



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

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DATE: 17 November 2023

To: Members of the
EXECUTIVE

Councillor Colin Smith (Chairman)
Councillor Kate Lymer (Vice-Chairman)
Councillors Yvonne Bear, Nicholas Bennett J.P., Christopher Marlow, Angela Page,
Diane Smith and Will Rowlands

A meeting of the Executive will be held at Bromley Civic Centre, Stockwell Close,
Bromley, BR1 3UH on **WEDNESDAY 29 NOVEMBER 2023 AT 7.00 PM**

TASNIM SHAWKAT
Director of Corporate Services & Governance

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

A G E N D A

- 1 **APOLOGIES FOR ABSENCE**
- 2 **DECLARATIONS OF INTEREST**
- 3 **TO CONFIRM THE MINUTES OF THE MEETING HELD ON 18 OCTOBER 2023**
(Pages 5 - 12)

4 **QUESTIONS**

In accordance with the Council's Constitution, members of the public may submit one question each on matters relating to the work of the Committee. Questions must have been received in writing 10 working days before the date of the meeting - by 5pm on **Wednesday 15 November 2023**.

Questions seeking clarification of the details of a report on the agenda may be accepted within two working days of the normal publication date of the agenda – by **5pm on Thursday 23 November 2023**.

- 5 **BUDGET MONITORING Q2** (Pages 13 - 54)
- 6 **CAPITAL PROGRAMME MONITORING Q2** (Pages 55 - 76)

- 7 **LONDON BOROUGHS LEGAL ALLIANCE FRAMEWORK AGREEMENT FOR BARRISTERS** (Pages 77 - 82)
- 8 **OPERATIONAL PROPERTY REPAIR PROGRAMME UPDATE** (Pages 83 - 92)
- 9 **LOCAL AUTHORITY & VOLUNTARY SECTOR LEASES** (Pages 93 - 100)
- 10 **CASTLECOMBE YOUTH CENTRE AND MOTTINGHAM COMMUNITY SUPPORT CENTRE** (Pages 101 - 110)
- 11 **AWARD OF CONTRACT FOR WORKS AT OAKLANDS PRIMARY SCHOOL** (Pages 111 - 116)
- 12 **SECTION 31 AGREEMENT BETWEEN LONDON BOROUGH OF BROMLEY AND OXLEAS NHS TRUST FOR THE INTEGRATED PROVISION OF MENTAL HEALTH SERVICES** (Pages 117 - 126)
- 13 **CONSIDERATION OF ANY OTHER ISSUES REFERRED FROM THE EXECUTIVE, RESOURCES AND CONTRACTS POLICY DEVELOPMENT AND SCRUTINY COMMITTEE**
- 14 **LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006 AND THE FREEDOM OF INFORMATION ACT 2000**

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

<u>Items of Business</u>	<u>Schedule 12A Description</u>
15 EXEMPT MINUTES OF THE MEETING HELD ON 18 OCTOBER 2023 (Pages 127 - 130)	Information relating to the financial or business affairs of any particular person (including the authority holding that information)
16 CAPITAL PROGRAMME MONITORING Q 2 PART 2 APPENDIX E (Pages 131 - 132)	Information relating to the financial or business affairs of any particular person (including the authority holding that information)
17 PART 2: AWARD OF CONTRACT FOR WORKS AT OAKLANDS PRIMARY SCHOOL (Pages 133 - 140)	Information relating to the financial or business affairs of any particular person (including the authority holding that information)

EXECUTIVE

Minutes of the meeting held on 18 October 2023 starting at 7.00 pm

Present:

Councillor Colin Smith (Chairman)
Councillors Kate Lymer (Vice-Chairman), Yvonne Bear,
Nicholas Bennett J.P., Christopher Marlow, Angela Page
and Diane Smith

Also Present:

Councillor Robert Evans, Councillor Alisa Igoe, Councillor
Sam Webber and Councillor Simon Jeal

78 APOLOGIES FOR ABSENCE

Apologies were received from Councillor Cuthbert.

79 DECLARATIONS OF INTEREST

There were no additional declarations of interest.

80 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 20 SEPTEMBER 2023

RESOLVED: That the minutes of the meeting held on 20 September 2023, be agreed and signed as a correct record.

81 QUESTIONS

No questions were received.

82 CHURCHILL THEATRE & CENTRAL LIBRARY BUILDING, HIGH STREET, BROMLEY BR1 1HA

The site known as Churchill Theatre formed part of a larger property which also comprised Central Library and a number of ground floor retail units. The building was constructed as one in the 1970s, formally opening in 1977. The site was owned freehold by the Council, with Churchill Theatre being occupied by Trafalgar Group on a lease dated 5th September 2017 which expired on 3rd April 2041. Central Library was occupied and operated by the Council's library provider Greenwich Leisure, and the retail units were held on a long leasehold interest by a private third party.

Buildings of this nature were typically intended to have a lifespan of c. 50 years and as such, the building was now in poor condition, and many elements of the building and building fabric were considered end of life and beyond economic repair. Therefore, continuing with the existing lease arrangement with Trafalgar Group for

the theatre element until its natural expiry in 2041 was not considered a viable option, as the extent of the works required to ensure a sustainable future for the building would not be possible whilst the building was occupied and operational.

The report primarily related to the Churchill Theatre element of the building, due to the lease arrangements that were in place and the commercial (i.e. non-operational / non-statutory) function of this element of the building, and the need to find a solution to the challenge of an end of life building, a limited pool of resources from which the Council must prioritise its statutory and operational needs, and the wider economic and cultural benefits that come with the presence of a theatre in the town centre.

The report set out the Council's intention for seeking a mutual agreement between the Council and Trafalgar Group to ensure a sustainable future for the theatre at the site, whilst simultaneously removing the Council's ongoing liabilities for repairs and maintenance at the site.

The report had been scrutinised by the Executive, Resources and Contracts PDS Committee at its meeting on 17 October 2023 and the Committee had supported the recommendations.

RESOLVED: That the report be noted and the following recommendations be approved:

- 1. To delegate authority to the Director of Housing Planning and Regeneration to agree terms with the existing tenant of Churchill Theatre, Trafalgar Group, to gift the Council's freehold interest in the whole site alongside negotiating a reverse premium to be paid to Trafalgar Group on completion of the freehold transfer to enable the tenant to invest in the building to ensure a sustainable future for the building and to protect its future use as a theatre. With terms, once agreed in principle, to be subject to further approval by the Executive Committee.**
- 2. As detailed within this report, the existing arrangement is not sustainable as there are significant works required to the building if it is to have a future, and therefore the existing lease arrangement with Trafalgar Group needs to be terminated to enable the works required on the building to be undertaken which cannot be facilitated whilst the building is occupied and operational. It is therefore recommended that the Landlord's Break Clause in relation to the lease held by Trafalgar Group is triggered which must be served on or before 1st April 2024 in accordance with the terms of the existing lease providing a minimum of 24 months' notice thereby terminating the existing lease arrangement as of 2nd April 2026.**
- 3. Should Trafalgar Group confirm they are unwilling or unable to take gifted ownership (and a reverse premium) of the site, then it is recommended that the Executive Committee delegate authority to the Director of Housing Planning and Regeneration to openly market a 999-year leasehold interest in the site to secure a private**

developer to undertake the required redevelopment under a Development Agreement, with the 999 year lease only being granted, with vacant possession, on completion of the agreed scheme as agreed and stipulated within the Development Agreement. All offers received would be reported back to the Executive Committee for a Member decision to enable Member selection of a preferred bidder.

**83 RELOCATION OF CENTRAL LIBRARY
Report HPR2023/056**

Due to the Churchill Theatre tower building being at end of life, with a requirement for redevelopment, officers have considered options for the relocation of Central Library.

The report set out the recommended option to move the service to the old Topshop site and sought budget approval to proceed to RIBA stage 3.

The report had been scrutinised by the Executive, Resources and Contracts PDS Committee at its meeting on 17 October 2023 and the Committee had supported the recommendations.

RESOLVED: That

- 1. The works carried out for RIBA 1 that identify that the Topshop site is a suitable location for the Central Library and that the indicative budget for relocation of the Central Library has an estimated cost of circa £15.5m, subject to further works being carried out for RIBA 2-4 be noted. Detailed costings will be provided in a future report to the Executive.**
- 2. As set out in paragraphs 3.10 – 3.13, proceeding to procurement for a multi-disciplinary design team to RIBA Stage 7 be approved in principle with a break clause after RIBA Stage 3 and 4. The estimated whole life value of the contract up to RIBA Stage 7 is £1m with an estimated value up to RIBA Stage 3-4 of £400k as per paragraph 3.10 of the report. Approval is given that an additional £500k for these works be added to the Capital Programme in preparation of a further detailed costing report.**
- 3. Authority be delegated to the Director of Housing, Planning, Property and Regeneration, in agreement with the Assistant Director Governance & Contracts, the Director of Corporate Services and Governance, the Director of Finance and the Portfolio Holder for Renewal, Recreation & Housing, to approve the detailed procurement strategy for the procurement of multi-disciplinary consultancy services to RIBA 7, including ensuring suitable break clauses are applied to the contract.**

4. **Any legal matters arising from these recommendations be delegated to the Director of Corporate Services and Governance.**

**84 LEISURE CENTRE MAJOR WORKS PROGRAMME
Report HPR2023/054**

Following Executive's approval of the Procurement Strategy for the Leisure Centre Major Work Programme (report no: HPR2023/044) in August 2023, which was subject to this report, Executive are now asked to consider the options and recommendations contained within this report in order to bring forward the major works required at the Walnuts and West Wickham Leisure Centres.

The report had been scrutinised by the Executive, Resources and Contracts PDS Committee at its meeting on 17 October 2023 and the Committee had supported the recommendations.

RESOLVED: That

General:

1. **Authority be delegated to the Director for Housing, Planning, Property and Regeneration, in consultation with the Portfolio Holder for Renewal, Recreation & Housing, to put in place arrangements for the future tenant of the facilities pending Members' decision on this matter in the Part 2 report.**
2. **The capital budget as set in the Part 2 report be approved.**
3. **Option 3 of the Programme Options, outlined in 3.24, which, pending final approval of budgets in Spring 2024, will allow for all works to be complete by Spring 2026, be approved.**
4. **Authority be delegated to the Director for Housing, Planning, Property and Regeneration, in consultation with the Portfolio Holder for Renewal, Recreation & Housing, to approve the submission of grant funding applications and to accept any subsequent awards of funding in relation to both Leisure Centres.**
5. **Authority be delegated to the Director for Housing, Planning, Property and Regeneration, in consultation with the Portfolio Holder for Renewal, Recreation & Housing, to approve any reasonable changes to the works needed after Executive approval in order to keep the works within budget.**
6. **It be noted that additional funding may be needed for the construction works, as per paragraph 3.6.1 of the Part 2 report, above the OPR's indicative budget of £27.1m, to deliver the core requirements identified in paragraphs 3.14 and 3.16 of this report and indicatively costed in paragraphs 3.8 and 3.12 of the Part 2 report.**
7. **£1.867m from the OPR's budget for Leisure Centre Works be approved to fund RIBA 3/4 works for both leisure centres (as set out in 2.10 and 2.14) .**

8. **£150k from the OPR's budget for Leisure Centre Works, be approved to fund any ancillary legal matters arising from the developments up to RIBA 4.**

West Wickham:

9. **The core requirements for West Wickham Leisure Centre as set out in 3.14 of this report be approved so that officers can progress these plans through RIBA 3 and 4.**
10. **The award of contract to Alliance Leisure Services for £1.047m, funded by the OPR's indicative budget for leisure centres, be approved to progress the West Wickham Leisure Centre Major Works Programme to RIBA 4 based on the core requirements laid out in this report.**
11. **It be noted that the current estimate for the works contract for West Wickham Leisure Centre, beyond RIBA stage 4, is contained in the Part 2 report. Following conclusion of RIBA stage 3, a subsequent report will be brought forward detailing more accurate costs for the works.**
12. **Authority be delegated to the Director for Housing, Planning, Property and Regeneration, in consultation with the Portfolio Holder for Renewal, Recreation & Housing, to resolve any ancillary legal matters at West Wickham arising from the developments up to RIBA stage 4.**

The Walnuts:

13. **The core requirements for the Walnuts Leisure Centre be approved as set out in 3.16 of this report so that officers can progress these plans through RIBA 3 and 4.**
14. **The award of contract to Alliance Leisure Services for £820k, funded by the OPR's indicative budget for leisure centres, be approved to progress the Walnuts Leisure Centre Major Works Programme to RIBA 4 based on the core requirements laid out in this report.**
15. **It be noted that the current estimate for the works contract for the Walnuts Leisure Centre, beyond RIBA stage 4, is contained in the Part 2 report. Following conclusion of RIBA stage 3, a subsequent report will be brought forward detailing more accurate costs for the works.**
16. **Authority be delegated to the Director for Housing, Planning, Property and Regeneration, in consultation with the Portfolio Holder for Renewal, Recreation & Housing, to resolve any ancillary legal matters at the Walnuts arising from the developments up to RIBA stage 4.**

**85 ADOPTION OF THE BROMLEY TOWN CENTRE
SUPPLEMENTARY PLANNING DOCUMENT
Report HPR2023/053**

The report recommended the adoption of the Bromley Town Centre Supplementary Planning Document (SPD). The SPD provided guidance to assist with the determination of planning applications in the Bromley Town Centre area, including guidance on design requirements.

A draft SPD underwent public consultation from 28 October 2022 to 27 January 2023. A significant number of responses were received covering a number of issues. The final SPD included a number of amendments in response to comments received.

Upon adoption of the SPD, it was recommended that the Council writes to the Secretary of State for Levelling Up, Housing and Communities to request that the Bromley Town Centre Area Action Plan is revoked.

The report had been scrutinised by the Renewal, Recreation and Housing PDS Committee at its meeting on 6 September 2023 and the Development Control Committee on 5 October and the Committees had supported the recommendations.

RESOLVED: That

- 1. The Bromley Town Centre Supplementary Planning Document (shown at Appendix 1) be adopted as a local development document, subject to any further minor changes (e.g. related to formatting or mapping) prior to adoption.**
- 2. Officers be authorised to write to the Secretary of State for Levelling Up, Housing and Communities to request that the Bromley Town Centre Area Action Plan is revoked, as per the provisions of section 25 of the Planning and Compulsory Purchase Act 2004.**

**86 OUR BROMLEY MAGAZINE
Report CSD23129**

The report sets out the background behind the launch of the Council's resident magazine – 'Our Bromley'. It outlined the rationale behind the magazine and why it was necessary to launch such a publication, to ensure that all residents, including the most vulnerable, were better able to access the Council's services. It also outlined proposals for a permanent magazine going forward.

The demise of printed local media in Bromley in favour of digital media had left a challenging landscape in which to deliver information to everyone in the Borough including those not digitally enabled.

The report had been scrutinised by the Executive, Resources and Contracts PDS Committee at its meeting on 17 October 2023 and the Committee had supported the recommendations.

RESOLVED: That

1. It be agreed that the Council produces a regular paper magazine called 'Our Bromley' three times a year to be distributed to all residents. There is flexibility to move to four editions a year, but for the moment, three is recommended as a more viable option.
2. It be noted that the financial implications are envisaged to be cost neutral, with the total expected spend of £180k over three issues, at current prices, being anticipated to be covered by advertising revenue.
3. It be noted that after a period of a year, there will be a review on the impact of the publication before continuing in future years.
4. The change of name of the Council's e-mailed newsletter for residents from 'Update' to 'Our Bromley' be noted.

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

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

88 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**

89 EXEMPT MINUTES OF THE MEETING HELD ON 20 SEPTEMBER 2023

The exempt (not for publication) minutes of the meeting held on 20 September 2023, were confirmed as a correct record.

90 PART 2: CHURCHILL THEATRE & CENTRAL LIBRARY BUILDING, HIGH STREET, BROMLEY BR1 1HA

Executive
18 October 2023

The Executive considered the report and agreed the recommendations.

91 PART 2: RELOCATION OF CENTRAL LIBRARY

The Executive considered the report and agreed the recommendations.

92 PART 2: LEISURE CENTRE MAJOR WORKS

The Executive considered the report, noted the additional information provided in Part 2 and agreed the recommendations.

Chairman

The Meeting ended at 7.42 pm

Report No.
FSD23080

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE

Date: Thursday 29 November 2023

Decision Type: Non-Urgent Executive Non-Key

Title: BUDGET MONITORING 2023/24

Contact Officer: David Bradshaw, Head of Finance
Tel: 020 8313 4807 E-mail: david.bradshaw@bromley.gov.uk

Chief Officer: Director of Finance

Ward: Borough Wide

1. Reason for report

- 1.1 This report provides the second budget monitoring position for 2023/24 based on expenditure and activity levels up to the end of September 2023. The report also highlights any significant variations which will impact on future years as well as any early warnings that could impact on the final year end position.
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2. **RECOMMENDATION(S)**

2.1 **Executive are requested to:**

- (a) consider the latest financial position;
- (b) note that a projected net overspend on services of £12,585k is forecast based on information as at September 2023.
- (c) consider the comments from Chief Officers detailed in Appendix 2;
- (d) note a projected reduction to the General Fund balance of £1,393k as detailed in section 3.3;
- (e) note the full year cost pressures of £18.208m as detailed in section 3.4;
- (f) agree to the release of funding from the 2023/24 central contingency as detailed in paragraphs 3.2.2 to 3.2.6;
- (g) agree the drawdown of £250k from the Infrastructure Investment Fund earmarked reserve for works at the Hill Multi-Storey car Park as detailed in section 3.8

(h) identify any issues that should be referred to individual Portfolio Holders for further action;

Impact on Vulnerable Adults and Children

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

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

1. Cost of proposal: Not Applicable
 2. Ongoing costs: Recurring Cost
 3. Budget head/performance centre: Council wide
 4. Total current budget for this head: £256.1m
 5. Source of funding: See Appendix 1 for overall funding of Council's budget
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Personnel

1. Number of staff (current and additional): 2,249 fte posts (per 2023/24 Budget) which includes 481 for budgets delegated to schools
 2. If from existing staff resources, number of staff hours: N/A
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Legal

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

Procurement

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

1. Estimated number of users/beneficiaries (current and projected): The 2023/24 budget reflects the financial impact of the Council's strategies and service plans which impact on all of the Council's customers (including council tax payers) and users of our services.
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Ward Councillor Views

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

3. COMMENTARY

3.1 Summary of Projected Variations

3.1.1 The Resources Portfolio Plan included a target that each service department will spend within its own budget. Current projections show an overall net overspend of £12,585k within portfolio budgets and a £11,836k credit variation on investment income, central items and prior year adjustments.

