had been “unoccupied and substantially unfurnished for a long period of time. This is known as the “Empty Homes Premium” and it is up to the Local Authority as to whether the “Premium” is levied.

Until April 2019, authorities in England could charge up to 150% of the Council Tax payable on the property (different rates applied in Scotland and Wales). In the November 2017 Budget, The Chancellor announced the intention to bring the maximum in England up to 200% and this was brought in with effect from the 2019/20 financial year.

Included in the Act were additional provisions covering properties that were empty for very long periods. The provisions provided for maximum additional rates of:

- 100% extra for properties empty for 2 – 5 years
- 200% extra for properties empty for 5 – 10 years (commencing in 2020)
- 300% extra for properties empty for 10+ years (commencing in 2021)

The application of the Empty Homes Premium was considered at the 28 November 2012 meeting of the Executive (Report No. 12164). The decision of the meeting was that it should not be applied at that time.

At the 22 November 2018 meeting of the Executive, Resources and Contracts PDS following consideration of the Revenues Service Monitoring Report (FSD18052) it was minuted: “The Committee agreed that the Executive and Officers should be asked to explore options around applying the Empty Homes Premium as soon as possible.”

3.2 Exemptions

The Empty Homes Premium does not apply to homes that are empty due to the occupant living in armed forces accommodation for job-related purposes, or to annexes being used as part of a main property.

In addition to the above instances, Council Tax Regulations provide “exemptions” whereby Council Tax is not payable even if the property is empty. A list of exemptions is attached as Appendix 1. The number of empty properties cited in this report excludes those for which an exemption has been granted.

Guidance also advises:

“The Government’s intention behind the decision to provide billing authorities with the power to charge a premium was not to penalise owners of a property that is genuinely on the housing market for sale or rent. The government expects billing authorities to consider the reasons why properties are unoccupied and unfurnished, including whether they are available for sale or rent, and decide whether they want such properties to be included in their determination.”

3.3 Number of Properties

At the time of drafting the report, 255 properties had been empty in excess of 2 years. Of these 31 had been empty for between 5 and 10 years, with a further 13 empty for over 10 years.

Attempts have been made to identify as to whether there has been an increase in single person households where the Premium has been put in place. However, this information is not generally available and requests to other LA’s have not brought about a response. For the

purpose of demonstrating the level of additional income that could be raised, Assumptions have therefore been made that the number of long-term empty properties and corresponding additional income will fall by 20%.

3.4 Consultation

If the recommendations contained the report are agreed, the intention is for the public consultation exercise to commence towards the end of August. The consultation will involve seeking the views of those owning properties that would attract the Premium as well as those residents who would not be directly impacted. Response to the consultation exercise will be reported to the 27 November 2019 meeting of the Executive.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

4.1 Attached as Appendix 2 is the Equality Impact Assessment (EIA) .The assessment did not identify any impact on groups with protected characteristic.

5. FINANCIAL IMPLICATIONS

5.1 The table below shows the projected additional income that may be available should the scheme be adopted at the level recommended. The figures are based on the current level of empty properties and Band “D” Council Tax levels for 2019/20, with an assumed 20% reduction in empty properties.

	£'000	£'000
Potential additional Council Tax raised through the introduction of the Premium	230	
Less 20% assumed reduction in Empty Properties	-46	
Total potential additional income	<u>184</u>	
Less GLA estimated proportion of 20.86%	<u>-38</u>	
Potential additional net income for LBB		146
Less additional collection costs		-59
Net additional potential income for LBB		<u><u>87</u></u>

5.2 These figures might be significantly reduced by properties going back into occupation and/or owners identifying means of avoiding liability for the Premium.

5.3 There will also be one-off set-up and consultation costs of approximately £5k, which will be met from existing revenue budgets

6. LEGAL IMPLICATIONS

6.1 The Local Government Finance Act 2012 amended the Local Government Finance Act 1992 by adding section 11B which gave local authorities the ability to charge an increased amount of *Council Tax on unoccupied properties. Section 2 of the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018* amended section 11B as is set out in paragraph 3.1 of the body of the report.

There isn't a statutory duty to consult on the empty home premium; however the proposed consultation represents best practice.

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

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Council Tax Exemptions in respect of Empty properties:

Exemption Class	Reason
D	Dwelling left empty where a person is detained in prison
E	Dwelling left empty by a person living in a hospital or care home
F	Unoccupied dwelling where the person who was liable for council tax has died. The exemption continues for up to 6 months after the grant of probate if the property remains unoccupied
G	Occupation prohibited by law
H	Unoccupied dwelling held for a minister of religion
I	Dwelling left empty by a person needing personal care
J	Dwelling left empty by a person providing personal care
K	Dwelling left unoccupied by a student (restrictions apply)
L	Unoccupied property where mortgagee in possession
O	Armed forces accommodation (UK forces)
Q	Dwelling left empty by a bankrupt
T	Unoccupied annexe to an occupied dwelling

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Name and job title of completing officer

John Nightingale, Head of Revenues and Benefits

1. Summary of Proposal, impact on groups with protected characteristics and mitigating actions

a) What is your proposal? The introduction of an empty homes premium on properties empty over two years. The premium being an additional 50% of the annual council tax liability for properties empty between 2 and 5 years, with a 100% premium for those empty for longer than 5 years.

Initial calculations suggested that only 255 properties would be impacted by the introduction of the premium, out of these 44 have been empty for over 5 years

b) Impact on groups with protected characteristics and mitigating actions

none identified

c) Summarise any potential negative impact(s) identified and mitigating actions

n/a

Equality Impact Assessment – Introduction of Empty Homes Premium Appendix 2

2. Assessing impact

<p>You are required to undertake a detailed analysis of the impact of your proposals on groups with protected characteristics. You should refer to borough profile data, equalities data, service user information, consultation responses and any other relevant data/evidence to help you assess and explain what impact (if any) your proposal(s) will have on each group. Where there are gaps in data, you should state this in the boxes below and what action (if any), you will take to address this in the future.</p>	<p>What does the evidence tell you about the impact your proposal may have on groups with protected characteristics? Click the relevant box to indicate whether your proposal will have a positive impact, negative (minor, major) or no impact</p>
---	---

Protected characteristics	For each protected characteristic, explain in detail what the evidence is suggesting and the impact of your proposal (if any). Click the appropriate box on the right to indicate the outcome of your analysis.	Positive impact	Minor impact	Major impact	No Impact
Age	This proposal is only affecting the empty properties. Where the property has been left as the resident is receiving care which may be due to age then this policy change will not affect them as there is a council tax exemption which applies. Council tax is only payable by persons over the age of 18. Age is not held on the council tax system unless noted as an indicator of vulnerability. This policy is dependent on the length of time the property has remained empty not on a council tax payers age.				✓
Disability	This proposal is only affecting empty properties where they have been empty for 2 years or more. This should allow any customers who need additional support to sell or rent their 2 nd time property to get this in place. This policy is dependent on the length of time the property has remained empty not on a council tax payers disability. A customers disability will only be held on the council tax records if they are: - a) claiming a disabled band reduction which is only applicable on occupied properties b) claiming a discount as a carer of someone else in the property which is only applicable on occupied properties c) Claiming a discount as severely mentally impaired which is only applicable on occupied properties.				✓
Gender assignment	This proposal is only affecting empty properties. This policy is dependent on the length of time the property has remained empty not on a council tax payers gender reassignment. This information is not held on the council tax records				✓

Equality Impact Assessment – Introduction of Empty Homes Premium Appendix 2

Marriage and civil partnership	This proposal is only affecting empty properties where they have been for 2 or more years. Whilst a council taxpayers title may be held on our records, this policy is dependent on the length of time the property has remained empty not on a council tax payers marital or civil partnership status.				✓
Pregnancy and maternity	This proposal is only affecting empty properties where they have been for 2 or more years. This policy is dependent on the length of time the property has remained empty not on a council tax payers pregnancy or maternity status. This information is not held on the council tax records unless it has been noted as indicator of vulnerability.				✓
Race/Ethnicity	This proposal is only affecting empty properties where they have been for 2 or more years. This policy is dependent on the length of time the property has remained empty not on a council tax payers race/ethnicity. This information is not held on the council tax records.				✓
Religion or belief	This proposal is only affecting empty properties where they have been for 2 or more years. This policy is dependent on the length of time the property has remained empty not on a council tax payers religion or belief. This information is not held on the council tax records.				✓
Sex	This proposal is only affecting empty properties where they have been for 2 or more years				✓
Sexual Orientation	This proposal is only affecting empty properties where they have been for 2 or more years. This policy is dependent on the length of time the property has remained empty not on a council tax payers sexual orientation. This information is not held on the council tax records.				✓

Equality Impact Assessment – Introduction of Empty Homes Premium Appendix 2

3. Actions to mitigate/remove negative impact

In the table below, please state what these potential negative impact(s) are, mitigating actions and steps taken to ensure that these measures will address and remove any negative impacts identified and by when. Please also state how you will monitor the impact of your proposal once implemented.

State what the negative impact(s) are for each group identified in section 2. In addition, you should also consider and state potential risks associated with your proposal.	Measures to mitigate negative impact (provide details, including details of and additional consultation undertaken/to be carried out in the future). If you are unable to identify measures to mitigate impact, please state so and provide a brief explanation	What action(s) will you take to assess whether these measures have addressed and removed any negative impacts identified in your analysis? Please provide details. If you have previously stated that you are unable to identify measures to mitigate impact please state below.	Deadline date	Lead Officer
Not applicable				

Signed: John Nightingale, Head of Revenues & Benefits
Date: 26th of June 2019

**EXECUTIVE, RESOURCES AND CONTRACTS
POLICY DEVELOPMENT AND SCRUTINY COMMITTEE**

Minutes of the special meeting held at 7.00 pm on 30 July 2019 (extract)

Present:

Councillor Simon Fawthrop (Chairman)

Councillors Gareth Allatt, Julian Benington, Mary Cooke,
Ian Dunn, Nicky Dykes, Will Harmer, Christine Harris,
Keith Onslow, Michael Rutherford, Kieran Terry,
Michael Tickner, Stephen Wells and Angela Wilkins

Also Present:

Councillor Graham Arthur

40 PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS

The Committee considered the following reports on the Part 1 agenda for the meeting of the Executive on 2nd August 2019:

**(5) EMPTY HOMES PREMIUM
Report FSD19063**

The Committee considered a proposal that a public consultation exercise be undertaken recommending that the Empty Homes Premium be introduced from April 2020.

A Member queried the amount (£59k) given in paragraph 5.1 of the report for additional collection costs. The Head of Revenues and Benefits explained that this was more than just sending out additional invoices and agreed to circulate a breakdown of these costs.

The Director of Housing explained that the Council had a number of initiatives to deal with empty properties, including offering grants and advice (including on insurance for landlords with tenants on benefits) and matching landlords to letting agencies. There was an empty property team and a rolling programme of contacting owners of properties that were empty for a long period (usually more than six months.) In addition, the Council could take enforcement action in the form of management orders or compulsory purchase orders. A Member asked whether the Council could offer incentives and top-ups of housing benefit to encourage private landlords to take on tenants on benefits - the Director of Housing confirmed that this could be done, but the Council's policy was to find more effective ways to help than providing on-going large top-ups.

30 July 2019

The Committee proposed that the Council should apply the maximum premiums, although it was noted that the 300% extra for properties empty for more than ten years could only be applied from 2021/22 onwards, so a decision was not required for another year.

Additional information would be circulated before the Executive's meeting on the potential additional income from applying the premium, the linking of empty periods and the additional collection costs of £59k.

RESOLVED: That the Executive be recommended to agree that:

- 1. A public consultation exercise be undertaken on the introduction of the Empty Homes Premium;**
- 2. The Authority recommends in the consultation document that the maximum "Premium" be introduced from the financial year 2020/21 at the rate of 100% for properties empty longer than 2 years, increasing to 200% where the property has been empty for 5 years.**

(Councillor Stephen Wells requested that his abstention be recorded as he had declared an interest in this item.)

EXECUTIVE

Minutes of the special meeting held on 2 August 2019 starting at 10.15 am
(extract)

Present:

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

53 EMPTY HOMES PREMIUM
Report FSD19063

The Executive considered a proposal that a public consultation exercise be undertaken where it was recommended that the Empty Homes Premium be introduced from April 2020.

At the meeting of the ER&C PDS Committee on 30th July, it had been proposed that the Council should apply the maximum premiums, although it was noted that the 300% extra for properties empty for more than ten years could only be applied from 2021/22 onwards, so a decision was not required for another year.

Additional information was circulated before the Executive's meeting, on the potential additional income from applying the premium, the linking of empty periods and the additional collection costs of £59k.

The Executive was clear in their view that the recommendations should be approved as listed.

RESOLVED that:

(1) A public consultation exercise is undertaken on the introduction of the Empty Homes Premium.

(2) The Authority recommends in the consultation document that the "Premium" be introduced from the financial year 2020/21 at the rate of 50% for properties empty longer than 2 years, increasing to 100% where the property has been empty for 5 years.

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**Further Information requested at
Executive, Resources and Contracts PDS Committee – 30/7/19**

Empty Homes Premium – Report No. FSD19063

Projected additional income available should the adopted scheme be 100% premium for properties empty for 2-5 years then 200% for 5 years plus.

	£'000	£'000
Potential additional Council Tax raised through the introduction of the Premium	459	
Less 20% assumed reduction in Empty Properties	<u>-92</u>	
Total potential additional income	367	
Less GLA estimated proportion of 20.86%	<u>-77</u>	
Potential additional net income for LBB		290
Less additional collection costs		-90
Net additional potential income for LBB		<u><u>200</u></u>

* There will also be approximately £5,000 set-up and consultation costs

Linking of empty periods

The premium may be applied to properties which have been “unoccupied” and “substantially unfurnished” for two years or more. Periods of six weeks or less where the property is occupied/furnished are disregarded for the purposes of calculating the two-year period for the empty homes premium. (DCLG 23/9/14)

Collection Costs

The additional collection cost of £59k is based on 1 full-time equivalent member of staff covering the tasks of billing, recovery, visiting and customer services. The costs also cover printing, postage, travelling expenses, tribunal appearances and legal costs.

The further collection costs shown above of £31k (£90k less £59k) include 0.5 FTE additional support.

There is a requirement and associated costs relating to undertaking regular checks (visiting and through data matching) to ensure the correct liability for council tax is levied.

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Report No.
FSD19085

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **RESOURCES, COMMISSIONING & CONTRACTS
MANAGEMENT PORTFOLIO HOLDER**

Date: **For pre-decision scrutiny by the Executive, Resources & Contracts PDS
Committee on 11th September 2019**

Decision Type: Non-Urgent Executive Non-Key

Title: **CAPITAL PROGRAMME MONITORING - 1ST QUARTER 2019/20**

Contact Officer: Claire Martin, Head of Finance
Tel: 020 8313 4286 E-mail: claire.martin@bromley.gov.uk

Chief Officer: Director of Finance

Ward: All

1. Reason for report

On 10th July 2019, the Executive received a report summarising the current position on capital expenditure and receipts following the 1st quarter of 2019/20, and presenting for approval the new capital schemes in the annual capital review process. The Executive agreed a revised Capital Programme for the four year period 2019/20 to 2022/23. This report highlights changes agreed by the Executive in respect of the Capital Programme for the Resources, Commissioning & Contracts Management (RC&CM) Portfolio. The revised programme for this portfolio is set out in Appendix A and detailed comments on individual schemes are shown in Appendix B and details of the 2018/19 outturn position are included in Appendix C.

2. **RECOMMENDATION(S)**

The Portfolio Holder is asked to note and confirm the changes agreed by the Executive on 10th July 2019.

Corporate Policy

1. Policy Status: Existing Policy: Capital Programme monitoring 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, we review our main aims and outcomes through the AMP process and identify those that require the use of capital assets. Our 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: Total increase of £16k to the Banbury House Demolition Site Preparation scheme, over the four years 2019/20 to 2022/23
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: £36.9m for the Resources, Commissioning & Contracts Management Portfolio over the four years 2019/20 to 2022/23
 5. Source of funding: Capital grants, capital receipts and earmarked revenue contributions
-

Staff

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

Legal

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

Customer Impact

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

Ward Councillor Views

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

3. COMMENTARY

Capital Monitoring – variations agreed by the Executive on 10th July 2019

3.1 A revised Capital Programme was approved by the Executive on 10th July 2019, following a detailed monitoring exercise carried out after the 1st quarter of 2019/20. The base position is the programme approved by the Executive on 13th February 2019, as amended by variations approved at subsequent Executive meetings. All changes to schemes in the Resources, Commissioning & Contracts Management Portfolio Programme are itemised in the table below and further details are included in paragraphs 3.2 and 3.4. The revised Programme for the Portfolio is attached as Appendix A whilst Appendix B shows actual spend against budget, in the first quarter of 2019/20, together with detailed comments on individual scheme progress. Appendix C included details of the final outturn in 2018/19.

	2019/20	2020/21	2021/22	2022/23	TOTAL
	£'000	£'000	£'000	£'000	2019/20 to 2022/23 £'000
Programme approved by Executive 13/02/19	34,704	1,689	348	0	36,741
Rephasing of schemes at 2018/19 outturn (Para 3.2)	Cr 133	0	0	0	Cr 133
Property Disposal / Feasibility Works (Exec 21/05/19)	250	0	0	0	250
	34,821	1,689	348	0	36,858
Variations approved by Executive 10/07/19					
Increase £16k to Banbury House Demolition scheme (Para 3.3)	16	0	0	0	16
Schemes rephased from 2019/20 into 2020/21 (Para 3.4)	Cr 28,493	28,493	0	0	0
Total amendments to the Capital Programme	Cr 28,477	28,493	0	0	16
Total Revised RC&CM Programme	6,344	30,182	348	0	36,874

3.2 Net Overspend 2018/19 rephased into 2019/20

The 2018/19 Capital Outturn was reported to the Executive on 21st May 2019. The final capital outturn for the year for Resources, Commissioning & Contracts Management Portfolio schemes was £974k compared to a revised budget of £841k approved by the Executive in February. The £133k overspend has been met from 2019/20 budget.

3.3 Banbury House Demolition Site Preparation scheme (£16k increase in 2019/20)

Following the completion of the Banbury House Demolition Site preparation scheme, the costs for this project had exceeded the approved budget of £16k. On 10th July, 2019, Executive agreed the addition of £16k to the scheme, funded from revenue.

3.4 Schemes re-phased from 2019/20 into 2020/21

As part of the 1st quarter monitoring exercise, a total of £28,493k has been rephased from 2019/20 into 2020/21 to reflect revised estimates of when expenditure is likely to be incurred. This included the Property Investment Fund, Civic Centre Development Strategy, IT Transformation scheme, and the Sharepoint Productivity Platform upgrade scheme. This has no overall impact on the total approved estimate for the capital programme. Scheme rephasings are itemised in the table below and comments on scheme progress are provided in Appendix B.

Capital Expenditure - Rephasing in Q1 Monitoring	2019/20	2020/21	TOTAL
	£'000	£'000	£'000
Civic Centre Development Strategy	Cr 12,000	12,000	0
Property Investment Fund	Cr 15,393	15,393	0
Post-Completion Reports	Cr 600	600	0
Sharepoint Productivity Platform upgrade / replacement	Cr 500	500	0
Total RC&CM Portfolio rephasing	Cr 28,493	28,493	0

3.5 Under approved Capital Programme procedures, capital schemes should be subject to a post-completion review within one year of completion. After major slippage of expenditure in prior years, Members confirmed the importance of these as part of the overall capital monitoring framework. These reviews should compare actual expenditure against budget and evaluate the achievement of the scheme's non-financial objectives. A post-completion report on the Banbury House Demolition Site preparation scheme will be reported to this PDS committee this year.

4. POLICY IMPLICATIONS

4.1 Capital Programme monitoring and review is part of the planning and review process for all services. The capital review process requires Chief Officers to ensure that bids for capital investment provide value for money and match Council plans and priorities.

5. FINANCIAL IMPLICATIONS

5.1 These were reported in full to the Executive on 10th July 2019. Changes agreed by the Executive for the Resources, Commissioning & Contracts Management Portfolio Capital Programme are set out in the table in paragraph 3.1.

Non-Applicable Sections:	Legal, Personnel and Procurement Implications, Impact on Vulnerable Adults and Children
Background Documents: (Access via Contact Officer)	Capital Programme Monitoring Qtr 3 2018/19 (Executive 13/02/19); Capital Outturn Report (Executive 21/05/19); Capital Programme Monitoring Qtr 1 2019/20 (Executive 10/07/19)

APPENDIX A

RESOURCES, COMMISSIONING & CONTRACTS MANAGEMENT PORTFOLIO - APPROVED CAPITAL PROGRAMME 10TH JULY 2019									
Code	Capital Scheme/Project	Total Approved Estimate	Actual to 31.3.19	Estimate 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Responsible Officer	Remarks
		£'000	£'000	£'000	£'000	£'000	£'000		
PROPERTY DIVISION									
939320	Emergency Works on Surplus Sites	312	188	124	0	0	0	Colin Brand	Essential to maximise capital receipts
917246	Carbon Management Programme (Invest to Save funding)	1,381	883	498	0	0	0	Lee Gullick	Scheme will generate revenue savings; £250k funded by Salix
936407	Property Investment Fund	112,553	97,160	0	15,393	0	0	Michael Watkins	Various property acquisitions - met from Property Investment Fund, Growth Fund, and Capital Receipts
936409	Civic Centre Development Strategy	14,100	3	1,137	12,960	0	0	Cathy Pimm	Approved Executive 18/05/16 and Council 04/07/16
950831	Banbury House Demolition Site Preparation	182	182	0	0	0	0	Cathy Pimm	
936405	Property Disposal / Feasibility Work (Growth Fund)	250	171	79	0	0	0	Michael Watkins	Approved Executive 24/05/17 - £250k from Growth Fund
TOTAL - PROPERTY DIVISION		128,778	98,587	1,838	28,353	0	0		
RESOURCES DIRECTORATE									
936461	IT Transformation	5,381	119	3,585	1,329	348	0	Vinit Shukle	Approved by Executive 28/11/18
936452	Performance Management/Children's Services - information technology	697	718	Cr 21	0	0	0	Naheed Chaudhry	Approved by Executive 16/06/10
936457	SharePoint Productivity Platform upgrade/replacement	1,500	194	806	500	0	0	Vinit Shukle	
936459	Review of Corporate Customer I.T System	239	191	48	0	0	0	Duncan Bridgewater	Approved by Executive 10/02/16
936460	Upgrade of MS Dynamics CRM System	480	392	88	0	0	0	Duncan Bridgewater	
TOTAL RESOURCES DIRECTORATE		8,297	1,614	4,506	1,829	348	0		
RESOURCES, COMMISSIONING & CONTRACTS MANAGEMENT PORTFOLIO		137,075	100,201	6,344	30,182	348	0		

RESOURCES, COMMISSIONING & CONTRACTS MANAGEMENT PORTFOLIO - APPROVED CAPITAL PROGRAMME 2019/20 - 1ST QUARTER MONITORING				
Capital Scheme/Project	1ST QUARTER 2019/20			Responsible Officer Comments
	Revised Estimate Feb 2019	Actual to 12.08.19	Revised Estimate Jul 2019	
	£'000	£'000	£'000	
PROPERTY DIVISION				
Emergency Works on Surplus Sites	100	0	124	(Block Capital) Essential to maximise capital receipts. To prepare surplus sites for disposal and to cover any emergency works.
Carbon Management Programme (Invest to Save funding)	498	0	498	A street lighting LED upgrade project (using the entire fund) has been agreed in principle by the portfolio holder. Officers are currently awaiting confirmation from Procurement as to whether the project can be included as part of the existing highways drawdown contract, after which project approval will be sought via a Gateway Officer report. Anticipate to use full budget this financial year.
Property Investment Fund	15,400	Cr 104	0	Additional £15m capital receipts to fund future acquisition (approved Exec 11/02/15). £15.4m requested to be rephased to 2020/21 as per July 2019 Exec.
Civic Centre Development Strategy	13,127	0	1,137	Currently going through tendering to recruit consultancy services from the ESPO Property, Building and Infrastructure Advice and Management Services Framework to carry out a feasibility study for proposed works to the Civic Centre and Central Depot. In process of appointing consultant who will carry out surveys. New business case - revised case to be presented to Exec later in the year. July 2019 Exec approved rephasing of £12m to future years.
Banbury House Demolition Site Prep	111	0	0	Scheme Completed
Property Disposal / Feasibility Work (Growth Fund)	0	0	79	Feasibilities being carried out on a number of schemes. These are being progressed until planning approval and on-site development by contractor is underway.
TOTAL PROPERTY DIVISION	29,236	Cr 104	1,838	
RESOURCES DIRECTORATE				
IT Transformation scheme	4,066	179	3,585	LBB Transformation Programme Manager now in post. All Network Hardware has been ordered and delivered, deployment plan to be finalised. Hardware for the W10 upgrade pilot will be ordered in Q2. PIDs for Network Refresh, DC upgrade and Win10 have been reviewed and signed off. Baseline Plans have also now been signed off. Requested July 2019 Exec to rephase £600k to future years.
Performance Management/Children's Services - information technology	0	0	Cr 21	This scheme is now complete and will be requested for removal from the capital programme in the second quarter monitoring. The overspend of £21k relates to the development of the children's social care IT system which has now ceased, and was financed from revenue in 2018/19.
SharePoint Productivity Platform upgrade/replacement	1,286	0	806	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. This scheme will now be delivered in-line with the IT Transformation scheme to ensure there is no duplication. Anticipate spend of £806k this year with request to July 2019 Exec to rephase £500k to FY20/21.
Review of Corporate Customer I.T System	48	6	48	Work is underway and progressing to complete the required system upgrades. Executive 10/01/18 approved reduction of £37k to fund CRM Upgrade scheme. Final testing taking place and should be completed before end of financial year. Remaining budget to be utilised - proposals currently in development.
Upgrade of MS Dynamics CRM System	68	0	88	Scheme has been completed and will close once BT have submitted final invoice. Remaining budget to be utilised - proposals currently in development.
TOTAL RESOURCES DIRECTORATE	5,468	185	4,506	
TOTAL RC&CM PORTFOLIO	34,704	81	6,344	

RESOURCES, COMMISSIONING & CONTRACTS MANAGEMENT PORTFOLIO - CAPITAL PROGRAMME OUTTURN 2018/19						
Capital Scheme/Project	2018/19 OUTTURN					Comments / action taken
	Actual to 31.03.19 £'000	Approved Estimate Feb 2019 £'000	Final Outturn £'000	Variation	£'000	
PROPERTY						
Emergency Works on Surplus Sites	188	24	0	Cr	24	2018/19 underspend rephased into 2019/20
Carbon Management Programme (Invest to Save funding)	883	0	0		0	
Property Investment Fund	97,160	96	103		7	Accelerated spend - 2018/19 overspend rephased into 2019/20
Civic Centre Development Strategy	3	10	0	Cr	10	2018/19 underspend rephased into 2019/20
Banbury House Demolition & Site Preperation	182	50	177		127	Scheme Completed - Accelerated spend. Budget rephased from 2019/20 to 2018/19 to cover spend
Property Disposal / Feasibility Work (Growth Fund)	171	Cr 8	163		171	Accelerated spend - 2018/19 overspend rephased into 2019/20
TOTAL PROPERTY	98,587	172	443		271	
CORPORATE SERVICES						
IT Transformation	119	238	119	Cr	119	2018/19 underspend rephased into 2019/20
Performance Management/Children's Services - information technology	718	20	41		21	Accelerated spend - 2018/19 overspend rephased into 2019/20
SharePoint Productivity Platform upgrade/replacement	194	20	0	Cr	20	2018/19 underspend rephased into 2019/20
Review of Corporate Customer IT	191	91	91		0	
Upgrade of MS Dynamics CRM System	392	300	280	Cr	20	2018/19 underspend rephased into 2019/20
TOTAL CORPORATE SERVICES	1,614	669	531	Cr	138	
RESOURCES, COMMISSIONING & CONTRACTS MANAGEMENT PORTFOLIO	100,201	841	974		133	

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Report No.
CSD16105

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE AND RESOURCES
POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Date:

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

Title: BT ICT contract monitoring report

Contact Officer: Vinit Shukle, Head of ICT
020 8313 4992 E-mail: Vinit.Shukle@bromley.gov.uk

Chief Officer: Mark Bowen, Director of Corporate Services

Ward: n/a

1. Reason for report

This is the BT ICT contract performance report, utilizing the Pan London Framework, covering the period 1st July 2018 – 31th June 2019 given that the last report came to members in 5th September 2018.