3.1.2 A summary of the 2023/24 budget and the projected outturn is shown in the table below:

	2023/24 Original Budget £'000	2023/24 Latest Budget £'000	2023/24 Projected Outturn £'000	2023/24 Variation £'000
Portfolio				
Adult Care & Health	84,178	86,098	87,599	1,501
Children, Education & Families (inc. Schools Budget)	55,253	58,087	64,699	6,612
Environment & Community	38,033	38,497	39,862	1,365
Public Protection & Enforcement	3,228	3,417	3,417	0
Renewal, Recreation & Housing	15,611	15,922	18,803	2,881
Resources, Commissioning & Contracts Management	48,840	49,125	49,351	226
Total Controllable Budgets	245,143	251,146	263,731	12,585
Capital Charges and Insurance	16,604	16,604	16,604	0
Non General Fund Recharges	Cr 938	Cr 938	Cr 938	0
Total Portfolio Budgets	260,809	266,812	279,397	12,585
Income from Investment Properties	Cr 8,777	Cr 6,277	Cr 6,277	0
Interest on General Fund Balances	Cr 9,841	Cr 9,841	Cr 12,841	Cr 3,000
Total Investment Income	Cr 18,618	Cr 16,118	Cr 19,118	Cr 3,000
Contingency Provision	26,631	14,972	8,309	Cr 6,663
Other Central Items	Cr 13,400	Cr 9,600	Cr 11,600	Cr 2,000
General Government Grants & Retained Business Rates	Cr 51,735	Cr 51,735	Cr 51,735	0
Collection Fund Surplus	Cr 14,511	Cr 14,511	Cr 14,511	0
Total Central Items	Cr 53,015	Cr 60,874	Cr 69,537	Cr 8,663
Total Variation on Services and Central Items	189,176	189,820	190,742	922
Prior Year Adjustments	0	0	Cr 173	Cr 173
Total Variation	189,176	189,820	190,569	749

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

3.1.4 Chief Officer comments are included in Appendix 2.

3.2 Central Contingency Sum

3.2.1 Details of the allocations from and variations in the 2023/24 Central Contingency are included in Appendix 4.

3.2.2 Social Care Grant – ASC reforms - £720k Cr

The Social Care grant is provided to give support to local authorities in England towards expenditure lawfully incurred or to be incurred in respect of meeting adults' and children's social care needs.

3.2.3 Homes for Ukraine - £80k Dr & Cr

Education continues to assist our schools and their Ukrainian families with language support for children, young people and adults arriving from the Ukraine through the Family Learning Programme, facilitated by the Bromley Adult Education College (BAEC). In order to ensure sufficient provision and continued support is in place for this vulnerable cohort, it is proposed that the Homes for Ukraine (HFU) funding is extended to 2023-24 at £80k, and in 2024-25 at £53k to enable services to continue the efforts and reaching out to any newly arrived Ukrainian families and their children, assisting with their integration to the community through learning the English language.

3.2.4 Early Years Supplementary Grant - £1,669k Dr & Cr

The 2023 Spring Budget announced additional funding for the existing early years entitlements for disadvantaged 2-year-old children and 3 and 4-year-old children for the 2023 to 2024 financial year (from September 2023) and beyond. For 2023/24 the increase in costs is being covered by a supplementary grant. From 2024/25 onwards the funding will be added to the Dedicated Schools Grant as part of the Early Years DSG funding block.

3.2.5 Adult Education Grant - £82k Dr & Cr

This is an increase in the BAEC grant funding of £82k for 2023/24 to deliver various courses for adult learners.

3.2.6 Early Years and High Needs Dedicated Schools Grant - £1,335k Dr & Cr

There has been additional allocations in year due to updates in recoupment figures and census data. This is contained within the overall DSG figures.

3.3 General Fund Balances

3.3.1 The level of general reserves is currently projected to reduce by £1,393k to £18,607k at 31st March 2024 as detailed below:

	2023/24 Projected Outturn £'000
General Fund Balance as at 1st April 2023	Cr 20,000
Net Variations on Services & Central Items (para 3.1)	749
	Cr 19,251
Adjustment to Balances:	
Carry Forwards (funded from underspends in 2022/23)	644
General Fund Balance as at 31st March 2024	Cr 18,607

3.4 Impact on Future Years

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

	2023/24	2024/25
	Budget	Impact
	£'000	£'000
Adult Care & Health Portfolio		
Assessment & Care Management - Care Placements	31,253	4,637
Learning Disabilities - Care Placements & Care Management	42,273	833
Mental Health - Care Placements	6,598	529
		<u>5,999</u>
Renewal, Recreation & Housing		
Supporting people	1,070 Cr	148
Housing Needs - Temporary accommodation	6,418	4,766
		<u>4,618</u>
Children, Education & Families Portfolio		
SEN Transport	10,324	1,700
Children's Social Care	49,455	5,891
		<u>7,591</u>
TOTAL		<u><u>18,208</u></u>

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

3.4.3 Further details are included in Appendix 5.

Investment Income

3.5 Income from Investment Properties

3.5.1 There is a £2.5m projected shortfall on investment income for the 2023/24 financial year due largely to the sale of the Glades site which took place in April. This property contributed £1.9m of income of per annum which will no longer be received, the rest of the gap is due to the pending disposal of the parades which brings in around £1m per annum of income for LBB, this is expected to be fully disposed of by September hence a part year impact. This has been addressed by a budget adjustment from contingency which brings the overall position back to balance.

3.6 Interest on Balances

3.6.1 The budget for Interest on Balances for 2023/24 was set at £9,841k, which was an increase of £7m over the 2022/23 budget. This reflected the significant increase in anticipated interest earnings as a result of the significant increases in the Bank of England base rate, partly offset by an expected reduction in balances available for investment as a result of the utilisation of capital receipts and grants/contributions as well as earmarked revenue reserves.

3.6.2 At the time the draft 2023/24 budget was prepared, the Council's treasury management advisors, Link Group, were projecting that the base rate would peak at 4.5% in June before starting to fall in 2024. At the time of writing, base rate stands at 5.25% with Link now expecting it to remain at that rate for the remainder of the financial year. New core fixed-

interest investments taken out during the first half of 2023/24 were at an average rate of 6.15%.

- 3.6.3 Additionally, investment balances have not yet reduced as projected, increasing from £344m at the start of the financial year to £381m at the end of the first quarter and reducing only slightly to £380m at the end of the second quarter. As a result, the current projection indicates that the interest on balances outturn will exceed the budget by £3m.

3.7 The Schools Budget

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

- 3.7.2 There is a current projected in year overspend in Dedicated Schools Grant (DSG) of £4,043k. This will be added to the £12,706k deficit that was carried forward from 2022/23. There was also an adjustment which resulted in an increase in the 2022/23 Early years DSG of £600k which effectively reduces the negative reserve position. This gives an estimated DSG deficit at the end of the year of £16,149k. It should be noted that the DSG can fluctuate due to pupils requiring additional services or being placed in expensive placements. Officers are working on a deficit recovery plan ahead of this being required by the DfE.

3.8 Drawdown from the Infrastructure Investment Fund

- 3.8.1 There is a drawdown request of £250k from the Infrastructure Investment Fund Earmarked Reserve, to undertake emergency repair works on the Hill Multi-storey Car park. The car park has been closed to the public since October, using this fund will enable the car park to reopen in the new year, minimising income loss and ensuring the car park is safe to operate for the foreseeable future

3.9 Investment Fund and Growth Fund

- 3.9.1 Full details of the current position on the Investment Fund and the Growth Fund are included in the Capital Programme Monitoring Q2 2023/24 report elsewhere on the agenda. The uncommitted balances stand at £6.8m for the Investment Fund and £15.9m for the Growth Fund.

3.10 Financial Context

- 3.10.1 Review of Capital Programme and Funding

- 3.10.2 Since the 2022/23 Budget was produced the Council undertook, completed and reported to Executive:

- The Operational Property Review (Executive, 30th November 2022) ;
- Property Disposals (Executive, 30th November 2022);
- Capital Strategy 2023/24 to 2026/27 and Q3 Capital Programme Monitoring (Executive, 18th January 2023).

- 3.10.3 To address the existing capital funding shortfall to meet the cost of the approved capital programme, members agreed to refinance housing costs through borrowing, utilisation of capital receipts from the property disposals programme with the unfunded balance (subject to a limit of £10m) being met from earmarked reserves. A report elsewhere on this agenda provides an update on financing the capital programme.
- 3.10.4 The 2023/24 Council Tax report to Executive in February 2023 provided a projected revenue budget deficit over the next three years (£1.7m in 2024/25, £10.1m in 2025/26 and £29.6m in 2026/27). Since that report was produced, inflation has remained high, particularly for 2023/24 and latest estimates for 2024/25, and there are further cost pressures that have been identified by Chief Officers which provides a deteriorating financial position for future years – section 3.4.1 identifies full year costs of £18.2m mainly relating to the impact of in year overspends. Many of these costs would not have been reflected in the original financial forecast. This will result in significant cost pressures being added to the ‘budget gap’ for 2024/25 and future years creating a deteriorating financial position with further action being necessary to address this. This report (see 3.8.1) also refers to the DSG deficit which is expected to continue in future years and ultimately such deficits have to be funded by a drawdown of reserves, whilst the statutory override remains in place.
- 3.10.5 An update on the Council’s financial forecast, including the impact on the Council’s reserves, will be reported to a future meeting of Executive prior to finalising the 2024/25 Budget. This will include further consideration of the Council’s transformation programme and any further action to address cost pressures. It remains essential to reduce overspends and any cost pressures, where possible, given the potential impact on meeting the ‘budget gap’ for future years.
- 3.10.6 Details of the need to retain adequate level of reserves was reported in Appendix 4 of the 2023/24 Council Tax report to Executive in February 2023.
- 3.10.7 Further updates will be provided as part of the 2023/24 quarterly budget monitoring reports to Executive.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 4.1 The 2023/24 budget reflects the financial impact of the Council’s strategies and service plans which impact on all of the Council’s customers and users of our services.

5. POLICY IMPLICATIONS

- 5.1 The “Making Bromley even Better” objective of being an Excellent Council refers to the Council’s intention to ensure good strategic financial management and robust discipline to deliver within our budgets.
- 5.2 The “2023/24 Council Tax” report highlighted the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2023/24 to minimise the risk of compounding financial pressures in future years.

6. FINANCIAL IMPLICATIONS

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

Non-Applicable Sections:	Personnel, Legal, Procurement
Background Documents: (Access via Contact Officer)	Provisional Final Accounts 2022/23 – Executive 5 th July 2023; 2023/24 Council Tax – Executive 8th February 2023; Draft 2023/24 Budget and Update on Council’s Financial Strategy 2023/24 to 2026/27 – Executive 18 th January 2023; Treasury Management Annual Investment Strategy 2023/24 and Quarter 3 performance– Council 27 th February 2023; Financial Management Budget Monitoring files across all portfolios.

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GENERAL FUND - PROVISIONAL OUTTURN FOR 2023/24

Portfolio	2023/24	Budget	2023/24		2023/24	Variation	Variation previously reported
	Original Budget	Variations allocated in year #	Approved Budget	Latest Budget	Projected Outturn		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Care & Health	84,178	1,920		86,098	87,599	1,501	450
Children, Education & Families (incl. Schools' Budget)	55,253	2,834		58,087	64,699	6,612	2,142
Environment & Community	38,033	464		38,497	39,862	1,365	623
Public Protection & Enforcement	3,228	189		3,417	3,417	0	0
Renewal, Recreation & Housing	15,611	311		15,922	18,803	2,881	2,479
Resources, Commissioning & Contracts Management	48,840	285		49,125	49,351	226	443
Total Controllable Budgets	245,143	6,003		251,146	263,731	12,585	6,137
Capital, Insurance & Pensions Costs (see note 2)	16,604	0		16,604	16,604	0	0
Non General Fund Recharges	Cr 938	0	Cr 938	Cr 938	Cr 938	0	0
Total Portfolios (see note 1)	260,809	6,003		266,812	279,397	12,585	6,137
Central Items:							
Income from Investment Properties	Cr 8,777	2,500	Cr 6,277	Cr 6,277	Cr 6,277	0	0
Interest on General Fund Balances	Cr 9,841	0	Cr 9,841	Cr 12,841	Cr 12,841	Cr 3,000	Cr 1,000
Total Investment Income	Cr 18,618	2,500	Cr 16,118	Cr 19,118	Cr 19,118	Cr 3,000	Cr 1,000
Contingency Provision (see Appendix 4)	26,631	Cr 11,659		14,972	8,309	Cr 6,663	Cr 3,163
Other central items							
Reversal of net Capital Charges (see note 2)	Cr 9,878	0	Cr 9,878	Cr 9,878	Cr 9,878	0	0
Additional Capital Grants Funding Rev Exp under statute	Cr 4,832	0	Cr 4,832	Cr 4,832	Cr 4,832	0	0
New Homes Bonus Support for Revenue	9	0	9	9	9	0	0
Homes for Ukraine allocation to be determined	0	0	0	Cr 2,000	Cr 2,000	Cr 2,000	Cr 2,000
Dual running of Civic Centres	0	1,800	1,800	1,800	1,800	0	0
Transfer of funding to capital programme	0	2,000	2,000	2,000	2,000	0	0
Levies	1,301	0	1,301	1,301	1,301	0	0
Total other central items	Cr 13,400	3,800	Cr 9,600	Cr 11,600	Cr 11,600	Cr 2,000	Cr 2,000
Prior Year Adjustments							
2022-23 Energy cost pressure in Housing	0	0	0	Cr 173	Cr 173	Cr 173	Cr 173
Total Prior Year Adjustments	0	0	0	Cr 173	Cr 173	Cr 173	Cr 173
Total all central items	Cr 5,387	Cr 5,359	Cr 10,746	Cr 22,582	Cr 22,582	Cr 11,836	Cr 6,336
Bromley's Requirement before balances	255,422	644	256,066	256,815	256,815	749	Cr 199
Carry Forwards from 2022/23 (see note 3)	0	Cr 644	Cr 644	0	0	644	644
Adjustment to Balances	0	0	0	Cr 1,393	Cr 1,393	Cr 1,393	Cr 445
Total all central items	255,422	Cr 0	255,422	255,422	255,422	0	0
Business Rates Retention Scheme (Retained Income, Top-up and S31 Grants)	Cr 47,000	0	Cr 47,000	Cr 47,000	Cr 47,000	0	0
Collection Fund losses	0	0	0	0	0	0	0
New Homes Bonus	Cr 9	0	Cr 9	Cr 9	Cr 9	0	0
New Homes Bonus Topslice	0	0	0	0	0	0	0
One off 2023/24 Services Grant	Cr 1,556	0	Cr 1,556	Cr 1,556	Cr 1,556	0	0
Council Tax Support - Collection Fund surplus	Cr 2,300	0	Cr 2,300	Cr 2,300	Cr 2,300	0	0
Funding COVID cost pressures from Earmarked Reserve	Cr 870	0	Cr 870	Cr 870	Cr 870	0	0
Collection Fund Surplus	Cr 14,511	0	Cr 14,511	Cr 14,511	Cr 14,511	0	0
Bromley's Requirement	189,176	Cr 0	189,176	189,176	189,176	0	0
GLA Precept	58,215	0	58,215	58,215	58,215	0	0
Council Tax Requirement	247,391	Cr 0	247,391	247,391	247,391	0	0

# Budget Variations allocated to portfolios in year consists of:	£'000	
1) Carry forwards from 2022/23	644	(see note 3)
2) Allocations from the central contingency provision	5,359	(see Appendix 4)
	<u>6,003</u>	

1) **NOTES**

Portfolio Final Approved Budgets analysed over Departments as follows:

	2023/24	Budget	2023/24	2023/24	Variation	Variation
	Original Budget	Variations allocated in year #	Approved Budget	Latest Budget	Projected Outturn	previously reported
	£'000	£'000	£'000	£'000	£'000	£'000
People Department	155,814	4,754	160,568	168,528	7,960	2,488
Place Department	81,753	1,114	82,867	87,113	4,246	3,102
Chief Executive's Department	23,242	135	23,377	23,756	379	547
	<u>260,809</u>	<u>6,003</u>	<u>266,812</u>	<u>279,397</u>	<u>12,585</u>	<u>6,137</u>

2) **Reversal of net Capital Charges**

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

3) **Carry Forwards from 2022/23**

Carry forwards from 2022/23 into 2023/24 totalling £644k were approved by Council and the Executive. Full details were reported to the July meeting of the Executive in the "Provisional Final Accounts 2022/23" report.

Comments from the Director of Environmental Services

The key departmental budgetary pressure is sitting within the Parking Services.

Over the past year we have seen the vast majority of services return to what we would describe as pre Covid levels with the key area being Parking, where the volume of parking in quarter 1 continues to be a challenge. It may well be the case that these service areas off the back of Covid are now affected by the wider economic challenges affecting the UK and therefore recovery in these areas will be slower than originally anticipated.

Officers will be conducting a six month review of Parking Income in October once the data for April to September 2023 has been fully validated, this will hopefully allow us to understand where the issues lie and shore up our financial forecasts for the remainder of the year.

Comments from the Director of Adult Social Care

The second quarter of the financial year has seen a continuation of the pressures experienced during the first quarter, with continuing demand from the hospitals to discharge patients as soon as possible. The integrated system is working hard to avoid people being admitted directly from hospital to a care facility, helping them to continue their recovery at home. Whilst this is a better outcome for individuals, this is building an additional pressure into the social care budget and continued discussions are taking place with health partners to address this.

The teams continue to experience pressure in relation to those moving into adulthood from children's services and this is being given due attention at a senior level within the Council. There is also significant growth in demand from those experiencing mental health issues, part of the pressure relating to the current under delivery of efficiencies.

The upturn in the cost of care has continued, partly due to the increase in the cost of living, but also with the expectation from providers that the Council moves closer to the Fair Cost of Care, with prices increasing significantly.

Officers are seeking to draw down the ongoing underspend in the Better Care Fund to quite legitimately offset the current pressures in the budget.

Comments from the Director of Housing, Planning and Regeneration

£1,589k of growth was included in the housing budget for 2023/24 to reflect the continuing pressures in relation to homelessness and the provision of temporary accommodation. A total of £1,745k savings was also included to mitigate these pressures.

Whilst approaches remain high, the ongoing supply of acquired properties and prevention work has continued to slow the rate of growth in temporary accommodation. However, the number of approaches is starting to rise with an increase of 210 new approaches during the first half of 2023/24 compared to the same period in the preceding year. The supply of temporary accommodation is under increased pressure meaning that the majority of new placements can only be secured through the nightly paid market. There is increased pressure on nightly paid accommodation rates across London and the South East which have risen steeply during the past 12 months. This results in a £2,557k overspend on temporary accommodation, with a £2,359k overspend on housing overall. As has been reported work is ongoing to increase the supply of affordable housing to continue to mitigate and reduce the current pressures relating to temporary accommodation particularly in relation to the increased ability to secure leased accommodation within temporary accommodation subsidy rates.