2. **RECOMMENDATION**

The Executive and Resources PDS is requested to note and comment on the information contained in this report on the performance of BT in their delivery of ICT services during the period 1st July 2018 – 30th June 2019.

Corporate Policy

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

Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A
 3. Budget head/performance centre: Information Systems – BT contract budget
 4. Total current budget for this head: £3.74m
 5. Source of funding: Existing revenue budget 2019/20
-

Staff

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

Legal

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

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): ICT systems used by all LBB members, staff and the General public
-

Ward Councillor Views

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

3. COMMENTARY

3.1 BT was awarded the ICT contract in October 2015 at a total contract value of £9.8m. This commenced on 1st April 2016 and was split up in to 2 distinct lots.

Lot 1 - End User Computing (desktop / laptops etc)

Lot 3 - Data Centre Services (servers / storage).

3.2 The contract is predominately consumption based therefore is flexible and as services are reduced then the cost decrease, conversely if an element is used more often, then the costs would increase.

3.3 During 2017 officers undertook a service review to consider other areas of work within ICT that could be included in the BT contract to help with resilience and provide efficiencies. As a result of this work, further services were added to the BT Contract in 1st November 2017 relating to ICT project staff, ICT development staff and system administrators. The value of this additional service, plus a further 3 year extension totalled the core contract to £21.8m.

3.4 Following services were transferred across to the BT contract

- Transfer of help desk for CareFirst system
- Responsibility of the delivery of Inflight development projects and
- Review of our 3rd party contract spend with a view to delivery of further savings

4. Service Performance

3.1 Service performance report from BT is attached as Appendix A.

3.2 £13.6k service credit provided by BT to LBB as a result of KPI breaches within this period and the breaches are detailed below under respective headings.

3.3 **Lot 1 End user computing:** There were no breaches of Key performance Indicators (KPI) in this reporting period.

3.4 **Lot 1 End user computing - review.** There were no breaches of KPI in this period and we believe that this is an excellent performance.

3.5 **Lot 3 Data Centre Services:** There were 5 breaches of KPI in this reporting period. The Breaches were in January 2019, April 2019, May 2019 and June 2019. The 4 KPI failures within 6 months automatically triggered an additional breach of KPI, 5th breach.

3.6 **Lot 3 Data Centre Services - review:** The breaches in January 2019 and April 2019 were due to missing 1 low priority call each month that took long time to identify and address. The breaches in May 2019 were due to 3 complex low priority tickets that took longer to resolve. However, the breaches in June were due to poor call handling and not keeping the user informed of the progress. This has been rectified by providing additional training to the helpdesk staffs. Having failed more than 3 KPIs within 6 months triggers additional KPI Failure.

3.7 **Service desk:** There has been a total of 1 KPI breach and the breach was in May 2019. This breach was due to high number of calls to the helpdesk following a Microsoft Security Patch that was implemented. Whilst additional resources were bought in to cover this work, BT were unable to recover the KPIs by the end of the month which resulted in the KPI penalty being applied.

- 3.8 **Transferred Services:** To improve the resilience of the Council IT, as well as integrating IT into a single function and deliver a single service desk. The transfer of additional services as outlined in 3.4 was completed successfully in November 2017, creating a single IT service. The transferred services had no measurement of performance prior to their transition.
- 3.9 The KPIs proposed were in alignment of the framework KPI for Lot1 and Lot 3. The set of KPI's have formed a contractual commitment since June 2018.
- 3.10 All KPI's for Transferred Services have been met for the period of this report.
- 3.11 **Ticket volumes:** The service desk received high volume of tickets in regards with password reset and unlocking of the user accounts.
- 3.12 The service desk receives calls and raised between 2,300-3,000 tickets per month, with the higher percentage being service requests.
- 3.13 **Analysis of Calls:** In February our third party provider for remote access tokens had a major failing affecting all of their customers. BT implemented an agreed alternative remote connectivity method to minimise disruption to staff. In July, there were three incidents resulting in an increase of calls on email issues. A PSN security requirement, triggered an increase on email issues to the NHS, for business continuity the settings were rolled back. The configuration of NHS emails has since been revised, removing this particular issue whilst maintaining PSN compliancy. Planned works for the Data Centre Upgrade resulted in an unexpected issue where some staff where unable to receive email, the issue was quickly identified and resolved within two hours, (all planned works are reviewed prior to implementation to assess the risk and impact). The locking of Anti-Virus software caused a delay in delivery of email for some staff, this was identified on the monitoring alerts and quickly resolved.
- 3.14 **Networking:** The network service is covered under the lot 1 & 3 KPI's as incidents are generated from end user device / Server connectivity issues. There is a specific KPI for internet connectivity. The actual internet service provider is via the London Public Service Network, who provide a 200mb resilient solution to the authority. BT are responsible for ensuring that the internet connection is available from and to the LBB network. This KPI has not been breached.
- 3.15 **E-Mail Summary:** Over last year we have introduced new technology and processes to enhance our email security and better protect the Council from ever increasing cyber threats.
- 3.16 The levels of e-mail received have increased over the past year to around 1,000,000 per month. The number of Spam messages has increased to around 72% of total emails received. Once again, the biggest drop has been in traditional virus infected e-mail with minimal being received.
- 3.17 Looking at industry trends this is a typical pattern as currently more effort is being put into ransomware and phishing emails as this is becoming the most profitable. Ransomware is where a machine is compromised and the files on the computer are encrypted. The only way to decrypt the files is to pay a ransom in bitcoins to the creators of the ransomware and hopefully receive a 'key' to unlock your files. Typically these types of threat are spread in e-mails, many of which are actually detected as spam as the e-mails themselves contain no malicious content but provide a link to an infected website, hence there is no malicious content to 'find' within the e-mail.

6. Customer Satisfaction Survey

- 6.1 A targeted Customer Satisfaction Survey is planned to be sent out after completion of the Windows 10 project.

7. IT Strategy

- 7.1 The IT Strategy and Capital Programme for IT Transformation was agreed by the Council on 10th December 2018, Report CSD 18178.
- 7.2 Following the report, the IT transformation programme started in January 2019 and covers five key projects. A high-level programme plan and summary is attached as Appendix B.
- 7.3 Currently it is forecasted that all projects within the programme is running within budget and will be delivered on time.
- 7.4 Discovery, design and planning workshops have been completed for most of the projects within the programme, with others well into ordering / build phases. Please see below the current status of these projects:
- **Windows 7 to 10 migration** – Build preparation and supporting systems are now being built in readiness for Proof of Concept and Pilot.
 - **Office365 and OneDrive migration** – Design completed and initial pre configuration with Microsoft has now been initiated for Office 365 platform
 - **Data Centre upgrades** - Supporting platforms for user control and monitoring have been completed, with upgrade of applications now commencing.
 - **Network refresh** – Network orders placed, with equipment being built ready for deployment
 - **Information management transformation** - Consultancy underway to establish Policy and Schedules for information management across the council, on target to finish August 2019
- 7.5 The IT Transformation Programme also included providing users with adequate hardware for them to work more agile. This aligns with the Accommodation Strategy and it may provide more efficient and productive workforce to the Council.
- 7.6 In order to identify appropriate and effective hardware BT ran a software check to view how well the systems were running, including how much memory they were using. Following the report, the security for remote connectivity will be improved. The software also identified slow logging in time for users. Following this finding, Facial Recognition will be introduced to reduce the logging in times. The technology upgrade is approved by National Cyber Security Centre (NCSC) and will bring the Council up to date with technologies that is deployed by other London Authorities.
- 7.7 The workforce modernisation board was shown and reviewed various devices with technologies that was recommended to improve security and connectivity from leading manufacturers, HP, Dell and Lenovo. A decision was reached to purchase HP Laptops as the Council's preferred device for the Council staff.

10. POLICY IMPLICATIONS

11. FINANCIAL IMPLICATIONS

11.1 The actual spend on the BT contract for 2018/19 was £2.97m compared to a revenue budget of £3.01m.

11.2 As at 31 July 2019, no variance has been projected against the 2019/20 revenue budget of £3.74m.

12. LEGAL IMPLICATIONS

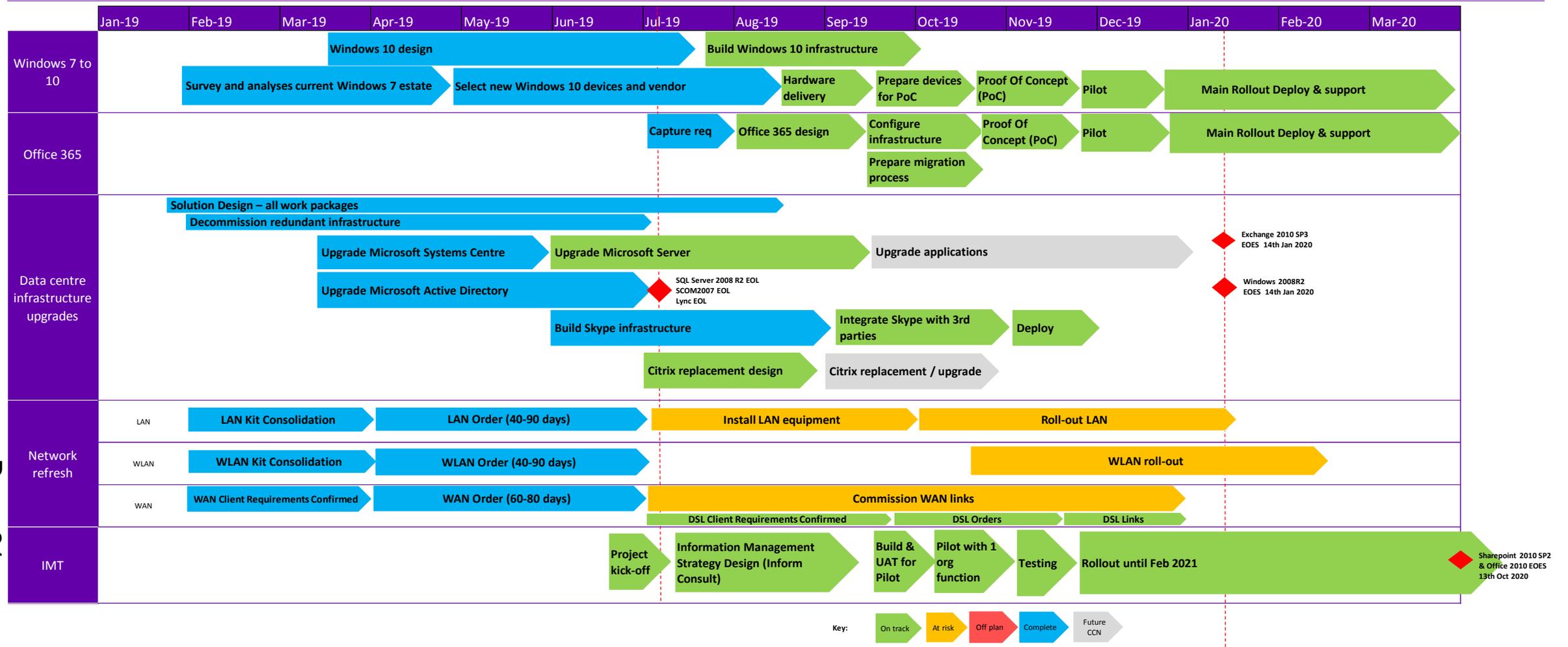
12.1 There is an ongoing requirement under the Council's Contract Procedure Rule 23 to monitor contract performance, costs and user satisfaction and report annually to the Executive.

Non-Applicable Sections:	
Background Documents: (Access via Contact Officer)	BT Performance report.

Programme plan on a page

Programme: Bromley IT Transformation

Date: 02/09/2019



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Appendix B

Windows 10 Upgrade – Completion date end March 2020

- Design phase complete
- Hardware ordered, awaiting delivery
- Proof of Concept scheduled to commence October/November (including 0365)
- Staff identified and engaged to take part in the Proof of Concept
- BT preparing training flyers for staff

Top risks:

- Dependency on third party delivery of hardware will be available in-time for the Proof of Concept & Pilot
- Although all major applications have been identified for their compatibility with Win10, there is a minimal risk that during the months monitoring that was carried out, we may not have captured periodically used applications.
- ANITE housing system not compatible with Win10 – dependency on completion of Orchard project

Office 365 - Completion date end of March 2020 (aligns with Win10)

- Design phase due for completion mid - September:
- Project aligned with Windows 10 project
- Proof of concept scheduled to commence October

Top risks:

- If users perform the OneDrive migration, there isn't a way to make sure that they migrated everything across.
- There is a risk that Bromley may use more licenses than needed if the mailbox numbers remain as is.

Data Centre Upgrade – Completion date end of December 2019

- Design phase due for completion early September:
- SCOM, AD, SQL completed
- Skype for Business build scheduled to complete early September with deployment being planned for November
- Skype for Business training materials currently being produced, IT Client team liaising with L&D.

Top risks:

- Ensuring the business areas have the capacity to complete the application testing for those applications that have required to be upgraded as part of this project.

Network Refresh – Completion date end of February 2020

- Design and Ordering phase due for completion early September:
- Site surveys for WAN circuits underway
- LAN orders placed
- Site surveys for WLAN underway
- Scheduling currently being planned. Using on site Network resources for knowledge and efficiency.
- Business areas at remote sites engaged for planning works.

Top risks:

- The outcome of the WIFI and WAN surveys could potentially increase time and cost.
- Potential delays on third party orders
- Link to the PRUH may need to be increased (based on the change in number of users)

IMT (Information Management Technology)

- Project Initiation phase underway
- Strategic documentation completed
- Solution Design scheduled to commence end September

Top risks:

- Technical issues connecting to the Council's network externally to carry out the work
- Relevant stakeholders in BT/LBB being available to provide time to help answer questions
- The department usage of Sharepoint differs across the Council. The Pilot scope of one department may not be a sufficient test to ensure all departments can be migrated successfully.

Index of Key Terms/Abbreviations:

AD	Active Directory
LAN	Local Area Network
Pilot	Main purpose is to prove we can migrate at volume and that the end to end migration process works
POC – Proof of Concept	Aim is to prove that Bromley users can move to Windows 10 and use the device to perform their job over multiple days and that everything that has been tested in isolation works as an integrated solution.
SCOM	System Centre Operations Manager (Server monitoring system)
SQL	Microsoft SQL Server (database servers)
WAN	Wide Area Network
WLAN	Wireless Local Area Network
UAT	User Acceptance Testing



BT ENTERPRISE, Major & Public Sector

BT Performance Report Policy Development & Scrutiny Committee

14th August 2018v1.5



Document Information	
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Author:	Andrew Gee
Author Contact Details:	andrew.gee@bt.com
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Introduction



This report has been produced for the Policy Development & Scrutiny Committee to provide an update on the performance of BT delivering the services called off against the Pan-London Framework. The report covers the period from July 2018 to July 2019.

During the period of this report several items progressed, over and above the running of the IT Service that are worth noting:

- Elections were well supported and with the IT project completing successfully.
- Move from O2 to EE as the mobile phone provider, generating savings for the Council
- Increased security to maintain required security compliance, Payment Card Industry (PCI), Public Secure Network (PSN)
- Significant IT Transformation programme has been initiated, replacing many of the Council's obsolete and aged infrastructure platforms, as well as improving the overall resilience of the service

BT has now completed over 400 projects, both small and large, since the contract began in April 2016, averaging at over 10 projects being delivered every month.

The IT Transformation programme that BT and Bromley are currently progressing is:

- Refreshing the Councils Network to maintain supportable and modern infrastructure and increasing bandwidth.
- Implementing Microsoft Office 365 – promoting collaboration within and out with the Council, including e-mail, Word and Excel to support more modern ways of working.
- Moving the current version of SharePoint into the cloud to improve resilience and maintain a supported platform as part of a wider Information Management Programme
- Upgrading infrastructure in the Bromley Data Centre to maintain supportable applications and infrastructure for critical Council services.
- Ongoing project to ensure critical services receive appropriate resilience to support Business continuity and Disaster Recovery goals.

1. Service Performance

Each Lot has a set of Key Performance Indicators that are reported on. Failure to meet these targets without an agreed reason, results in a service credit being paid to Bromley.

1.1. Key Performance Indicators - Lot 1 End User Computing

1.1.1. Key Performance Indicators EUC July 2018 to July 2019

These performance indicators measure how BT manage the end user computing estate in Bromley, including user devices and supporting infrastructure. There are 6 Key Performance Indicators reported on for Lot 1.

BT have successfully met each target for the period of this report without a single KPI failure for Lot 1. The table below highlights the consistent success at meeting targets for Lot 1

Table 1.1.1a covers KPI performance from July 2018 to June 2019

Description	Target	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Apr-19	May-19	Jun-19
P1 Restoration EUC	99%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

P2 Restoration EUC	95%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
P3 Restoration EUC	90%	97%	95%	98%	95%	98%	98%	95%	99%	97%	95%	99%
P4 Restoration EUC	90%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Critical Application Availability	99.7%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Anti-virus, Firewall, and Malware File Release	95% of the time	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Install, Move, Add or Change (IMAC)	90% of the time	100%	100%	100%	100%	100%	97%	98%	100%	100%	100%	100%
Image Management	99% of the time	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Asset Management: Hardware and/or Software Inventory Accuracy	95% accuracy	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Non-Achievement of KPI's	Any 3 KPIs missed in 6 months or 5 KPIs missed in 12 months	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

1.2. Key Performance Indicators - Lot 3 Data Centre Services

1.2.1. Key Performance Indicators DC July 2018 to June 2019

These performance indicators measure how BT manage the infrastructure in the Bromley Data Centre.

There are 7 Key Performance Indicators reported on for Lot 3.

There were 5 failures across the 63 KPI's measured for Lot 3 over the period of the report. The volume of calls in each KPI measured can be very low, and therefore missing only 1 or 2 calls can result in a missed KPI.

- P3 Incident Resolution in January 2019; 1 ticket missed in the month due to time taken to resolve. Call was handled well with significant effort put into the call. Resolution was not found within SLA.
- P3 Incident Resolution in April 2019. 1 ticket missed. Intermittent issue took a long time to identify and address, call fell out of SLA during process.
- P3 Incident Resolution May 2019; 3 tickets that missed SLA. 1 complex e-mail issue resulting in slight change to our security settings that took longer than the SLA allowed to fix. 1 Lync call resolved outside SLA due to poor call handling. 1 CITRIX issue, fix took longer than SLA.
- P3 Incident Resolution in June 2019; 1 call missed due to poor call handling.
- P4 Incident Resolution in June 2019; 1 call missed SLA due to poor call handling, didn't get back to the customer quickly enough.
- Having failed 3 KPI within a 6-month period an additional credit/KPI failure is incurred.

Table 1.2.1a Shows KPI performance for Lot 3 July 2018 to July 2019

Description	Target	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Apr-19	May-19	Jun-19
P1 Incident Management	99%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
P2 Incident Management	95%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

P3 Incident Management	90%	100%	100%	94%	91%	100%	100%	88%	100%	78%	79%	89%
P4 Incident Management	90%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	86%
Critical Application Service Availability	99.7% for Business Hours 1	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Backups	98%	99.63%	99.98%	100%	100%	100%	100%	100%	100%	99.80%	99.72%	100%
Non-Achievement of KPI's	Any 3 KPIs missed in 6 months or 5 KPIs missed in 12 months	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	0%

1.3. Key Performance Indicators - Service Desk

1.3.1. Key Performance Indicators Service Desk August 2017 to June 2018

The BT Service Desk is delivered from the BT Shared Service Centre in Chesterfield. The desk is set up to resolve as many calls within the “first point of contact team” as possible without the need to pass the call onto another team and thereby giving a more seamless and better user experience for people contacting the desk.

There are 8 KPI's being reported on to measure how effective the desk is performing. Below is a summary of the performance indicators we have in place for the service desk function:

- 1: Service Request Response; A target of 90% of all requests for service to be acknowledged within 4 hours to ensure calls are handled promptly.
- 2: Service Request Resolution; A target to resolve over 90% of Service Requests within 5 days (this includes dealing with any 3rd party suppliers) to ensure that most calls are fixed within a reasonable time scale. BT are consistently performing around 99% with the lowest figure being 97%.
- 3: Internet available 100% of the time
- 4: Speed to answer; 85% or more calls to be answered within 30 seconds.
- 5: A target of no more than 3% of calls abandoned
- 6: First time Fix; A target of 70% of all calls to be resolved by the service desk without the need to pass to another team. We have consistently over performed on this measure, but we are also continuing to move processes to the desk to improve the users experience.
- 7: Number of open Incidents as a percentage of all Incidents; A target to ensure that we aren't holding onto old calls and not closing them.
- 8: Reopened calls; This target of no more than 3% of calls unopened ensures that engineers are closing calls correctly and only a small number are being reopened due to call not being fixed. This target ensures the engineers consider the customers view before closing the call.

The table below is a summary of the Key Performance Indicators in place for the Service Desk for the period covered by this report.

There is 1 KPI failure in May, call abandoned exceeded the target by 1%. A total of 693 calls in 4 days due to a Microsoft patching issue caused a high volume of calls to be dropped. There were insufficient calls in the remainder of the month to recover the SLA.

Table 1.3.1a Shows KPI performance for the Service Desk July 2018 to June 2019

Description	Target	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Dec-18	Feb-19	Apr-19	May-19	Jun-19
-------------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

Service Request Response	=<4 hours	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Service Request Resolution	=<5 days	99%	100%	99%	100%	100%	99%	99%	99%	99%	99%	100%
IT Service Management System (Service Management)	100.00%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Internet Connectivity		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Speed to Answer	=<30 seconds 85%	94%	90%	88%	94%	93%	94%	93%	94%	93%	85%	89%
Call abandoned	<=3%	1%	2%	3%	1%	1%	1%	1%	1%	1%	4%	2%
First Time Fix (FTF)	70.00%	87%	86%	85%	88%	88%	88%	89%	87%	88%	86%	85%
Number of open Incidents as percentage of all Incidents outside SLA	=<7%	1%	0%	0%	1%	1%	1%	1%	1%	1%	1%	1%
Reopened calls	<=5%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%

1.4. Key Performance Indicators - Project Esther Contract

Project Esther sought to improve the resilience of Council IT, as well as integrating IT into a single function and deliver a single service desk. The TUPE transfer of 18 staff was completed successfully in November 2017, creating a single IT service.

The transferred services had no measurement of performance prior to their transition. BT and Bromley monitored performance against an agreed set of criteria for 6 months before agreeing these as a set of KPI which align with the existing BT contracts.

The set of KPI's have formed a contractual commitment since June 2018. All KPI have been met for the period of this report.

Table 1.4.1a Shows KPI performance for the Esther Contract for July 2018 to June 2019

Description	Target	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Apr-19	May-19	Jun-19
Service Request Resolution	90%	96.83	98.75%	97.92	99.48	99.40%	98.99%	99.25%	98.54%	96.99%	97.30%	98.16%
Incident Resolution P1	99%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Incident Resolution P2	95%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Incident Resolution P3	90%	91.89%	97.22%	100%	100%	100%	100%	93%	92%	90.48%	95.74%	97%
Incident Resolution P4	90%	100%	100%	100%	100%	100%	100%	100%	100%	97%	100%	100%

2. Ticket & Telephone Volumes/Overview

2.1. Ticket Volumes/Overview.

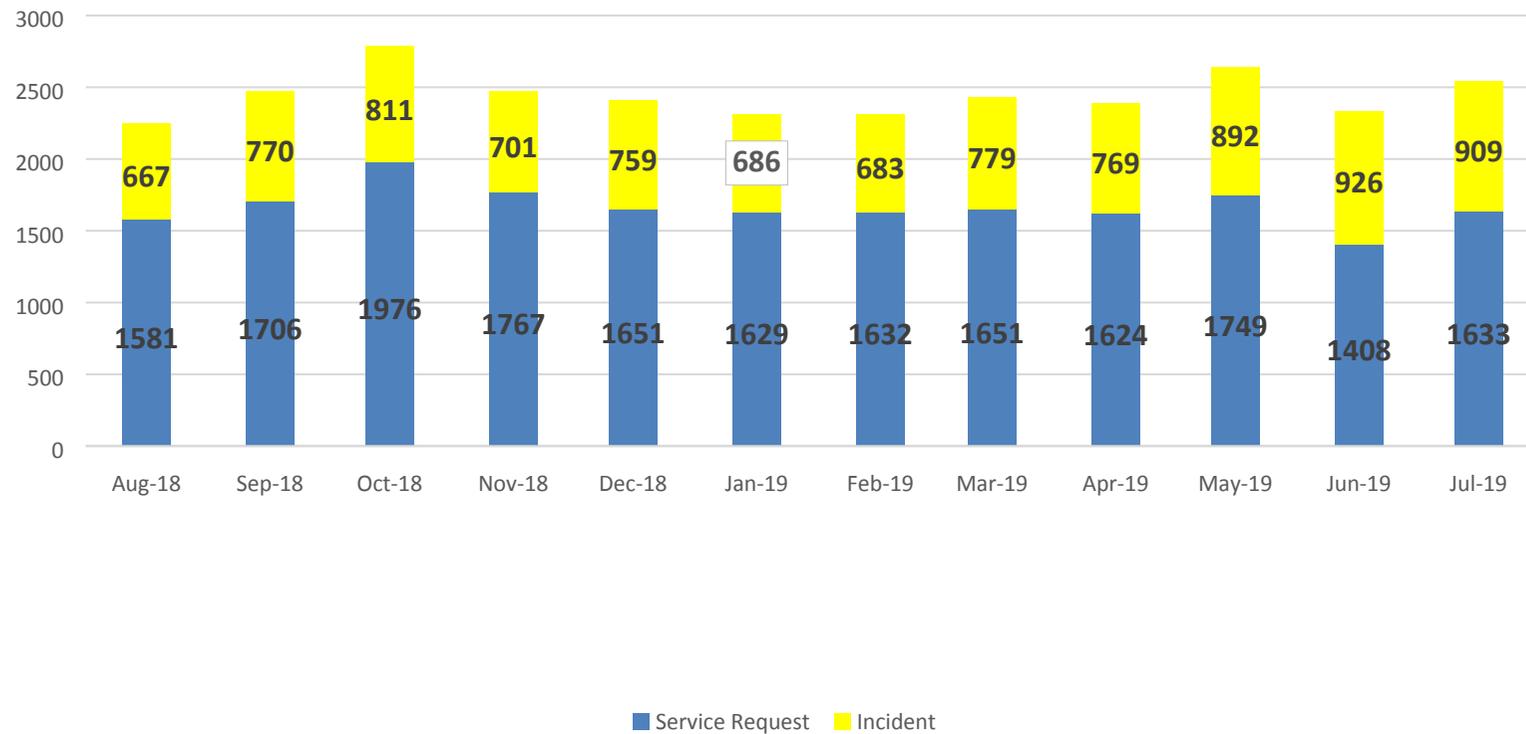
Each new call to the Bromley Help Desk creates a record or ticket. These tickets can provide good evidence of volumes and types of calls being raised by Bromley users. Many of the KPI are based on our performance in resolving these tickets. The graph below shows the volume of calls logged by the Service Desk and the proportion of calls that are faults.

Faults relate to calls/e-mails to the Service Desk reporting a failure in a system. These are managed as Priority 1 to 4 faults, 1 being a complete system failure with a 4-hour target to fix.

Service Requests are contacts to the Service Desk where the user is asking for something to be done, for instance: New User, change of permissions or a new PC would all be Service Requests.

Graph 2.1a

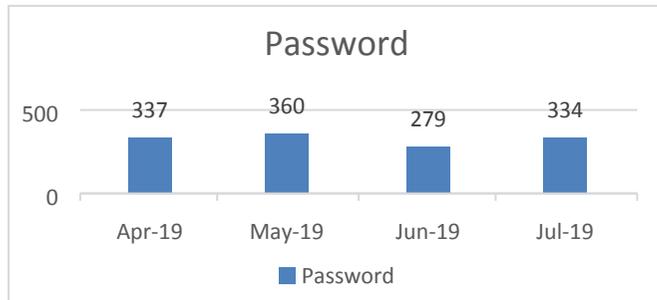
Tickets Volumes Service Requests and Incidents



2.2. Top Ticket Types

Password resets are still the single most common call to the desk. Below is a graph showing volumes over the last 4 months. We are working together to try and reduce this and become more reliant on our Password Self Service tool

Graph 2.2a



BT Report each month to Bromley calls logged against each system. The top 5 impacted systems over the last 4 months are shown in Table 2.2b. The call volumes for these systems are fairly consistent and at a level we would expect. The Carefirst figure in June reflects an outage when a Zen line connecting Carefirst failed causing an outage for all users. A backup method to access carefirst in such emergencies is available, however the

system was returned before the decision to invoke the backup method was made. Safenet had a major failing in February 2019. BT implemented an agreed work around so that users were still able to remote in.

In July we had a number of incidents impacting e-mails resulting in more calls than expected.

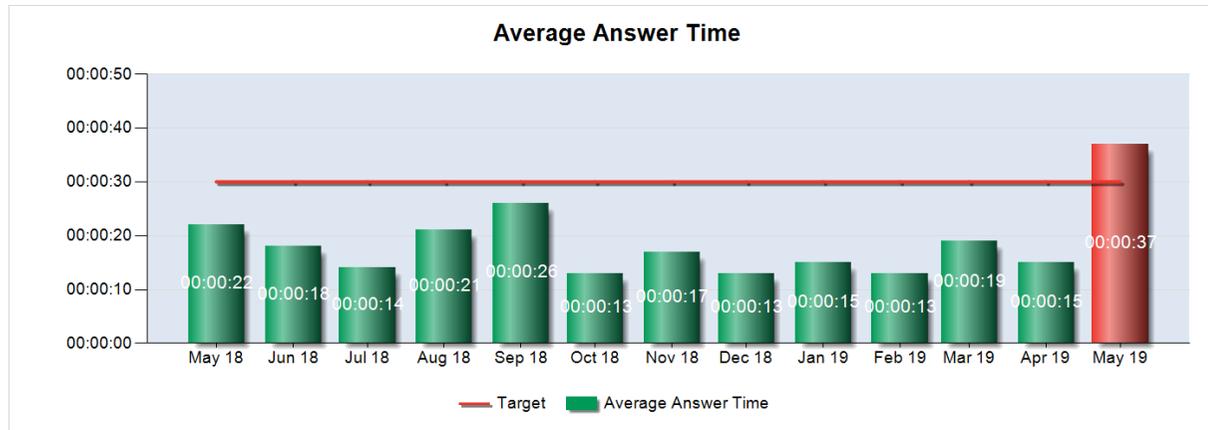
- Security settings applied to firewall blocked some NHS e-mails. Settings were rolled back
- Updating the server infrastructure impacting e-mail resulting in some users unable to receive e-mails for 2 hours.
- Ant-Virus software which scans incoming mail locked causing a delay in delivery of email for some users.

Table 2.2b

System or Service	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19
CITRIX	64	54	37	68	66	44	40
Carefirst	18	49	20	27	35	140	23
e-mail	111	127	97	98	133	137	180
Lync	27	50	52	43	39	31	54
SafeNet	43	130	29	27	16	25	45

2.3. Telephony Overview

Performance for answering phones within SLA is shown in section 1.3. The first graph below shows an average time for answering a call within a month. This is a good indication of the customer experience when calling the desk. The second graph shows the maximum time anyone held on within the month.



2.4. E-mail Summary

Over the year we have introduced new technology and processes to enhance our security and better protect Bromley from ever increasing threats.

The following is a summary of the steps we have taken.

- Upgraded the Internet Facing Firewalls to the latest major release software.

- Implemented enhanced reporting functions to better monitor our position
- Upgraded from legacy Websense 10000 appliances to Forcepoint 5000 appliances for email scanning and filtering.

The two graphs below show how we are now handling e-mails coming into Bromley. We have taken a view of one month (April 2019) to give an indication as to how e-mail is currently managed.

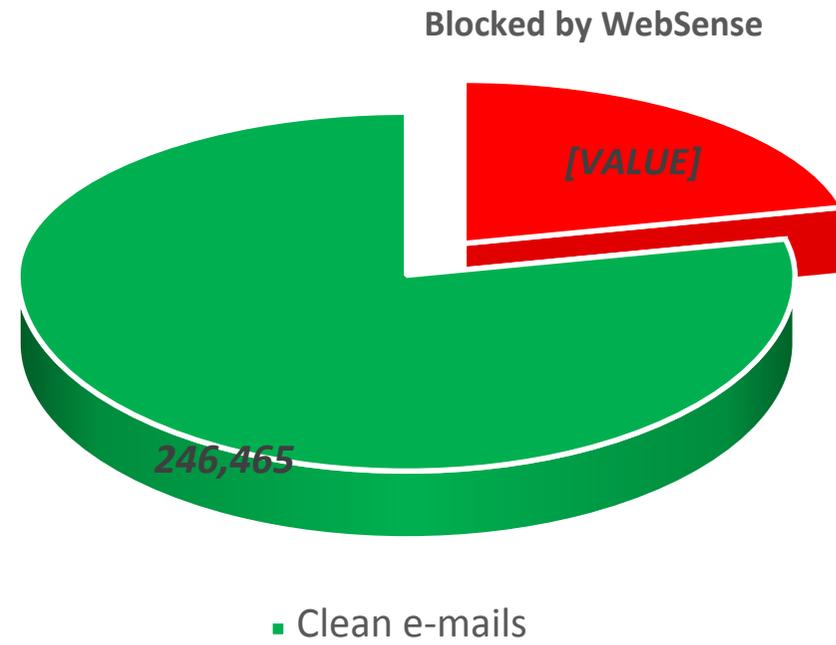
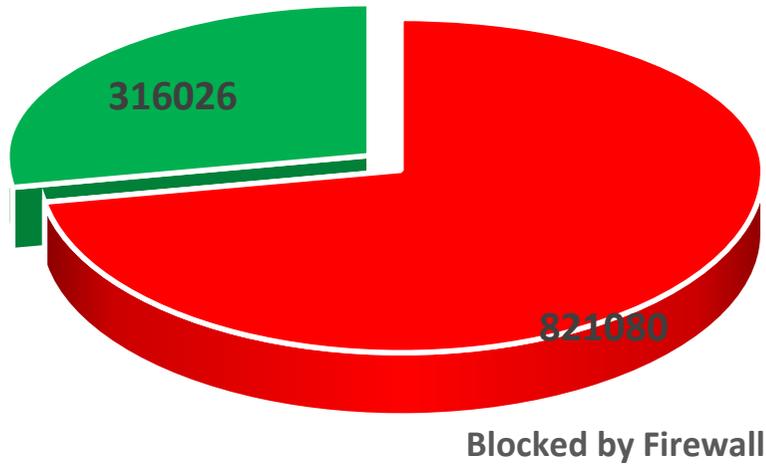
The first graph shows how e-mails are handled as they reach Bromley with a Firewall stripping out SPAM e-mails based on industry standard rules. Note that 72% of e-mails have been blocked as SPAM, out of a total volume of 1,137,106

Any email that successfully passes through the first layer of security is then passed through our e-mail filtering system that takes a deeper look at each e-mail before allowing through or blocking. The second graph shows how this filtering system manages e-mail.

Pie Chart 2.4a

Pie Chart 2.4b





Report No.
FSD19079

London Borough of Bromley

PART ONE - PUBLIC

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

Date: Wednesday 11 September 2019

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

Title: BENEFITS SERVICE MONITORING REPORT

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

Chief Officer: Peter Turner, Director of Finance

Ward: (All Wards);

1. Reason for report

- 1.1 This report provides information regarding the performance of the benefit services provided by Liberata during the period 1 October 2018 to 31 March 2019. A letter from Amanda Inwood-Field, Liberata's London Regional Contract Director, is attached as Appendix 1. This communication provides Liberata's perspective on performance, together with an update on initiatives to be introduced in the coming months.

2. **RECOMMENDATION(S)**

The PDS is requested to note the information contained within the report and the letter provided by Liberata detailed in Appendix 1.

Impact on Vulnerable Adults and Children

1. Summary of Impact: The Benefits Service impacts on all benefit recipients including vulnerable adults and/or those with children.
-

Corporate Policy

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

Financial

1. Cost of proposal: Not Applicable
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Exchequer - Benefits
 4. Total current budget for this head: £3.845m
 5. Source of funding: Existing revenue budget 2018/19 including Government Grants and Subsidy
-

Personnel

1. Number of staff (current and additional): 4 plus Liberata staff
 2. If from existing staff resources, number of staff hours: Not Applicable
-

Legal

1. Legal Requirement: Statutory Requirement
The main pieces of legislation covering the service are:
Housing Benefit Regulations 2006
The Council Tax Reduction Schemes Regulations 2012
The Local Government Finance Act 2012
 2. Call-in: Applicable:
-

Procurement

1. Summary of Procurement Implications: The Benefits Service is provided by Liberata as part of the Exchequer Services contract. The contract runs until April 2020.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 18,700 (approx)
-

Ward Councillor Views

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

3. COMMENTARY

- 3.1 The Revenues and Benefits Team monitors the contract, sets targets and performance standards, liaises with partners, progresses the development and improvement of services through leadership on specific improvement initiatives. The team also ensures the services comply with current legislation, financial regulations, contractual obligations and audit requirements. Graphical illustrations as to the level of performance being achieved are attached as appendices to this report.
- 3.2 To maintain the drive for improved service performance, monthly service review meetings are held with operational and senior Liberata management. Regular meetings take place between senior managers in both organisations to discuss escalated items, technological advances and further development opportunities.

3.3 Outstanding work

The target in the specification requires that the level of outstanding work is less than 5,700 documents of which 2,200 are in pending. At the 31 March 2019 there were 3,168 outstanding documents. Of the 3,168 documents, 1,274 were in pending awaiting further information.

- 3.4 The level of outstanding work since October 2016 is illustrated at Appendix 2

3.5 Claim Processing

The speed of processing indicator is a combination of the time taken to assess new claims and change of circumstances.

The below table shows the Benefits Sections performance under the Right Time Indicator, the annual target for which is 13 days.

Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19
7.77	8.32	11.76	11.76	11.09	9.95	13.20	11.73	11.43	7.86	7.03	4.86

Average 2014/15	13.85 days
Average 2015/16	11.40 days
Average 2016/17	10.20 days
Average 2017/18	8.53 days
Average 2018/19	9.40 days

Performance under the Right Time Indicator is illustrated as Appendix 3

- 3.6 Tabled below are the performance figures in respect of the 2 components, new claims and change of circumstances.

New claims

Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19
18.79	22.97	25.69	26.33	20.47	16.78	20.25	17.02	17.31	16.09	13.59	14.82

Average 2014/15	44 days
Average 2015/16	19 days
Average 2016/17	19 days
Average 2017/18	20 days
Average 2018/19	20 days

3.7 Change in circumstances

Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19
7.12	7.31	10.34	10.17	10.05	9.31	12.61	11.10	10.86	7.22	6.49	4.51

Average 2014/15	15 days
Average 2015/16	10 days
Average 2016/17	10 days
Average 2017/18	10 days
Average 2018/19	9 days

3.8 The average processing days covers a wide variance amongst claims. Appendix 4 and 4a show the “spread” in respect of new claims and change of circumstances.

As requested at the July Executive & Resources PDS, detailed below are explanations for those new claims and change of circumstances that are recorded as taking in excess of 100 days to process. For the period October 2018 to March 2019, 1486 new claims were processed, 3 (0.00%) took in excess of 100 days. Of the 47,209 changes in circumstances processed, 32 (0.00%) took in excess of 100 days to process. The reasons why are detailed below:

New claims

Reason why the claim was processed in excess of 100 days	Number of claims
Incorrect data input	3
Total	3

Change in circumstances

Reason why the change was processed in excess of 100 days	Number of claims
Additional time given for the claimant to provide information	12
Incorrect data input	6
Retrospective changes advised by DWP report (Atlas)	14
Total	32

Attached as Appendix 5 is the latest benchmarking figures released by the DWP in respect of new claims and change of circumstances processing. The tables/graphs show performance for the period April 2018 to March 2019.

3.9 **Error rate**

The Exchequer Services specification requires the contractor to ensure that financial errors are found in less than 5% of the cases checked by the Authority's monitoring team. The level of tolerance for errors is strict compared to many other authorities; with DWP statistics indicating that the average error rate nationally is in excess of this figure. However, the tolerance was set in the knowledge that errors result in poor customer service and waste of resources through reworking.

Throughout the period the contractor remained within the 5% tolerance allowed in the specification. However, in May 2018 and February 2019 were outside the "soft target" agreed at the time of the last monitoring report. A graphical illustration is entered as Appendix 6.

Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19
2.0%	4.4%	1.4%	1.4%	0.7%	2.3%	0.8%	1.3%	2.1%	3.1%	4.4%	1.7%

3.10 **Complaints**

Considerable changes have occurred in both Housing Benefit legislation and Council Tax Support since April 2013, with many experiencing a reduction in entitlement. In many cases this has led to a complaint and/or an appeal as a result of the claimant not comprehending the revised entitlement is a result of changes to the scheme. However, the number of "Stage 2" complaints remains a good indication as to the service being provided given that the Section has previously been given the opportunity to address the customer's area of discontent.

The table below shows the number of "Stage 2" complaints received during 2018/19:

Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19
0	1	1	1	0	0	0	0	0	0	0	0

3.11 **Housing Benefit Overpayments**

At the May 2016 meeting of the Executive meeting it was agreed that the recovery target and the corresponding penalty/incentive scheme should be suspended from the 1 September 2014. The level of overpayments being created as a result of Real Time Information and projected under Optional Real Time Information making the terms included in the Exchequer Services specification unobtainable.

Appendix 7 shows the monthly recovery rates since April 2017.

3.12 **Call Centre (Help line)**

The graph at Appendix 8 details the performance of the Call Centre from April 2016.

The number of calls for the period October 2018 to March 2019 reduced by 12,206 for the same period in 2017/18 which is believed to be a direct result of customers moving to the on-line

self-service system.

The average abandonment rate for the 2nd half of 2018/19 was under 5%.

3.13 **Caseload**

A graph showing the number of claims in payment is attached as Appendix 9. There was a significant increase in the overall caseload following Liberata first becoming responsible for the service in 2002. However, in recent years the number of claims has shown a consistent reduction and was 18,718 on the 31 March 2019.

3.14 **Discretionary Housing Payments (DHP's)**

The July 2013 meeting of the E&R PDS approved the Authority's DHP policy together with the application form for requesting assistance. In respect of 2018/19 The DWP allocated Bromley £725,249 for awarding DHP's, the actual sum spent was £725,643. The DWP allocation for 2019/20 is £628,202.

3.15 **Council Tax Support/Reduction (CTS)**

The Council Tax scheme for 2018/19 was agreed at Full Council on the 11 December 2017, this retained the minimum contribution of working-age claimants to 25% of the household's Council Tax liability.

The scheme has remained unchanged for the 2019/20 financial year, with recommendation for 2020/21 currently out for public consultation.

3.16 **Universal Credit (UC)**

Universal Credit (UC) 'Full service' started in Bromley on 25th July 2018. The removal of temporary accommodation Housing Costs from Universal Credit has lessened the financial impact for Bromley Council. The removal of the need for clients in receipt of Severe Disability Premium to claim Universal Credit has also eased the pressure on clients less able to navigate the Universal Credit application process.

The Department of Works and Pensions (DWP) statistics show 5348 households in Bromley are now on Universal Credit (latest figures from May 2019) with 9156 people in total on UC of which 3101 are in employment).

The DWP statistics also show 82.5% of new Universal Credit claims are being paid in full at the initial 1st payment date (5 weeks from application date). Advance payments for clients who cannot manage for the first 5 weeks are available and easy to apply for once the initial application and Identification checks are completed, these are loans that will need to be paid back from future entitlement.

The DWP terminated the partnership with all Local Authorities to deliver support from 1st April 2019 therefore Bromley no longer have a role to assist their residents in applying and assisting with budgeting when having to claim UC. The Citizens Advice Bureau (CAB) have been contracted to deliver this assistance and they provide both assistance in claiming UC and follow that through with Budgeting support. This service is available in person at Bromley Jobcentre Plus and also via telephone.

It is currently planned that the existing working-age Housing Benefit claimants will be transferred over to Universal Credit by 2023.

4. FINANCIAL IMPLICATIONS

Housing Benefit and Council Tax Support present significant “business”. The 2018/19 budget includes payments in excess of £121m for Housing Benefit and £12m (net) For Council Tax Support. Any deterioration in performance could result in, for example:

- Increase in “ Local Authority Error” overpayments, leading to receipt of reduced subsidy from Central Government
- Potential increase in overpayments which may not be recoverable.

Non-Applicable Sections:	Impact on Vulnerable Adults and Children, Policy, Personnel, Procurement and Legal
Background Documents: (Access via Contact Officer)	

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

Date: 23 August 2019

Our Ref: AIF/GT

Dear John,

As we approach the September Executive & Resources PDS meeting where we consider and review the performance of the Benefits service, we take this opportunity to write to you with Liberata's assessment of the performance of this critical, high profile service that we provide to London Borough of Bromley (LBB) and its citizens.

This summary covers performance for the period 1 April 2018 to 31 March 2019.

1. Current Status of the Benefits Service

The Benefits caseload, which measures all households receiving Housing Benefit and/or Council Tax Support, was 18,718 as at the end of March 2019. The caseload at the same time last year was 19,653.

In terms of our current position for the nationally recognised Right Time Indicator, our average performance was 9.40 days. This is against an annual contractual target of 13 days. For the 2018/19 reporting period, the average processing times for New Claims was 20 days and Change in Circumstances was 9 days.

As at 31 March 2019, the total amount of outstanding work was 3,168 items. This includes 1,274 items pending which are awaiting information from the claimant and/or third-party. This is a reduction since the same period in 2018 when the outstanding work was 4,550 and pending items were 1,435.

1.1 Temporary Accommodation

We continue to maintain close working relationships with the LBB Housing teams, Orchard and Shipman and Mears Group. We meet on a monthly basis to deal with any specific assessment queries and fast track cases to ensure that any delays are minimised. This enables housing staff to engage with tenants early on to robustly manage potential rent arrears.

1.2 Verify Earnings and Pensions (VEP) Alerts Service

The DWP has now commenced issuing VEP alerts for Authorities to process, which have replaced the former Real Time Information (RTI) files. The VEP alerts provide earnings and pension information in 'real time' which is used to update the Authority's Benefits system. By processing the changes received via VEP alerts, we are significantly reducing the potential for overpayments which the customer may have incurred if they had not notified us of any changes in their household income. The VEP alerts draw information held by different organisations and is a very useful tool in Benefits administration.

1.3 ATLAS

ATLAS is a process of transferring data from the DWP systems to the Local Authority systems including state benefit changes which may not have been notified to us by the customer. We continue to process ATLAS files as these ensure that the data we hold on the Authority's Benefits system is accurate and up to date. We have successfully automated a significant number of ATLAS files which eliminates the potential for inputting error through the alternative manual handling by assessment officers. Similarly to VEP alerts, potential overpayments are significantly reduced and thus provides an enhanced customer experience.

1.4 Quality

We continue to be firmly focused on quality and we drive to eradicate any financial error within the assessments carried out. The average financial error rate for the period April 2018 to March 2019 was 2%. Compared to a contractual target of 5% or a soft target of 4%.

Our accuracy level demonstrates that the robust quality management framework is highly effective. We undertake a regular review our quality procedures and remain committed to ensuring that claims are processed accurately and to a high standard, minimising the potential for error and the requirement for reworking. New members of staff undergo an intense training program with significant post monitoring to ensure accuracy levels remain to high standard. Refresher training is undertaken regularly with all our staff to ensure that their understanding is consistent with our policies and procedures and changes in legislation.

1.5 Overpayment Strategy

The creation of overpayments is a natural bi-product of the administration of Housing Benefit & Council Tax Support, with recovery needing to be sought from some of the most vulnerable members of the community.

The Housing Benefit recovery rate as at 31 March 2019 was 97.74% compared to 94.25% for the same period for the previous year. Liberatora continues to effectively recover debts by using a variety of techniques including Blameless Tenant recovery, Direct Earnings Attachment and Debt Collection Agencies. These recovery techniques remain highly effective tools in securing the repayment of these debts.

1.6 Universal Credit

Since 25 July 2018, Universal Credit "Full Service" went live for Bromley. This means the majority of working-age claimants commencing a claim for help with their rent will receive Universal Credit rather than Housing Benefit. Existing working-age Housing Benefit recipients will transfer over to Universal Credit when there is a change in their circumstances.

We are seeing a month on month reduction of the Benefits caseload as customers transfer to Universal Credit. However, we continue processing the Council Tax Support claims, where applicable, for these customers. We continue to receive enquiries from the DWP in regards to housing costs and process the Universal Credit notifications on a daily basis. We are looking into how we can automate these notifications into the Authority's Benefits system.

Liberata has a dedicated Single Point of Contact (SPOC) that liaises directly with the DWP to ensure that any requests are dealt with within the DWP service level of 5 days. We have received positive feedback from the DWP in respect of the level of quality of the information provided by the SPOC.

2. Corporate Visiting Team (CVT)

The CVT Visiting Officers have all undergone a programme of cross training so that they can verify requested benefit information and provide advice to customers in their homes on benefit related matters. This has created resilience within the team and has ensured customer information is obtained quickly to reduce the time taken to process a benefit claim.

3. Call Centre & Customer Services

The number of Revenues & Benefits customers seen in Customer Services for the period 1st April 2018 to 31st March 2019 totalled 33,979. During this period 88% of customers were seen within 15 minutes. This is an improvement on the same reporting period last year when 86% were seen in 15 minutes. Footfall has fallen by 8% compared to the same period in 2017/2018.

During this reporting period, the Contact Centre (Help Line) received 132,433 calls with 95.2% answered. Call volumes have fallen by 12% compared to the same period in 2017/2018. This is as a result of implementing One Digital self serve modules for direct debit, payment arrangements, change of address and the ability to view revenues and benefits correspondence.

4. Service Developments

Liberata's goal is to continue to improve and enhance the services provided to the Council and its citizens through the introduction of innovative and effective solutions.

Examples of current year new and ongoing initiatives;

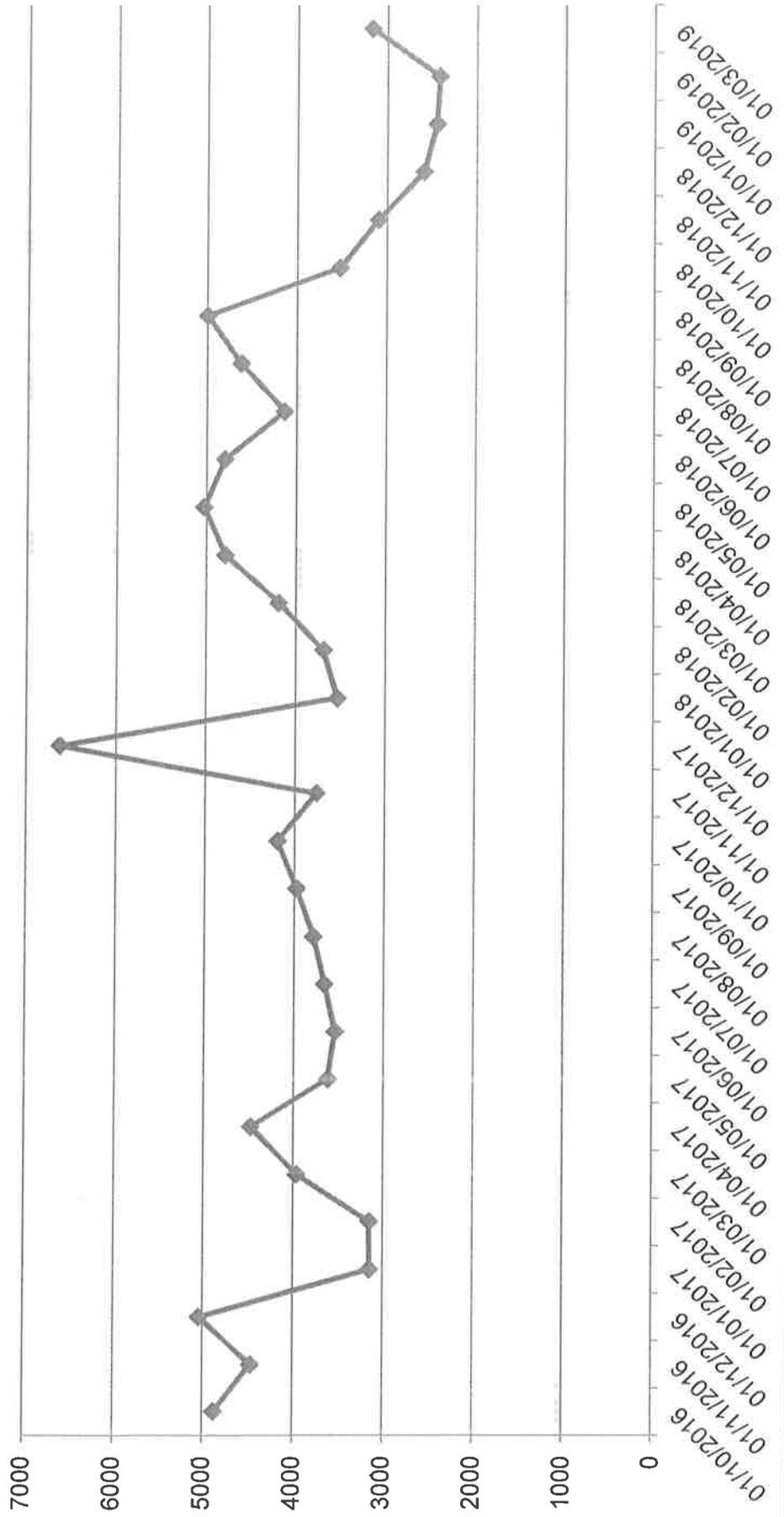
- On-going annual reviews of Self Employed cases to ensure that the Benefits database remains accurate and Benefit entitlements are correct.
- Continual processing of Verify Earnings & Pensions (VEP) Alerts. This service provides real-time information of income and pensions which enables the Benefits database to be correctly updated to minimise potential overpayments.
- On-going implementation of the Capita Advantage Digital product. This will enable customers to use online forms to make a new claim or report changes to an existing claim. The information on the forms will be integrated with the back office processing system.