A substantial part of Planning Services' work attracts a fee income for the Council, for example the planning application fees. The fee income and volume of work reflects the wider economic circumstances affecting development pressures in the Borough. There is a risk of income variation beyond the Council's immediate control; however, trends are regularly monitored in order that appropriate action can be taken. Action has successfully been taken to negate the risk of Government Designation for Special Measures due to Planning performance for the current year. However, this is based on the actions identified being implemented to reduce the risk of Government Designation in future years.

There is a risk of substantial planning appeal costs being awarded against the Council by the Planning Inspectorate if the Council is found to have acted unreasonably. For major appeals, which can arise unpredictably, there is often a need for specialist external consultant's advice which creates additional costs.

The key risks in the Renewal, Recreation and Housing Portfolio continue to be:

- i) Increased homelessness and the associated costs particularly relating to the increased demand for placements across London
- ii) Increased rent arrears arising from inflation and increased costs of utilities and so forth
- iii) Reduced vacant housing association properties coming forward for letting
- iv) Increased maintenance and repairs costs in relation to the travellers site required to maintain health and safety standards
- v) Increases being seen in construction and maintenance costs

Comments from the Director of Childrens Services

The Children, Education and Families Portfolio has a projected overspend of £6,612k for the year.

The Education Division (core funding) has a projected underspend of £1,257k.

SEN Transport continues to be a risk area. There are a number of causal factors affecting the position on transport:

An increase in number and complexity of Special Educational Needs and Disabilities over the past five years. The national increase in EHCPs is widely acknowledged as unsustainable and the rate of increase is accelerating across the country. In Bromley, despite gatekeeping measures, the increase in EHCPs has now reached 17%, (higher than the projected increase of 14% used to produce Growth funding assumptions). However, this rate of increase is lower than the national rate of 21% (DfE 2023) due to the measures that we have put in place over the past 12 months to support families and provide alternative services at an earlier stage.

The complexity of children and young people's needs continues to be at a higher level than prior to the Covid pandemic. These high levels of demand have continued for the past 3 years. A number of these cases have acute social, emotional and mental health needs, which require specialist provision which is typically costly independent provision outside of Bromley. Transport is often required and although officers seek to minimise costs, transport is often required to meet children's needs. In recent months we have begun to see a slight easing in the numbers of SEN referrals, which is positive, although it may be too early to be certain that this is a longer-term trend.

There is continued Transport provider pressures linked to the cost fuel and wages. The number of children requiring transport has increased by circa 17%, but this only accounts for part of the increase in costs. The reduced availability of drivers has resulted in more expensive providers having to be used from the call off framework.

Immediate management action was taken on the notification of the forecast budget overspend position. A specialist external transport adviser has undertaken a review of SEN transport arrangements, including benchmarking analysis and a full review of processes and eligibility criteria to identify potential savings. This has enabled significant mitigation proposals to be identified as part of the MTFS process, which would offset the forecast pressures on SEN Transport. In addition, work has been undertaken by our AD Strategic Performance resulting in predictive work for the next few years. This work has been incorporated into subsequent budget challenge discussions.

There is a current projected in year overspend in Education (DSG funding) of £4,043k in year. This will be added to the £12,706k carried forward in the reserves from 2022/23. There has been a prior year Early Year adjustment which has increased the 2022/23 DSG allocation by £600k, and this is off set against the DSG reserve that effectively reduces the reserve. This gives us an estimated DSG reserve of £16,149k at the end of the financial year.

We have recently met with representatives from the DfE to review our management of the DSG over-spend. They were able to confirm that they were satisfied with the steps that we continue to take and confirmed that they did not wish to meet with us again until next year.

The impact of additional legal duties from the SEND Reforms, has led to unsustainable financial pressures on High Needs costs within the DSG. An increase in Government funding (>£5m in 2021/22) is not sufficient to meet the increased costs. We are aware that Bromley is one of the last London Boroughs to incur a deficit in the DSG, with some local authorities having deficits in excess of £20m. The legal framework is heavily weighted in favour of parental preference, which is often for independent day and residential provision. We continue to assess all cases carefully and with a view to carefully balancing the education needs of young people and ensuring the best value for money from specialist education placements. Where it is appropriate to do so we continue to defend our decisions at Tribunal.

Nationally, the number of SEND tribunal appeals has increased by 29% from 2021/22 and has tripled since 2014 (DfE, 2023). Out of 5,600 Tribunal hearings last year, only 3.7% of decisions made by local authorities were upheld. The Local Government Ombudsman received 15% more complaints about education and children's services in 2022-23 than in 2021-2022, 84% of which were upheld, higher than any other areas within the LGO's remit.

In the 2022 calendar year, 634 new EHCPs were issued, up from 274 in 2018 and 476 in 2021. We have sought to commission additional local specialist provision, including a new special free school due to open in 2024, but the needs and tribunal challenges are such that we have no choice but to continue placing children in more costly provision to ensure we are not in default of our legal statutory duties.

A review of High Needs Funding Bands has commenced, with oversight from the SEND Governance Board and CEF PDS. This will consider how the funding bands can be simplified and to identify where any savings can be made. We continue to work on increases to local specialist provision, including the special free school and increases in Additionally Resourced Provisions, which are specialist classes within mainstream schools.

In Children's Social Care the projected overspend is £5,355k.

The ongoing pressures that relate to emotional and mental health concerns for young people, combined with the impact of inflation and cost of living pressures continues, especially in respect of contacts into our MASH. These continue to remain consistently around 1,100 contacts per month with little sign of a reduction. This compares to around 600 in April 2020 and it is the complexity of need from the families and children that have an added dimension.

Although much reduced from the previous year, the financial pressures across CSC continue to be primarily driven by placement costs for young people and also by the cost of agency staff.

Nationally, the cost of residential placements increased by 18.78% in 2022/23 (ADCS 2023) as demand continues to be greater than the number of placements available, particularly for children with complex or specialist requirements. Although our recruitment of permanent staff has increased and we now have fewer agency staff than in the past two years, our spend on agency staff still contributes to the pressures on the CSC staffing budget.

There also continues to be a high level of demand for support particularly in CWD which has meant a rise in demand for our short break provision. In response we have sought to increase the number of nights available for the number of families requiring this. Whilst These continued pressures have meant an increase in our looked after population in CWD despite the innovative and expensive care packages put in to support with health provision short breaks. The resilience for some families is now being significantly tested following two years of Covid challenges. This is primarily seen in families for children with profound and complex health and challenging sometimes aggressive behaviour.

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

Recruitment and retention of permanent staff/ ability to recruit skilled staff for the posts vacant and competitive salaries being paid at this time

Limited supply and increasing costs of residential placements – including the specialist placements for very complex young people. The cost of such placements is high and then with the delay to final hearing families are being retained in these placements beyond the assessment.

Continued complexity of children (SEND).

Shortage of local school places (particularly for Specialist schools).

Increasing High Needs Block expenditure not matched by a commensurate increase in Government Grant.

Adult Care and Health Portfolio Budget Monitoring Summary

2022/23 Actuals £'000	Division Service Areas	2023/24 Original Budget £'000	2023/24 Latest Approved £'000	2023/24 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
PEOPLE DEPARTMENT								
Adult Social Care								
23,554	Assessment and Care Management	22,816	25,188	25,738	550	1	450	4,637
118	Direct Services	117	117	117	0		0	0
2,334	Quality Assurance & Safeguarding	2,075	2,075	2,075	0		0	0
43,807	Learning Disabilities	48,075	47,943	47,943	0	2	Cr 758	833
8,650	Mental Health	8,415	8,415	9,366	951	3	758	529
907	Placement and Brokerage	979	659	659	0		0	0
Cr 255	Better Care Fund - Protection of Social Care	0	0	0	0		0	0
79,115		82,477	84,397	85,898	1,501		450	5,999
Integrated Commissioning Service								
1,299	Integrated Commissioning Service Information & Early Intervention	1,400	1,400	1,400	0		0	0
1,205	- Net Expenditure	3,761	3,761	3,761	0		0	0
Cr 1,205	- Recharge to Better Care Fund	Cr 3,756	Cr 3,756	Cr 3,756	0		0	0
Better Care Fund								
25,602	- Expenditure	28,226	28,226	28,226	0	4	0	0
Cr 25,622	- Income	Cr 28,246	Cr 28,246	Cr 28,246	0		0	0
Improved Better Care Fund								
10,327	- Expenditure	8,130	8,130	8,130	0	5	0	0
Cr 10,327	- Income	Cr 8,130	Cr 8,130	Cr 8,130	0		0	0
1,279		1,385	1,385	1,385	0		0	0
Public Health								
16,166	Public Health	15,927	16,436	16,436	0		0	0
Cr 15,876	Public Health - Grant Income	Cr 15,611	Cr 16,120	Cr 16,120	0		0	0
290		316	316	316	0		0	0
80,684	TOTAL CONTROLLABLE ADULT CARE & HEALTH	84,178	86,098	87,599	1,501		450	5,999
421	TOTAL NON CONTROLLABLE	559	559	559	0		0	0
4,092	TOTAL EXCLUDED RECHARGES	3,494	3,494	3,494	0		0	0
85,197	TOTAL ADULT CARE & HEALTH PORTFOLIO	88,231	90,151	91,652	1,501		450	5,999

Reconciliation of Latest Approved Budget

£'000

2023/24 Original Budget

88,231

Carry forwards:

Supplementary Substance Misuse Treatment & Recovery Funding

- expenditure 57
- income -57

Improved Better Care Fund (IBCF)

- expenditure 1,911
- income -1,911

Public Health Grant

- expenditure 2,874
- income -2,874

LD/Autism Funding from South East London ICB

- expenditure 208
- income -208

Discharge Transformation Funding from South East London ICB

- expenditure 256
- income -256

Shared Lives Transformation Posts

- expenditure 400
- income -400

Charging Reform Implementation Support Grant

- expenditure 104
- income -104

Omicron Support Fund

- expenditure 136
- income -136

Test and Trace service support grant

- expenditure 368
- income -368

Contain Outbreak Management Fund grant		
- expenditure		54
- income		-54
Contingency:		
Market Sustainability and Improvement Fund		2,788
Adult Social Care Discharge Fund	Cr	1,084
Market Sustainability and Improvement Fund - Workforce Fund		
- expenditure		1,810
- income	Cr	1,810
ICB Funding for Hospital Discharges		
- expenditure		1,511
- income	Cr	1,511
Work Safe Project		
- expenditure		65
- income	Cr	65
Social Care grant re ASC reforms	Cr	720
Adult Social Care grant		1,400
Other:		
Transfer of Staff from LD Care Management to Children's 0-25 years' service	Cr	144
Transfer of Care Placements Team Staff to Children's Services	Cr	320
Latest Approved Budget for 2023/24		
		<u><u>90,151</u></u>

1. Assessment and Care Management - Dr £550k

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

		<u>Current</u> <u>Variation</u> £'000
Physical Support / Sensory Support / Memory & Cognition		
Services for 65 +		
- Placements	Cr	140
- Domiciliary Care / Direct Payments		2,431
		<u>2,291</u>
Services for 18-64		
- Placements		180
- Domiciliary Care / Direct Payments		845
		<u>1,025</u>
Market Sustainability and Improvement Fund (MSIF)		
- 23/24 MSIF allocation	Cr	1,227
- 23/24 MSIF Workforce Fund allocation	Cr	1,810
	Cr	<u>3,037</u>
Hospital Discharge Packages		
- Placements		2,444
- Domiciliary Care		1,646
- Enhanced Care		1,464
- LBB Discharge Funding	Cr	324
- ICB Discharge Funding	Cr	1,133
- Adult Social Care Reform growth	Cr	817
- BCF use of underspend	Cr	1,300
- Management action	Cr	1,306
		<u>674</u>
Other		
Extra Care Housing	Cr	70
Day Care	Cr	333
		<u>550</u>

The 2023/24 budget includes funding for the full year effect of the September 2022 overspend as reported to Members in the September Budget Monitoring report.

Services for 65+ - Dr £2,291k

Numbers in residential and nursing care to date are 15 below the budget provision of 489 (was 31 below in Q1), however an overspend of £241k is currently projected. This is due to placements having to be made above the guide rates, as well as additional 1:1 support packages required for some service users in their placements. Offsetting this is a projected underspend in emergency and temporary placements of £336k and respite care of £45k.

The overall position on the domiciliary care and direct payments budgets (65+) is a projected overspend of £2,431k, which is a reduction of £39k from last time. Domiciliary care is projected to overspend by £2,094k and direct payments to overspend by £337k.

Services for 18-64 - Dr £1,025k

Placements for 18-64 age group are projected to overspend by £387k this year based on current service user numbers which are currently 5 above budgeted levels (also 5 above in Q1). Offsetting this is a projected underspend on emergency and temporary placements of £199k and respite of £8k.

The overall position on the domiciliary care and direct payments budgets (18-64) is a projected overspend of £845k. Domiciliary care is currently projected to overspend by £467k and direct payments to overspend by £378k.

Hospital Discharge - Dr £674k

Discharges from hospital continue to follow the new pathway set up with Health. Currently a full year overspend of £5,554k is projected, split between placements of £2,444k, domiciliary care of £1,646k and enhanced care of £1,464k. This is however offset by management action of £1,036k, aiming to reduce the length of time a service user spends in a D2a setting, as well as the application of discharge funding (£324k LBB and £1,133 ICB) and use of BCF reserve (£1,300k). Officers also continue to ensure that service users are moved on from these packages to normal packages of care as soon as possible, ensuring that client contributions are being maximised. The numbers of residents being discharged are broadly within trend for Bromley, however, the packages of care are more expensive and for longer duration.

Other - Cr £403k

Extra Care Housing is currently projected to underspend by £70k and Day Care services by £333k, the latter still being down on pre-covid numbers as service users switched to other services when the centres were closed during covid.

2. Learning Disabilities - £0k

The 2023/24 Learning Disabilities (LD) budget includes funding for anticipated 2023/24 demand-related pressures and the full year effect (FYE) of the 2022/23 overspend but also reductions relating to planned savings.

A breakeven position is now presented for this budget (Q1 projected underspend £758k) which is based upon the current level of costs and client numbers. The change in the projection from Q1 mainly relates to uplifts in weekly placement costs now applied and the additional support required by high-needs clients and those clients transitioning from Children's Services. Work is still on-going around transitions in order to scrutinise any future impact on costs.

3. Mental Health - Dr £951k

The 2023/24 budget includes an adjustment for the full year effect of the September 2022 underspend reported to Members as part of the September Budget Monitoring report.

Placements for 65+ age group are projected to overspend by £278k this year based on current service user numbers of 50 (also 50 in Q1).

The overall position on the domiciliary care and direct payments budgets (65+) is a projected overspend of £9k. Domiciliary care is currently projected to overspend by £109k and direct payments to underspend by £100k.

Placements for the 18-64 age group are projected to overspend by £337k this year based on current service user numbers of 107 (also 107 in Q1), and mainly relates to placements in Nursing homes.

The overall position on the domiciliary care and direct payments budgets (18-64) is a projected overspend of £115k, with Domiciliary care currently projected to underspend by £7k and direct payments to overspend by £122k.

In addition to the above, savings of £212k in the budget to date have not been achieved therefore this is being reported as an overspend. A further £212k is still to be achieved for the remainder of the year.

4. Better Care Fund (BCF) - Nil variation

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

The final 2023/24 allocation is a 5.66% increase above 2022/23 levels. It is likely that this allocation will be needed to offset the cost of hospital discharge care packages.

5. Improved Better Care Fund (IBCF) - Nil Variation

The total amount of funding available in 2023/24 is:

	£'000
2023/24 IBCF allocation	7,731
Carry forward from previous years	<u>1,911</u>
	9,642

Waiver of Financial Regulations

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

Since the last report to the Executive, 20 waivers for Adult placements have been agreed for between £50k and £100k and 6 for more than £100k.