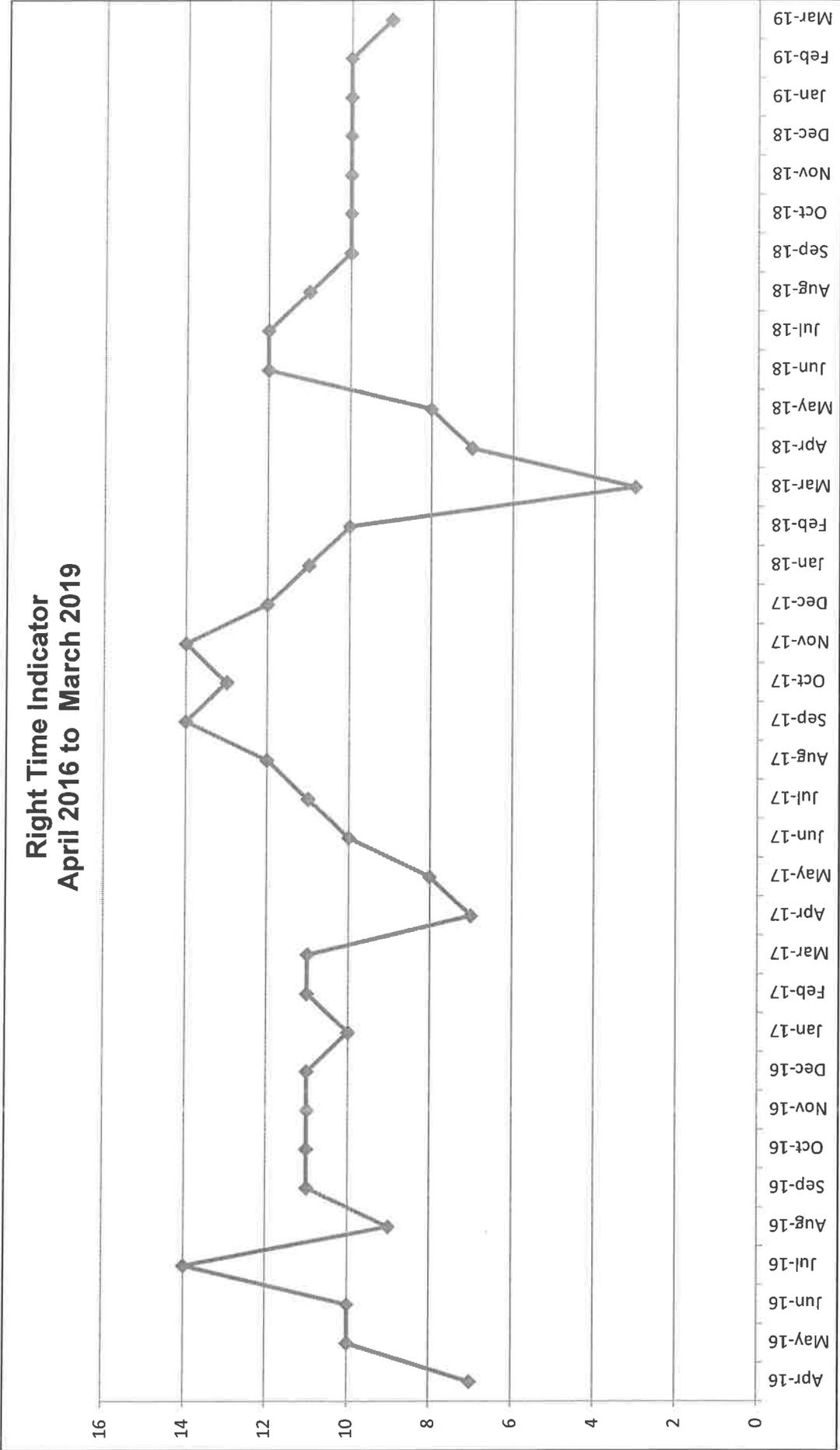
Liberata remains firmly committed to delivering an outstanding service to the London Borough of Bromley and its citizens.

Yours sincerely,

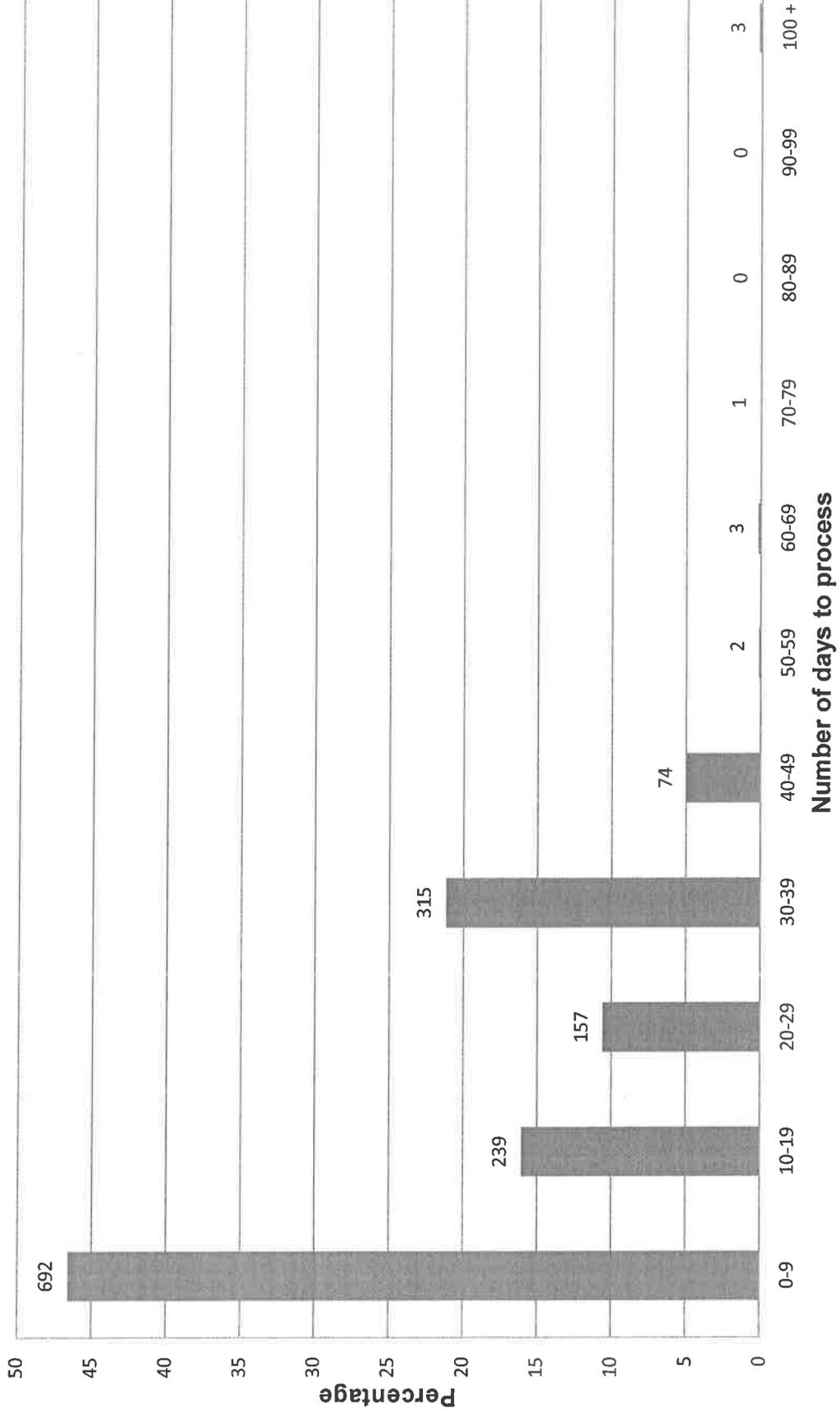
Amanda Inwood-Field
London Regional Contract Director

Outstanding Work October 2016 to March 2019

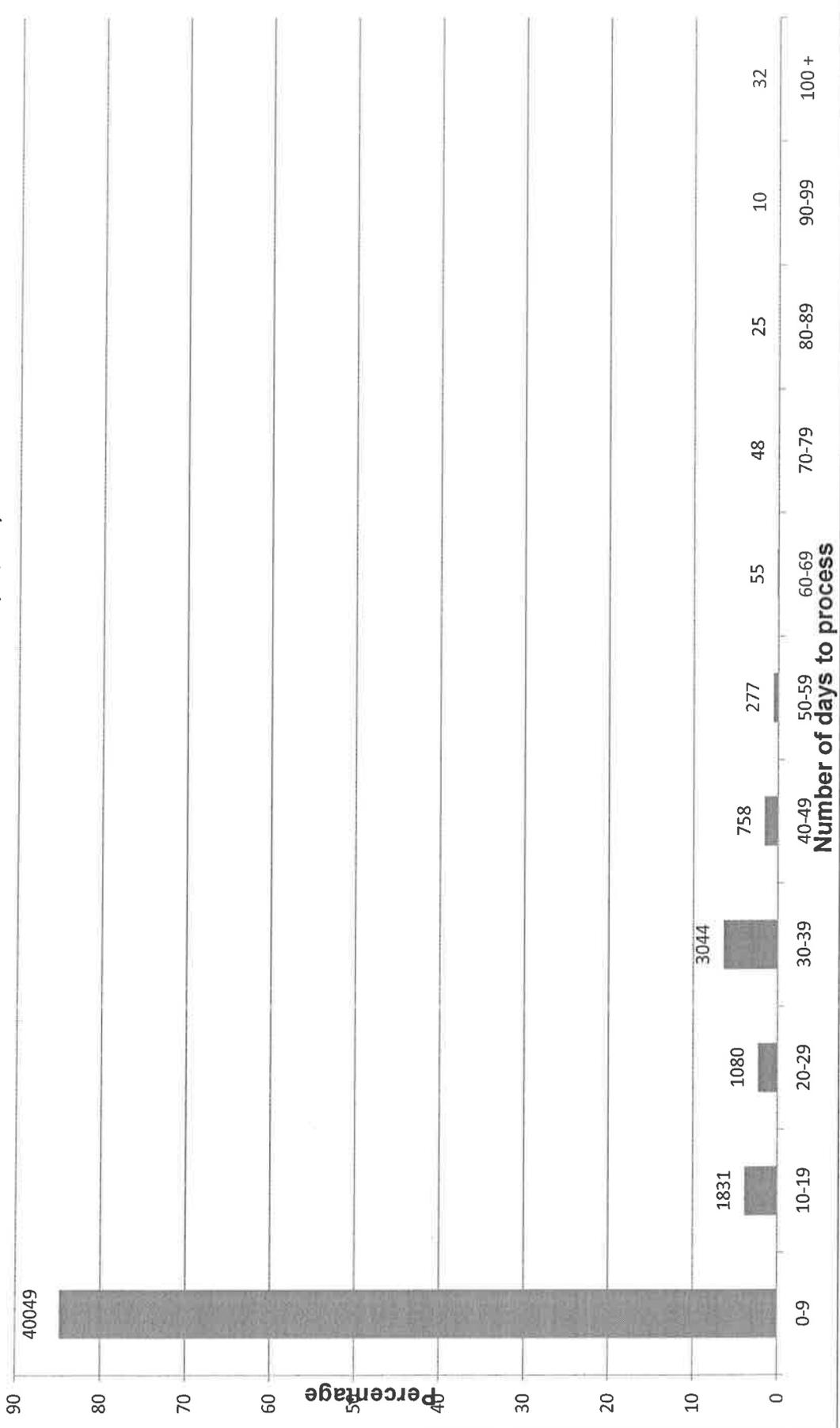




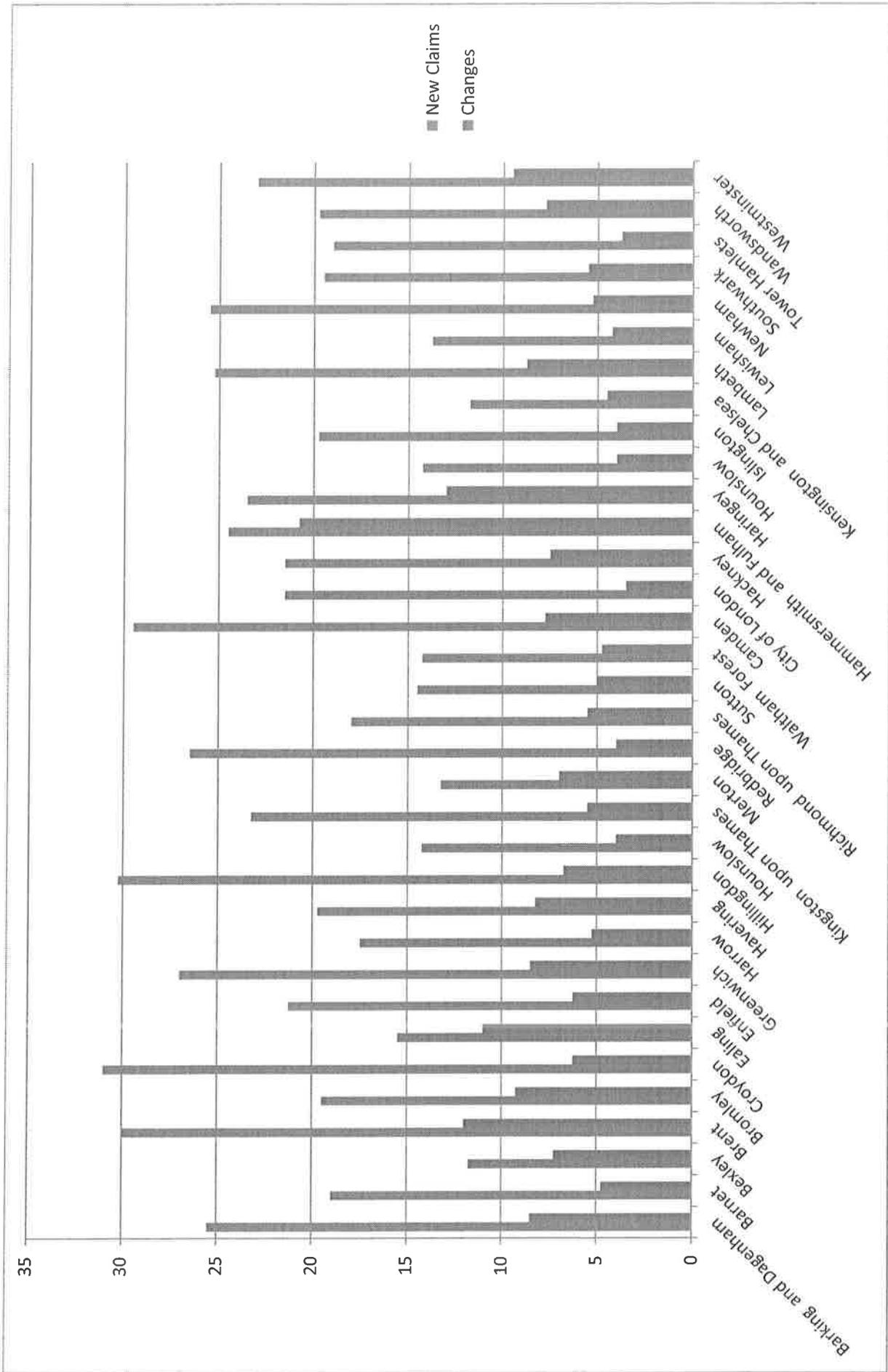
**Housing Benefit - processing time breakdown October 2018 to March 2019
New Claims (1486 cases)**



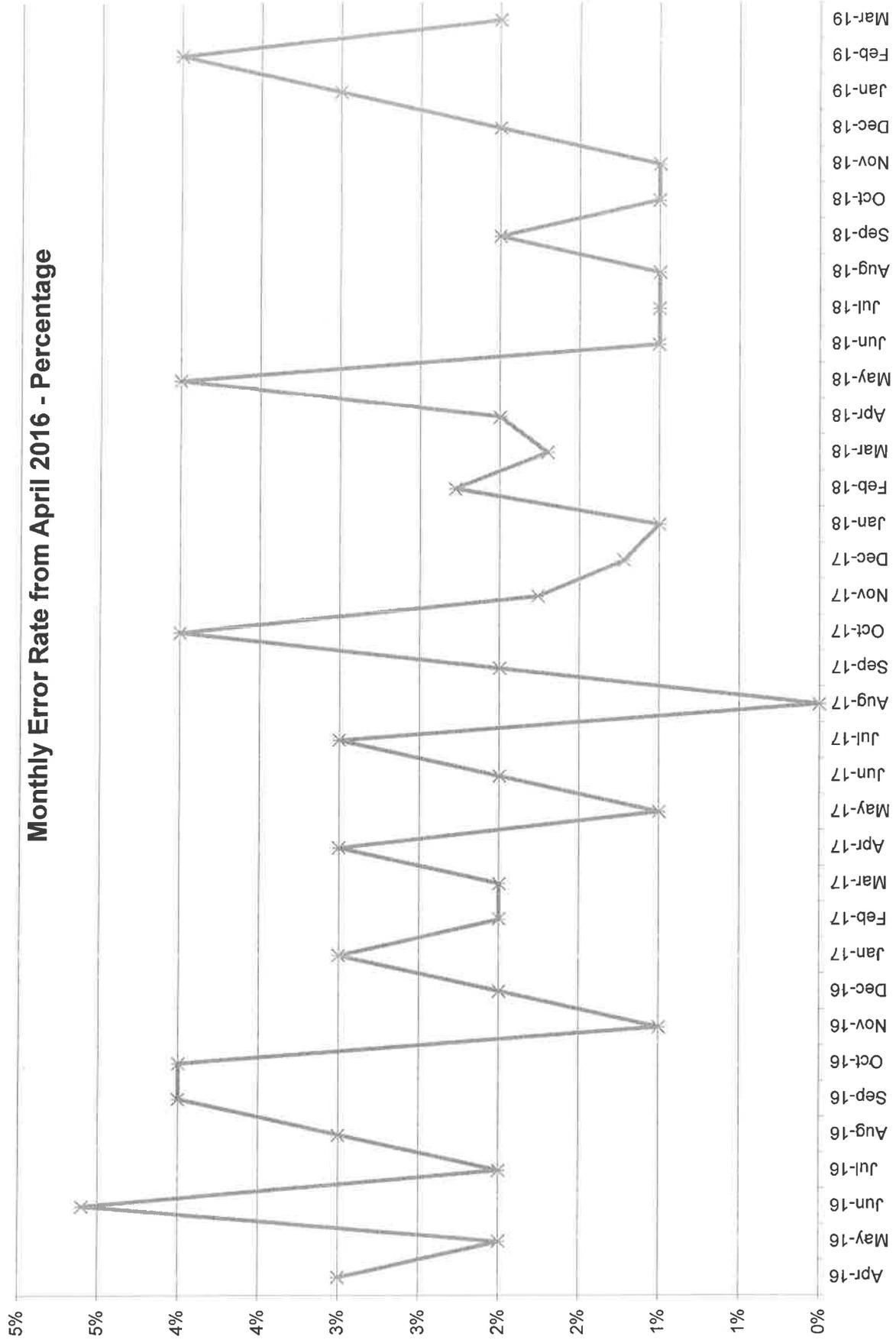
Housing Benefit - processing time breakdown - October 2018 to March 2019 Change in Circumstances (47,209)



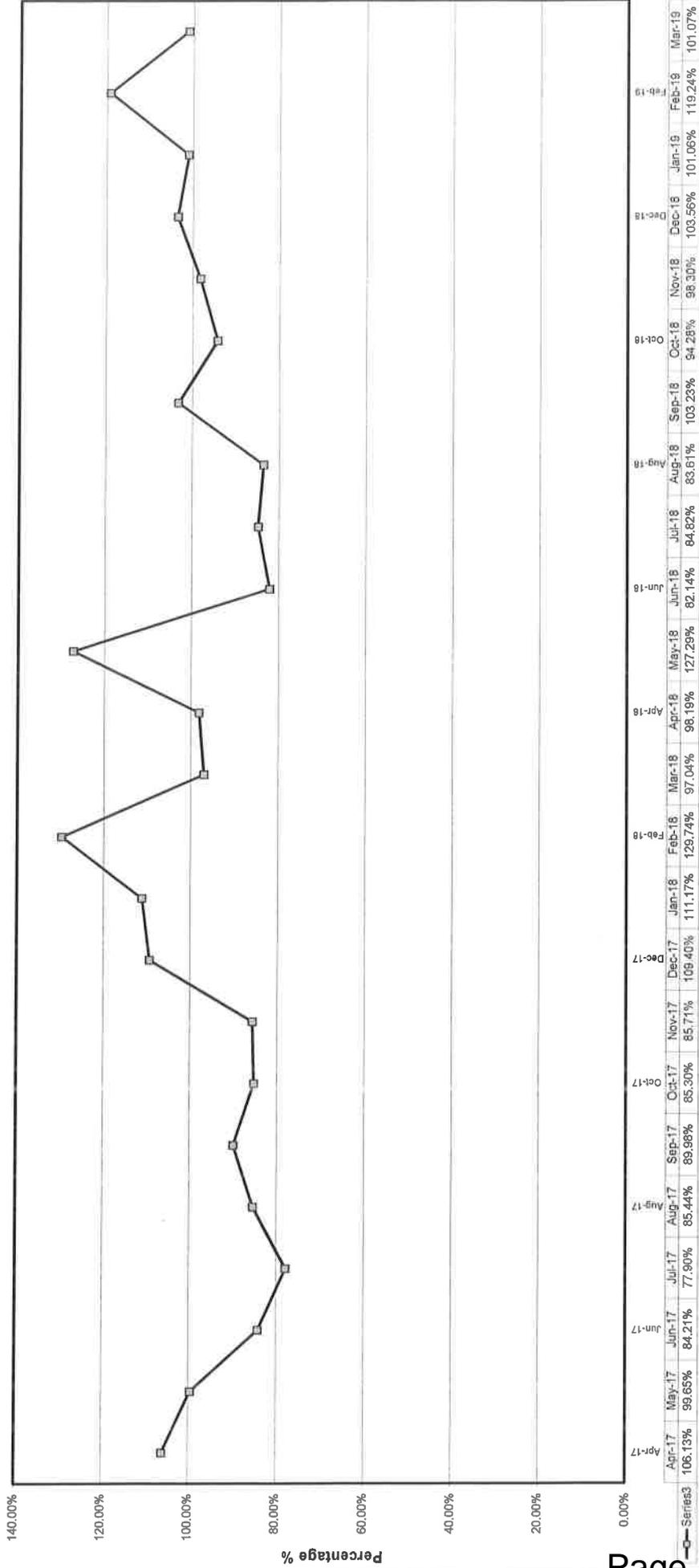
Average Inner & Outer London New Claims & Changes Performance – April 2018 – March 2019 (DWP Published data)



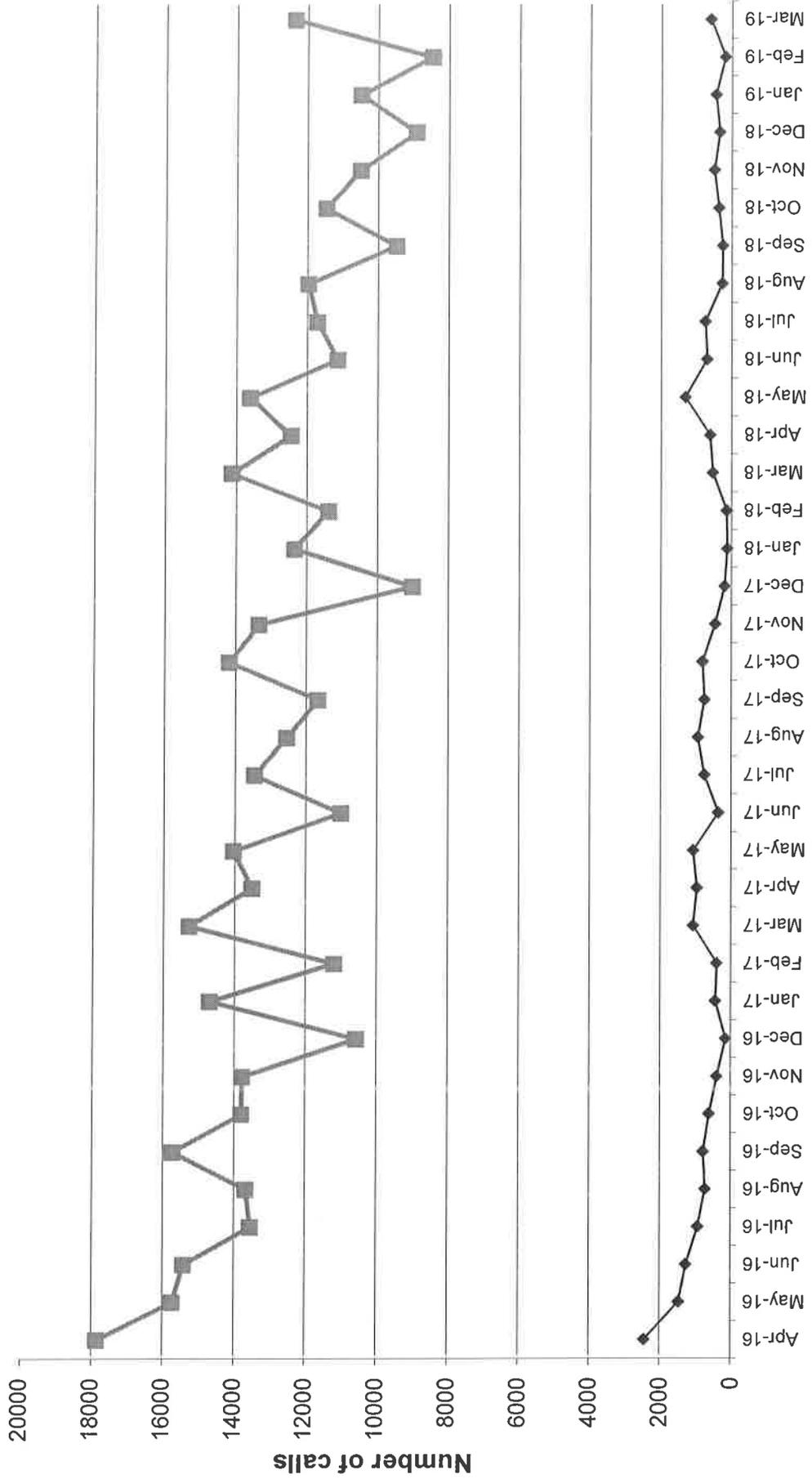
Monthly Error Rate from April 2016 - Percentage



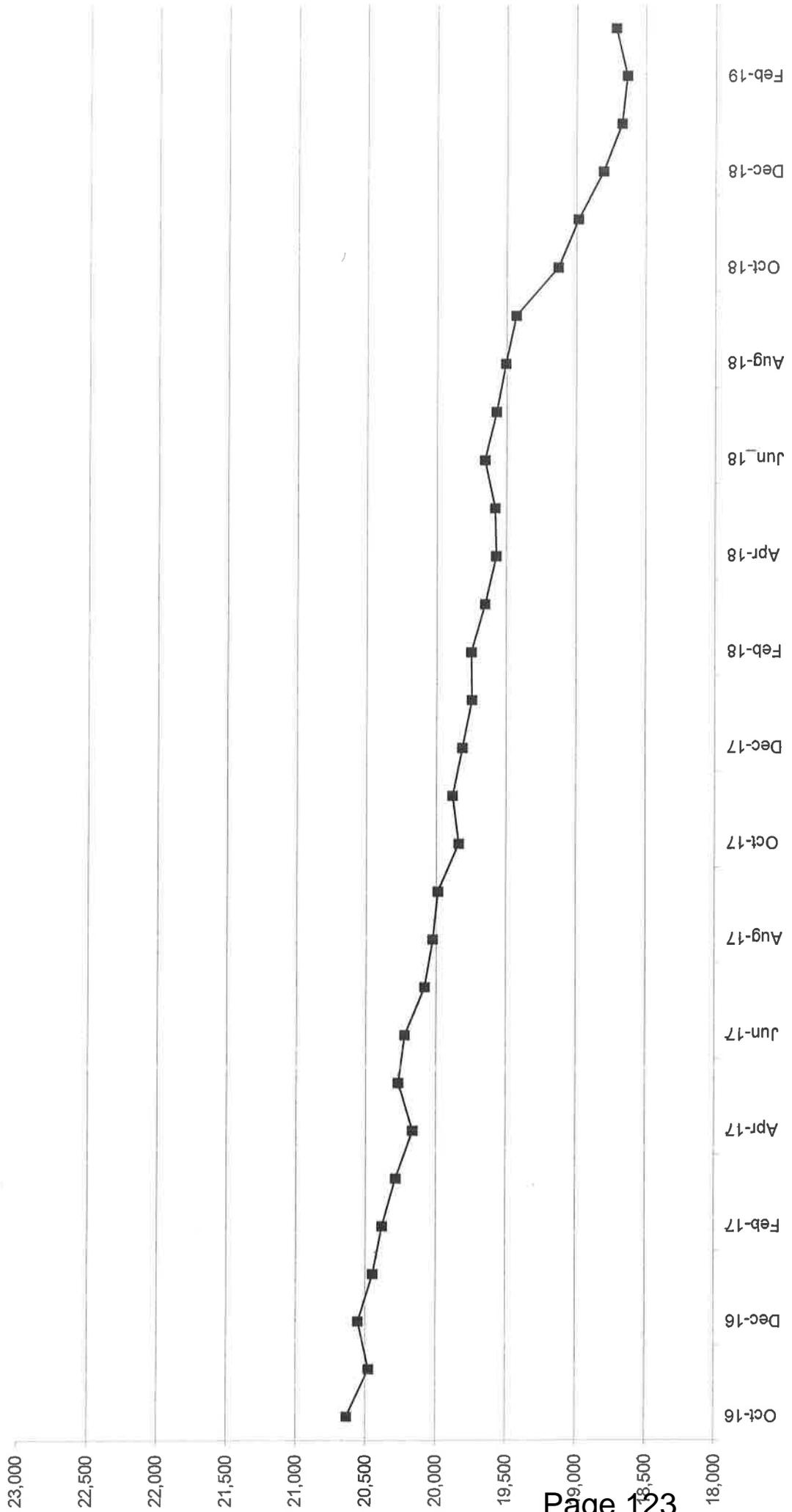
Monthly Overpayment % recovered against that created from April 2017



Calls Received and Abandoned monthly from April 2016



Caseload from April 2016 - every 2 months



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Report No.
FSD19080

London Borough of Bromley

PART ONE - PUBLIC

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

Date: Wednesday 11 September 2019

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

Title: REVENUES SERVICE MONITORING REPORT

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

Chief Officer: Peter Turner, Director of Finance

Ward: (All Wards);

1. Reason for report

- 1.1 This report provides information regarding the performance of the Revenues Services provided by Liberata for the 6 months from the 1 October 2018 to 31 March 2019. A letter from Amanda Inwood-Field, Liberata's London Regional Contract Director, provides an update on each individual service and is attached at Appendix 1 with statistical data relating to the Revenues service shown as Appendix 2.