Virements Approved to date under Director's Delegated Powers

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

Children, Education and Families Portfolio Budget Monitoring Summary

2022/23 Actuals	Service Areas	2023/24 Original Budget	2023/24 Latest Approved	2023/24 Projected Outturn	Variation	Notes	Variation Last Reported	Full Year Effect
£'000		£'000	£'000	£'000	£'000		£'000	£'000
CHILDREN, EDUCATION AND FAMILIES PORTFOLIO								
Education Division - Core funding								
Cr 347	Adult Education Centres	Cr 430	Cr 430	Cr 316	114	1	0	0
576	Schools and Early Years Commissioning & QA	739	736	674	Cr 62	2	Cr 119	0
2,771	SEN and Inclusion	2,525	2,615	2,358	Cr 257	3	Cr 160	0
100	Strategic Place Planning	56	56	56	0		0	0
17	Workforce Development & Governor Services	Cr 22	Cr 22	Cr 22	0		0	0
7,516	Access & Inclusion	8,134	9,134	10,566	1,432	4	43	1,700
196	Other Strategic Functions	459	357	387	30	5	0	0
Cr 40	Central School Costs	Cr 60	Cr 60	Cr 60	0		0	0
10,789		11,401	12,386	13,643	1,257		Cr 236	1,700
Children's Social Care								
1,911	Bromley Youth Support Programme	1,798	1,798	1,938	140	6	125	0
1,260	Early Intervention and Family Support	1,545	1,444	1,324	Cr 120	7	Cr 45	0
10,034	CLA and Care Leavers	11,485	12,352	13,296	944	8	328	590
22,122	Fostering, Adoption and Resources	23,880	24,380	25,703	1,323	9	Cr 32	4,420
5,184	0-25 Children Service (Disability Services)	3,714	4,313	5,671	1,358	10	1,068	969
5,073	Referral and Assessment Service	4,765	4,896	5,411	515	11	464	Cr 88
4,582	Safeguarding and Care Planning East	4,181	4,181	4,715	534	12	179	0
2,998	Safeguarding and Care Planning West	2,493	2,499	3,192	693	13	216	0
Cr 2,489	Safeguarding and Quality Improvement	Cr 6,255	Cr 6,408	Cr 6,440	Cr 32	14	75	0
50,675		47,606	49,455	54,810	5,355		2,378	5,891
61,464	TOTAL CONTROLLABLE FOR CEF CORE FUNDING	59,007	61,841	68,453	6,612		2,142	7,591
129	Total Non-Controllable	1,424	1,424	1,424	0		0	0
11,182	Total Excluded Recharges	7,208	7,208	7,208	0		0	0
72,775	TOTAL CEF PORTFOLIO CORE FUNDING	67,639	70,473	77,085	6,612		2,142	7,591
Education Division - DSG Funding								
21,691	Schools and Early Years Commissioning & QA	21,512	22,589	22,054	Cr 535	15	Cr 102	0
39,401	SEN and Inclusion	40,787	40,787	45,189	4,402	16	4,310	0
3,272	Access & Inclusion	3,635	3,635	3,812	177	17	0	0
22	Strategic Place Planning	94	94	94	0		0	0
6	Workforce Development & Governor Services	20	20	20	0		0	0
130	Other Strategic Functions	481	739	738	Cr 1		0	0
Cr 97,312	Schools Budgets	Cr 103,139	Cr 104,474	Cr 104,474	0		0	0
17,840	Special Schools and Alternative Provision	18,983	18,983	18,983	0		0	0
7,847	Primary Schools	10,075	10,075	10,075	0		0	0
4,005	Secondary Schools	3,798	3,798	3,798	0		0	0
0	Charge to Reserves	0	0	Cr 4,043	Cr 4,043	18	Cr 4,208	0
Cr 3,098		Cr 3,754	Cr 3,754	Cr 3,754	0		0	0
Cr 3,098	TOTAL CONTROLLABLE FOR CEF - DSG FUNDING	Cr 3,754	Cr 3,754	Cr 3,754	0		0	0
11	Total Non-Controllable	81	81	81	0		0	0
3,087	Total Excluded Recharges	3,673	3,673	3,673	0		0	0
0	TOTAL CEF PORTFOLIO - DSG FUNDING	0	0	0	0		0	0
TOTAL CEF PORTFOLIO		67,639	70,473	77,085	6,612		2,142	7,591

Reconciliation of Latest Approved Budget

Original Budget 2023/24

£'000

67,639

Contingency:

Carry forwards:

Deed Settlement for Hawes Down Site		
expenditure		5
income	Cr	5
Virtual School - CIN Grant Carry Forward		
expenditure		82
income	Cr	82
Homes for Ukraine DfE Grant		
expenditure		1,187
income	Cr	1,187
BAEC upgrading hardware and supporting software - GLA Grant		
expenditure		26
income	Cr	26
YOT NHS Money		
expenditure		29
income	Cr	29
COVID Recovery Grant		
expenditure		130
income	Cr	130
National Tutoring Programme		
expenditure		22
income	Cr	22

GLA Adult Ed Grant Repayment		
expenditure		16
income	Cr	16
Supporting Families; Investing in Practice Grant		
expenditure		475
income	Cr	475
Homes for Ukraine Main Grant		
expenditure		300
income	Cr	300
Other:		
Transfer of Staff from LD Care Management to Children's 0-25 years' service		144
Transfer of Care Placements Team Staff to Children's Services		320
S31 Leaving Care Uplift Grant		
expenditure		68
income	Cr	68
GLA free school meal payment		
expenditure		6,036
income	Cr	6,036
UKSPF funding		
expenditure		275
income	Cr	275
Above Inflation Pressures on Children Placements		1,370
Drawdown of SEN Transport		1,000
Early Years Supplementary Grant		
expenditure		1,669
income	Cr	1,669
Extended Personal Advisor Grant		
expenditure		11
income	Cr	11
Homes for Ukraine Main Grant - Adult Education		
expenditure		80
income	Cr	80
Reducing Parental Conflict Grant		
expenditure		30
income	Cr	30
Adult Education GLA Grant Funding		
expenditure		82
income	Cr	82
Uplift to Youth Justice Board Grant		
expenditure		12
income	Cr	12
Change in DSG Early Years and High Needs Block		
expenditure - Early Years		1,077
expenditure - High Needs		258
income	Cr	1,335
Draw Down from Reserve to meet demand in EHCP's / High Needs		
Expenditure		525
Income		-525
Latest Approved Budget for 2023/24		70,473

REASONS FOR VARIATIONS

1. Adult Education Centres - Dr £114k

This area is currently expected to overspend by £114k and this is due to an under budget of fee income of £184k and an overspend on staffing of £57k. This is then being partially offset by an underspend of £127k in running costs.

2. Schools and Early Years Commissioning & QA - Cr £62k

The in-house nursery is currently expected to overspend by £19k, and this is down to an under budget of fee income (£100k) being offset by an underspend on staffing (£81k).

Across the rest of the service there is a £81k underspend relating to staffing.

3. SEN and Inclusion - Cr £257k

The staffing in this area is currently forecasting an underspend by £319k. This is due to a number of posts that are currently vacant. The difference £62k relates to an overspend in running costs.

4. Access & Inclusions - Dr £1,432k

The overspend in this area is due to the costs around SEN Transport that is currently forecast to overspend by £1,422k. The remaining £10k is due to various running costs.

5. Other Strategic Functions - Dr £30k

There is current an overspend of £30k in this area, and this is being caused by costs related to the restructure that has just been finalised.

Children's Social Care - Dr £5,355k

The current budget variation for the Children's Social Care Division is projected to be an overspend of £5,355k, this is an increase from £2,378k at the time of the last report. Additional funding has been identified of £1,370k due to above inflationary increases in prices across the board in CSC. this has been applied but some pressures/demands still remain.

6. Bromley Youth Support Programme - Dr £140k

The BYSP budget is projected to overspend by £140k this year. The service is currently looking at transformational savings that have not yet been realised and this is the main cause behind the overspend on running costs of £205k. This is being offset by an underspend on staffing of £12k and over collection on income of £53k.

7. Early Intervention and Family Support - Cr £120k

The main projected variance relates to services is a projected underspend on staffing of £133k and running costs of £17k. These are then offset by a £30k under collection of income.

8. CLA and Care Leavers - Dr £944k

The budget for placements in this area is currently projected to overspend by £667k this year. This amount is analysed by placement type below.

- Staying Put - Dr £437k
- Direct Accommodation - Dr £740k
- Placement Support Leaving Care - Cr £510k

The remain overspend is due to an under collection of income of £210k and a £156k overspend on staffing. This is then offset by an underspend on running costs of £89k.

9. Fostering, Adoption and Resources - Dr £1,323k

The budget for children's placements is currently projected to overspend by £1,360k this year. This amount is analysed by placement type below.

- Community Home's / Community Home's with Education - Dr £2,811k (Dr £804k)
- Boarding Schools - Cr £149k (Cr £121k)
- Secure Placement - Cr £230k (Cr £201k)
- Fostering services (IFA's) - Dr £31k (Dr £309k)
- Fostering services (In-house, including SGO's and Kinship) - Cr £792k (Cr £568k)
- Adoption placements - Cr £200k (Cr £199k)
- Outreach Services - Dr £109k (Dr £143k)
- Transport Costs - Cr £157k (Cr £79k)
- Dom Care - Cr £63k

Additionally there is an extra £304k worth of income - most of which relates to the cost of the placements. This is then being offset by overspends in staffing of £232k and running cost of £35k.

10. 0-25 Children Service - Dr £1,358k

The main area of overspend is the use of Direct Payments (£40k) and Dom Care (£1,093k) to support the client. There is also a overspend in running costs of £226k. These overspends are then being offset by an underspend in staffing of £1k.

11. Referral and Assessment Service Dr £515k

The main projected variance relates to a projected overspend on staffing of £577k, with additional pressure on running costs of £26k. This is then offset by a £88k underspend related to No Recourse to Public Funds (NRPF) clients.

12. Safeguarding and Care Planning East Dr £534k

The budget in this area is currently projected to overspend by £534k, and is due to staffing overspends of £372k and £162k on running costs.

13. Safeguarding and Care Planning West Dr £693k

The projected variance relates to a projected overspends on staffing of £497k and £196k on running costs that mostly relates to looked after clients.

14. Safeguarding and Quality Improvement Cr £32k

The projected underspend of £32k in this area mainly relates to staffing (£72k), and this includes the costs of recruiting and retaining social workers across the whole of Children's Social Care. This is then offset by a £40k overspend in running costs.

Schools Budgets (no impact on General Fund)

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

There is a current projected overspend in DSG of £4,043k. This will be added to the £12,706k carried forward in the reserves from 2022/23. There has been a prior year Early Year adjustment which has increased the 2022/23 DSG allocation by £600k, and this is off set against the DSG reserve that effectively reduces the reserve. This gives us an estimated DSG reserve of £16,149k at the end of the financial year.

15. Schools and Early Years Commissioning & QA Cr £535k

There is a projected underspend on the costs of child care payments for 2, 3 and 4 year olds of £454k. This includes the costs related to the Early Years Supplementary Grant. Additionally there are underspends of £81k due to staffing underspends over a range of cost centres.

16. SEN and Inclusion Dr £4,402k

SEN placements are projected to overspend by a total of £4,800k. The overspend is being caused by the Maintained Day (£1,633k), Independent Day (£943k), Alternative Programmes (£1,231k), Maintained Boarding Schools (£249k), Direct Payment (£228k) and Matrix funding (£703k). This is then slightly offset by an underspend on Independent Boarding Schools (£187k). Additionally to the placement costs, there are underspends on staffing across a number of units of £377k and on running costs of £21k.

17. Access & Inclusion Dr £177k

The £177k overspend in this area is due to an overspend of £644k on running costs and an under collection of income of £47k. These are being offset by staffing underspends of £514k.

18. Charge to Reserves Cr £4,043k

Section 25 of the Local Government Act 2003 requires the Section 151 Officer to report on the robustness of the budget calculations and adequacy of reserves. The 151 Officer within that commentary is now required to consider the Councils DSG deficit position, despite the statutory override being in place.

The statutory override effectively means that any DSG deficits are not included in the Councils main revenue budgets. However funding will ultimately need to be identified

In effect the Council has to still set aside resources to meet the DSG deficit and where no ongoing funding is identified such funding will need to come from the Councils reserves. On that basis the budget monitoring report identifies a deficit of £4,043k which has to ultimately be funded from the Councils reserve.

Although DSG is effectively ring fenced the ongoing increase through funding by reserves (general and earmarked) creates a financially unsustainable position in the medium to longer term

The External Auditor as part of the annual accounts, are required to comment on the Councils Value for money arrangements and will be required to consider any DSG deficit and the impact on the Councils finances

In terms of presentation of the DSG deficit of £12,706k up to 31/3/2023 and the estimated in year sum of £4,043k in 2023/24, there will need to be adequate funding from the Councils reserves unless alternative savings can be found. The use of reserves have been assumed in this report, although the specific reserves to use have not been identified at this stage.

Waiver of Financial Regulations

The Council's Contract Procedure Rules state that where the value of a contract exceeds £50k and is to be exempt from the normal requirement to obtain competitive quotations the Chief Officer has to obtain the agreement of the Director of Corporate Services, the Director of Finance and the Director of Commissioning and (where over £100,000) approval of the Portfolio Holder and report use of this exemption to Audit Sub-Committee bi-annually. Since the last report to the Executive, there has been in Children's Social Care 9 waivers agreed for placements of between £50 and £100k, 2 between £100k and £150k, and 6 for a value of over £200k.

Virements Approved to date under Director's Delegated Powers

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

Environment & Community Portfolio Budget Monitoring Summary

2022/23 Actuals £'000	Service Areas	2023/24 Original Budget £'000	2023/24 Latest Approved £'000	2023/24 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	ENVIRONMENT & COMMUNITY PORTFOLIO							
	Street Scene & Green Spaces							
1,151	Arboriculture Management	814	822	922	100	1	50	0
92	Business Support and Markets	26	26	149	123	2	87	0
1,189	Senior Management	1,331	1,331	1,331	0		0	0
211	Performance Management and Business Support	224	224	224	0			0
6,439	Parks and Green Spaces	6,854	6,940	6,940	0		6	0
79	Carbon Management	155	155	155	0		0	0
18,503	Waste Services	20,722	20,722	20,722	0		18	0
6,491	Neighbourhood	6,961	7,087	7,087	0		0	0
34,155		37,087	37,306	37,529	223		160	0
	Transport Operations and Depot							
552	Transport Operations and Depot Management	632	632	575	Cr 57	3	0	0
552		632	632	575	Cr 57		0	0
	Traffic, Parking and Highways							
-140	Traffic & Road Safety	161	161	132	Cr 29	4	Cr 86	0
Cr 8,209	Parking	Cr 9,186	Cr 9,186	Cr 8,358	828	5	650	0
8,979	Highways (including London Permit Scheme)	9,339	9,584	9,984	400	6	Cr 101	0
630		314	559	1,758	1,199		463	0
35,337	TOTAL CONTROLLABLE	38,033	38,497	39,862	1,365		623	0
1,673	TOTAL NON-CONTROLLABLE	6,743	6,743	6,743	0		0	0
2,284	TOTAL EXCLUDED RECHARGES	2,343	2,343	2,343	0		0	0
39,294	PORTFOLIO TOTAL	47,119	47,583	48,948	1,365		623	0

Reconciliation of Latest Approved Budget

£'000

Original Budget 2023/24

47,119

Carry Forward Requests approved from 2022/23

Highways Income for Road Maintenance

245

Central Contingency Adjustments

Inflationary Uplifts

219

Other Budget Movements

Hill Car Park Repair - Infrastructure Investment Fund

250

Hill Car Park Repair - Infrastructure Investment Fund

Cr 250

Latest Approved Budget for 2023/24

47,583

REASONS FOR VARIATIONS

1. Arboriculture Dr £100k

Tree works are identified through a triennial inspection programme and carried out in compliance with the adopted Tree Management Strategy to manage risk. The projected overspend of £100k recognises that in previous years, the volume of essential works has exceeded the budget available. There are several unknown factors affecting budget which make overspend a risk, including the result of additional procurement activity agreed by the Executive in July 2023 where budget risk was identified in the report.

2. Business Support & Markets Dr £123k

The service is expecting an underachievement of income across Advertising, Street Trading and Markets of £144k, which is partly offset by an underspend on staffing of £21k as a vacant post is being used to fund a fixed term post on a lower grade.

Street Trading income remains affected by the continuation, under the Business and Planning Act 2020 (Pavement Licences) (Coronavirus) (Amendment) Regulations 2021, of pavement licences. This was a temporary measure, originally introduced during the Covid pandemic but now extended into 2023 and being made permanent, which allows businesses to apply for a pavement licence for a £100 administration fee with no ongoing charges; this administration process is managed through Licensing in Public Protection. This is a significant reduction compared to the permanent street trading licence scheme where the fees charged were significantly higher and are subject to periodic 6-month renewal. The estimated net impact on the Council this year is a loss of £80k.

Advertising income is underachieving by £9k, the Promotional Activity in Bromley High Street has fewer larger scale week-long promotions. The majority of the promotional activity comes from smaller companies and it is limited to a few days, generating less income.

3. Transport Operations and Depot Management Cr £57k

The service is reporting a £57k underspend this is on staffing costs, where we have officers who have moved to part time, freeing up some budget.

4. Traffic & Road Safety Cr £29k

As has been reported in the last couple of years, TFL funding has been reduced and beyond 2024/25 there is uncertainty of funding levels. The service is retaining vacancies as mitigation against this loss of funding. There has also been an over achievement from advertising income & Road closures.

5. Parking, Dr £828k

	Total £'000
Summary of variations within Parking	
Off Street (incl. Multi Storey Car Parks)	505
On Street	-105
Parking fees total:	400
Moving Traffic Contraventions (MTCs)	408
CCTV- Schools/ Bus Stops	-52
CEO Enforcement (PCN's)	-513
Bus Lanes	585
Enforcement total:	428
Total variations	828

5a. Car Parks (off street and multistorey car parks) Dr £505k

Car Park usage has decreased, however this has been an on-going trend for a number of years and may have been exacerbated by the cost of living crisis and the introduction of ULEZ. Officers will continue to monitor and analyse the data trends to ensure the correct tariffs are in place to help with demand per location.

A decision was made to close the Hill multistorey car park in October 23 due to Safety concerns. Motorists are being advised to use nearby car parks and on street parking facilities whilst the future of the car park is being considered. Officers will monitor usage to establish if the regular users of the Hill are using these other Council parking places, however it is likely that income will reduce as not all displaced parking will be to Council car parks.

5b. On Street Car Parks Cr £105k

On street parking income is overachieving the budget with the demand for on street parking sessions remaining steady. Officers will continue to monitor and analyse the data trends to ensure the correct tariffs are in place to help with demand per location.

5c. Moving Traffic Contraventions (MTCs), Dr £408k

The trend of nearly two years of enforcement has shown that driver compliance with moving traffic regulations has improved; the average number of PCNs being issued in April to Aug 22 was 2,721 p/m, compared to the average in April to Aug 23 being 2,414. Maintenance costs for all MTC cameras have increased and for 23/24 currently stands at £61k which is £20k over budget.

5d. CCTV - Schools/ Bus Stops, Cr 52k

Compliance around the schools has continued to improve, whereas one camera at a bus stop has seen a large number of PCNs being issued. April to August 22 there were 61 PCNs p/m whereas in the same period in April to August 23 there was an average of 129 PCNs p/m. Maintenance costs for all school and bus stop cameras was £3,329.

5e. CEO Enforcement (PCN's), Cr £513k

From May 23 additional CEOs have been deployed around the Borough to help to achieve an improved compliance around the Borough, CEOs have been employed on different working patterns to help achieve this. From April to August 22, the average number of PCNs issued p/m was 5,394, whereas in the same time period in 2023 6,851 PCNs were issued. In due course the additional enforcement may lead to more compliance and less income.

5f. Bus Lanes Dr £585k

As has been reported previously, compliance by drivers in bus lanes continues to improve with the average PCNs issued per month between April to August 22 being 931, compared to 774 PCNs being issued in the same time period in 2023. Maintenance costs for bus lane cameras for 23/24 is £25,544.

6. Highways, including London Permit Scheme Dr £400k

The service has an overall overspend of £400k.

There is an overspend of £500k in Highway Services, as the number of highway defects (carriageway and footway) has nearly doubled in the first 6 months of the year and these projects have statutory requirements. A second contractor had to be employed to clear the existing backlog from the main supplier, J B Riney. Officers will continue to monitor the situation as there is a possibility of further cost pressures which will be clearer in Q3.

The overspend is partially offset by an underspend in Street Lighting, on Traffic Signal Maintenance, this equates to £100k.

Waiver of Financial Regulations:

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

Virements Approved to date under Director's Delegated Powers

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

Public Protection & Enforcement Budget Monitoring Summary

2022/23 Actuals £'000	Service Areas	2023/24 Original Budget £'000	2023/24 Latest Approved £'000	2023/24 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	Public Protection							
483	Community Safety	540	584	584	0		0	0
152	Emergency Planning	157	157	157	0		0	0
823	Mortuary & Coroners Service	939	939	939	0		0	0
1,251	Public Protection	1,592	1,737	1,737	0		0	0
2,709	TOTAL CONTROLLABLE	3,228	3,417	3,417	0		0	0
3	TOTAL NON CONTROLLABLE	12	12	12	0		0	0
950	TOTAL EXCLUDED RECHARGES	816	816	816	0		0	0
3,662	PORTFOLIO TOTAL	4,056	4,245	4,245	0		0	0

Reconciliation of Latest Approved Budget

£'000

Original Budget 2023/24

4,056

Out of Hours Noise Service in Community Safety

50

Carry Forward Requests approved from 2022/23

POCA confiscation orders from the courts

61

HMO income

78

Latest Approved Budget for 2023/24

4,245

REASONS FOR VARIATIONS

No variation to report across PPE, just to note a £300k growth was awarded to the Mortuary and Coroners Service for 2023/24, this has mitigated the pressure in this area from last year.