2. RECOMMENDATION(S)

- 2.1 The PDS is requested to note the information contained within the report and the letter provided by Liberata detailed in Appendix 1.

Impact on Vulnerable Adults and Children

1. Summary of Impact: The Revenues Service impacts on all residents in the Authority including vulnerable adults/and those with children.
-

Corporate Policy

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

Financial

1. Cost of proposal: Not Applicable
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Exchequer - Revenues
 4. Total current budget for this head: £3.617m
 5. Source of funding: Existing revenue budget for 2018/19
-

Personnel

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

Legal

1. Legal Requirement:
Local Government Finance Act 1988
The Council Tax (Administration and Enforcement) Regulations 1992
The Local Government Finance Act 2012
Rating Law and Practice: England and Wales
LGPS Regulations 2013
 2. Call-in: Applicable
-

Procurement

1. Summary of Procurement Implications: The Revenues Service forms part of the Exchequer contract which expires April 2020.
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The Service covered in this report affects all Council Tax payers, Business rates payer, Members and Pensioners; this could be estimated to 140,000 households.
-

Ward Councillor Views

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

3. COMMENTARY

- 3.1 The Revenues and Benefits Team monitors the contract, sets targets and performance standards, liaises with partners, progresses the development and improvement of services through leadership on specific improvement initiatives. The team also ensures the services comply with current legislation, financial regulations, contractual obligations and audit requirements. A summary of performance by the services is contained in Appendix 2.
- 3.2 To maintain the drive for improved service performance, monthly service review meetings are held with operational and senior Liberata management. The Heads of Service of Liberata and Bromley meet regularly to deal with escalated issues, review policies and develop new ideas.

3.3 Council Tax

The in-year Council Tax collection rate for 2018/19 was 98.0% which was a 0.04% reduction on that achieved in the financial year 2017/18. However, this needs to be seen in the light of an additional £8.9m being collected compared to last year.

Bromley's in-year collection in 2018/19 placed them 7th of the 33 London Authorities

The collection rate on current year and arrears was 97.89% which was a 0.11% negative variance when compared to the last financial year. However, in obtaining this level of performance an additional £8.56m was collected compared to the previous year. There is no benchmarking data available on this indicator

As at 31/3/19 the number of households registered for Council Tax was 140,908 an increase of 773 on the previous year. Over the same period the number of households receiving SPD reduced by 42 to 42,995.

3.4 Business Rates

The in-year Business Rates collection rate for as 2018/19 was 98.53% which was the same as that achieved in 2017/18. It is disappointing that the previous year's collection rate has not been improved upon; however, it should be acknowledged that the value of cash collected increased by £3.45m (3.6%)

The in-year collection performance ranked Bromley 19th of the 33 London Authorities. Caution should be attached to the rankings as Bromley do not include credit balances in their performance figures, whereas some other authorities do. There is no official ruling on this issue. If Bromley was to include credit balances it would increase their collection rate to 99.18% and place them 10th of the 33 London authorities.

The 2018/19 collection rate for current years and arrears was 94%, this was 5.52% down compared to the previous financial year. As advised in the last monitoring report, the performance was greatly affected by refunds. Whilst £1.0m of historic balances was collected, £4.9m of repayments were made; therefore overall the effect was to decrease receipts by £3.8m.

Further commentary is contained in Liberata's letter attached as Appendix 1.

As at the 31/3/19 there were 7,364 registered for Business Rates an increase of 69 on the figure as at the 31/3/18.

3.5 **Cashiers**

The payment kiosk sited in the Civic Centre central reception continued to take high volume of payments. The usage has increased in value of payments but reduced in the number of transactions. In the financial year 2018/19 payments to the value of £2,074,115 (16,526 transactions) were taken by this means compared to £1,997,539 (16,900 transactions) in the previous year.

3.6 **Payroll**

The number of payments made in March 2019 was as follows:

LBB General / Schools	2,575
Pensions	5,178

3.7 **Pensions**

Membership numbers recorded on the pensions administration system as at 31 March 2019 were 6,316 actives, 5,746 deferreds and 5,370 pensioners.

Liberata have provided assurance that all pension entitlement and benefits are calculated and paid in accordance with Legislation and the Local Government Pension Scheme Regulations.

4. **FINANCIAL IMPLICATIONS**

4.1 The report refers to the significant income collection undertaken through the Exchequer Services contract with Liberata. For 2018/19, the key financial elements of the Revenues Service are:

- £210m – annual Council Tax raised
- £99.1m – annual amount of Business Rates raised
- £61m – gross amount paid in staff salaries (inclusive of schools but excluding Academies)
- £28.3m – gross amount paid in Pensions
- £15.8m – revenue on 32,042 transactions (including Kiosk)

Non-Applicable Sections:	Impact on Vulnerable Adults and Children, Policy, Personnel, Legal and Procurement
Background Documents: (Access via Contact Officer)	



Knollys House
17 Addiscombe Road
Croydon CR0 6SR
United Kingdom

T +44 (0)20 7378 3700
F +44 (0)20 7378 3701

www.liberata.com

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

23 August 2019

Our Ref: AIF/RJ

Dear John,

As we approach the September 2019 Executive Resources & Contracts PDS meeting where we consider and review the Exchequer service, we take this opportunity to write to you with Liberata's assessment of the performance that we have provided to London Borough of Bromley (LBB) and its citizens.

This summary covers performance for the year ended 31st March 2019.

Council Tax

The in-year collection for the year to 31st March 2019 was 98.00% and equates to £194.3m of cash collected. This placed the Council in the top quartile for collections for London authorities. Although this was a reduction of 0.04% compared to the previous year, cash collected actually increased by £8.9m.

The all-years collection figure was 97.89% and represented cash of £196.8m. This was down against the previous year by 0.11%. The out of year debt figure contains a large number of 'Static Debt' accounts where we are unable to take further recovery action. These include cases where the individual amounts are too low to warrant the costs of further recovery action even though the aggregate value of debts of this type is material. We also have a large number of cases where, despite having obtained a Liability Order, we are unable to take further recovery action due to the account holder lacking any realisable assets or where the debt is below the threshold needed to apply for Bankruptcy or a Charging Order.

Where debts have been secured by a Charging Order being placed against a debtors' property, the funds can only be realised when the debtor decides to sell their property which could be many years in the future.

In response to these problems we have continued utilising the methods that were originally used in our Static Debt Pilot Project. The aim being to stimulate engagement from these debtors, discuss their debts and then agree a realistic repayment plan with periodic review dates to ensure compliance. As a next step we will be looking to see how debtors with charges placed against their properties can be encouraged to clear their debts in a more timely manner in order to reduce this long term debt category.

During the year we continued with our normal collection and recovery initiatives, which includes reviewing the top 100 debtors, proactively chasing older debts, issuing standard 'pay up' letters on account balances which are below the summons threshold, reviewing cases with an attachment pending for both benefits and earnings, progressing cases held at Liability Order stage and monitoring cases sent to the Enforcement Agents. We are also use SMS texting as an additional reminder to prompt tax payers to pay before the issuing of the final reminder, after which they lose the right to pay by instalments. During the year we issued 63,387 reminders (2018 – 78,657) and 9,375 summonses (2018 – 10,755).

We continued to run our drop-in summons surgeries each month. These provide taxpayers with a valuable opportunity to meet with our staff in order to discuss any Council Tax issues and make arrangements to pay their outstanding balance. As a further improvement we extended this service from March 2019 to include an appointment based monthly surgery run in partnership with the Citizens Advice Bureau (CAB) at their offices. This allows us to work with a CAB representative when discussing a resident's debt to explain how it has arisen and stress the importance of paying it whilst also considering any possible discounts or exemptions they may be entitled to.

We completed the annual Empty Homes Review exercise in September. This is where we validate the status of all residential properties listed as 'long term empty' (i.e. those that have been empty for at least 6 months) on the council tax database. Funding is provided to councils from Central Government in the form of a New Homes Bonus for new properties built during the year. However, this funding is reduced if there is any year on year increase in the total long term empty property figure. Extra funding is also paid for any year on year reduction in the number of long term empty properties. As a result of our work we were able to report a reduction of 93 long term empty properties compared to the previous year. This meant that the Council received their full bonus for new properties as well as the additional funding for the decrease in empty properties.

A major systems based project was completed during the year to migrate the Academy Revenues and Benefits application onto a new platform. As a result the roll out of additional self-serve modules for Academy had to be placed on hold. Despite this the number of residents signing up for self-service continued to increase, as a result there were over 40,000 registered accounts at the year end who generated an average of 7,200 monthly page visits during the final quarter.

As at the year end residents were able to conduct the following online activities:

- View Council Tax annual bills, copy bills, payment details, discount and exemptions status
- View system generated correspondence
- Apply for discounts
- Set up direct debits
- Advise of a change in address
- Set up a payment arrangement
- View Benefit account information and system generated correspondence
- View NNDR annual bills, copy bills, payment details, discount and exemptions status

Since the year end we have implemented the e-billing module which means that residents can now elect to receive their annual Council Tax bills electronically rather than in paper format. This functionality will also be rolled out to businesses for their Rates bills within the next few weeks.

Business Rates

The in-year collection rate for the year was 98.53% which equalled the previous year's figure. Whilst it was disappointing not to exceed last year's figure the actual cash collected was £3.45m more than in 2017/18. Performance levels are measured against other Local Authorities but it is each individual Council's decision how to calculate their collection rate. LBB do not include credit balances whereas other authorities do. As such it is prudent to consider the difference when reviewing comparisons in performance rankings. The LBB in-year collection rate, if credit balances were included, would be 99.18% and would have been an upper quartile performance for the whole country.

The nature of the businesses within Bromley presents specific problems for the collection of Business Rates. There is a significant concentration of retail based business within the borough which, even though many are relatively small in size, still make up 41% of the total rateable value. In comparison, for the other London Authorities where Liberata collect Business Rates, this figure constitutes on average only 21%. These businesses have been disproportionately adversely affected as consumers increasingly choose to shop online with the resulting decrease in sales revenue affecting their cash flow and their ability to pay their bills. These economic conditions have also prompted an increase in the number of evasion and avoidance schemes that we are witnessing. The ultimate impact of this has been an increasing difficulty in collecting payments for Business Rates as evidenced by this sector representing 49% of the total arrears.

In order to maximise our cash collections, we reviewed some of our procedures and implemented a number of changes during the year which included:

- Stricter rules around payment arrangements including the need for an upfront payment if the arrangement is to be accepted.

- A more efficient process for issuing accounts to Enforcement Agents.
- The capture of contact details from every exchange with ratepayers in order to assist any future debt chasing.
- Where possible requesting full payment of Business Rates at creditor meetings.

The all-years collection rate was 94.00% which was a reduction of 5.52% compared to the previous year. The collection rate was adversely affected by the high value of refunds processed during the year. Valuation changes caused by rateable reductions in Bromley High Street and rateable reductions for doctors' surgeries, both of which were backdated to April 2015, generated high value account credits. Further credits were generated by the Revaluation Support Relief, which in 2017/18 was £1.4m. This meant that we started 2018/19 with £4.9m of credits relating to previous years, compared to £2.5m in 2017/18. The repayment of these credits served to reduce the net impact of the cash collected which in turn deflated our collection rate.

Business Improvement Districts (BID)

We have continued to manage the billing and recovery for a number of BID boards within the borough. These range in size both geographically and financially. For the Orpington BID we collected 97.87% (£187.8) which is an increase of 2.04% compared to the previous year. On the Bromley BID we have collected 96.59% (£591.8k) which is down by 2.53% (£19k) on the previous year and was due to several accounts being in dispute at the year end. For the Beckenham BID we have collected 86.47% (£210.6k) and for the Penge BID we collected 91.45% (£132.3k). The comparatively low collection rates for these two are reflective of the fact that this is the first year that these BIDs have been in operation. In addition a number of customers in Beckenham disputed their charges due to the major road works that took place in the area.

Cashiers

We collected over £15.8m during the year which covered 32,042 transactions and included amounts taken via the Kiosk, post and central income.

Pensions and Payroll

The Pension Team achieved an average of 98.54% service level compliance over the year.

As the three year re-enrolment exercise was scheduled to take place in May 2019, we ensured that we had the reports and letters ready to issue to the affected employees, as well as identifying all 50/50 contributors to ensure that they were moved back to the main section of the scheme in accordance with the Local Government Pension Scheme Regulations. Benefit Statements were dispatched to Active and Deferred Members in-line with the new regulatory deadline.

During the year the Payroll Team continued to provide a valued service with an average accuracy rate of 99.93% across the LBB Corporate, Schools and Pensions payrolls. The introduction of GDPR meant that payroll processes had to be reviewed to ensure compliance with the new rules. Liberata introduced a new Schools Portal in July 2018 to facilitate the secure exchange of information with schools.

Liberata and LBB agreed to migrate all School payrolls across to a new payroll system to reduce the number of licenses required by the Council as part of their contract with Zellis. Between April 2018 and March 2019 twenty Academy Schools were migrated with a further 17 planned for migration post year end.

Liberata remains firmly committed to delivering an outstanding service to the London Borough of Bromley and its citizens.

Yours sincerely

Amanda Inwood-Field
London Regional Contract Director

The key elements of the Revenues Service includes (2018/19 figures):

- £210 million – Annual amount of Council Tax raised
- £99.1 million – Annual amount of Business Rates raised
- £12.3 million – Annual payment of Council Tax Support
- £99.4 million - Housing Benefit subsidy for 2018/19 (awaiting final audit)
- £61.0 million – Gross payment of staff salaries (through the LBB payroll service, including schools, excluding Academies) for the year from 1st April 2018 to 31st March 2019
- £28.3 million – Payment of Pensions from 1st April 2018 to 31st March 2019
- £15.8 million – 1st April 2018 to 31st March 2019 revenue on 32,042 transactions, this includes Kiosk
- (1148 Loomis cash collections during the year to 31st March 2019)

Council Tax Data:

In year collection performance by Liberata is shown below:

Best Value PI's	Actual 08/09	Actual 09/10	Actual 10/11	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual 15/16	Actual 16/17	Actual 17/18	Actual 18/19
BV9:CTAX Collected	97.03%	97.28%	97.59%	97.65%	97.76%	97.50%	97.70%	97.79%	97.93%	98.04%	98.00%

Actual 31st March 2019 – 98%

The amount of collectable debt raised for the year 2018/19 was **£210m** in respect of **140,010** properties.

549 Cheque refunds and **6,518 BACs** refunds totalling **£2,039,467.60** have been issued from 1st April 2018 to 31st March 2019.

The following Council Tax recovery notices were issued:

	31/3/09	31/3/10	31/3/11	31/03/12	31/03/13	31/03/14	31/03/15	31/03/16	31/03/17	31/03/18	31/03/19
Reminders	39,382	34,892	34,971	51,920	45,816	56,256	54,745	52,125	55,553	78,657	63,387
Summonses	13,432	17,061	19,774	16,436	16,168	19,267	13,158	9,543	14,052	10,755	9,375
Liability Orders	7,079	10,713	12,956	9,396	10,868	9,999	8,645	8,337	10,338	9,115	8,105
14 day letters – Enforcement Agent warning	10,761	13,127	11,823	11,757	12,518	15,816	10,103	12,214	8,247	8,647	10,074
Accounts passed to Enforcement Agent	6,882	9,724	9,538	All at 14 day stage	All at 14 day stage						

NB: The first 14 day letters were issued directly to the bailiffs from **11 July 2011**.

The 2017/18 debt carried forward at the 1st April 2018 was £4,169,104.84

Council Tax - Summoned Debt	
Summonses / costs	£718,688.15
Arrangement	£329,686.51
Bailiff /14 DAY	£1,824,045.10
Attachment	£68,689.34
Bankruptcy	£34,735.88
Liability	£444,378.07
Un-summoned Debt	
Finals	£248,081.90
Un-summoned	£500,799.89
Total	£4,169,104.84

The breakdown analysis of the total 2017/18 debt outstanding at the 1st April 2018 of £4,169,104.84 is shown above.

The balance of the total 2017/18 debt outstanding as at the 31 March 19 is £2,346,481.44 reduction of £1,822,623.40

Council Tax Arrears Breakdown as at 31 March 2019

	Arrears B/F 31.03.2018	Arrears carried forward	Net reduction	Actual % collection
1993 to 1997	£2,704.89	£0.00	£2,704.89	100.00%
1998	£4,473.36	£1,810.57	£2,662.79	59.50%
1999	£7,228.14	£3,282.87	£3,945.27	54.60%
2000	£13,981.46	£9,290.88	£4,690.58	33.50%
2001	£27,127.37	£16,823.35	£10,304.02	38.00%
2002	£41,625.82	£25,473.60	£16,152.22	38.80%
2003	£67,138.70	£40,921.19	£26,217.51	39.00%
2004	£89,491.70	£52,439.32	£37,052.38	41.40%
2005	£126,027.35	£82,479.43	£43,547.92	34.60%
2006	£159,730.56	£118,358.12	£41,372.44	25.90%
2007	£206,773.13	£143,387.58	£63,385.55	30.70%
2008	£259,618.52	£188,732.34	£70,886.18	27.30%
SUB TOTAL	£1,005,921.00	£682,999.25	£322,921.75	32.10%
2009	£292,386.26	£217,307.95	£75,078.31	25.70%
2010	£367,445.44	£261,999.10	£105,446.34	28.70%
2011	£486,489.50	£347,573.09	£138,916.41	28.60%
2012	£628,238.98	£445,144.54	£183,094.44	29.10%
2013	£1,004,927.25	£723,085.22	£281,842.03	28.00%
2014	£1,294,473.54	£921,202.23	£373,271.31	28.80%
2015	£1,629,535.08	£1,164,753.55	£464,781.53	28.50%
2016	£2,357,447.81	£1,608,892.38	£748,555.43	31.80%
2017	£4,169,104.84	£2,346,481.44	£1,822,623.40	43.70%
TOTAL	£13,235,969.70	£8,719,438.75	£4,516,530.95	34.10%

Business Rates Data:

In year collection performance by Liberata is shown below:

Best Value PI's	Actual 08/09	Actual 09/10	Actual 10/11	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual 15/16	Actual 16/17	Actual 17/18	Actual 18/19
BV10: Rates Collected	99.1%	99.02%	98.9%	98.81%	98.72%	98.70%	98.80%	99.05%	98.87%	98.53%	98.53%

Actual 31 March 2019 - 93.53%

The amount of collectable debt raised for the year 2018/19 is **£99.1 million**.

There have been 1,749 refunds actioned from the 1st April 2018 to the 31st March 2019 amounting to **£5,871,257.77** in respect of vacation and rateable value reductions.

The following recovery notices were issued -

	31/3/09	31/3/10	31/3/11	31/03/12	31/03/13	31/03/14	31/03/15	31/3/16	31/3/17	31/3/18	01/04/18 to 31/03/19
Reminders Issued	3,609	3,977	3,404	2,536	4,023	3,545	4,445	4,263	4,288	3,525	3,245
Final Notices Issued	1,529	1,892	1,824	1,741	2,014	2,472	2,353	1,560	1,960	1,985	1,312
Summonses Issued	704	903	725	1,156	987	1,091	1,053	535	1,123	768	601
Liability Orders	426	666	672	749	683	771	734	411	525	522	550
7 day letters Issued	299	674	367	471	501	No longer used					
Accounts passed to Enforcement Agent	130	316	430	537	645	650	444	283	184	159	203

The **2017/18** debt carried forward at 1st April 2018 was **£1,351,159.12**

NNDR recovery stage	Amount
Un-summonsed	£290,158.47
Arrangement	£58,512.72
Enforcement Agent	£271,662.14
Final	£54,662.19
Liability	£367,102.74
Reminders	£60,703.81
Summonsed	£248,357.05
total	£1,351,159.12

Movement in arrears for reporting period –

Arrears total 1990 - 2017/18 as at **01/04/18** **£2,576,323.59**

Arrears total 1990 - 2017/18 as at **31/03/19** **£1,721,721.41**

Reduction in Overall arrears **£ 854,602.18**

Business Rates Arrears breakdown as at 31st March 2019

	Arrears B/F 31.03.2018	Arrears carried forward	Net reduction	Actual % collection
1990 to 1991	2,312.45	0	2,312.45	100%
2008	3,658.03	3,658.03	0	0%
2009	18,695.36	18,695.36	0	0%
2010	13,858.69	12,535.50	1,323.19	10%
2011	19,944.20	18,487.20	1,457.00	7%
2012	79,777.97	66,134.43	13,643.54	17%
2013	80,594.04	67,587.48	13,006.56	16%
2014	171,887.70	143,513.10	28,374.60	17%
2015	290,863.46	255,896.31	34,967.15	12%
2016	543,572.57	401,212.31	142,360.26	26%
2017	1,351,159.12	734,001.69	617,157.43	46%
	£2,576,323.59	£1,721,721.41	£854,602.18	33%

Cashiers Data

The cashiering service dealt with the following transactions in the period 1st April 2018 to 31st March 2019

Civic Centre Total	Transactions including Kiosk
£15,791,296.62	32,042

Payroll Data:

The average number of payments made each month/annually is shown below:

	Monthly	Annually
Non-Teaching/Teaching	2,576	30,912
Pensions	5,110	61,320

Appendix 2

Complaints Data:

Service	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Council Tax	104	125	118	277 (210 unfounded)	372 (292 unfounded)	540 (446 unfounded)	427 (378 unfounded)	348 (274 unfounded)	373 (309 unfounded)	344 (299 unfounded)
NNDR	0	2	1	7 (7 unfounded)	4 (4 unfounded)	21 (7 unfounded)	10 (9 unfounded)	6 (3 unfounded)	3 (2 unfounded)	4 (3 unfounded)
Pensions	9 (5 unfounded)	7 (4 unfounded)	7 (2 unfounded)	3 (2 unfounded)	4 (2 unfounded)	4 (1 unfounded)	2	4 (2 unfounded)	2 (1 unfounded)	4 (2 unfounded)
Payroll	10 (6 unfounded)	9 (3 unfounded)	4	9 (2 unfounded)	5 (2 unfounded)	9 (7 unfounded)	4 (2 unfounded)	1 (1 unfounded)	0	3 (2 unfounded)
Cashiers	0	0	0	0	0	0	0	0	0	0

Report No.
FSD19086

London Borough of Bromley

PART ONE - PUBLIC

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

Date: Wednesday 11 September 2019

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

Title: EXCHEQUER SERVICE - CONTRACT PERFORMANCE
REPORT

Contact Officer: Claudine Douglas-Brown, Assistant Director: Exchequer Services
Tel: 020 8461 7479 E-mail: Claudine.Douglas-Brown@bromley.gov.uk

Chief Officer: Director of Finance

Ward: (All Wards);

1. Reason for report

- 1.1 This report provides information regarding Liberata's performance in the provision of Exchequer Services for the period 1st April 2018 to 31st March 2019.
- 1.2 A letter from Amanda Inwood-Field, Liberata's Contract Director, provides an update on each individual service and is attached at Appendix 1 with statistical data relating to the services shown in subsequent appendices.

2. **RECOMMENDATION(S)**

The Committee is requested to note the information contained within the report on Liberata's performance and the action taken to address any performance issues.

Impact on Vulnerable Adults and Children

1. Summary of Impact: None
-

Corporate Policy

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

Financial

1. Cost of proposal: Not Applicable
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Exchequer Service – Payment, Income and Charging
 4. Total current budget for this head: £1.49m
 5. Source of funding: Existing Budget 2018/19
-

Personnel

1. Number of staff (current and additional): 4fte plus Liberata staff
 2. If from existing staff resources, number of staff hours: Not Applicable
-

Legal

1. Legal Requirement: Statutory Requirement:
Public Health (Control of Disease) Act 1984
Late Payment of Commercial Debts (interest) Act 1998
The County Court Act 1984
The Civil Procedure Rules
Environmental Protection Act 1990
Housing Act 2004
The Care Act 2014
The Public Contracts regulations 2015
 2. Call-in: Not Applicable
-

Procurement

1. Summary of Procurement Implications: Not Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The services covered in this report affect those who owe general income to the Council, all of the Council's suppliers and all adult social care clients. This could amount to an estimated 40,000 people.
-

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 This report provides information regarding the performance of the Exchequer Services provided by Liberata for the period 1st April 2018 to 31st March 2019.
- 3.2 The Exchequer Client Unit, which consists of 4 members of staff, monitor the compliance of Liberata our contractor for Exchequer Services, against the overall Contract to ensure that services are provided to the required standard, within the agreed timeframe, meeting the agreed targets and performance standards. Where there are areas of concern or underperformance, the Assistant Director, Exchequer Services will agree an action plan with Liberata to address these issues. The team also ensures the services comply with current legislation, financial regulations, contractual obligations and audit requirements.
- 3.3 To maintain the drive for improved service performance, monthly service review meetings are held with operational and senior Liberata management. To further illustrate the commitment to the continuous improvement agenda the Contract Director and Finance Service Delivery Director meets with Bromley regularly to deal with escalated issues, review policies and develop new ideas.
- 3.4 The Exchequer Services covered in this report are:-
- Sundry Debtors, Mortgages and Corporate Debt
 - Accounts Payable
 - Financial Assessment and Management
 - Appointee and Deputyship

4. SERVICE PROFILE/DATA ANALYSIS

4.1 Sundry Debtors, Mortgages & Corporate Debt

- 4.1.1 The sundry debts performance is measured on amount recovered at the end of each reporting period. At the 31st March 2019, there were 2,827 invoices outstanding totalling £8.55m. Of the total amount, £3.61m (42.26%) had been outstanding for less than 30 days.
- 4.1.2 As at 31st March 2019, the amount recovered in respect of invoices raised between 1st April 2018 and 31st March 2019 was £47.7m or 86.6% against a target of 92%.
- 4.1.3 The shortfall of 5.4% of £2.96m was as a result of the following factors which adversely affected in-year collection:
- A high volume of invoices totalling £3.09m were raised in the last 14 days of March 2019. Debts raised this close to 31st March 2019 are unlikely to be settled before the end of the financial year.
 - Community Infrastructure Levy debts (CIL) totalling £328k were raised before 31st March 2019 but were not payable until after this time.
 - Disputed debts totalling £678k were on hold pending investigations and responses from departments and could not be recovered.
 - A total of £225k was secured by Charging Orders placed on debtors properties

Table 1 Unadjusted Collection Rate

	2015/16	2016/17	2017/18	2018/19
31st March Performance	92.9%	87.5%	86.6%	86.6%
Target	90%	91%	92%	92%

Table 2 Adjusted Collection Rate

	2015/16	2016/17	2017/18	2018/19
31st March Performance	93.6%	91.4%	90.3%	88.6%
Target	90%	91%	92%	92%

4.1.4 If the in-year collection rate is adjusted to take account of those debts where Liberata could not pursue payment, the revised collection rate would be 88.6% which remains under target. However, if you further adjust collection to exclude those invoices raised in the last 14 days of the financial year, collection rises to **94%**.

4.1.5 **Appendix 2** shows the comparison between the levels of outstanding debt for each month from April to March for the years 2015-16 through to 2018-19.

4.1.6 **Appendix 3** shows the comparison between the numbers of invoices outstanding each month from April to March for the years 2015-16 through to 2018-19.

Aged Debt as at 31st March 2019

4.1.7 The out-of-year collection rate across all financial years was 99.47% with £8.02m collected in 2018/19. There are a number of factors which continue to affect out-of-year collection:

- £1.1m either remains in dispute, or is awaiting further instruction from the Council at the end of the financial year and as such, further recovery action remains on hold
- £591k has been recommended for write off

4.1.8 Table 3 shows the movement in the out-of-year debt outstanding as at 31st March for the last year along with the overall % reduction from 31st March 2018 to 31st March 2019.

Table 3

	31-Mar-18	31-Mar-19	Reduction since 31/03/18
	£,000	£,000	%
Pre 2015	1,229	950	23%
2015/16	439	304	31%
2016/17	804	517	36%
2017/18	8,343	1,021	88%
Total	10,815	2,792	74%

4.1.9 **Appendix 4** shows the overall recovery position of debts in each financial year up to 31st March 2019.

4.1.10 The category with the largest debt is the one relating to debts in dispute or on hold at the request of the service department. Liberata continue to work with LBB officers in order to resolve queries and disputes as quickly as possible so that recovery action can continue.

4.1.11 Cases are escalated by Liberata to the Exchequer Client Unit who liaise with senior LBB officers regarding pursuing the debt or writing it off if it is uncollectable.

Utilities

4.1.14 The total debt for utilities was £147k as at 31st March 2019, representing a 53% (£169k) reduction from last year. The largest reduction in debt has been on the British Telecom account which has reduced from £156k to £19k. This is a much improved position since 31st March 2018.

4.1.15 **Appendix 5** shows a summary of Utility debts as at 31st March 2019.

Income

4.1.16 The Income Team raised 10,718 sundry invoices with a value of £57.46m from 1st April 2018 to 31st March 2019.

4.1.17 During the same period, 1,292 invoices relating to all financial years with a total value of £2.99m were subsequently cancelled. This includes invoices for charges raised in advance where the service was subsequently cancelled.

4.1.18 **Appendix 6** shows the value of invoices raised month by month for the period from 1st April 2018 to 31st March 2019 compared to the same periods in the previous four financial years.

4.1.19 **Appendix 7** shows the number of invoices raised month by month for the period from 1st April 2018 to 31st March 2019 compared to the same periods in the previous four financial years.

4.1.20 The outstanding debt for Trade Waste was £117k as at 31st March 2019. Table 4 provides an analysis of the outstanding debt compared to the same time last year.

4.1.21 The total debt has decreased by 12.6% (£17k) since 31st March 2018. With the option of paperless Direct Debit facility on the Aspien Debt Management System, we expect the take-up of Direct Debit to continue to increase.

Table 4

Age Analysis of Trade Balance	As at 31st March 2018	As at 31st March 2019	Variance	
			£k	%
Under 30 days old	£1K	£K	-£1K	-1.02%
Invoices 31-365 days old	£9K	£20K	£11K	8.42%
Invoices over 1 year old	£123K	£96K	-£27K	-20.01%
Total	£133K	£117K	-£17K	-12.60%
Recovery Status of Trade Balance				
Payment arrangements/Direct Debits	£K	£K	£K	
Invoices in dispute	£22K	£13K	-£10K	-7.35%
Awaiting cancellation	£5K	£K	-£5K	-4.11%
Awaiting write off	£26K	£43K	£17K	12.37%
Active Recovery	£79K	£61K	-£18K	-13.52%
Total	£133K	£117K	-£17K	-12.60%

Nightly Paid Accommodation Charges

- 4.1.22 The outstanding debt for Nightly Paid Accommodation charges as at 31st March 2019 was £5.5m for current and former occupiers which was an increase of £628k (12.79%) on the previous year. Table 6 gives a breakdown of the outstanding debt as at 31st March 2018 and 31st March 2019.
- 4.1.23 The collectable rent amount continued to grow and increased by £888k (11.41%) from 31st March 2018. Despite this increase, both Housing Benefit and Cash Payments also increased in the same period; Housing Benefit by £1.02m (21.30%) and Cash Payments by £496k (29.85%).
- 4.1.24 An additional factor affecting the level of Housing Benefit payments is the number of clients that are on Universal Credit where they have advised Liberata they have claimed Universal Credit and it should be in payment however it is not reaching the rent accounts. Where this occurs Liberata will continue with recovery action however it can make recovery more difficult if the delays are due to the DWP processes and not the client.
- 4.1.25 There continues to be an increase in the number of clients in temporary accommodation with the number of current clients increasing from 755 in March 2018 (accounts) to 939 in March 2019, an increase of 184 or 24% during the year.
- 4.1.26 The issue of the increasing debt has been raised with Liberata however we recognise the factors affecting recovery such as Universal Credit and the limitations of the current I.T. system. However, Liberata are actively working with officers in the Housing Department to implement a new system which has been delayed to October 2019. The system once implemented will provide improved recovery and monitoring tools as well as more robust processes. This should lead to an increase in income recovery and ultimately a reduction in the arrears.

Table 5

	31 March 2018	31 March 2019	Variance	
Charges raised for current year	£7,783,476	£8,671,275	£887,799	11%
Charges raised and arrears brought forward for previous years	£3,772,250	£4,955,279	£1,183,029	31%
Payments received from debtors	-£1,660,234	-£2,155,760	-£495,526	30%
Housing Benefit awards	-£4,786,732	-£5,806,531	-£1,019,799	21%
Sub total	£5,108,760	£5,664,264	£555,504	11%
Less combined total debts written on/off	-£198,325	-£125,596	£72,729	-37%
Total	£4,910,435	£5,538,667	£628,232	13%

4.2 Accounts Payable

4.2.1 Under the Public Contracts Regulations 2015 the Council is required to publish prompt payment data showing the percentage of undisputed invoices paid within 30 days.

4.2.2 A BV8 summary covering the period from 1st April 2018 to 31st March 2019 is shown below. This shows that the percentage of undisputed invoices that were paid within 30 days was 98%, against a target of 98%. The percentage of invoices paid within 20 days was 96%.

Table 6

Manuals	Target: 98%	Invoices Over 30	Invoices Under 30	Total	%	Invoices Over 20	Invoices Under 20	Total	%
Adult and Community Services *		0	3	3	100%	0	3	3	100%
Corporate Services		0	17	17	100%	0	17	17	100%
Children & Young People +		0	10	10	100%	0	10	10	100%
Environment and Leisure		0	0	0	0%	0	0	0	0%
R&R (Inc. Libraries & LE/PP)		0	0	0	0%	0	0	0	0%
Payroll (R05 - R20)		0	105	105	100%	0	105	105	100%
Utilities		0	22	22	100%	0	22	22	100%
Confirm (Highways, IS, Property)		6	1,662	1,668	100%	6	1,162	1,168	99%
		6	1,819	1,825	100%	6	1,319	1,325	100%
I-Proc	Target: 98%								
Adult and Community Services *		11	408	419	97%	19	100	119	84%
Corporate Services		6	216	222	97%	27	195	222	88%
Children & Young People +		23	557	580	96%	46	534	580	92%
Environment and Leisure		10	239	249	96%	19	230	249	92%
R&R (Inc. Libraries & LE/PP)		12	140	152	92%	22	130	152	86%
		62	1,560	1,622	96%	133	1,189	1,322	90%
Carefirst	Target: 98%								
T01		0	45	45	100%	0	45	45	100%
T04		3	409	412	99%	3	409	412	99%
T05		7	1,059	1,066	99%	16	1,050	1,066	98%
		10	1,513	1,523	99%	19	1,504	1,523	99%
Adults	Target: 98%								
T02		0	57	57	100%	2	55	57	96%
		0	57	57	100%	2	55	57	96%
Cumulative YTD Total		681	44,355	45,036	98%	1,565	42,671	44,236	96%

4.2.3 Table 7 below shows the percentage split in the method of payments to suppliers. The percentage of suppliers paid by BACS from 1st April 2018 to 31st March 2019 was 91% which is an increase of 1% compared to the previous year. The number of cheque payments made continues to reduce year on year.

4.2.4 Officers recognise that it is more cost effective to make payments by BACS and are working with Liberata to continue to reduce the number of cheque payments further.

4.2.5 Although it will still be necessary to make some cheque payments, by adopting a default position of paying all refunds by BACS except for in exceptional circumstances, this will significantly reduce the number of cheque payments.

Table 7

Month	2017/18				2018/19			
	BACS		Cheques		BACS		Cheques	
	No.	%	No.	%	No.	%	No.	%
Apr	2,326	90%	272	10%	2,817	94%	190	6%
May	2,537	87%	375	13%	2,607	91%	253	9%
Jun	2,337	90%	273	10%	2,296	91%	235	9%
Jul	2,417	91%	234	9%	2,779	92%	248	8%
Aug	2,593	90%	281	10%	2,277	89%	286	11%
Sep	2,378	90%	269	10%	2,597	93%	209	7%
Oct	2,421	91%	239	9%	2,470	91%	252	9%
Nov	2,377	89%	305	11%	2,559	90%	300	10%
Dec	2,510	92%	204	8%	2,202	92%	188	8%
Jan	3,142	93%	246	7%	3,257	93%	244	7%
Feb	2,183	90%	248	10%	2,436	92%	217	8%
Mar	2,931	89%	355	11%	2,893	90%	308	10%
Total	30,152	90%	3,301	10%	31,190	91%	2,930	9%

Plans for ongoing improvements

4.2.6 The Exchequer Client Unit and Liberata have been working closely with officers in Commissioning to introduce pre-paid cards for direct payments and other social care payments such as leaving care payments. Implementation is due to take place during September and once fully implemented it will improve the quality of the information available for monitoring direct payment expenditure, make the processes more efficient and less onerous for recipients for direct payments.

4.3 Financial Assessment and Charging

4.3.1 The Key Performance Indicator figures for the team covering the period from 1st April 2018 to 31st March 2019 are shown in table 8 below.

4.3.2 The online Care Assess form, which captures data in relation to social services referrals and the length of time taken to complete financial assessments, showed a reduction in performance during 1st April 2018 to 31st March 2019. Unfortunately the drop in performance was as a consequence of losing experienced members of staff during a critical time of the year. Referrals from Social Services to the team increased by 2% which also had an impact on performance.

Table 8

Indicator	Target	Actual 2016/17	Actual 2017/18	Actual 2018/19
Complete Financial Assessments within 10 working days	100%	92%	95%	80%
Produce the charging file from CareFirst weekly	100%	100%	97%	100%

4.3.3 The Exchequer Client Unit is working closely with Liberata to implement a revised recovery plan that will ensure performance is brought back to the required level by the end of quarter two of 2019/20.

Plans for ongoing improvements

4.3.4 Liberata's Quality and Appeals (QA) team were made responsible for independently carrying out quality checking of the assessments undertaken by the Financial Assessment team, following concerns raised by the Exchequer Client Unit. The results which are held on a central database enable Liberata to focus training and development on areas of concern.

4.3.5 Information@Work Data Management System (DMS) is currently being tested, with implementation expected in the next few months. This will enable Liberata to manage the work load via DMS and work flow to ensure KPI's are being maintained.

4.3.6 The online financial assessment form is due to be implemented by the end of September. This will streamline the process for providing financial information and improve the service for social care customers.

4.4 Appointee and Deputyship

4.4.1 The Key Performance Indicator figures for the team covering the period from 1st April 2018 to 31st March 2019 are shown in table 9 below which shows the service continues to perform well.

Table 9

Indicator	Target	Actual 2016/17	Actual 2017/18	Actual 2018/19
Referral of applications received to the Panel within 14 working days	100%	97%	100%	100%
Raise invoices for charges within 2 months of the anniversary of the court order	100%	100%	100%	99%

Plans for ongoing improvements

- 4.4.2 Moving to Lloyds Commercial Banking Online for all our clients' payments and invoices has added further efficiencies and improved transaction times. The time taken to make payments to and on behalf of clients has significantly reduced. Also the process for setting up Direct Debits and Standing Orders has been streamlined and is no longer paper based.
- 4.4.3 During quarter four of 2018/19 Liberata commenced joint working with the Hounslow Appointee and Deputyship service. This has resulted in the sharing of expertise between the two authorities, identifying best practice and enhanced resilience between the two contracts.
- 4.4.4 Increased utilisation of the Visiting Officers from our Corporate Visiting Team (CVT) for routine visits such as property protection and collecting documents. This enables experienced Appointee and Deputyship staff to focus on casework instead of spending time out of the office.

5. USER/STAKEHOLDER SATISFACTION

- 5.1 Complaints are treated as free intelligence to drive improvement and learning. Each complaint is used as a tool for improvement, with individual errors seen as an opportunity to put things right not just for the individual complainant but for the wider community.
- 5.2 The table below shows the number of complaints received since April 2015 split between justified and unjustified. For the range of services being provided the numbers of complaints are relatively low. There was an increase in the number of complaints received by the Income and Recovery team in relation social care debts due from deceased clients. These cases are highly sensitive and despite our best efforts, complaints are often received from families and representatives in response to requests for payment.
- 5.3 Liberata strive to deal with such cases with extra care and consideration and will continue to improve processes based on feedback received, where appropriate.

Table 10

	2015/16	2016/17	2017/18	2018/19
Sundry Debtors/Income				
Justified	10	7	2	6
Unjustified	3	4	2	8
Total	13	11	4	14
Accounts Payable				
Justified	-	-	-	-
Unjustified	2	1	1	-
Total	2	1	1	-
Financial Assessment & Management				
Justified	14	14	20	6
Unjustified	3	12	5	2
Total	17	26	25	8
Appointee & Deputyship				
Justified	2	-	1	-
Unjustified	-	1	-	-
Total	2	1	1	-

Surveys

- 5.2.3 During August 2018 Liberata on behalf of the London Borough of Bromley contacted a selection of Council Service users to invite them to take part in an online Customer Survey.
- 5.2.4 Invitations to participate in the survey were sent to 955 Accounts Payable customers and 400 Income & Recovery customers. The invitations were sent by email or letter with a link to the online survey form to be completed. In addition telephone callers who contacted one of the services during the survey period were also offered the opportunity to participate.
- 5.2.5 They were offered either to be sent a link via email to the survey form or a member of staff offered to take the caller through the questions and complete the online survey form with them if they preferred. This ensured that users without a touch-tone telephone, online access, or those who were visually impaired were also able take part in the survey. There were 46 surveys completed representing a 3.4% return rate.
- 5.2.6 Out of a possible score of 350 for satisfaction levels the Accounts Payable received a score of 301 or 86%, with Foster carers giving a score of 100%.
- 5.2.7 Some of the comments made by separate customers when asked what they felt would improve their experience when dealing with the Accounts Payable Team are listed below:
- The customer service is already excellent, compared to other boroughs.
 - There is no need to change anything and creating unnecessary surveys just causes stress to the workforce and additional costs.
 - The accounts team were great. I think the social work team were the ones who caused me difficulties at times. I am no longer going to do any work for you.
 - I have been most impressed with the way my invoices have been processed and the timeliness of payment - many thanks to all the finance colleagues.
 - We receive an excellent service. Accurate and very prompt payments. We are delighted with the service we receive. Thank you
 - It's not the accounts payable team, but the Gen2 Project Management team where the issues seem to be - probably under resourced.
 - Not really, I think things are working well for me.
- 5.2.8 As only two customers responded to the Income & Recovery questions this does not give enough information to provide meaningful analysis.
- 5.2.9 There were no participants selected from the Financial Assessment and Charging Service in the survey at this time unless they also randomly fell into one of the other services. A separate survey will be completed for this service during 2019/20.

6. SUSTAINABILITY/IMPACT ASSESSMENTS

None

7. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 7.1 The Single Financial Assessment Unit carries out timely and accurate financial assessments so that the adults receiving social care and support are informed as early as possible how much they are required to pay towards their care.
- 7.2 The Accounts Payable Team are responsible for making direct payments to vulnerable adults, children with disabilities, foster carers and care homes. By ensuring the correct payments are made on time there is no impact on vulnerable adults or children.
- 7.3 The Appointee and Deputyship Team provide services to vulnerable adults who lack the capacity to manage their finances. Prompt submission of court and DWP applications ensures that the risk of financial abuse is removed as early as possible.
- 7.4 The Appointee and Deputyship Team also carries out protection of property in order to prevent or mitigate the loss or damage to property belonging to adults in Bromley who are receiving care an support from the Council or are in hospital and no suitable arrangements have been made.

8. POLICY IMPLICATIONS

Although annual changes to the Council's Personal Budget and Contribution's policy impact on the work undertaken by the contractor these are generally not significant to affect the contract price.

9. COMMISSIONING & PROCUREMENT CONSIDERATIONS

- 9.1 The Exchequer Contract is due to expire on 31st March 2020.
- 9.2 Recommendations for the contract award were presented to the Executive on 2nd August 2019. LBB officers are continuing to prepare for the commencement of the new contract.

10. FINANCIAL IMPLICATIONS

- 10.1 The services provided through the Exchequer Services Contract deals with significant financial transactions with examples illustrated below:
- Accounts Payable - £500m
 - Sundry debts (income) - £65m
 - Financial Assessments - £14m
 - Appointee and Deputyship - £3m

- 10.2 For 2018/19, the contract spent to budget.

11. PERSONNEL IMPLICATIONS

None

12. LEGAL IMPLICATIONS

- 12.1 This report is a contract performance report for Exchequer Services and is submitted in compliance with rule 23 of the Contract Procedure Rules which requires an annual update report to be submitted when the value of the contract is in excess of £1 million.

Non-Applicable Sections:	6 and 11
Background Documents: (Access via Contact Officer)	Appendices 1 - 7

Claudine Douglas-Brown
Assistant Director of Exchequer Services
London Borough of Bromley
Civic Centre
Stockwell Close
Bromley
BR1 3UH

Appendix 1

23 August 2019

Our Ref: AIF/RJ

Dear Claudine,

As we approach the September 2019 Executive Resources & Contracts PDS meeting where we consider and review the Exchequer service, we take this opportunity to write to you with Liberata's assessment of the performance that we have provided to London Borough of Bromley (LBB) and its citizens.

This summary covers performance for the year ended 31st March 2019.

Debtors and Income

The Sundry Debts unadjusted in-year collection figure for the period was 86.63% and represented cash of £47.7m. This was down against the target rate of 92%, however the final adjusted figure was 94.03% as detailed below.

At the year end there were unpaid invoices totalling £8.55m, of which £3.61m (42.26%) was for invoices which were less than 30 days old. The shortfall in collection of 5.37%, equivalent to £2.96m, was due to the following:

- We raised a number of Community Infrastructure Levy (CIL) invoices which totalled £328k. These were raised during the year but were not payable until after the year end. As such no recovery action could take place on these invoices.
- The total value of debts in dispute or on hold pending instructions from the Council was £678k at the year end.
- Debts worth £225k were secured by charging orders placed on properties. These amounts can only be realised once the properties have been sold.

If we were to adjust for the above debts where we were unable to take any recovery action then our adjusted in-year collection rate would have been 88.63%. However, in addition to the above we also had invoices raised in the last 14 days of March 2019 which totalled £3.09m. Due to the reduced timescale, the recovery of these amounts before the year end would have been very unlikely. If these invoices were also taken into account then the final adjusted in-year collection rate would be 94.03%.

We collected £8.02m from out-of-year debt which equated to a combined collection rate of 99.47%. As above we have certain debt types where we are unable to undertake recovery action which then has an adverse impact on our collection figures. These debt types included the following:

- £1.1m of debt was either in dispute or was on hold subject to further instructions from LBB. This represented 41% of the remaining debt balance.
- £591k of debt had been either recommended for, or was awaiting, write off. This represented 21% of the remaining debt balance.

The adjusted collection rate for out of year debt, excluding the above unrecoverable amounts, was 99.80%.

During the year we managed to reduce the level of outstanding debt relating to utility companies. The balance reduced from £316k in the previous year to £147k as at 31st March 2019. This represented a reduction of £169k or 53%.

Liberata continues to work in partnership with service departments to improve collection and recovery and look at options and proposals for process changes in order to improve the service to our customers.

As in previous years the demand for Nightly Paid Accommodation has continued to rise during the year. This was evidenced by both the increase in current clients from 755 to 939, and the increase in the collectable rent which rose by £887k (11.4%) to £8.67m for the year. In response our collections for both cash and housing benefit also increased. Cash collection rose by £496k (29.85%) and housing benefit increased by £1.02m (21.30%). Despite the improved collections the year end outstanding balance still increased by 12.8% (£629k). This was mainly due to the manual nature of the recovery work in this area which means that the increasing caseload has presented problems for the Recovery team in terms of being able to drive down the overall debt position. In order to speed up the recovery process Liberata are working with the Council on a project to introduce a new Housing system which will automate many of the manual processes currently used for monitoring and recovering debt in this area. Once implemented, the new system is expected to help increase recovery on both in year and out of year debt.

Accounts Payable

For the year to 31st March 2019, the percentage of undisputed invoices that were paid within 30 days was 98% which was in line with the target. The percentage of invoices paid within 20 days was 96%. The percentage of suppliers paid by BACS during the year increased from 90% to 91% for the year.

During the year members from the Accounts Payable team commenced working with the Council on a new project designed to introduce payment cards for residents in receipt of Direct Payments. Although the project has still to be completed once fully implemented it should improve the quality and accuracy of the information required by the Council to monitor the residents' expenditure.

Financial Assessment and Management Team

Our client base, as at 31st March 2019 comprised 624 clients receiving residential care and 2,098 clients receiving non-residential care. Liberata have continued to developed the online Financial Assessment form which, when implemented, will streamline the process of providing financial information for an assessment. A new Financial Assessment form has been created and will be used in the new financial year.

We have identified the need to create an Adult Social Care Quality Team offsite at our Shared Service Centre. The Quality Officers have been fully trained and are independently quality checking both residential and non-residential assessments undertaken by the Assessment Officers, in line with Bromley's documented policies and procedures. The Quality Team are now also being used to train new members of staff within the service.

Appointee & Deputyship Team

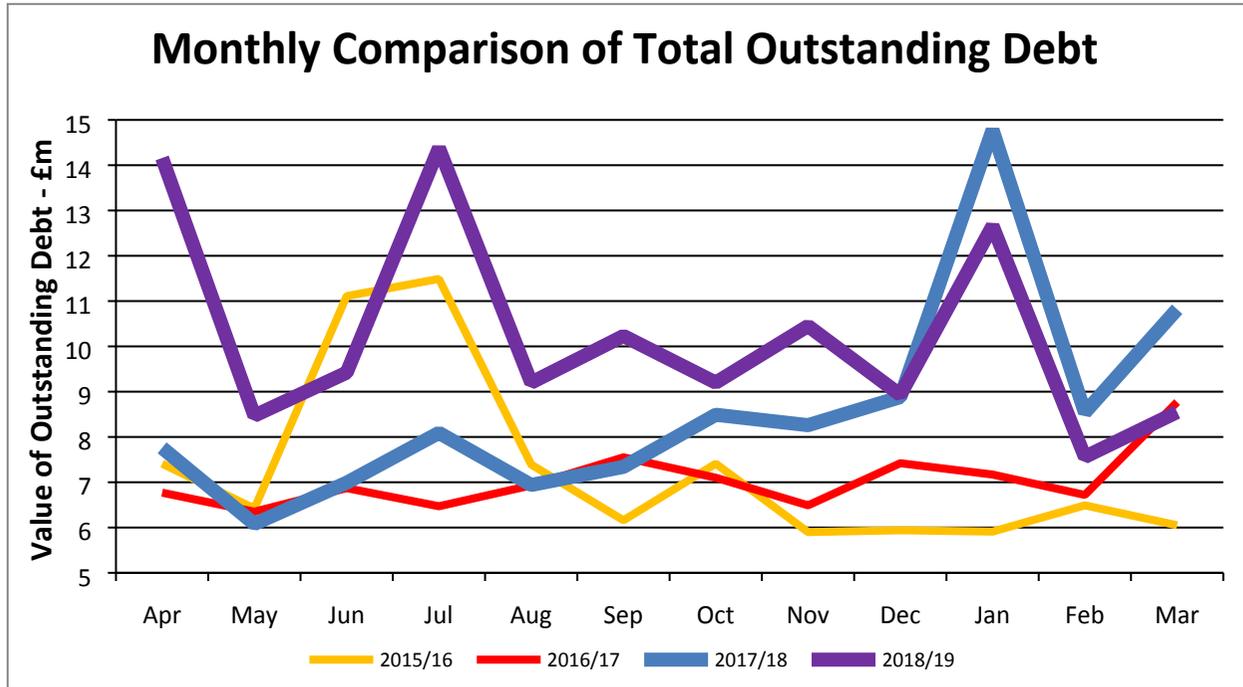
As at 31st March 2019, the team had 247 clients of which 179 were for Appointeeship and 68 were for Deputyship. Service improvements have been made to further ensure maximisation of income for Appointee & Deputyship clients, for example we negotiated lower commissions with estate agents over property sales. We are now considering the merits of selling properties via auction, with a fixed reserve price, as a faster and more cost-effective alternative. Arrangements are being made to switch from Lloyds Link payments to Lloyds Commercial Banking Online; adding further efficiency and improved transactions times when making payments to our clients and making payment of their invoices to the Council.

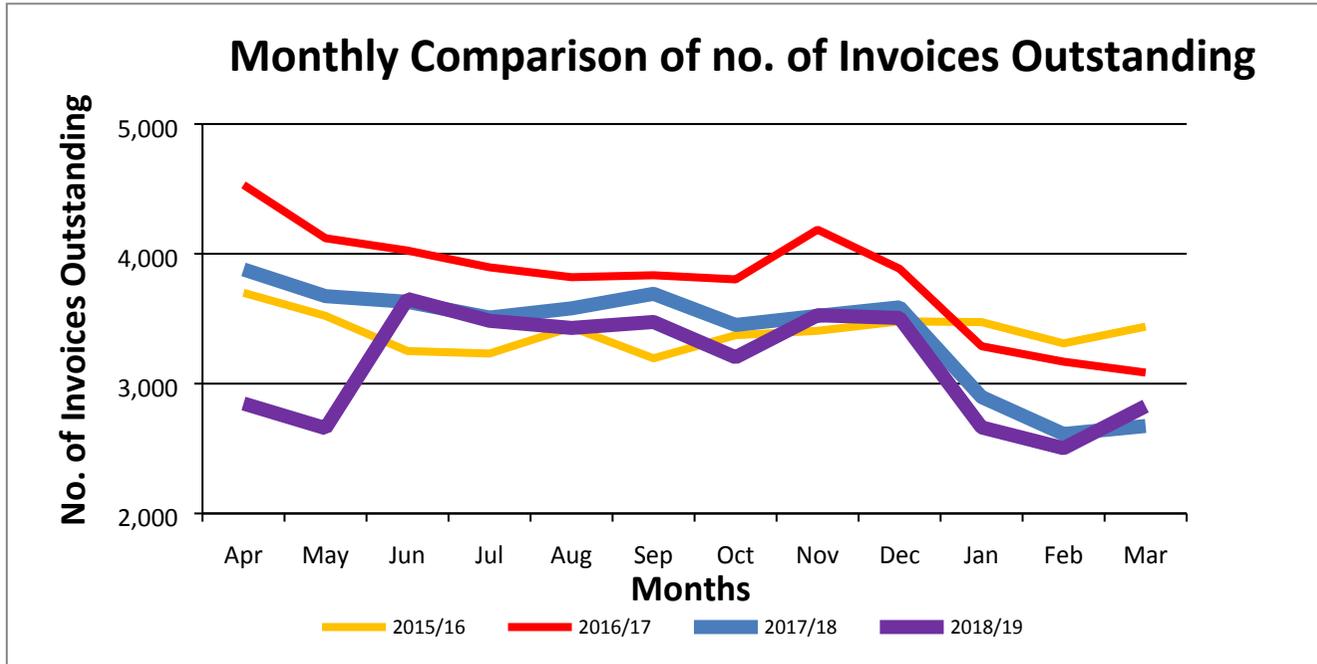
The implementation of Information@Work across our Adult Social Care services will enable a more robust management of the caseload as well as providing the opportunity to utilise expertise in this area across our other London contracts, which will improve resilience, and implement best practice.