Waiver of Financial Regulations:

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

Virements Approved to date under Director's Delegated Powers

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

Renewal, Recreation & Housing Budget Monitoring Summary

2022/23 Actuals £'000	Division Service Areas	2023/24 Original Budget £'000	2023/24 Latest Approved £'000	2023/24 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	PLACE DEPARTMENT							
	Planning							
27	Building Control	70	70	313	243	1	196	0
Cr 63	Land Charges	Cr 117	Cr 117	Cr 47	70	2	70	0
1,823	Planning	986	1,106	1,315	209	3	285	0
1,787		939	1,059	1,581	522		551	0
	Culture & Regeneration							
1,384	Culture	1,120	1,120	1,120	0		0	0
5,570	Libraries	5,174	5,365	5,365	0		0	0
87	Town Centre Management	44	44	44	0		0	0
7,041		6,338	6,529	6,529	0		0	0
	Operational Housing							
1,276	Housing Strategy, Advice and Enabling	1,522	1,522	1,522	0		0	0
Cr 1,502	Housing Benefits	Cr 1,586	Cr 1,586	Cr 1,586	0		0	0
Cr 54	Housing Improvement	Cr 20	Cr 20	Cr 20	0		0	0
7,046	Allocations and Accommodation	5,613	5,613	8,170	2,557	4	2,176	4,766
921	Supporting People	1,134	1,134	986	Cr 148	5	Cr 148	Cr 148
1,095	Housing Options and Support	1,671	1,671	1,621	Cr 50	6	Cr 100	0
8,782		8,334	8,334	10,693	2,359		1,928	4,618
17,610	Total Controllable	15,611	15,922	18,803	2,881		2,479	4,618
Cr 412	TOTAL NON CONTROLLABLE	Cr 541	Cr 541	Cr 541	0		0	0
5,691	TOTAL EXCLUDED RECHARGES	5,583	5,583	5,583	0		0	0
22,889	TOTAL RR & H PORTFOLIO TOTAL	20,653	20,964	23,845	2,881		2,479	4,618

Reconciliation of Latest Approved Budget

£'000

Original budget 2023/24

20,653

Carry Forward Requests approved from 2022/23

Homelessness Reduction Grant		89
Homelessness Reduction Grant	Cr	89
Accommodation for ex-Offenders Expenditure		64
Accommodation for ex-Offenders Grant	Cr	64
Rough Sleepers Initiative Grant expenditure		43
Rough Sleepers Initiative Grant income	Cr	43
Homes for Ukraine Grant		2,200
Homes for Ukraine Grant	Cr	2,200
Defra Biodiversity Net Gain Grant		13
Defra Biodiversity Net Gain Grant	Cr	13
New Homes Bonus Funded LEP Programme		73
New Homes Bonus Funded LEP Programme	Cr	73
Local Plan Implementation		120

Central Contingency Adjustments

2023-24 Accommodation for Ex-Offenders expenditure		74
2023-24 Accommodation for Ex-Offenders income	Cr	74
2023-24 Rough Sleepers Initiative Grant expenditure		214
2023-24 Rough Sleepers Initiative Grant income	Cr	214
2023-24 Rough Sleepers Initiative Grant expenditure confirmed total allocation		214
2023-24 Rough Sleepers Initiative Grant income confirmed total allocation	Cr	214
Homelessness Prevention Grant - 2023-24 additional allocation		361
Homelessness Prevention Grant - 2023-24 additional allocation	Cr	361
HPG- 2023/2024 Homes For Ukraine Funding Top-Up		1,117

HPG– 2023/2024 Homes For Ukraine Funding Top-Up	Cr 1,117
Inflation - Libraries contract	191

Other

Latest Approved Budget for 2023/24	<u><u>20,964</u></u>
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REASONS FOR VARIATIONS

With higher interest rates and the cost of living affecting the economy, there is pressure on income budgets across the Property and Planning Divisions.

1. Building Control Dr £243k

Building Control fees were increased in 2022/23 in order to realign the budgeted income target with a more realistic outcome, but in 2023/24 an agreed saving increased the income budget target by £79k overall. Based on the activity in the past 6 months we anticipate that income will fall short of the budgeted amount by £243k. As the forecast is based on 6 months of actual income received and 6 months estimated if the activity improves the forecast will be adjust for Q3. .

2. Land Charges Dr £70k

Similar to Building Control, we anticipate a variation overspend of around £70k which remains the same as Q1, and historically this has been the case over the past a few years, but assuming the activity improves in the remaining 6 months and if the introduction of a fees review is completed within this financial year and implemented this will reduce the variation.

3. Planning Dr £209k

Planning Pre-Apps & Planning 'Significant' Major Apps We are currently forecasting a shortfall of income for Q2 of £209k; this is an improvement on Q1 by £76k and based on the current levels of activity. It should be noted that the Government's planning application fees draft regulations consultation may increase future fee levels by 30%, however, any increase in fees is not currently expected to come into force until April 2024.

<https://www.legislation.gov.uk/ukdsi/2023/9780348250404>

4. Allocations and Accommodation Dr £2,557k

There is currently a forecast overspend of £2,795k in the Temporary Accommodation before projected savings from the continuation of the Transformation Programme. For this round of budget monitoring the number of Households in nightly paid Temporary Accommodation was 1,161 (was 1,125 in Q1). It is currently expected that this will increase to 1,281 by the end of the financial year, at a current average cost of £8,857 per household per annum (£8,268 in Q1).

These figures exclude other schemes like More Homes Bromley, Pinnacle (formerly Orchard & Shipman), ex-residential care homes, and the Bromley Private Sector Leasing Scheme. Once these have been included there are currently over 1,547 households in Temporary Accommodation.

Transformation Programme savings totalling £193k have been identified for 2023-24 with the following schemes planned to be completed to provide a longer term alternative to expensive nightly paid accommodation, Meadowship Homes Phase 2 £126k and York Rise £67k. Other earlier schemes in the programme have been completed and are contributing to the housing options available. The Full Year Effect of these savings is estimated at around £1.3m.

	£'000
Summary of overall variations within Allocations and Accommodation:	
Temporary Accommodation	2,795
Transformation Savings	Cr 193
PSL Incentive Payments and Rent Deposit Scheme and Furniture Storage	Cr 45
Total variation for Allocations and Accommodation	<u>2,557</u>

5. Supporting People Cr £148k

A £148k underspend is currently forecast in the Supporting People mainly as a result of procurement exercises during 2021/22 and 2022/23 containing costs within inflation that had accumulated in the budget. The full retendering exercise has been completed and the current underspend will remain in this budget to cover potential future pressures.

6. Housing Options and Support Cr £50k

A £50k underspend is currently forecast in Housing Options and Support on salary costs. There has been a successful round of recruitment recently, but there are still some difficult to fill vacancies in the service.

Waiver of Financial Regulations:

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

Virements Approved to date under Director's Delegated Powers

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

Resources, Commissioning & Contracts Management Portfolio Budget Monitoring Summary

2022/23 Actuals £'000		2023/24 Original Budget £'000	2023/24 Latest Approved £'000	2023/24 Projected Outturn £'000	Variation £'000	Notes	Variation Last Reported £'000	Full Year Effect £'000
	CHIEF EXECUTIVE'S DEPARTMENT							
	FINANCIAL SERVICES DIVISION							
265	Director of Finance & Other	267	267	267	0		0	0
5,953	Exchequer - Revenue & Benefits	6,831	6,784	6,784	0		0	0
2,249	Exchequer - Payments & Income	2,295	2,444	2,444	0		0	0
582	Financial Accounting	1,233	1,233	1,233	0		0	0
1,730	Management Accounting	1,991	1,997	1,997	0		0	0
848	Audit	1,073	1,073	1,073	0		0	0
11,627	Total Financial Services Division	13,690	13,798	13,798	0		0	0
	CORPORATE SERVICES DIVISION							
6,911	Information Systems & Telephony	7,238	7,238	7,448	210	1	219	0
	Legal Services & Democracy							
1,221	Electoral	512	512	519	7	2	0	0
1,473	Democratic Services	1,607	1,607	1,514	Cr 93	3	Cr 102	0
179	Mayoral	184	184	184	0		0	0
2,986	Legal Services	2,525	2,835	3,084	249	4	430	0
529	Procurement and Data Management	585	585	585	0		0	0
219	Management and Other (Corporate Services)	235	235	235	0		0	0
13,518	Total Corporate Services Division	12,886	13,196	13,569	373		547	0
	HR AND CUSTOMER SERVICES DIVISION							
2,429	Human Resources	2,499	2,499	2,663	164	5	0	0
	Customer Services					6		
Cr 1,185	Contact Centre	1,249	1,304	1,287	Cr 17		0	0
99	Registration of Births, Deaths & Marriages	Cr 131	Cr 131	Cr 250	Cr 119		0	0
306	CE - Consultation & Communication	326	326	304	Cr 22		0	0
3,821	Total HR & Customer Services Division	3,943	3,998	4,004	6		0	0
	CHIEF EXECUTIVE'S DIVISION							
826	Management and Other (C. Exec)	1,162	1,162	1,162	0		0	0
826	Total Chief Executive's Division	1,162	1,162	1,162	0		0	0
	CENTRAL ITEMS							
808	CDC & Non Distributed Costs (Past Deficit etc.)	1,361	1,361	1,361	0		0	0
5,964	Concessionary Fares	7,320	6,982	6,982	0		0	0
36,564	TOTAL CONTROLLABLE CE DEPT	40,362	40,497	40,876	379		547	0
14	TOTAL NON CONTROLLABLE	449	449	449	0		0	0
Cr 22,246	TOTAL EXCLUDED RECHARGES	Cr 17,569	Cr 17,569	Cr 17,569	0		0	0
14,332	TOTAL CE DEPARTMENT	23,242	23,377	23,756	379		547	0
	CHILDREN, EDUCATION AND FAMILIES DEPARTMENT							
	Strategy and Corporate Projects							
133	Commissioning	237	237	112	Cr 125	7	Cr 70	0
1,781	Strategy, Performance and Engagement	1,884	1,884	1,856	Cr 28	8	Cr 34	0
1,914	TOTAL CONTROLLABLE CEF DEPT	2,121	2,121	1,968	Cr 153		Cr 104	0
3	TOTAL NON CONTROLLABLE	1	1	1	0		0	0
Cr 2,152	TOTAL EXCLUDED RECHARGES	Cr 2,178	Cr 2,178	Cr 2,178	0		0	0
Cr 235	TOTAL CEF DEPARTMENT	Cr 56	Cr 56	Cr 209	Cr 153		Cr 104	0
	ENVIRONMENT & COMMUNITY SERVICES DEPARTMENT							
	Total Facilities Management							
2,134	Admin Buildings & Facilities Support	1,727	1,727	1,727	0		0	0
1,147	Investment & Non-Operational Property	823	823	823	0		0	0
Cr 270	Strategic & Operational Property Services	1,020	1,170	1,170	0		0	0
2,191	TFM Client Monitoring Team	1,957	1,957	1,957	0		0	0
Cr 1,528	Other Rental Income - Other Portfolios	Cr 1,683	Cr 1,683	Cr 1,683	0		0	0
2,626	Repairs & Maintenance (All LBB)	2,513	2,513	2,513	0		0	0
6,300	TOTAL CONTROLLABLE ECS DEPT	6,357	6,507	6,507	0		0	0
64	TOTAL NON CONTROLLABLE	7,919	7,919	7,919	0		0	0
Cr 872	TOTAL EXCLUDED RECHARGES	Cr 4,308	Cr 4,308	Cr 4,308	0		0	0
Cr 1,696	Less: R&M allocated across other Portfolios	Cr 1,726	Cr 1,726	Cr 1,726	0		0	0
1,528	Less: Rent allocated across other Portfolios	1,683	1,683	1,683	0		0	0

5,324	TOTAL ECS DEPARTMENT	9,925	10,075	10,075	0	0	0
19,421	TOTAL RCCM PORTFOLIO	33,111	33,396	33,622	226	443	0

				285
Reconciliation of Latest Approved Budget		£'000		
Original budget 2023/24		33,111		
Carry Forward Requests approved from 2022/23				
Electoral Services - New Burdens Grant				
- Expenditure		15		To be carried forward 24-25
- Income	Cr	15		
Local Digital Cyber Fund				
- Expenditure		50		
- Income	Cr	50		
BEIS - EBSS AF and AFP				
- Expenditure		847		
- Income	Cr	847		
Legal Services - ULEZ		140		
			140	
Central Contingency Adjustments				
Legal support - children and adults social care			170	
Energy contract (part year)				
Local election May 2022				
Legal Support – children’s and adults social care				
Inflation				
IT contract procurement				
Resources to support GDPR compliance				
Inflation - Concessionary Fares			-338	
Inflation - Liberata contract - Exchequer Services			102	
Inflation - Liberata contract - Contact Centre			55	
Inflation - Liberata contract - School Finance			6	
Star Lane works			150	
Other Budget Movements				
IT Drawdown from reserves			336	
IT Drawdown from reserves	Cr		336	
Electoral Integrity Programme New Burdens Funding Grant			49	
Electoral Integrity Programme New Burdens Funding Grant	Cr		49	
Latest Approved Budget for 2023/24			33,396	

REASONS FOR VARIATIONS

1. Information Systems & Telephony DR £210k

Information System is forecasting a revenue overspend of £210k, this is made up of the following £86k relating to the BT contract this is an improvement on Q1 but can fluctuate from month to month. Also £124k for the additional Microsoft Enterprise Agreement licences this is an increase of £26k on Q1, IT have confirmed that the number of licenses being issued is growing and the budget is not reflecting this.

2. Electoral DR £7k

A £7k overspend is being forecast due to an imminent By-Election and the increase cost of running these.

3. Democratic Services CR £93k

A £75k underspend is currently being forecast on Members Allowances which is in line with last years outturn, £5k of this is offsetting the overspend on Supplies and Service. in addition there is a £23k underspend on Democratic Service salary costs, which relates to a vacant post.

4 Legal Services Dr £249k

Due to the increased instructions to legal services on contracts, contract disputes, housing, regeneration, education capital projects and commercial property-related matters arising, the Legal team has had to engage locum lawyers in order to meet the increased demand, thereby putting pressure on the staffing budget. For Q2 we are projecting a £144k overspend on salaries, which is an improvement of £186k on Q1. Also HMCT are introducing additional fees which will put even more pressure on the Court Fees budget, with current projections of a £105k overspend at this point in the financial year.

5 Human Resources DR £164k

The HR Dept. is currently forecasting a £164k overspend on Salaries due the increase workload and pressure of the new system and can largely be offset by the additional income and underspend within Customer Services.

6 Customer Services Cr £158k

Customer Services is projecting a £158k underspend, this includes, Registrars additional income of £119k, £17k on Supplies and services' within the Contact Centre and a salary underspend of £22k in Comm's which is due to a vacant post. This however is covering the shortfall stated above in the HR Dept. of £164k. Therefore looking at the department as a whole the HR & Customer Service Division is forecasting a total shortfall of £6k for Q2.

7. Commissioning Cr £125k

The underspend of £125k in this area is due to an underspend on staffing.

8. Strategy, Performance and Engagement Cr £28k

The underspend of £28k in this area is due to an underspend on staffing of £39k and running costs of £50k. These under spends are being offset by an under collection of income of £61k.

Waiver of Financial Regulations:

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

Virements Approved to date under Director's Delegated Powers

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

Allocation of Contingency Provision for 2023/24

Item	Original Contingency Provision	Allocations				Variation to Original Contingency Provision
		Previously Approved Items	New Items Requested this Cycle	Items Projected for Remainder of Year	Total Allocations/ Projected for Year	
	£	£	£	£	£	
General						
Provision for Unallocated Inflation	9,080,000	1,436,000	219,000	3,925,000	5,580,000	(4)&(5) Cr 3,500,000
Provision for increase in fuel costs	2,624,000			1,624,000	1,624,000	Cr 1,000,000
Adult Social Care Market Sustainability and Improvement Fund	2,800,000	2,788,000		0	2,788,000	(1) Cr 12,000
General Provision for Risk/Uncertainty	3,500,000		1,400,000	2,100,000	3,500,000	(5) 0
SEND Transport Growth	1,000,000	1,000,000		0	1,000,000	(1) 0
Social Care grant re ASC reforms	Cr 720,000		Cr 720,000		Cr 720,000	(5) 0
ASC Discharge Fund	Cr 1,083,000	Cr 1,084,000		0	Cr 1,084,000	(4) Cr 1,000
Building Infrastructure Fund	2,000,000	2,000,000		0	2,000,000	(4) 0
Property income recovery/rent variations	500,000			500,000	500,000	0
Legal support - children and adults social care	170,000	170,000		0	170,000	(4) 0
Revenue impact of Capital Financing Programme	6,600,000	2,500,000		0	2,500,000	(4) Cr 4,100,000
Star Lane works	0	150,000		0	150,000	(4) 150,000
Dual running of Civic Centre	0	1,800,000		0	1,800,000	(4) 1,800,000
Renewal, Recreation & Housing						
Property Valuation	100,000			100,000	100,000	0
Planning Appeals - change in legislation	60,000			60,000	60,000	0
	26,631,000	10,760,000	899,000	8,309,000	19,968,000	Cr 6,663,000
Grants included within Central Contingency Sum						
Rough Sleeping Initiative						
Grant Related Expenditure	104,000			104,000	104,000	0
Grant Related Income	Cr 104,000			Cr 104,000	Cr 104,000	0
Homeless Prevention Initiatives						
Grant Related Expenditure	784,000			784,000	784,000	0
Grant related Income	Cr 784,000			Cr 784,000	Cr 784,000	0
Supporting Families; Investing in Practice Grant						
Grant Related Expenditure	1,030,000			1,030,000	1,030,000	0
Grant related Income	Cr 1,030,000			Cr 1,030,000	Cr 1,030,000	0
Renewal, Recreation & Housing						
2023-24 Accommodation for Ex-Offenders expenditure						
Grant Related Expenditure		74,000		0	74,000	(4) Cr 74,000
Grant Related Income		Cr 74,000		0	Cr 74,000	
2023-24 Rough Sleepers Initiative Grant expenditure						
Grant Related Expenditure		214,000		0	214,000	(4) Cr 214,000
Grant Related Income		Cr 214,000		0	Cr 214,000	
Homelessness Prevention Grant - 2023-24 additional allocation						
Grant Related Expenditure		361,000		0	361,000	(4) Cr 361,000
Grant Related Income		Cr 361,000		0	Cr 361,000	
Homes for Ukraine Grant						
Grant Related Expenditure			80,000	324,200	404,200	(5) Cr 404,200
Grant Related Income			Cr 80,000	Cr 324,200	Cr 404,200	
HPG – 2023/2024 Homes For Ukraine Funding Top-Up						
Grant Related Expenditure		1,117,000		0	1,117,000	(4) Cr 1,117,000
Grant Related Income		Cr 1,117,000		0	Cr 1,117,000	
Children, Education and Families						
S31 Leaving Care Uplift Grant						
Grant Related Expenditure		68,000		0	68,000	(4) Cr 68,000
Grant Related Income		Cr 68,000		0	Cr 68,000	
GLA free school meal payment						
Grant Related Expenditure		6,036,000		0	6,036,000	(4) Cr 6,036,000
Grant Related Income		Cr 6,036,000		0	Cr 6,036,000	
UKSPF funding						
Grant Related Expenditure		275,000		0	275,000	(3) Cr 275,000
Grant Related Income		Cr 275,000		0	Cr 275,000	
Early Years Supplementary Grant						
Grant Related Expenditure			1,669,000	0	1,669,000	(5) Cr 1,669,000
Grant Related Income			Cr 1,669,000	0	Cr 1,669,000	
Adult Education GLA Grant Funding						
Grant Related Expenditure			82,000	0	82,000	(5) Cr 82,000
Grant Related Income			Cr 82,000	0	Cr 82,000	
Early Years and High Needs DSG						
Grant Related Expenditure			1,335,000	0	1,335,000	(5) Cr 1,335,000
Grant Related Income			Cr 1,335,000	0	Cr 1,335,000	

Adult Social Care						
Work Safe Project						
Grant Related Expenditure		65,000		0	65,000	65,000
Grant Related Income	Cr	65,000		0	Cr 65,000	(2) Cr 65,000
Market Sustainability and Improvement Fund - Workforce Fund						
- expenditure		1,810,000		0	1,810,000	1,810,000
- income	Cr	1,810,000		0	Cr 1,810,000	(4) Cr 1,810,000
ICB Funding for Hospital Discharges						
- expenditure		1,511,000		0	1,511,000	1,511,000
- income	Cr	1,511,000		0	Cr 1,511,000	(4) Cr 1,511,000
TOTAL CARRIED FORWARD		26,631,000	10,760,000	899,000	8,309,000	19,968,000
						Cr 6,663,000

Notes:

- (1) 29th March 2023
- (2) 17th May 2023
- (3) 5th July 2023
- (4) 20th September 2023
- (5) 29th November 2023

Allocation of Contingency Provision for 2023/24 (continued)

Item	Carried Forward from 2022/23	Allocations				Variation to Original Contingency Provision
		Previously Approved Items	New Items Requested this Cycle	Items Projected for Remainder of Year	Total Allocations/ Projected for Year	
	£	£	£	£	£	£
TOTAL BROUGHT FORWARD	26,631,000	10,760,000	899,000	8,309,000	19,968,000	Cr 6,663,000
Items Carried Forward from 2022/23						
Adult Care & Health Portfolio						
Supplementary Substance Misuse Treatment & Recovery Funding						
- Expenditure	57,217	57,217		0	57,217	0
- Income	Cr 57,217	Cr 57,217		0	Cr 57,217	(1) 0
Improved Better Care Fund (IBCF)						
- Expenditure	1,911,026	1,911,026		0	1,911,026	0
- Income	Cr 1,911,026	Cr 1,911,026		0	Cr 1,911,026	(1) 0
Public Health						
- Expenditure	2,874,494	2,874,494		0	2,874,494	0
- Income	Cr 2,874,494	Cr 2,874,494		0	Cr 2,874,494	(1) 0
LD/Autism Funding from South East London ICB						
- Expenditure	207,904	207,904		0	207,904	0
- Income	Cr 207,904	Cr 207,904		0	Cr 207,904	(1) 0
Discharge Transformation funding from South East London ICB						
- Expenditure	256,065	256,065		0	256,065	0
- Income	Cr 256,065	Cr 256,065		0	Cr 256,065	(1) 0
Winter Resilience Funding						
- Expenditure	400,000	400,000		0	400,000	0
- Income	Cr 400,000	Cr 400,000		0	Cr 400,000	(1) 0
Omicron Support Fund						
- Expenditure	136,212	136,212		0	136,212	0
- Income	Cr 136,212	Cr 136,212		0	Cr 136,212	(1) 0
Test and Trace service support grant						
- Expenditure	368,138	368,138		0	368,138	0
- Income	Cr 368,138	Cr 368,138		0	Cr 368,138	(1) 0
Charging Reform Implementation Support Grant						
- Expenditure	104,250	104,250		0	104,250	0
- Income	Cr 104,250	Cr 104,250		0	Cr 104,250	(1) 0
Contain Outbreak Management Fund grant						
- Expenditure	54,300	54,300		0	54,300	0
- Income	Cr 54,300	Cr 54,300		0	Cr 54,300	(1) 0
Renewal, Recreation & Housing Portfolio						
Accommodation for ex-Offenders						
- Expenditure	63,669	63,669		0	63,669	0
- Income	Cr 63,669	Cr 63,669		0	Cr 63,669	(1) 0
Defra Biodiversity Net Gain Grant						
- Expenditure	13,216	13,216		0	13,216	0
- Income	Cr 13,216	Cr 13,216		0	Cr 13,216	(1) 0
Homelessness Reduction Grant						
- Expenditure	89,000	89,000		0	89,000	0
- Income	Cr 89,000	Cr 89,000		0	Cr 89,000	(1) 0
New Homes Bonus Funded LEP Programme						
- Expenditure	72,521	72,521		0	72,521	0
- Income	Cr 72,521	Cr 72,521		0	Cr 72,521	(1) 0
Rough Sleepers Initiative						
- Expenditure	42,663	42,663		0	42,663	0
- Income	Cr 42,663	Cr 42,663		0	Cr 42,663	(1) 0
Homes for Ukraine grant						
- Expenditure	5,415,265	2,500,000		2,915,265	5,415,265	0
- Income	Cr 5,415,265	Cr 2,500,000		Cr 2,915,265	Cr 5,415,265	(1) 0
Children, Education and Families Portfolio						
COVID Recovery Grant						
- Expenditure	130,091	130,091		0	130,091	0
- Income	Cr 130,091	Cr 130,091		0	Cr 130,091	(1) 0
National Tutoring Programme						
- Expenditure	21,721	21,721		0	21,721	0
- Income	Cr 21,721	Cr 21,721		0	Cr 21,721	(1) 0
GLA Adult Ed Grant Repayment						
- Expenditure	15,664	15,664		0	15,664	0
- Income	Cr 15,664	Cr 15,664		0	Cr 15,664	(1) 0

Item	Carried Forward from 2022/23	Allocations				Total Allocations/Projected for Year	Variation to Original Contingency Provision
		Previously Approved Items	New Items Requested this Cycle	Projected for Remainder of Year	Items		
	£	£	£	£	£	£	£
Deed Settlement for Hawes Down Site							
- Expenditure	5,370	5,370		0	5,370	(1)	0
- Income	Cr 5,370	Cr 5,370		0	Cr 5,370		0
Supporting Families; Investing in Practice Grant							
- Expenditure	475,140	475,140		0	475,140	(1)	0
- Income	Cr 475,140	Cr 475,140		0	Cr 475,140		0
Virtual School - CIN Grant Carry Forward							
- Expenditure	82,151	82,151		0	82,151	(1)	0
- Income	Cr 82,151	Cr 82,151		0	Cr 82,151		0
Homes for Ukraine DfE Grant							
- Expenditure	1,187,034	1,187,034		0	1,187,034	(1)	0
- Income	Cr 1,187,034	Cr 1,187,034		0	Cr 1,187,034		0
BAEC upgrading hardware and supporting software - GLA Grant							
- Expenditure	25,575	25,575		0	25,575	(1)	0
- Income	Cr 25,575	Cr 25,575		0	Cr 25,575		0
YOT NHS Money							
- Expenditure	29,300	29,300		0	29,300	(1)	0
- Income	Cr 29,300	Cr 29,300		0	Cr 29,300		0
Resources, Commissioning and Contracts Portfolio							
Electoral Services - New Burdens Grant							
- Expenditure	14,583	14,583		0	14,583	(1)	0
- Income	Cr 14,583	Cr 14,583		0	Cr 14,583		0
Local Digital Cyber Fund							
- Expenditure	49,837	49,837		0	49,837	(1)	0
- Income	Cr 49,837	Cr 49,837		0	Cr 49,837		0
BEIS - EBSS AF and AFP							
- Expenditure	847,200	847,200		0	847,200	(1)	0
- Income	Cr 847,200	Cr 847,200		0	Cr 847,200		0
General							
POCA confiscation orders from the courts	60,637	60,637		0	60,637	(1)	0
HMO income	78,000	78,000		0	78,000	(1)	0
Legal Services - ULEZ	140,000	140,000		0	140,000	(1)	0
Local Plan Implementation	120,000	120,000		0	120,000	(1)	0
Highways income	245,000	245,000		0	245,000	(1)	0
Total Carried Forward from 2022/23	643,637	643,637	0	0	643,637		0
GRAND TOTAL	27,274,637	11,403,637	899,000	8,309,000	20,611,637		Cr 6,663,000

Notes:

(1) Various PDS reports across the Portfolios

Description	2023/24 Latest Approved Budget £'000	Variation To 2023/24 Budget £'000	Potential Impact in 2024/25
Housing Allocations and Accommodation- Temporary Accommodation	6,418	2,557	The full year effect of Temporary Accommodation is currently estimated to be an overspend of £4,766k. This estimate only takes into account the projected activity to the end of this financial year and not any projected growth in client numbers beyond that point. This does not include the impact of mitigation though the Housing Development and Acquisition Programme.
Supporting People	1,070	Cr 148	The full year effect of Supporting People is currently estimated to be a credit of £148k. This is a result of the estimated savings from retendering of the contracts that has taken place.
Assessment and Care Management - Care Placements	31,253	550	The full year impact of the current overspend is estimated at £4,637k . Of this amount Cr £69k relates to residential and nursing home placements for 65+ and Dr £160k for the 18-64's. Domiciliary care & direct payments 65+ is £2,540k overspent and for 18-64 £889k. This is based on service user numbers as at the end of September 2023. There is also a £1,117k FYE of current level of Discharge to Assess costs. It assumed that management action of £1,306k continues into future years and that discharge funding also continues at current level.
Learning Disabilities - including Care Placements, Transport and Care Management	42,273	0	The full year effect (FYE) variation is estimated at a net overspend of £833k (Q1 £456k). This figure is greater than the in-year underspend as demand-related growth pressures, for example transition and increased client needs, have only a part year impact in 2023/24 but a greater financial impact in a full year.
Mental Health - Care Placements	6,598	951	A full year overspend of £529k is anticipated on Mental Health care packages , with residential , nursing and supported living placements £412k overspent and domiciliary care and direct payments £117k overspent.
Children's Social Care	49,445	2,378	The overall full year effect of the Children's Social Care overspend is a net £5,891k, analysed as Residential Care, Fostering and Adoption of £4,420k, Leaving Care costs of £590k, CWD costs of £969k, and referral and assessment of Cr £88k.
SEN Transport	10,324	1,422	The overall full year impact is £1,700k

SECTION 106 RECEIPTS

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

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

31st March 2023 £000	Service	Income £000	Expenditure £000	Transfers to/(from) Capital £000	Actual as at 31st March 2024 £000
<u>Revenue</u>					
408	Highway Improvement Works				408
1	Landscaping				1
8	Local Economy & Town Centres				8
82	Parking				82
169	Education				169
1,275	Healthcare Services	24	257		1,042
0	Community Facilities				-
89	Housing				89
959	Other	46			1,005
2,991		70	257	-	2,804
<u>Capital</u>					
4,734	Education				4,734
20	Highways				20
1,246	Housing				1,246
612	Local Economy & Town Centres				612
60	Other				60
6,672		0	0	-	6,672
9,663		70	257	0	9,476

Agenda Item 6

Report No.
FSD23078

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE
COUNCIL

Date: Executive on 29 November 2023
Council on 11 December 2023

Decision Type: Non-Urgent Executive Non-Key

Title: CAPITAL PROGRAMME MONITORING – QUARTER 2 2023/24

Contact Officer: Sean Cosgrove, Principal Accountant (Capital and Treasury)
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Chief Officer: Peter Turner, Director of Finance
Tel: 020 8313 4338 E-mail: peter.turner@bromley.gov.uk

Ward: All

1. Reason for report

This report summarises the current position on capital expenditure and receipts following the first quarter of 2023/24 and seeks the Executive's approval to a revised capital programme.

2. RECOMMENDATION(S)

2.1 The Executive is requested to:

- (a) note the report, including a total re-phasing of £25,375k from 2023/24 into future years, and agree a revised capital programme.
- (b) note the need going forward, given the full utilisation of capital receipts by 2026/27 forecast in this report and the limited options to replenish this resource in the future, to consider funding options for all new schemes, including external borrowing where appropriate.
- (c) recommend that Council approve the following amendments to the capital programme (paragraph 3.3)
 - (i) increase of £3,000k in relation to reinforced autoclaved aerated concrete (RAAC)
 - (ii) increase of £1,893k in relation to depots
 - (iii) increase of £700k in relation to increased costs on the social care case management system

(d) note that a report elsewhere on the agenda requests a supplementary capital estimate of £3,000k for additional costs associated with reinforced autoclaved aerated concrete (RAAC)

2.2 Council is requested to approve the following amendments to the capital programme (paragraph 3.3)

(a) increase of £3,000k in relation to reinforced autoclaved aerated concrete (RAAC)

(b) increase of £1,893k in relation to depots

(c) increase of £700k in relation to increased costs on the social care case management system

Impact on Vulnerable Adults and Children:

1. Summary of Impact: None arising from this report.
-

Corporate Policy

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

Financial

1. Cost of proposal: Total new estimates of £5,593k over the five years 2023/24 to 2027/28
 2. Ongoing costs: Not applicable
 3. Budget head/performance centre: Capital programme
 4. Total current budget for this head: Total £313.8m over the five years 2023/24 to 2027/28
 5. Source of funding: Capital grants, capital receipts and earmarked revenue contributions
-

Personnel

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

Legal

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

Procurement:

1. Summary of Procurement Implications: None arising from this report.
-

Customer Impact

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

Ward Councillor Views

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

3. COMMENTARY

Capital expenditure

3.1 Appendix A sets out the proposed changes to the capital programme following a monitoring exercise carried out after the second quarter of 2023/24. The base position is the programme approved by the Executive on 18 January 2023, as amended by variations approved at subsequent Executive meetings. Should the changes proposed in this report be approved, the total capital programme 2023/24 to 2027/28 would increase by £7,873k (the net of £5,593k increase for changes requiring approval and £2,280k increase for changes not requiring approval) over the five years 2023/24 to 2027/28.

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

	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Programme approved by Executive 18/01/23	79,302	33,098	34,744	10,150	0	157,294
Net underspend 22/23 rephased to 23/24	99,645					99,645
Net changes agreed in Q1 monitoring	Cr 56,982	52,454	38,336	6,112		39,920
Approved programme prior to Q2 monitoring	121,965	85,552	73,080	16,262	0	296,859
Variations requiring the approval of Executive						
Supplementary estimate for depots (ECS)		1,893				1,893
Supplementary estimate for RAAC (RCCM)		3,000				3,000
Supplementary estimate for social care case management system (RCCM)	700					700
Sub-total - variations requiring approval	700	4,893	0	0	0	5,593
Variations not requiring the approval of Executive						
Correction to Basic Need budget (CEF)		2,280				2,280
Addition of budget for Central Library (RCCM)		500				500
Use of OPR Churchill Theatre contingency (RCCM)		Cr 500				Cr 500
Rephasing between 23/24 and future years	Cr 25,375	19,828	1,547	4,000	0	0
Sub-total - variations not requiring approval	Cr 25,375	22,108	1,547	4,000	0	Cr 2,280
Revised capital programme	97,290	112,553	74,627	20,262	0	304,732
Less: estimated further slippage	Cr 50,000	20,000	20,000	10,000		0
Provision: uncertainty and future schemes		0	1,107	4,000	4,000	9,107
Projected programme for capital financing	47,290	132,553	95,734	34,262	4,000	313,839

3.2 Variations approved at subsequent Executive meetings (£2,280k increase)

Central Library (nil impact)

At the October 2023 meeting of the Executive, Members approved a capital estimate of £500k for initial works to relocate the Central Library, currently housed in the same building as the Churchill Theatre in Bromley. This estimate is to be funded from the budget already in the capital programme for the Churchill Theatre as part of the Operational Property Review (OPR) and therefore the net impact of this decision is cost neutral.

Correction of Basic Need budget (£2,280k increase)

As a result of a detailed reconciliation activity between Finance and heads of service, it was identified that a net total of £2,280k of section 106 funding had been added to Basic Need in previous years but not recorded in the capital monitor. This total is therefore now reflected.

3.3 Variations requiring the approval of the Executive (£5,593k increase)

Supplementary estimate for depots (£1,893k increase)

A report by the Director of Environment and Public Protection, appended to this report as Appendix G, requests approval of a supplementary estimate of £1,893k to cover increased costs for Waldo and Churchfield depots and avoid further costs in future years.

Reinforced autoclaved aerated concrete (RAAC) (£3,000k increase)

A report elsewhere on this agenda requests approval of a supplementary estimate of £3,000k to cover the costs of investigative surveys relating to reinforced autoclaved aerated concrete (RAAC) and any subsequent remedial works required across the Council's property portfolio. The Council's Property team has implemented a full review of the Council's estate for the presence of RAAC. A building surveying practice has been commissioned and surveys are progressing. It is anticipated this will take six months to complete. The properties in the OPR are being reviewed as part of this commission. The funding for this project will be drawn from provisions currently made in the capital programme for financing uncertainty and future schemes, and this line has been adjusted accordingly in the table above.

Supplementary estimate for the social care case management system (£700k increase)

Given existing and forecast overspends on the social care case management system, it is recommended that a supplementary estimate, assessed at £700k, be added to the capital programme to avoid a shortfall in overall funding in future years.

3.4 Scheme re-phasing

In this quarter's monitoring exercise, slippage of £25.4m has been identified and this has been re-phased from 2023/24 into future years to reflect the latest estimates of when expenditure is likely to be incurred. This has no overall impact on the total approved estimate for the capital programme. Further details are provided in Appendix B.