Liberata remains firmly committed to delivering an outstanding service to the London Borough of Bromley and its citizens.

Yours sincerely

Amanda Inwood-Field
London Regional Contract Director





Overall Recovery position of Debts raised in the financial years to 31st March 2019

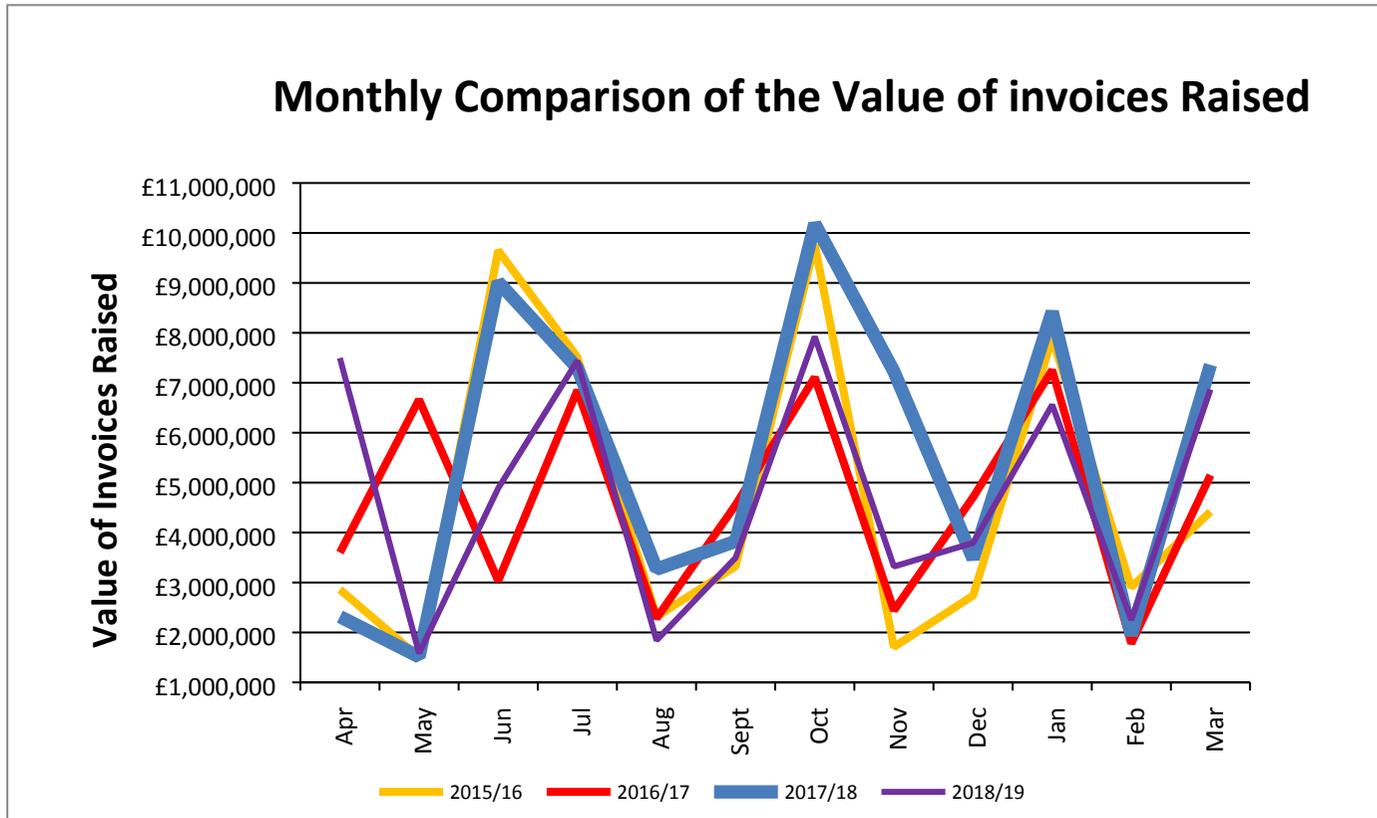
Outstanding balance and Recovery position of debts raised in the years below							
Fin Year in which the original debt was raised	Pre 2014	14-15	15-16	16-17	17-18	18-19	Grand Total
	£,000	£,000	£,000	£,000	£,000	£,000	£,000
In reminder letter cycles (no pro-active recovery)						3,572	3,572
Recovery being actively pursued	1	3	21	42	151	594	812
In Recovery, paid by instalments	56		29	17	24	374	500
Appointee & Deputyship in place	9	2	28	27	34	60	159
Deceased Accounts			12	17	52	42	123
Searching for probate			4		21	42	67
Probate granted (in recovery)	3	1	2	14	9	71	100
With LBB for Instructions	4	37	19	73	36	92	261
Pre Debt Collector checks				2	7	7	16
With Debt Collector	16	12	6	16	38	18	106
Returned from Debt Collector	43	15	34	61	51	30	234
Court Action (pre-legal action review & application)		1	7	20	20	32	81
Judgement obtained - Enforcement options in review	1	1	13	3	1		18
Judgement obtained - Charging Order		24	2	39	2	224	291
Judgement obtained - Post CCJ Payment Arrangement	10		8	1			19
Judgement obtained - High Court Enforcement	18		1	1			20
Judgement obtained - Bankruptcy			2		2		4
With LBB Legal Dept for instructions	73	4	13	30	2	3	125
Awaiting cancellation			1				1
Recommended for Write Off	368	128	18	28	49	7	598
Debt disputed, referred to LBB service departments	82	37	84	127	520	586	1,437
Premises Licences - awaiting instruction from department						4	4
Grand Total	685	265	304	517	1,019	5,759	8,549

Age Profile of outstanding Utility Debts as at 31st March 2019

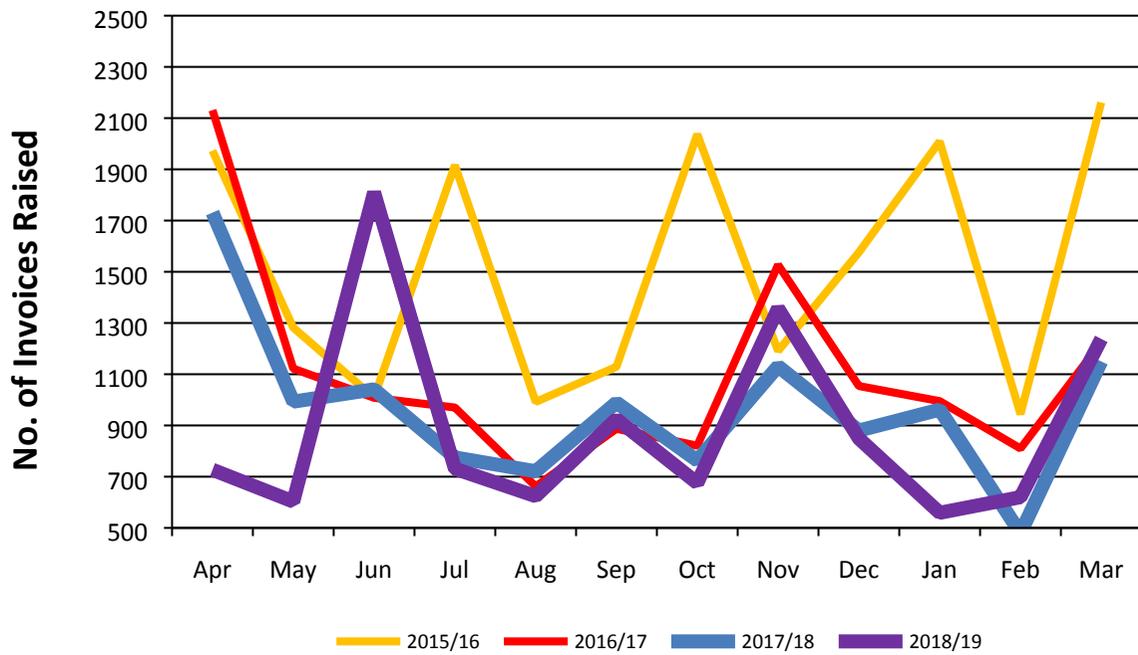
Utility	Pre 2014	2014-15	2015-16	2016-17	2017-18	2018-19	TOTAL BALANCE
Virgin Media	£0	£0	£95	£1,768	£13,737	£12,875	£28,475
British Telecom	£3,926	£10,735	£609	£0	£95	£4,047	£19,411
EDF	£0	£0	£0	£0	£0	£0	£0
UK Power Networks Ltd	£2,068	£0	£0	£345	£0	£1,823	£4,236
Southern Gas	£0	£0	£0	£0	£0	£1,681	£1,681
Thames Water	£0	£0	£0	£0	£0	£63,719	£63,719
Other Utilities	£0	£4,988	£3,040	£3,794	£5,600	£12,155	£29,576
TOTAL	£5,994	£15,723	£3,743	£5,907	£19,432	£96,299	£147,097

Overall Recovery Position of outstanding Utility Debts as at 31st March 2019

Utility	Total under 30 days old	Total over 30 days old	Total outstanding	No. of invoices in dispute	Amount of invoices in dispute	Amount marked for write off
Virgin Media	£0	£28,475	£28,475	0	£0	£0
British Telecom	£0	£19,411	£19,411	7	£15,364	£0
EDF	£0	£0	£0	0	£0	£0
UK Power Networks Ltd	£0	£4,236	£4,236	0	£0	£0
Southern Gas	£0	£1,681	£1,681	0	£0	£0
Thames Water	£20,000	£43,719	£63,719	0	£0	£0
Other Utilities	£4,208	£25,369	£29,576	7	£3,185	£0
TOTAL	£24,208	£122,889	£147,097	14	£18,549	£0



Monthly Comparison of No. of Invoices Raised



Report No.
CSD19128

London Borough of Bromley

PART 1 - PUBLIC

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

Date: 11 September 2019

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

Title: CUSTOMER SERVICES - CONTRACT PERFORMANCE REPORT

Contact Officer: Duncan Bridgewater, Head of Customer Service
Tel: 020 8461 7676 E-mail: duncan.bridgewater@bromley.gov.uk

Chief Officer: Charles Obazuaye, Director of Human Resources & Customer Service
Tel: 020 8313 4381 E-mail: charles.obazuaye@bromley.gov.uk

Ward: All

1. REASON FOR REPORT

This report provides information on the performance of the Customer Service Contract provided by Liberata for the period 1st October 2018 to 31st July 2019.

A letter from Amanda Inwood-Field, Contract Director for Liberata, provides her update on each individual element and is attached at Appendix 1.

2. RECOMMENDATION

The Committee is requested to note and comment on the information contained within the report and the letter provided by Liberata detailed in Appendix 1.

Corporate Policy

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

Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A.
 3. Budget head/performance centre: Customers Service Contract
 4. Total current budget for this head: 2018/19 - £793k 2019/20 - £813k
 5. Source of funding: Existing revenue budget for 2018/19 and 2019/20
-

Staff

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

Legal

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

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 64,000 visitors, 680,000 phone calls, 20,000 e-mails and 4.5 million web visits annually.
-

Ward Councillor Views

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

3. COMMENTARY

- 3.1 The Customer Services contract covers three key areas: Corporate Contact Centre, Reception Services, Web Team (Bromley Knowledge) and Blue Badge/Freedom Pass processing. The Corporate Contact Centre deals with telephone enquiries regarding environmental services, electoral, registrars, parking, blue badges, disabled freedom passes as well as the switchboard and a general enquiry line.
- 3.2 Reception deals with face to face enquiries for all areas of the council with the exception of registrars, because they are located on the first floor in Stockwell and therefore require their own reception point.
- 3.3 The Web Team (Bromley Knowledge) maintain the corporate website (www.bromley.gov.uk) in terms of its technical functionality, performance and accuracy of the content. Administration of Blue Badge and Discretionary Disabled Freedom Passes applications and renewals is also carried out within the contract.
- 3.4 Overall the contractor has performed well throughout this monitoring period, with some evidence of under-performance outlined in the report. Volumes of calls fluctuated mainly as a result of the EU elections. E-mails have remained consistent. Web traffic is stable across the period. Face to face enquiries were consistent and behaved normally through this period.
- 3.5 The Key Performance Indicators for this contract are listed in the table below, and referenced in appendix 2; they measure the headline activities within the contract in order that our customers get a quick response and access to our services efficiently and effectively.
- 3.6 The Contractor has provided benchmark comparison data across some of their other key contracts in appendix 3

	Measure	Definition	Target
1	Call Management	Number of calls answered by the agents within the specified timescales compared to total number of calls received	50% Calls answered within 1 minute
2	Email Management	Number of emails responded to within 5 working days compared to total number of emails received	100% responded to within 5 working day
3	Face to Face Management	Number of customers entering the reception areas must be seen within 5 minutes of their arrival compared to total number of customers, remainder within 15 minutes	80% of customers seen within 5 minutes of arrival
4	Switchboard Management	% of calls bailed to operator or requesting operator answered within 15 seconds	50% Calls answered within 1 minute
5	Customer Satisfaction	% of randomly selected customers, across different channels are either satisfied or very satisfied	90%

4. SERVICE PROFILE / DATA ANALYSIS

4.1 **Contact Centre** – the corporate contact centre for phone calls has performed generally well throughout the monitoring period, within target, except for April. Call volumes began to increase then because of the unexpected EU election, and along with normal seasonal increases for green waste subscription payments, and performance was also affected by some staff sickness issues. This caused the failure to meet service level. Staffing recovered in May, and as a result performance returned to within targets, despite the increase in volumes mainly due to the EU election, for which extended opening hours were provided.

Contact Centre Target – 50% within 60 secs	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19
Answered	9,266	8,701	6,735	9,260	7,555	9,355	9,700	11,270	8,512	10,159
% of calls ans. in 60 secs	88.7%	89.7%	91.3%	81.4%	88.2%	70.7%	48.7%	67.9%	78.3%	65.3%
Average wait time (secs)	28	25	22	48	24	69	156	81	39	74

Switchboard Target – 50% within 60 secs	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19
Answered	4,972	4,747	3,218	4,545	4,022	4,659	4,532	5,520	6,067	5,603
% of calls ans. in 60 secs	97.0%	97.5%	96.9%	91.7%	95.3%	90.0%	81.1%	89.5%	91.5%	88%
Average wait time (secs)	8	8	8	16	11	20	33	21	18	22

4.2 **Out of Hours Contact Centre** –performance was above target throughout the period, with the exception of July. This has been caused by spikes in call volumes for noise complaints, especially at weekends, as a result of outside parties and barbeques. The provider is reviewing its resourcing and expanding it at weekends to mitigate in the future.

Out of Hours (Appello) Target – 80% within 30 secs	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19
Answered	966	897	1,063	835	797	1,095	1,023	1,236	1,357	1313
% of calls ans. in 30 secs	86.0%	92.0%	89.0%	86.0%	87.6%	86.6%	82.7%	86.1%	86.1%	78.1%
Average wait time (secs)	10	12	21	15	15	24	32	32	29	44

4.3 **E-mails** – resources were prioritised for dealing with an increased number of calls and visitors throughout April and July, therefore the 1 working day target was not met.

Emails Target – 80% within 1 day and 100% within 5 days	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19
Number of emails received	1,820	1,900	1,580	2,165	1,930	2,070	2,509	2,549	2,549	2,473
% emails processed within 1 day	92%	93%	82%	82%	85%	79%	61%	81%	84%	58%
% emails processed within 5 days	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

4.4 **Reception** –the face to face service points have achieved service level of customer seen within 5 minutes. Over 96% of remaining customers were seen within 15 minutes, against a target of 100%

Reception	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19
Number of customers seen	1,316	1,171	854	1,158	832	1,104	845	862	735	1,036
80% within 5 minutes	91.7%	93.9%	92.4%	92.1%	89.4%	90.5%	86.6%	83.4%	89.4%	87.6%
100% within 15 minutes	99.9%	100.0%	99.4%	99.9%	99.4%	99.6%	99.3%	98.5%	99.6%	96.9%

4.5 Customer Satisfaction – customers remain satisfied or very satisfied with the service provided by the contractor, against a target of 90%

Customer Satisfaction Target – 90% Customer Satisfaction	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19
Number of responses	84	159	155	195	187	193	255	207	206	227
% Customer Satisfaction	100.0%	100.0%	94.0%	99.0%	100.0%	99.0%	99.0%	100.0%	97.0%	100%

4.6 Web – Bromley Knowledge – the web team achieved 100% against most targets, some regular updates closely failed the 5 day deadline target.

Title	Measure	Target	Monitoring Frequency	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19
Critical Updates	% completed within 1 working hour	100%	Daily	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Urgent Updates	% completed within 1 working day	100%	Daily	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Important Updates	% completed within 2 working days	100%	Daily	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Regular Updates	% completed within 5 working days	100%	Daily	98%	98.5%	100%	100%	100%	99%	100%	99%	100%	99%

4.7 MyBromley Account - The tables below outline the volume usage for the services currently available to registered users, and volume of customers registering and re-registering in this monitoring period. 47,354 registrations represent over 30% of Bromley households. Promotion of this service continues through the call centre, receptions and council tax billing. On-line evidence submission is now available through this service.

Monthly Registrations	Month	Total Registrations
1668	Oct 18	30,764
1669	Nov 18	32,433
1602	Dec 18	34,034
2096	Jan 19	36,131
1228	Feb 19	37,419
2824	March 19	40,243
2076	Apr 19	42,319
1695	May 19	44,014
1573	June 19	45,587
1767	July 19	47,354

4.8 Blue Badge and Discretionary Freedom Pass

Application volumes were at expected levels throughout the period and performance targets were met for Freedom Pass applications, with the exception of October and November. This was due to the annual renewal spike in demand. Blue Badge applications were processed within target, except for March which was as a result of changes in Occupational Therapist staffing who provide the assessment service.

Changes have been made to the application forms for the new hidden disabilities assessment criteria from 30 August 2019.

Blue Badges - Target 80% within 4 weeks	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19
Volume received	125	81	12	41	83	17	112	138	78	88
% processed within 4 weeks	99	90	100	100	95	76	90	99	100	99

Freedom Pass - Target 100% within 4 weeks	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19
Volume received	166	106	35	15	63	60	50	51	27	64
% processed within 4 weeks	99	90	100	100	100	100	100	100	100	100

5 PLANS FOR ONGOING IMPROVEMENTS IN PERFORMANCE

- 5.1 I pads and PC scanners have been installed in Reception to enable customers to self-serve evidence submission. Reception staff are supporting customers to understand how to do this for themselves on their own devices, and reduce the need to visit the Civic Centre in the future.
- 5.2 'Link me up' software is shortly to be deployed throughout the Contact Centres, this enables staff to immediately text or e-mail direct links to specific areas and forms within the website to signpost customers to the self-service options to resolve their enquiry or reference for the future.

6 PLANS FOR ONGOING IMPROVEMENTS IN VALUE FOR MONEY

- 6.1 E-billing for both Council Tax and NNDR is available through the My Bromley portal, and customers will be actively encouraged to use this method, especially when requesting copies of bills, often required as supporting evidence when applying for other services.
- 6.2 Use of the online evidence submission service has been very successful, with Bromley out-performing other Liberata contracts where the same technology is deployed. On average over 1,000 customer per month are using this service, which eliminates the need for them to attend the civic reception in person to have their evidence checked and copied.
- 6.3 Overall, the contract is able to support Transforming Bromley, in particular the possibility of further web developments and service contact which might benefit from being deployed into the Contact Centre.

7. USER / STAKEHOLDER SATISFACTION

7.1 Customer Satisfaction

There was a good response from customer satisfaction surveys this period, with satisfaction of the service well and above 90%.

Customer Satisfaction Target – 90% Customer Satisfaction	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19
Number of responses	84	159	155	195	187	193	255	207	206	227
% Customer Satisfaction	100.0%	100.0%	94.0%	99.0%	100.0%	99.0%	99.0%	100.0%	97.0%	100%

7.2 Complaints and Compliments

There were 8 complaints received within this reporting period:

- 4 of these complaints were associated with service at Reception
- 3 of these complaints were associated with the Contact Centre
- 1 of these complaints was associated with the out of hours service

There were 8 compliments received within this reporting period, these were associated with the service provided by front line staff both on the phones and Reception.

Compliments & Complaints	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19
Complaints	1	1	0	1	2	0	0	2	0	1
Compliments	1	0	0	1	0	2	2	1	0	1

8. COMMISSIONING & PROCUREMENT CONSIDERATIONS

- 8.1 Non-applicable, due to this document serving as information on the performance of the Customer Service Contract provided by Liberata for the period 1st October 2018 to 31st July 2019.
- 8.2 The current contract is due to end March 2020 and the tender process is complete for the next period.

9. FINANCIAL CONSIDERATIONS

- 9.1 The actual spend for the contract for 2018/19 was within the £793k budget.
- 9.2 It is currently expected that the contract expenditure will also be within the £813k budget for 2019/20.

10. LEGAL CONSIDERATIONS

- 10.1 The Council's Constitution provides the terms of reference for the Executive, Resources and Contracts Policy Development and Scrutiny Committee as it relates to the Executive and the Resources, Commissioning and Contract Management Portfolio, including receiving reports and making recommendations on performance monitoring of services falling within the remit of this portfolio.
- 10.2 Contract Procedure Rule 23.3 provides that for all Contracts with a value higher than £1,000,000, or which are High Risk, an annual report must be submitted to the Executive- the responsible Officers having submitted for consideration a formal Gateway Review, covering, as appropriate, the matters identified in the Council's standard Gateway Review Template for consideration as part of Contract Monitoring/Management requirements.

Non-Applicable Sections:	
Background Documents: (Access via Contact Officer)	Appendix 1 – Letter from Liberata Appendix 2 – Key Performance Indicators Appendix 3 – Benchmark data
	Version 3 WN June 2017

London Borough of Bromley
Civic Centre
Stockwell Close
Bromley
BR1 3UH

Date: 16th August 2019

Dear Duncan,

As we approach the September Executive, Resources and Contracts PDS meeting where we consider and review the performance of Corporate Customer Services, we take this opportunity to write to you with Liberata's assessment of the performance of this critical high profile service that we provide to London Borough of Bromley (LBB) and its citizens.

This summary covers performance for the period 1st October 2018 to 31st July 2019.

Customer Services Performance

The Corporate Contact Centre delivered an overall service level of calls being answered within 60 seconds of 76% against a target of 50%. In total 94% of calls were answered. Call volumes have fallen by 18% in comparison to the 10 months period from October 2017 to July 2018.

During the period, the team answered 97% of all Switchboard calls, with an overall service level of 94% against the target of 50%. These call volumes have fallen by 6%.

The Corporate face-to-face team achieved an average service level of 84% of customers being seen within 5 minutes. A total of 99% of customers were seen within 15 minutes. Footfall numbers were down on the same period last year, by 9%.

Our channel migration initiatives continue to be working well, as evidenced by the reduction in calls and footfall, as more customers use the on-line facilities.

Website

The performance of the website remains strong and the team have managed to achieve 100% for 3 of their main KPI's and 99% for the 4th. These include;

- Critical updates completed with 1 hour (100%)
- Urgent updates completed within 1 working day (100%)
- Important updates completed within 2 working days (100%)
- Regular updates completed within 5 working days (99%)

On average the Bromley Knowledge team complete over 100 updates per month including working with service areas to develop and design content for the website and issuing tweets via the Council Twitter Account.

The content from the MyLife portal for social services was successfully migrated to the corporate website prior to the cessation of the OLM contract at the end of March. Furthermore the team have also built a number of additional webpages to support Social Services for the Special Education Needs Local Offer.

Following the new GDPR regulations, the corporate website is being updated. A revised webpage is under construction to improve the look and feel of the homepage and this should be made live in autumn 2019.

The website receives on average over 340k visits per months with visitors accessing over 1.2 million pages per month and is the single largest channel for customer information and access to services.

MyBromley Account Developments

MyBromley Account continues to grow and as of the end of July 19 the number of registrations had risen to 47,354 which equates to 33.8% of households in Bromley.

Activity in the portal continues to grow and currently there have been over 73,439 transactions carried out within the portal relating to Revenues and Benefits between Oct 18 and July 19. Other online forms are also popular with over 94,534 transactions carried out over the web during the same period.

The online evidence upload facility has seen over 8,419 customers provide information without needing to visit the civic centre. Further enhancements are also due as additional modules are introduced for Council Tax and Benefits including the ability to apply for discounts and exemptions, Benefit applications and paperless billing.

Performance

Liberata remains firmly committed to delivering an outstanding service to the London Borough of Bromley and its citizens. We have increased our engagement in the various forums to ensure that the Council remains at the forefront of Digital engagement amongst its peers.