Capital receipts

- 3.5 Details of the receipts forecast in the years 2023/24 to 2027/28, provided by the Assistant Director of Strategic Property, are included in Appendix E to this report for consideration under part 2 proceedings of the meeting. No receipts yet to be identified in later years are currently included in the forecast.

Financing of the capital programme

- 3.6 A capital financing statement is attached at Appendix C and the following table summarises the estimated impact on balances of the revised programme and revised capital receipt projections which, as noted above, reflect assumptions on the level and timing of disposals. This appendix also assumes the full utilisation of £10.0m from reserves, as agreed in principle by Executive in January 2023, including separate funding arrangements for the revised capital programme for Churchill Court. Total balances would reduce from £51.8m (General Fund £20.0m; capital receipts £31.8m) at the end of 2022/23 to £20.0m by the end of 2027/28 (General Fund £20.0m, capital receipts £0.0m). Therefore, for any significant future capital schemes not fully funded by grants/contributions or revenue, Executive will need to give full consideration to funding options, and this is likely to include external borrowing to maintain a sustainable position in the short to medium term. This position will be kept under close review and reflected in future reports to the Executive. In particular, given the current volatility in interest rates, it is likely that internal borrowing will be used as an interim measure before external borrowing is utilised.

	Balance 01/04/23 £m	Estimate 31/03/28 £m
General Fund	20.0	20.0
Capital receipts	31.8	0.0
	51.8	20.0

Operational Property Review

3.8 When the Operational Property Review (OPR) was added to the Council's capital programme in January 2023 it was presented for monitoring purposes as a single overarching project, with a separate budget for leisure centres. Subsequent work has now disaggregated this larger budget and it has been decided to reflect projects in the appropriate portfolio. The budgets shown also include an element of the delivery budget, which has been apportioned out across schemes for reporting; and this has now been added to the original budgets. The following table shows these budgets on a scheme-by-scheme basis, along with total spend to date across the life of the project.

Scheme	Portfolio	Approved estimate	Delivery estimate	Total estimate	22/23 estimate	23/24 estimate	24/25 estimate	25/26 estimate	26/27 estimate	Spend to date
		£m	£m	£m	£m	£m	£m	£m	£m	£m
Adult day centres/care homes	ACH	12.110	0.743	12.853	0.000	0.140	5.988	6.725	0.000	0.000
ACH sub-total		12.110	0.743	12.853	0.000	0.140	5.988	6.725	0.000	0.000
Children and family centres	CEF	6.700	0.413	7.113	0.000	0.078	3.507	3.528	0.000	0.000
SEN services	CEF	0.470	0.030	0.500	0.000	0.005	0.247	0.248	0.000	0.000
Youth Offending Service	CEF	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Youth Centres	CEF	3.400	0.210	3.610	0.000	0.039	1.780	1.791	0.000	0.000
Adult education centres	CEF	7.400	0.453	7.853	0.000	0.086	3.872	3.895	0.000	0.000
CEF sub-total		17.970	1.106	19.076	0.000	0.208	9.406	9.462	0.000	0.000
Surface car parks	RCCM	1.000	0.060	1.060	0.000	0.012	1.048	0.000	0.000	0.000
Cemetery properties	RCCM	0.860	0.052	0.912	0.000	0.010	0.450	0.452	0.000	0.000
Central Library	RCCM	0.500	0.000	0.500	0.000	0.000	0.500	0.000	0.000	0.500
RCCM sub-total		1.860	0.112	1.972	0.000	0.022	1.998	0.452	0.000	0.000
Traveller sites	RRH	3.000	0.184	3.184	0.000	0.250	0.350	1.000	1.584	0.000
Libraries	RRH	10.770	0.355	11.125	0.000	1.181	5.106	2.579	2.259	0.000
Leisure centres (Gp 2)	RRH	27.100	0.500	27.600	0.027	1.623	8.650	8.650	8.650	0.447
RRH sub-total		40.870	1.039	41.909	0.027	3.054	14.106	12.229	12.493	0.447
Total - schemes		72.810	3.000	75.810	0.027	3.424	31.498	28.868	12.493	0.447
Contingency budget		4.000	0.000	4.000	0.000	0.000	0.000	0.000	4.000	0.000
Risk provision - Churchill		4.500	0.000	4.500	0.000	4.500	0.000	0.000	0.000	0.002
Grand total - all programme		81.810	3.000	84.810	0.027	7.924	31.498	28.868	16.493	0.449

Investment Fund and Growth Fund

- 3.9 To help support the achievement of sustainable savings and income, the Council has set aside funding in the Investment Fund earmarked reserve (formerly known as the Economic Development and Investment Fund) to contribute towards the Council's economic development and investment opportunities. To date, total funding of £84.5m has been placed in the Investment Fund earmarked reserve, with a further £20.3m of capital receipts earmarked to supplement this, and £39.2m placed in the Growth Fund earmarked reserve.
- 3.10 Appendix D provides a detailed analysis of the funds dating back to their inception in September 2011. To date, schemes totalling £119.0m have been approved (£98.0m on the Investment Fund, and £23.2m on the Growth Fund), and the uncommitted balances as at end June 2023 stand at £6.8m for the Investment Fund and £15.9m for the Growth Fund.

Feasibility works – property disposals

- 3.13 At its meeting on 24 May 2017, Executive agreed to the creation of a new earmarked reserve with an initial allocation of £250k funded from the Growth Fund to allow for the commissioning of feasibility works against specific sites, so as to inform the Executive of sites' viability for disposal or re-development and potential scheme optimisation, together with an appraisal of worth.
- 3.14 Members requested that an update from strategic property be included in quarterly capital monitoring reports. This information, provided by the Assistant Director of Strategic Property, is provided in Appendix F.

Section 106 receipts

- 3.15 In addition to capital receipts from asset disposals, the Council holds a number of section 106 contributions received from developers. These are made to the Council as a result of the granting of planning permission and are restricted to being spent on capital works in accordance with the terms of agreements reached between the Council and the developers. These receipts are held as a receipt in advance on the Council's balance sheet, the balance of which stood at £6,717k as at 30 September 2023, and will be used to finance capital expenditure from 2023/24 onwards. The current position on capital section 106 receipts (excluding commitments) is shown in the following table:

Agreed service area	Balance 31/03/23 £'000	Receipts to Q2 23/24 £'000	Expenditure to Q2 23/24 £'000	Balance 30/09/23 £'000
Housing	1,307	0	0	1,307
Education	4,734	43	0	4,777
Highways	20	0	0	20
Local economy	613	0	0	613
Other	0	0	0	0
Total	6,674	43	0	6,717

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

Post-completion reports

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

- Upgrade of Core Network Hardware
- Replacement of Storage Area Network
- Rollout of Windows 7 and Office 2000
- Replacement of MD110 Telephone Switch
- Windows Server 2003 Replacement Programme
- Early Education for Two-Year-Olds
- 30 Hour Funded Childcare IT Solution
- Performance Management/Children's Services IT scheme
- Bromley My Time Investment Fund
- Relocation of Exhibitions - Bromley Museum
- Norman Park Athletics Track

4 POLICY IMPLICATIONS

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

5 FINANCIAL IMPLICATIONS

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

Non-applicable sections:	Legal, Personnel & Procurement Implications, Impact on Vulnerable Adults and Children
Background documents: (access via Contact Officer)	Capital programme monitoring Q3 2022/23 and capital strategy 2023-2027 (Executive 18/01/23) Capital programme monitoring Q1 2023/24 (Executive 20/09/23)

APPENDIX A - VARIATION SUMMARY

CAPITAL PROGRAMME MONITORING - Q2 - SUMMARY OF VARIATIONS FROM APPROVED PROGRAMME

Variations on individual schemes	Date of meeting	Revised 2023/24	Revised 2024/25	Revised 2025/26	Revised 2026/27	Revised 2027/28	Total
		£'000	£'000	£'000	£'000	£'000	£'000
Current approved capital programme							
Programme approved by Executive 18/01/2023	Exec 18/01/23	79,302	33,098	34,744	10,150	0	157,294
Net underspend 22/23 rephased to 23/24	Exec 05/07/23	99,645					99,645
Sub-total - approved programme prior to Q1 monitoring		178,947	33,098	34,744	10,150	0	256,939
Variations in the estimated cost of approved schemes							
(i) Variations previously approved by the Executive							
Chislehurst Library redevelopment	ERC PDS 23/11/22		Cr 1,000				Cr 1,000
West Wickham library and housing improvements (RRH)	Exec 08/02/23	3,959					3,959
Changing Places Fund (RRH)	Exec 29/03/23 05/07	405					405
Crystal Palace Park (RRH)	Exec 29/03/23	304					304
Addition to Basic Need (s106) (CEF)	Exec 29/03/23	43					43
Digital infrastructure - Strategic Investment Fund (RRH)	Exec 05/07/23	49					49
Non-turf cricket pitches (RRH)	Exec 05/07/23	40					40
Addition to Devolved Formula Capital (CEF)	Exec 20/09/23	55					55
Adjustments to TfL estimates (grant funded) (ECS)	Exec 20/09/23	Cr 1,425	Cr 500				Cr 1,925
Supplementary estimate for Churchill Court (RCCM)	Exec 20/09/23		4,250				4,250
Investment Fund used for housing schemes	Exec 20/09/23	Cr 11,688					Cr 11,688
Addition to Disabled Facilities Grant (RRH)	Exec 20/09/23	2,656					2,656
Proposed housing scheme - Bromley North (RRH)	Exec 20/09/23	6,283	12,150	7,067			25,500
Proposed housing scheme - Beckenham (RRH)	Exec 20/09/23	631	7,200	6,600	769		15,200
Supplementary estimate for York Rise - approved Jun 2021 (RRH)	Exec 20/09/23	2,072					2,072
Net rephasing between 23/24 and future years - Q1	Exec 20/09/23	Cr 60,366	30,354	24,669	5,343		0
		Cr 56,982	52,454	38,336	6,112	0	39,920
Sub-total - approved capital programme prior to Q2 monitoring		121,965	85,552	73,080	16,262	0	296,859
(ii) Variations requiring the approval of the Executive							
Supplementary estimate for depots (ECS)			1,893				1,893
Supplementary estimate for the treatment of RAAC (RCCM)			3,000				3,000
Supplementary estimate for Liquid Logic (RCCM)		700					700
		700	4,893	0	0	0	5,593
(iii) Variations not requiring the approval of the Executive							
Correction to Basic Need budgets for s106 (CEF)			2,280				2,280
Supplementary estimate for OPR Central Library (RCCM)			500				500
Use of OPR Churchill Theatre budget to fund Central Library (RCCM)			Cr 500				Cr 500
Net rephasing between 23/24 and future years - Q2		Cr 25,375	19,828	1,547	4,000		0
		Cr 25,375	22,108	1,547	4,000	0	2,280
TOTAL REVISED CAPITAL PROGRAMME		97,290	112,553	74,627	20,262	0	304,732
Less: estimated further slippage projection		Cr 50,000	20,000	20,000	10,000	0	0
Add: provision for uncertainty and future schemes			0	1,107	4,000	4,000	9,107
TOTAL TO BE FINANCED		47,290	132,553	95,734	34,262	4,000	313,839

CAPITAL PROGRAMME MONITORING - Q2 2023/24 - SUMMARY OF VARIATIONS FROM APPROVED PROGRAMME - SCHEME REPH

Variations on individual schemes	2023/24	2024/25	2025/26	2026/27	TOTAL
	£'000	£'000	£'000	£'000	£'000
<u>Rephasing of schemes</u>					
Basic Need (CEF)	Cr 1,000	1,000			0
Capital maintenance in schools (CEF)	Cr 1,500	1,500			0
Feasibility studies (CEF)	Cr 60	60			0
Health and Well-Being Centre (RCCM)	Cr 9,000	8,750	250		0
York Rise modular housing (RRH)	Cr 500	500			0
West Wickham library and housing (RRH)	Cr 7,000	7,000			0
Operational Property Review (all portfolios)	Cr 6,315	1,018	1,297	4,000	0
TOTAL REPHASING ADJUSTMENTS	Cr 25,375	19,828	1,547	4,000	0

CAPITAL FINANCING STATEMENT - Q2 - ALL RECEIPTS

(NB. Assumes all capital receipts - see below)

	2023-24	2024-25	2025-26	2026-27	2027-28
	Estimate	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
<u>Summary financing statement</u>					
Capital grants	18,683	23,306	10,000	1,500	0
Other external contributions	5,907	19,643	250	0	0
Usable capital receipts	3,344	69,830	70,484	5,990	0
Internal borrowing	1,424	8,400	8,400	0	0
Revenue contributions	14,337	4,250	0	0	0
Borrowing (external)*	3,595	7,124	6,600	26,772	4,000
Total expenditure	47,290	132,553	95,734	34,262	4,000
<u>Usable capital receipts</u>					
Balance brought forward	31,787	65,004	52,674	5,990	0
New usable receipts	43,925	65,900	32,200	0	0
	75,712	130,904	84,874	5,990	0
Capital financing	Cr 3,344	Cr 69,830	Cr 70,484	Cr 5,990	0
Repayment of internal borrowing	Cr 7,364	Cr 8,400	Cr 8,400	0	0
Balance carried forward	65,004	52,674	5,990	0	0
<u>Internal borrowing</u>					
Balance brought forward	Cr 5,940	0	0	0	0
Capital financing	Cr 1,424	Cr 8,400	Cr 8,400	0	0
Repaid from new capital receipts	7,364	8,400	8,400	0	0
Balance carried forward	0	0	0	0	0
<u>General Fund</u>					
Balance brought forward	20,000	20,000	20,000	20,000	20,000
Less: capital financing	0	0	0	0	0
Less: use for revenue budget	0	0	0	0	0
Balance carried forward	20,000	20,000	20,000	20,000	20,000
TOTAL AVAILABLE RESERVES	85,004	72,674	25,990	20,000	20,000
<p>The future transfer of land from the General Fund to the HRA does not result in a capital receipt, as the HRA is not a separate legal entity but the effect would be similar in that it would mean that the Council can incur more capital expenditure without needing to borrow. Although the accounting arrangements are 'technical' in order to meet statutory accounting requirements the effective transfer of land has the same impact as generating a capital receipt of an equivalent value and therefore the equivalent value can be used to fund future capital schemes.</p>					
<p>Notes/assumptions:</p> <p>*External borrowing - housing schemes. Given the volatility in interest rates, internal borrowing may be used as an interim measure where suitable. Internal borrowing is also being used to fund Site G until capital receipts pay back.</p> <p>Capital receipts - includes figures reported by Property Division as shown in Appendix E</p>					

<u>Investment Fund</u>	£'000
<u>Revenue Funding:</u>	
Approved by Executive 7th September 2011	10,000
Approved by Council 27th February 2013	16,320
Approved by Council 1st July 2013	20,978
Approved by Executive 10th June 2014	13,792
Approved by Executive 15th October 2014	90
Approved by Executive 26th November 2014 (Transfer to Growth Fund)	Cr 10,000
New Home Bonus (2014/15)	5,040
Approved by Executive 11th February 2015 (New Homes Bonus)	4,400
Approved by Executive 10th June 2015	10,165
Approved by Executive 2nd December 2015 (New Homes Bonus)	141
Approved by Executive 10th Feb 2016 (New Homes Bonus)	7,482
Approved by Executive 6th December 2017	3,500
Approved by Executive 21st May 2018	2,609
	<hr/> 84,517
<u>Capital Funding*:</u>	
Approved by Executive 11th February 2015 (general capital receipts)	15,000
Approved by Executive 2nd December 2015 (sale of Egerton Lodge)	1,216
Approved by Executive 7th November 2017 (Disposal of 72-76 High St)	4,100
	<hr/> 20,316
Total Funding Approved:	<hr/> 104,833
<u>Property Purchase</u>	
Approved by Executive 7th September 2011 (95 High St)	Cr 1,620
Approved by Executive 6th December 2012 (98 High St)	Cr 2,167
Approved by Executive 5th June 2013 (72-76 High St)	Cr 2,888
Approved by Executive 12th June 2013 (104 - 108 High St)	Cr 3,150
Approved by Executive 12th February 2014 (147 - 153 High St)	Cr 18,755
Approved by Executive 19th December 2014 (27 Homesdale)	Cr 3,938
Approved by Executive 24/03/15 (Morrisons)	Cr 8,672
Approved by Executive 15/07/15 (Old Christchurch)	Cr 5,362
Approved by Executive 15/07/15 (Tilgate)	Cr 6,746
Approved by Executive 15/12/15 (Newbury House)	Cr 3,307
Approved by Executive 15/12/15 (Unit G - Hubert Road)	Cr 6,038
Approved by Executive 23/03/16 (British Gas Training Centre, Thatcham)	Cr 3,666
Approved by Executive 15/06/16 (C2 and C3)	Cr 6,394
Approved by Executive 14/03/17 (Trinity House)	Cr 6,236
Approved by Executive 01/12/17 (54 Bridge Street, Peterborough)	Cr 3,930
	<hr/> Cr 82,869
<u>Other Schemes</u>	
Approved by Executive 20th November 2013 (Queens's Garden)	Cr 990
Approved by Executive 15th January 2014 (Bromley BID Project)	Cr 110
Approved by Executive 26th November 2014 (BCT Development Strategy)	Cr 135
Approved by Executive 2nd December 2015 (Bromley Centre Town)	Cr 270
Approved by Executive 15th June 2016 (Glades Shopping Centre)	Cr 400
Approved by Executive 11th January 2017 (Disposal of Small Halls site, York Rise)	Cr 46
Approved by Executive 10th July 2019 (Modular Homes at York Rise site)	Cr 3,500
Approved by Executive 2nd August 2019 (Provision of Housing in Burnt Ash Lane)	Cr 2,989
Approved by Executive 10/02/21 - property acquisition scheme	Cr 6,000
Valuation for 1 Westmoreland Rd	Cr 5
Valuation for Biggin Hill - West Camp	Cr 10
Growth Fund Study	Cr 170
Crystal Park Development work	Cr 200
Civic Centre for the future	Cr 50
Strategic Property cost	Cr 258
Total further spending approvals	<hr/> Cr 15,133

Uncommitted Balance on Investment Fund	6,831
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* Executive have approved the use of specific and general capital receipts to supplement the Investment Fund