Yours sincerely,

Amanda Inwood-Field
London Regional Contract Director

Appendix 2 - Performance Monitoring

Customer Contact Centre - Key Performance Indicators (KPI's)

	Measure	Definition	Target
1	Call Management	Number of calls answered by the agents within the specified timescales compared to total number of calls received	50% Calls answered within 1 minute
2	Email Management	Number of emails responded to within 5 working days compared to total number of emails received	100% responded to within 5 working day
3	Face to Face Management	Number of customers entering the reception areas must be seen within 5 minutes of their arrival compared to total number of customers, remainder within 15 minutes	80% of customers seen within 5 minutes of arrival
4	Switchboard Management	% of calls bailed to operator or requesting operator answered within 15 seconds	50% Calls answered within 1 minute
5	Customer Satisfaction	% of randomly selected customers, across different channels are either satisfied or very satisfied	90%
6	Blue Badge Processing	% of Blue badge application and renewals processed within 4 weeks of receipt of complete application form	80%
7	Discretionary disabled Freedom Pass Processing	% of discretionary Disabled Freedom Pass applications and renewals processed within 4 weeks of receipt of complete application form	100%

Web Management – Key Performance Indicators (KPI's)

Title	Measure	Monitoring Frequency	Reporting Frequency	Target
Critical Updates	% completed within 1 working hour	Daily	Monthly	100% within 1 working hour
Urgent Updates	% completed within 1 working day	Daily	Monthly	100% within 1 working day
Important Updates	% completed within 2 working days	Daily	Monthly	100% within 2 working days
Regular Updates	% completed within 5 working days	Daily	Monthly	100% within 5 working days

R&B Contact Centre	Bromley R&B Contact Centre			Hounslow R&B Contact Centre		Hillingdon R&B Contact Centre		
	Call Volumes	Performance (KPI = 95% in 90 secs.)	Performance (KPI = 5% abandoned)	Call Volumes	Performance (KPI = 7% abandoned)	Call Volumes	Performance (KPI = 80% in 120 secs.)	Performance (KPI = 15% abandoned)
January	10,482	97%	4%	9,226	6%	11,648	85%	3%
February	8,467	87%	2%	6,261	3%	9,995	87%	6%
March	12,353	70%	5%	7,949	4%	14,627	66%	8%
April	10,152	76%	3%	7,882	4%	13,293	74%	6%
May	10,120	76%	4%	6,234	4%	12,243	85%	3%
June	9,316	72%	6%	6,514	7%	12,235	85%	9%
July	11,669	64%	5%	6,723	5%	12,998	70%	9%

R&B F2F	Bromley R&B F2F		Hounslow R&B F2F	
	Footfall	Performance (KPI = 85% in 15 mins.)	Footfall	Performance (KPI = 95% in 15 mins.)
January	2,407	97%	4,574	98%
February	2,407	89%	3,607	89%
March	3,111	90%	4,376	94%
April	2,593	84%	3,446	82%
May	2,640	78%	4,103	95%
June	2,390	88%	3,821	96%
July	2,513	89%	3,940	83%

Corporate Contact Centre	Bromley Corporate Contact Centre		Corporate F2F	Bromley Corporate F2F		
	Current Year (Actual)	Performance (KPI = 80% in 5 mins.)		Current Year (Actual)	Performance (KPI = 80% in 5 mins.)	Performance (KPI = 100% in 15 mins.)
January	9,695	81%	January	1,257	92%	100%
February	7,826	86%	February	832	89%	99%
March	9,941	69%	March	1,104	91%	100%
April	11,383	49%	April	845	87%	99%
May	12,097	65%	May	862	83%	99%
June	9,429	78%	June	735	89%	100%
July	11,030	65%	July	1,036	88%	97%

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Report No.
FSD19087

London Borough of Bromley

PART ONE - PUBLIC

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

Date: Wednesday 11 September 2019

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

Title: UPDATE ON DEBT MANAGEMENT SYSTEM AND LATE
PAYMENT CHARGES

Contact Officer: Claudine Douglas-Brown, Assistant Director: Exchequer Services
Tel: 020 8461 7479 E-mail: Claudine.Douglas-Brown@bromley.gov.uk

Chief Officer: Director of Finance

Ward: (All Wards);

1. Reason for report

- 1.1 This report provides an update on the implementation of a Late Payment Interest policy in respect of commercial debts owed to the Council that are not paid within the Council's payment terms.
-

2. **RECOMMENDATION(S)**

2.1 The Committee is requested to note the information contained within the report and agree to proceed with a pilot for the collection of Late Payment Interest for a period of three months.

2.2 Members are asked to note that the outcome of the pilot will be reported to this Committee for consideration.

Impact on Vulnerable Adults and Children

1. Summary of Impact: None
-

Corporate Policy

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

Financial

1. Cost of proposal: Not Applicable
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Exchequer Service – Payment, Income and Charging
 4. Total current budget for this head: £1.49m
 5. Source of funding: Existing Budget 2018/19
-

Personnel

1. Number of staff (current and additional): 4fte plus Liberata staff
 2. If from existing staff resources, number of staff hours: Not Applicable
-

Legal

1. Legal Requirement: Statutory Requirement:
Late Payment of Commercial Debts (interest) Act 1998
The Late Payment of Commercial Debts Regulations 2013
The County Court Act 1984
The Civil Procedure Rules
 2. Call-in: Not Applicable
-

Procurement

1. Summary of Procurement Implications: Not Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The service covered in this report affect those who owe commercial debts to the Council. This could amount to an estimated 5,000 customers.
-

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 Late Payment of Commercial Debts (Interest) Act 1998 and the Late Payment of Commercial Debts Regulations 2013 enables businesses, including the public sector to claim interest and compensation in recovering a debt where invoices are not paid on time.
- 3.2 The legislation only applies to the commercial supply of goods and services where there is no provision for interest in contract.
- 3.3 The legislation allows for interest to be charged at the statutory rate (currently 8% pa) plus the Bank of England base rate.
- 3.4 The Act also permits the charge of a fixed sum for the cost of recovering a late commercial payment on top of claiming interest from it. The amount you can charge depends on the amount of debt.

4. PROPOSED POLICY

- 4.1 In order to find out which other local authorities applied late payment interest to their debts, information was requested from members of the London and South East Credit Circle (LSECC). We received a response from six local authorities, none of which have implemented late payment interest although LB Croydon stated that they had plans to implement it in July/August 2019. Further contact with LB Croydon has shown that they have not yet implemented the policy due to other priorities.
- 4.2 Officers in the LB Bromley service areas have been asked to provide information on the different types of income collected and whether interest can be charged under legislation or an existing contract.
- 4.3 A copy of the proposed LB Bromley policy is attached at **Appendix 1**. The draft policy provides a list of the different types of debts where interest could be claimed. The pilot will cover 4-5 of these debts with the final number being determined once information has been received from the service areas.
- 4.4 The analysis of the pilot will look at the number and value of the invoices raised for late payment interest, the responses received from customers, how much additional income was recovered for late payment interest and recovery charges, and the estimated costs of implementing the policy.
- 4.5 The pilot will initially run from October 2019 to December 2019, and the outcome will be reported back to Members for further consideration.

5. ASPIEN DEBT MANAGEMENT SYSTEM

- 5.1 There is a facility within the new debt management system to calculate late payment interest and to apply it to the debt. This will be tested and implemented once our Financial Information Systems team have implemented the direct debt facility for domiciliary care debts. Testing is ongoing and the current timeframe for completion is December 2019.

6. SUSTAINABILITY/IMPACT ASSESSMENTS

None

7. IMPACT ON VULNERABLE ADULTS AND CHILDREN

None

8. POLICY IMPLICATIONS

- 8.1 This proposal provides for the collection of additional income not currently collected by the Council.
- 8.2 There is a possibility that by implementing this policy, some of the Council's suppliers who do not currently apply late payment interest to invoices paid late by the Council will adopt a similar policy.
- 8.3 Under the Public Contracts Regulations 2015 the Council is required to publish prompt payment data showing the percentage of undisputed invoices paid within 30 days, late payment interest paid and liability for late payment interest where it has not been claimed. In 2018/19 no late payment interest was paid by the Council however the amount of interest and charges that could have been claimed by suppliers amounted to £72.4k.

9. COMMISSIONING & PROCUREMENT CONSIDERATIONS

None

10. FINANCIAL IMPLICATIONS

- 10.1 The pilot will be undertaken within the current budget.

11. PERSONNEL IMPLICATIONS

None

12. LEGAL IMPLICATIONS

- 12.1 The Late Payment of Commercial Debts (Interest) Act 1998 and the Late Payment of Commercial Debts Regulations 2013 enables businesses, including the public sector to claim interest and compensation in recovering a debt where invoices are not paid on time.

Non-Applicable Sections:	6, 7, 9, 11
Background Documents: (Access via Contact Officer)	Appendix 1

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LONDON BOROUGH OF BROMLEY

Late Payment Interest Policy

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1. LEGAL BASIS

- 1.1 The Late Payment of Commercial Debts (Interest) Act 1998 and the Late Payment of Commercial Debts Regulations 2013 enables businesses, including the public sector to claim interest and compensation in recovering a debt where invoices are not paid on time.
- 1.2 The legislation only applies to the commercial supply of goods and services where there is no provision for interest in contract.
- 1.3 The legislation allows for interest to be charged at the statutory rate (currently 8% pa) plus the Bank of England base rate.
- 1.4 The Act also permits the charge of a fixed sum for the cost of recovering a late commercial payment on top of claiming interest from it.

The amount you can charge depends on the amount of debt.

Amount of debt	What you can charge
Up to £999.99	£40
£1,000 to £9,999.99	£70
£10,000 or more	£100

2. POLICY AIMS

- 2.1 The London Borough of Bromley's policy has been designed to comply with the Late Payment of Commercial Debts (Interest) Act 1998 and the Late Payment of Commercial Debts Regulations 2013.
- 2.2 The policy aims to reduce the culture of paying late and encourage its customers to pay on time.

3. DEBTS NOT COVERED BY THIS POLICY

- 3.1 Where interest for late payment is included in the contract or where there are alternative statutory provisions for the payment of interest there can be no claim for late payment interest under this policy.

4. APPLICATION OF THE POLICY

- 4.1 Interest and compensation will be applied to invoices that remain outstanding after the automated reminder letter stage and the debt will be subject to late charges as long as the invoice remains unpaid.

County Court Claims

- 4.2 The Council will claim late payment interest and compensation when issuing a claim for a commercial debt (unless the contract includes terms to cover late payment or provision for this has been made in another Act).

5. REFERENCE DOCUMENTS

Document Title	Document Link
The Late Payment of Commercial Debts (Interest) Act 1998	https://www.legislation.gov.uk/ukpga/1998/20/contents
Late Payment of Commercial Debts Regulations 2013	http://www.legislation.gov.uk/uksi/2013/395/contents/made

This is not an exhaustive list. Where the debt/customer type is not shown checks should be made with the relevant service department before charging Late Payment Interest.

Debt Type/Customer	Is this a Qualifying Debt Y/N	Apply late payment interest Y/N	Reason for not charging payment interest
Community Infrastructure Levy (CIL)	N	N	Statutory interest applies
Debts due from Schools	Y	Y	If contractual of statutory interest applies
Debts due from Public Bodies	Y	Y	If contractual of statutory interest applies
Debts due from Charities	Y	Y	If contractual of statutory interest applies
Debts due from Housing Associations	Y	Y	If contractual of statutory interest applies
Debts due from care agencies/homes providers	Y	Y	If contractual of statutory interest applies
Commercial rents	Y	N	Contractual interest applies
Street trading licences			
Charter Market			
Licencing Alcohol/Premises/Gambling			
Hall hire charges			
Utility Debts			
Clinical Waste			
Trade Refuse			
Trade Refuse - Domestic			

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Report No.
DRR 19/046

London Borough of Bromley

PART 1

Decision Maker: ER&C PDS

Date: Wednesday 11 September

Decision Type: Non Urgent Non-Executive Non Key

Title: Property Portfolio Review

Contact Officer: Michael Watkins Assistant Director – Strategic Property
Michael.Watkins@bromley.gov.uk 0208 313 4178

Chief Officer: Sara Bowery, Director of Housing, Regeneration and Planning

Ward: All Wards

1. Reason for report

This report is intended to provide the ER&C with a review of the Council's property portfolio, including how it is managed by the Council's appointed real estate property advisers, Cushman & Wakefield.

2. **RECOMMENDATION(S)**

2.1 That the ER&C PDS notes the contents of this report.

Impact on Vulnerable Adults and Children

1. Summary of Impact: It is not considered that there will be any impact on Vulnerable Adults and Children other than that a number of premises where services are provided to this group are included within the Council's property portfolio.

Corporate Policy 1. Policy Status: Existing Policy:

2. BBB Priority: Excellent Council:

Financial

1. Cost of proposal: N/A
2. Ongoing costs: Current deficit against budget as set out in table at para 6.1
3. Budget head/performance centre: Income from Investment Properties
4. Total current budget for this head: £10,290k
5. Source of funding: Existing Revenue Budget 2019/20

Personnel

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

Legal

- 1.
2. Call-in: Applicable:

Procurement

1. Summary of Procurement Implications: N/A

Customer Impact

1. None

Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A

3. COMMENTARY

Portfolio Breakdown

3.1 The Council owns circa 2002 assets which are managed on its behalf by Cushman and Wakefield (CW) via the TFM Contract.

3.2 The Council's Property Portfolio can be broken down into the following classifications:

Classification	Number of Units
Investment Properties – Investment Fund purchases, Growth Fund purchases, Glades and Walnuts interests	18
Agricultural Properties - Farms	6
Biggin Hill Airport	1
Shops – 10 Retail Parades held via 999 year lease from Clarion. 2 Retail Parades Freehold	141
Other Properties	1600 Freehold reversions (91), equity share (12), pavilions & private sports clubs/leisure uses (49), children's nurseries (11), community groups (16), offices (5), cafes (4), land for car parking/storage/grazing not subject to a licence (11), light industrial (6), parks and open spaces (124), residential ground rents (21) and other miscellaneous parcels of amenity/highway land (1250)
Other Interests – Wayleaves, Sub Stations, Phone Masts including the CP Transmitter	44
Operational Properties let to 3 rd Parties – Depots, Leisure Centres, Day Centres, Libraries, School Academies	120
Core retained LBB Properties – Civic Centre, Operational car parks, Toilets, Youth Centres, Community Schools (not academies) etc.	73

3.3 The table below details the current income received from the various classifications of properties held by the Council. The total income received amounts to £10,697,578. A breakdown of the various properties is contained within the Part 2 Report entitled Property Portfolio Review.

Classification	Rental Income	% Of Total Income
Investment Properties	£7,888,383	73.74%
Agricultural Properties	£91,539	0.86%

Biggin Hill Airport	£360,000	3.36%
Shops	£987,292	9.23%
Other Properties	£843,832	7.89%
Other Interests	£98,792	0.92%
Operational Properties let to 3rd Parties	£427,740	4.00%
Core retained LBB Properties	£0	0%
Total	10,697,578	100%

Asset Management

- 3.4 LBB's property assets are managed by CW's Estates Management team which is based at the Civic Centre. The team uses the Uniform Property Information database as its core management tool. This holds information on all assets including current and historic ownership (freehold and leasehold) records, lease records, licences, wayleaves, easements and other legal agreements.
- 3.5 Effective document management is key to maintaining accurate records. Original versions of completed property agreements are held in deed packets by the Council's Legal team. Movement of these packets to and from a secure location is tightly controlled by a log in and out process. Copies of these completed agreements are provided to CW and stored within the relevant property file. Since 2014 the Council's Legal team started to provide copies digitally, and CW have been saving these copies to an electronic document management system, linked to the relevant property record within Uniform.
- 3.6 The team also uses Uniform to provide advance warning of all upcoming critical lease events such as lease expiries, rent reviews, break notices and other key events. The team then manage the process for dealing with these events through its case tracker schedule.
- 3.7 The tracker is kept updated as a live document and each entry is regularly reviewed by the surveyor dealing with the job and their line manager to ensure best commercial solution is achieved for the Council. Once each matter is concluded, Liberata are instructed (using an agreed proforma) so that they may update their records and invoice accordingly.
- 3.8 CW follows a strict process for ensuring that all decisions taken regarding matters such as lease events are rigorously examined and tested. There is an internal review and sign off procedure involving line manager approval and all decisions are carefully documented with supporting evidence and justification in writing which will then be forward to the Council's TFM Team for approval where necessary. Following such a process ensures not only that the best commercial solutions are achieved but that they can also be justified robustly either at the time or later

Asset Valuations

- 3.9 The current requirements for undertaking LBB's asset valuations are at least once every five years and once a year for "larger" investment properties which include a site inspection. However, sometimes assets are valued more than every five years e.g. when work has taken place that may affect the value. There is also a requirement to ensure that at least one asset from each category (e.g. car parks, libraries, etc.) is valued each year – there are not many assets in some categories, so some end up being valued more often. This results in a varying

selection and number of assets to value each year. The Valuer is required to complete the valuation report in accordance with the following guidance relating to asset valuation for capital accounting purposes:

- Royal Institution of Chartered Surveyors (RICS) Valuation – Professional Standards ('The Red Book')
- International Financial Reporting Standards (IFRS)
- Chartered Institute of Public Finance and Accounting Code of Practice on Local Authority Accounting ('The CIPFA Code')

3.10 CW arrives at their opinion of Current Value and Fair Value from referring to recent comparable market transactions. For Specialised properties the Current Value has been derived using Depreciated Replacement Cost methodology.

3.11 It should be noted that the Council's auditors have made a series of recommendations in relation to valuation methodology which CW are currently implementing.

3.12 The Council's portfolio has a total estimated Asset Value of £443,776,777. This is broken down as follows:

Classification	Asset Value	% Of Total Value
Investment Properties	£123,823,191	27.9%
Agricultural Properties	£3,815,762	0.9%
Biggin Hill Airport	£4,243,048	1%
Shops	£12,174,126	2.7%
Other Properties	£24,277,627 (plus £40,000,000 – see note below)	5.5% Not inc £40M
Other Interests	£989,977	0.2%
Operational Properties let to 3rd Parties	£148,306,434 Day Centres (£5,252,420), Depots (£7,392,682), Education (£12,150,597), Leisure (£89,224,351), Libraries (£16,249,058), Pavilions (£5,612,790), *Residential (£12,424,536)	33.4% Day Centres (1.2%), Depots (1.7%), Education (2.7%), Leisure (20.1%), Libraries (3.7%), Pavilions (1.3%), Residential (2.8%)
Core retained LBB Properties	£126,146,612	28.4%
Total	£443,776,777	100%

* This includes residential homeless accommodation

Note on valuations: CW have undertaken an exercise to establish an estimated value in respect of all of the Council's land interests that are not currently valued due to their nature and the unlikely event that they could be released. These include small parcels of amenity/highway land and other miscellaneous land holdings totalling approximately 1,140 ha. CW estimate this total land value at £40M.

CW have applied a land value, with certain assumptions (such as no development value) to the total area; it should be noted that specific land values could vary on a case by case basis. This value should therefore be considered a high level estimate.

Consequently as an estimate the % of values above have not been altered to account for the £40M figure.

Management of voids and rent arrears

- 3.12 In respect of void units, CW's approach is to focus on three key requirements:
- a. Exiting tenant complies with its lease obligations when handing back the property. The lease is checked for verification of these requirements and if necessary specialist surveyors are engaged to negotiate dilapidations settlements. Inspections are undertaken on exit to check condition and record meter readings etc.
 - b. Upon handover it is ensured the premises are safe and secure. Thereafter the premises are inspected and monitored in accordance with an agreed Vacant Property Process. Within this process CW will liaise with Amey to ensure statutory compliance.
 - c. The optimum strategy for securing new occupants as soon as possible is followed. This may involve instructing letting agents with the correct local experience and coverage where necessary. Temporary or short term lettings will often be considered to keep the unit occupied and secure and to mitigate against the Council incurring void costs.
- 3.13 Rent arrears are managed by Liberata and reported to CW in the form of a monthly Debtors Report. After Liberata have explored all initial rent arrear recovery measures, CW would consider any further potential remedial action under the terms of the lease, having regard to the individual tenant's circumstances and other estate management implications. CW has proposed to Liberata that this process is better managed by the introduction of regular bimonthly meetings, and additionally has made suggestions to improve the content and format of the Debt Report.

National view

- 3.14 CW has advised that the ongoing uncertainty surrounding the UK's exit from the EU is causing caution among some investors either seeking to sell or acquire assets. Baseline predictions suggest weak or negligible growth for several quarters in the event of a no-deal Brexit but the wide variation in forecasts underlines the uncertainty in the market.
- 3.15 With a gap emerging between buyer and seller expectations on pricing amid continued uncertainty, deals are taking longer to close, with many investors unwilling to sell at lower prices or holding off from bringing assets to the market, despite there being active demand. Pricing is expected to stabilise with softening in some segments, as activity is expected to remain weak in the first half of this year although there could be a positive upswing if greater clarity emerges on Brexit.
- 3.16 CW's Spring 2019 Retail and Leisure Summary of Key Trends, Challenges and Opportunities reports that UK retail is in a state of flux, driven for the most part by the ongoing shift to online and changes in consumer behaviour. More recently, this has been compounded by rising costs such as business rates and the minimum wage, not to mention Brexit-related uncertainty.
- 3.17 The structural shift to online in the UK has been underway for over a decade – online sales accounted for just 3% of total retail sales in 2007, against nearly 20% in 2018. This has presented a significant challenge to the traditional retail model and has caused widespread disruption. It is expected that this disruption will continue, at least in the short term, but in time

the sector will balance out to a 'new state of normal'.

- 3.18 There is likely to be significantly less retail space going forward, but that which remains will have a clear purpose. Moreover, it is key to note that around 80% of all retail sales still occur in physical stores. Success in the future will therefore be based on a balanced approach to physical footprint, digital alignment and logistics execution.
- 3.19 To-date, the combined impact of these trends has been uneven, although, a pattern emerging is based on shopper missions. These are polarising along the lines of destination, experience-orientated visits; purpose shopping, focused on specific purchases, and community-based convenience trips.
- 3.20 The mainstream department stores are in retreat, hampered by more direct interaction between brands and consumers and a lack of investment, as well as high occupancy costs. The concept is not necessarily obsolete, as evidenced by some very successful high-end operators, but the key to its wider survival almost certainly lies in a much smaller store footprint and a focus on experiential, lifestyle and wellness formats.
- 3.21 Other areas prone to disruption include high streets in small and medium-sized towns (unless they have a lifestyle offering), as well as secondary shopping centres, many of which will need to be repurposed.
- 3.22 There is, however, a distinction between comparison-based secondary centres and service/convenience-led schemes which are aligned to their local catchment and play a vital role within the community. Outlet centres, on the other hand, benefit from an exciting value proposition and, in some cases, a strong leisure offer which enables shoppers to 'make a day of it'. Retail in Central and Suburban London also carries a very low risk of obsolescence, benefitting from strong demographics and ongoing infrastructure improvements. The same is also true for prime high streets in regional cities.
- 3.23 Traditional retail will continue to play a vital role in the distribution chain, although it will likely form a smaller component of the overall tenant mix on high streets and in shopping centres and retail parks. It is acknowledged that the UK has too much front-end retail space – probably in the region of 25-30% – and that store closures, whether the result of 'right-sizing' or retailer insolvency, will continue to be a feature of the retail market for the foreseeable future. In order to achieve this, it is likely that some centres and retail parks will need to be completely redeveloped.

Bromley Overview

- 3.24 The Investment properties (i.e those purchased via the Investment Fund) account for 74% of the Councils rental income. Of the 18 Investment Properties, 12 are Retail, 3 Office and 3 Light Industrial – therefore the portfolio is 66% retail orientated (Offices 17% and Light Industrial 17%). As seen in the CW Market overview there is a higher degree of risk associated with Retail which the Council is not immune from.
- 3.25 The Council has experienced a number of voids and has also had to concede tenant incentive packages to secure lettings, which have seen a fall in rental income against the properties concerned. These tenant incentives have been negotiated by agreeing a rent free period from the commencement of the lease, determined as the market requires. As a result, no element of capital expenditure has been offered.

Details of all agreed rent free incentives, since 2017, within the investment portfolio are in the Part 2 Report.

The table below shows the number of voids across the whole portfolio since 2017:-

	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Investment Properties *	1	1	1	1	1	2	1	1	1	2
Agricultural Properties	0	0	0	0	0	0	0	0	0	0
Biggin Hill Airport	0	0	0	0	0	0	0	0	0	0
Shops	0	0	0	3	3	3	3	7	7	6
Other Properties	0	0	0	0	0	0	0	0	0	0
Other Interests	0	0	0	0	0	0	0	0	0	0
TOTAL	1	1	1	4	4	5	4	8	8	8

* Total's include voids within multi tenanted investments

As the table above reflects, under CW management since 2017, voids have remained extremely low, achieved by effective management upon lease expiry or termination, despite challenging market conditions. In the case of certain High Street, Bromley properties that have become vacant, prevailing high street market conditions have resulted in slightly longer void periods to identify a suitable tenant.

3.26 A Financial year by year outturn breaking down individual Investment Properties is contained within the Part 2 Report entitled Property Portfolio Review.

3.27 A report giving the current financial credit ratings of the tenants in respect of the Investment Properties is also contained within the Part 2 Report.

Specific Investments

3.28 The Walnuts and the Glades Shopping Centres both provide the Council with a share of income at 10 and 15% respectively.

The Walnuts

3.29 The day to day management of the Walnuts Shopping Centre is carried out by the managing agents, Montagu Evans, acting for the long leaseholder, Rockspring UK Value 2 Orpington LH (Jersey) Limited. The management of the LBB interest, freeholder subject to a long lease, in the Walnuts Shopping Centre has three elements:-

- Reactive (CW Bromley team) - Issues determined by the actions or inaction of other parties and that are governed by the headlease dated 2/12/1994. These can include advice on user clause, tenant's covenants (including statutory compliance) including where breaches occur and requests for landlord's consent.
- Reactive (CW Bromley team in conjunction with LBB TFM Client Team) - To respond to approaches by the long leaseholder, to redevelop part of the holding, for example the

construction of the Premier Inn completed in 2017 and to determine if the Council is interested to purchase the interest held.

- Planned (CW Bromley Team in conjunction with LBB Finance) - The annual negotiation of the LBB 10% rent share. This assumes the provision of a written statement from the managing agents as to the net rental income for the previous year, in accordance with the timeframe laid down in the lease, and that there are no queries in relation to the sums itemised. LBB Finance and CW scrutinise the statements provided, to reach agreement on this final yearly rent figure and to set the on- account rent figure for the next year.

The Glades

3.30 The day to day management of the Glades Shopping Centre is carried out by the managing agents, Jones Lang LaSalle, acting for the long leaseholder, Alaska UK Trustee Limited and Alaska UK Nominees 2 Limited.

3.31 The management of the LBB interest, freeholder subject to 4 long leases, in the Glades Shopping Centre and Queen's Gardens Restaurant Terrace extension has different elements:-

- Planned (CW Bromley Team in conjunction with LBB Finance) - Consideration of Regular Quarterly Management Reports provided by LaSalle Investment Management and attendance at meetings to discuss them. Keeping LBB Property Client informed of proposals for projects involving capital expenditure on the scheme which is outside the scope of the service charge and therefore attracts a 15% contribution for the Council. Discussing the approach to funding to be adopted. Keeping LBB Property Client informed of issues that affect income stream such as CVAs for the Restaurant Terrace.
- Financial scrutiny of annual 15% rent share figure and quarterly accounts justifying quarterly accounting day part payments. To determine whether to recommend to LBB Property Client that the accounts are disputed and to the resultant appointment of an independent auditor as permitted.
- Projects (CW Bromley team in conjunction with LBB Property Client) - To respond to approaches by or agree joint projects with the long leaseholder to redevelop or extend part of the holding, for example the construction of the Restaurant Terrace completed in 2016.
- A mixture of planned and reactive - To respond to requests to authorise terms for New lettings, rent reviews, lease re-gearing, requested expenditure to prepare vacant units for marketing/ re-letting. As a result of the Quarterly meetings and known dates of lease expiries and rent reviews there is some advance notice of the likely number of some of these lease events occurring within a timeframe. Other proposals are reactive such as new lettings and response to CVAs.
- Reactive (CW Bromley team) - Issues determined by the actions or inaction of other parties and that are governed by the head leases. These can include advice on user clause, tenant's covenants (including statutory compliance) including where breaches occur, and requests for landlord's consent.

Other Investment Properties

3.32 Commentary on the other Investment Properties is contained within the Part 2 Report entitled Property Portfolio Review.

Governance

3.33 All decisions relating to acquisitions and disposals of property are made via authority from the Council Executive.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

It is not considered that there will be any impact on Vulnerable Adults and Children other than that a number of premises where services are provided to this group are included within the Council's property portfolio.

5 POLICY IMPLICATIONS

The Council's aims include being an authority which manages its assets well.

6 FINANCIAL IMPLICATIONS

6.1 The following table summarises the current financial year's Investment Properties budget including the forecast reported at the end of Q1. Further detail is contained within the Part 2 Report entitled Property Portfolio Review.

	2019/20 Current Budget	2019/20 Projected Outturn	Variance
Total Investment Properties	Cr 10,290	Cr 9,594	Dr 696

Summary of variations within Investment Income

	£000
Shortfall in savings anticipated relating to TFM contract	450
Shortfall in Glades income	131
Shortfall in Rent from Properties Purchased from Investment Fund	130
Increased Turnover Rent from Biggin Hill Airport	Cr 15

Total variations within Investment Income

696

7. PERSONNEL IMPLICATIONS

N/A

8. LEGAL IMPLICATIONS

N/A

9. PROCUREMENT IMPLICATIONS

N/A

Non-Applicable Sections:	PERSONNEL IMPLICATIONS, LEGAL IMPLICATIONS and PROCUREMENT IMPLICATIONS
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Background Documents: (Access via Contact Officer)	
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