<u>Growth Fund:</u>		£'000
<u>Funding:</u>		
Approved by Executive 26th November 2014 (Transfer from Investment Fund)		10,000
Approved by Executive 2nd December 2015		6,500
Approved by Executive 23rd March 2016		6,000
Approved by Executive 15th June 2016		7,024
Approved by Executive 22nd March 2017		4,000
Subject to approval by Executive 20h June 2017 (Provisional final accounts 2016/17)		3,311
Approved by Executive 21st May 2018		2,319
Total funding approved		<u>39,154</u>
<u>Schemes Approved and Committed</u>		
Approved by Executive 24th March 2015 (Housing Zone Bid (Site G))	Cr	2,700
Approved by Executive 24th March 2015 ((Site G) - Specialist)	Cr	200
Approved by Executive 18th May 2016 (Feasibility Studies and Strategic Employer	Cr	180
Approved by Executive 18th May 2016 (Broadband Infrastructure Investment)	Cr	50
Approved by Executive 20th Jul 2016 (BID - Penge & Beckenham)	Cr	110
Approved by Executive 1st Nov 2016 (19-25 Market Square)	Cr	10,705
Approved by Executive 1st Nov 2016 (63 Walnuts)	Cr	3,804
Approved by Executive 22nd March 2017 (Council 10th April 2017) - Bromley Town Centre Public Realm improvement Scheme	Cr	2,844
Approved by Executive 7th November 2017 - Bromley Town Centre and Public Realm	Cr	464
Approved by Executive 17th October 2018 (Bromley Town Centre - Mirrored Canopies & Shops)	Cr	415
Approved by Executive 22nd March 2017 - Project Officer cost Bromley Town Centre Public Realm improvement Scheme	Cr	40
Approved by Executive 22nd March 2017 - Community Initiative	Cr	15
Approved by Executive 24th May 2017 - Feasibility Works/Property Disposal Renewal Team Cost	Cr	250
Approved by Executive 28th November 2018 (Housing Development Feasibility)	Cr	310
Approved by Executive 27th March 2019 (West Wickham BID)	Cr	100
Approved by Executive 21st May 2019 (Specialist advice for setting up local Housing company)	Cr	75
Noted by Executive 12th February 2020 - £1.5m of s106 to replace Growth Fund allocation for Bromley Town Centre capital scheme		100
Approved by Executive April 1st 2020 - Consultancy services for advice on urban design scheme	Cr	1,500
Noted by Executive May 2020 - £2m of s106 to replace Growth Fund allocation for Bromley Town Centre capital scheme		Cr 50
Approved by Executive 30th June 2021 - £116k for 2 year FTC Planning Officer	Cr	Cr 800
Approved by Executive 20th Oct 2021 - Professional Services: Civic Centre Development	Cr	2,000
Approved by Executive on 9th February 2021 - Operational Maintenance Programme Manager	Cr	Cr 116
Approved by Executive on 6th October 2022 - Local Plan review process	Cr	Cr 500
Approved by Executive on 20th September 2023 - £2,250k to support supplementary estimate for Churchill Court	Cr	Cr 65
Total further spending approvals	Cr	<u>Cr 600</u>
		<u>Cr 2,250</u>
		<u>Cr 23,243</u>
<u>Schemes approved, but not yet committed</u>		
Approved by Executive 26th November 2014 (for Biggin Hill and Cray Valley)	Cr	6,790
Reversed by Executive 5th July 2023 (for Biggin Hill and Cray Valley)		6,790
Uncommitted Balance on Growth Fund		15,911

APPENDIX F - FEASIBILITY WORKS

Location	Estimated Feasibility / Viability Cost (£'000)	Description	2023/24 Q2 status
West Wickham Leisure Centre		HRA/Regen opportunity	Awaiting condition reports
Hill Car Park		Environmental Services	

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APPENDIX G – financial update for capital programme monitoring report re: depots

1. BACKGROUND

- 1.1. On 30th November 2022, the Executive (ES20222) approved an increase in the capital budget for the Depot Capital Infrastructure works, providing a total capital budget of £9.1m. This increase was required due to a rise from the previous construction cost estimates (detailed in report numbers ES20109 and ES18032) that had arisen due to:
 - 1.1.1. Unanticipated construction market inflationary changes particularly as a result of world events i.e. the war in Ukraine.
 - 1.1.2. Analysis of ground investigation reports and consequent need to excavate and replace substantial unanticipated levels of made ground.
 - 1.1.3. Fire suppression system design development showing that a higher volume of water needs to be stored and contained for removal in a fire event due to the hazard category of the site.
 - 1.1.4. Further survey work revealing the substantial extent of works required to repair Waste Transfer Station structures.
- 1.2. Design work has since progressed on the scheme to produce the detailed technical designs needed to prepare a tender package to put out to the market. In parallel, the waste services provider has developed their proposals for how services can continue to be delivered during the capital works.
- 1.3. This has identified that there are greater costs required to deliver the proposed scheme in full than previously anticipated. This includes an increase of around £1.7m to the construction costs, along with an increase of around £300k to support adjustments needed for the delivery of waste management services during construction.

2. SUMMARY OF THE BUSINESS CASE

- 2.1. The original business case for the Depot Capital Infrastructure Works was outlined in the 2018 Executive Report (reference ES18032) and further refined within the 2021 Executive Report (ES20109). The overall aim of the works is to create the sustainable infrastructure required for the statutory delivery of waste services and reduce the Council's long term financial liability. It also serves to uphold the requirements of the Waste Permits, issued by the Environment Agency in respect of Central and Churchfields Depots. The detailed scope is outlined in Table 1, at the end of this document.
- 2.2. The project has now reached the end of RIBA (Royal Institute of British Architects – industry standard) stage 4, technical design, and the construction cost estimate has been updated. The up-to-date budget estimate is set out in Table 2 at the end of this document. The estimate for the works includes allowances for a standard 10% construction contingency as well as inflation. There is also a further client-side contingency allocated to manage unforeseen consequences of the proposed works or essential changes once on site.

- 2.3. The construction cost increase estimate has increased by £1.7m since the previous design stage, which can predominantly be attributed to:
- 2.3.1. Increases to the electrical and mechanical works packages, which had not previously been captured and therefore costed by the design team.
 - 2.3.2. Additional ground investigation surveys, including previously inaccessible locations, have increased expectations of the amount of ground remediation needed and level of anticipated spoil that will need to be disposed of as contaminated waste, at greater cost.
 - 2.3.3. Additional temporary infrastructure, enabling and rectification works needed to create, and later remove or relocate, alternative operational areas during the construction works, to enable continued service delivery.
- 2.4. With regard to point 2.3.3, prior to the current design stage, it had been proposed to deliver the works, particularly at Central Depot, via multiple smaller construction phases, to keep as much of the working area operational as possible during construction. However, a change has had to be made to the previously anticipated phasing for reasons of:
- 2.4.1. buildability, identified through technical design,
 - 2.4.2. operational practicality and safety, and
 - 2.4.3. increasing costs due to extended time on site and highly challenging working implications.

This change has shortened the duration of works on site, made the works manageable for both the contractor and waste services operator, and reduced the substantial construction challenges associated with keeping operational parts of the site and services working during construction.

- 2.5. In addition to the construction cost changes, the development in service planning undertaken by the waste services provider has enabled further understanding of the operational implications and related costs for managing temporary changes. This has highlighted the need for a greater budget to cover increased service delivery costs, which are necessary to minimise the on-site construction time and address the issues noted in 2.4 above.

3. OPTIONS APPRAISAL AND PREFERRED OPTION

- 3.1. Following the completion of RIBA design stage 4 and review of the increase in costs, officers have undertaken a further analysis of the infrastructure works required to support service delivery and provide a safe and fit for purpose environment for the Council's environmental service depots in the immediate future.
- 3.2. The options considered were:
- 3.2.1. Progress the full scope of depot infrastructure works on both sites at increased cost.
 - 3.2.2. Progress a reduced scope or specification of works at both sites.
 - 3.2.3. Progress with the full scope of depot infrastructure works but only at Central Depot, due to the higher volume of waste handled at this site and remain

within the current allocated budget.

3.2.4. Progress with the full scope of depot infrastructure works at Central Depot and a reduced scope of works at Churchfields Depot.

3.3 In evaluating the most efficient way forward in relation to options 3.2.1 to 3.2.4, consideration has been given to the following.

3.3.1 Value engineering options have been considered on the current works package and options have been proposed to decrease the specification or omit various aspects of the works. This follows similar review processes at the end of each prior design stage, including reconsideration of any previously proposed value engineering solutions.

3.3.2 Review of the implications of value engineering options has identified that there are safety, operational and maintenance implications to reducing or changing the works. The resultant works would not achieve the outcomes necessary of a capital works scheme to protect and preserve the structures on the site and provide appropriate compliant systems.

3.3.3 It is considered that omitting or reducing the scope or specification of aspects of the works would decrease the resulting life of the works to unacceptable levels. This would lead to increased short to medium term maintenance budget liabilities and medium-term capital liabilities to both address unmet needs and repair and replace reduced design life items.

3.3.4 Should the works at Churchfields be omitted or reduced, this would mean that the current compliance and safety issues at this site were left unattended with resultant consequences.

3.3.4.1 This would increasingly impact upon current extensive maintenance liabilities, as issues already arise on a week-to-week basis and cannot be left unresolved due to the high-risk nature of this type of operational site.

3.3.4.2 The known issues at this site would present an ongoing high draw on both planned and reactive maintenance budgets to keep the site operating compliantly and safely for both staff and the public both now and going forward.

3.3.4.3 Whilst a lower specification works and ongoing maintenance projects (which become inefficient when procured individually) could keep the site running, it is considered that a capital works project would still need to be completed at this site within the next 5 years to address the larger scale issues on site as reduced scope of works would lead to reduced design life of the installation. There would also be duplication of costs associated with partially addressing current issues with a lesser scope, which then later has to be redone to address other connected works.

4. RECOMMENDATION

4.3 Based on the above factors, and considering the most efficient option overall, the preferred option is 3.2.1, to progress the full scope of infrastructure works at both sites. This option would minimise maintenance costs, comply with environmental and safety

standards and avoid medium term equivalent or greater capital costs at the sites .

- 4.4 The approved budget to date is £9.107m. It is anticipated that to complete the full scope of works at both sites, as the preferred option, will cost £11m, as broken down in Table 2 below. Therefore, it is recommended that an additional sum of £1.893m be approved to increase the total budget to £11m.
- 4.5 Work will continue throughout the rest of the project to ensure that the most economical design proposals, that appropriately achieve the aims of the scheme, are progressed.

Reference Tables

Table 1 – Proposed scope of works

Depot	Works
Central Depot	<ul style="list-style-type: none"> • Surface Water Drainage alterations and repairs/separator replacement • Floor Slab replacement to Waste Transfer Station • Waste Transfer Station roof and cladding repairs (including column replacements and protection and new push walls to protect the structure plus corrosion painting) • Fire suppression system • Pedestrian entrance adjustments at Waldo Road entrance • Replacement weighbridges • Some smaller repairs to the hardstanding in the Reuse and Recycling Centre and Baths Road
Churchfields Depot	<ul style="list-style-type: none"> • Surface Water Drainage repairs/ separator replacement • Floor Slab replacement in Waste Transfer Station • Fire suppression system • Repairs to Waste Transfer Station cladding/walls • Ancillary hardstanding repairs required in relation to drainage works

Table 2 – Summary of Depot Improvement Programme Total Costs

Cost element	Cost £'000
Construction contracts (main works and enabling package)	£8,800
Fees (consultancy, surveys, statutory fees, project management)	£1,654
Client Contingency	£500
Discontinued sites (surveys and feasibility design fees)	£46
TOTAL	£11,000

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Agenda Item 7

Report No.
CSD23139

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: Executive

Date: 29 November 2023

Date: For Pre-Decision Scrutiny by the Executive, Resources and Contracts PDS Committee on 27 November 2023

Decision Type: Non urgent Executive Key

Title: LONDON BOROUGHS LEGAL ALLIANCE FRAMEWORK AGREEMENT FOR BARRISTERS

Contact Officer: Shupriya Iqbal- Assistant Director, Legal Services
0208 461 7161 E-mail: Shupriya.iqbal@bromley.gov.uk

Chief Officer: Tasnim Shawkat - Director of Corporate Services and Governance

Ward: All

1. Reason for decision/report and options

- 1.1 Seek authority to join the London Boroughs Legal Alliance (LBLA) Framework Agreement for Barristers.

2. **RECOMMENDATIONS**

- 2.1 Agree to join the new LBLA Framework Agreement for barristers for a period of 3 years with the option to extend for a further year.
- 2.2 In the event the LBLA Framework Agreement is extended for a further year, delegate authority to the Director of Corporate Services and Governance to extend access to the LBLA Framework for a further year after the initial 3 year term.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Not applicable
-

Transformation Policy

1. Policy Status: Not Applicable
 2. Making Bromley Even Better Priority (*delete as appropriate*):
To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
-

Financial

1. Cost of proposal: £1.65m over 3yrs
 2. Ongoing costs: £550k per annum
 3. Budget head/performance centre: Legal Services
 4. Total current budget for this head: £: £2.8m
 5. Source of funding: General Fund Revenue Budget
-

Personnel

1. Number of staff (*current and additional*): 0
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: None
 2. Call-in: Applicable
-

Procurement

1. Summary of Procurement Implications:
-

Property

1. Summary of Property Implications: Not Applicable
-

Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: Not Applicable
-

Impact on the Local Economy

1. Summary of Local Economy Implications: Not Applicable
-

Impact on Health and Wellbeing

1. Summary of Health and Wellbeing Implications: Not Applicable
-

Customer Impact

1. Estimated number of users or customers (*current and projected*): Not applicable
-

Ward Councillor Views

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

3. COMMENTARY

- 3.1 The LBLA is an alliance of London Boroughs including the London Fire Brigade. The LBLA is currently made up of City of London Corporation, the London Boroughs of Barnet, Bexley, Brent, Bromley, Camden, Croydon, Ealing, Enfield, Greenwich, Hackney, Hammersmith & Fulham, Haringey, Harrow, Havering, Hillingdon, Hounslow, Islington, Kensington & Chelsea, Lambeth, Newham, Redbridge, Southwark, Tower Hamlets, Waltham Forest, City of Westminster, Slough and the London Fire Brigade. There are a few other local authorities outside London which are not members but have access to the Framework Agreement.
- 3.2 Bromley became a member of the LBLA in March 2019 with access to the Solicitors and Barristers Framework Agreements. The current barrister's framework expires on 31 December 2023. The Barristers Framework has been re-tendered by the LBLA with London Borough of Ealing acting as the Contracting Authority. Staff from other authorities including Bromley were part of the tender evaluation panel and provided input into the tender process. The new Agreement commences from 1 January 2024 and ends after a term of 3 years with the option to extend for a further 12 months.
- 3.2 The LBLA Barristers Framework was competitively tendered in full compliance with Public Contracts Regulations 2015. The framework appointed a panel of approved chambers and approved barristers who undertake work on the basis of agreed framework prices. Kennedy Cater Ltd manage the framework on behalf of LBLA authorities and monitor invoices and spend by each Authority with chambers on the panel. Kennedy Cater provide regular spend monitoring reports to each Authority to make it easier to track expenditure. They also spot check invoices to ensure charges are in accordance with framework rates and provide a report where there is a variance.
- 3.3 The framework consists of eleven specialist lots with specialist chambers appointed for each of the lots. The lots are:
- Lot 1: Adult Social Services
 - Lot 2: Children Services
 - Lot 3: Governance and Public Law
 - Lot 4: Criminal litigation and Prosecution
 - Lot 5: Housing
 - Lot 6: Planning
 - Lot 7: Property
 - Lot 8: Civil Litigation.
 - Lot 9: Employment
 - Lot 10: Education
 - Lot 11: Licensing
- 3.4 Barristers are instructed by Legal Services to undertake advocacy in court and give advice on complex matters when required. All instructions to barristers are monitored and approved by the team leader for each team and the Assistant Director for Legal services. Legal Service is a demand led service and spend on barristers is linked to the volume of work the service is instructed on. By joining the framework there will be no obligation to any minimum spend or to

commission through the framework at all. It is possible to commission barristers from outside the framework where necessary. Using a framework however allows a procurement compliant route and the advantage of commercially tendered rates.

- 3.5 Benefits of LBLA membership include administration and management of the framework with expenditure data provided to members, a comprehensive training programme delivered free by solicitors and barristers on the framework for our staff and facilitated special interest group meetings.
- 3.6 The majority of the spend on counsel's fee relate to childcare cases. Other spend relates to other departments including planning, enforcement, employment and housing litigation costs.

4. FINANCIAL IMPLICATIONS

- 4.1 The estimated spend on counsel's fee under the framework is £550k per annum, this equates to £1.65m over the life of the contract, rising to a possible £2.2m if the option to extend for a further 12 months is taken up.
- 4.2 The current budget for Counsel fees is £490k, this does not include in year contingencies for exceptional cases where a contingency of £635k has been set aside for future litigation costs and counsel fees. This will be continued in future years to mitigate the pressure from the general fund budget.
- 4.3 The spend against the contract is an estimation based on current usage, as this is a demand led service it is not expected to generate savings against budget but will enable the Council to benefit from competitive prices and standard agreed rates, achieving the best possible value for our money.
- 4.4 The last 3-year average of spend against the framework stands at approx. £514k, with this year projected to come in budget at £490k, this shows the service is mitigating the pressure and the framework is assisting in bringing costs down.
- 4.5 The membership fees of £7,057 per annum, totalling £21,171. for the three year period of the contract, or £28,228 if the option to extend for a further 12 months is taken up. This cost will be met from existing budget within the Legal Operational Services cost centre.

5. LEGAL IMPLICATIONS

- 5.1 This report requests Members agree to join the new LBLA Framework Agreement for barristers for a period of 3 years with the option to extend for a further year. In the event the LBLA Framework Agreement is extended for a further year, Members are asked to delegate authority to the Director of Corporate Services to extend access to the LBLA Framework for a further year after the initial 3-year term.
- 5.2 There is no statutory requirement for the Council to procure barristers' services, but these services are vital to the legal function of the Council as detailed in this report. The Council has the general power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions under section 111 of the Local Government Act 1972.
- 5.3 These legal services are public contracts as defined by Schedule 3 of the Public Contracts Regulations 2015 (the Regulations). They have therefore been procured as above threshold services under the Light Touch Regime.

- 5.4 The LBLA was established in 2009 as a collaborative partnership of local authority legal teams in the London area. The LBLA has facilitated a legally compliant tender led by the London Borough of Ealing to establish a Barristers Framework for local authorities to access more competitive pricing for barristers' services.
- 5.5 Contract Procedure Rule 3.5 permits framework agreements to be used by the Council but this must be done in accordance with CPR 3.5.1, "In seeking to demonstrate Value For Money, the Head of Procurement must be consulted prior to commencing any Procurement process using any Framework Contract, Dynamic Purchasing System arrangement or Catalogue provided by Crown Commercial Services or a similar Central Purchasing Organisation Contract, or Joint Contracts with another Authority. The terms and conditions of contract applicable to any such arrangement, including the requirement to undertake competition between providers, must be fully complied with and agreed by the Assistant Director Governance & Contracts."
- 5.6 If the decision to join is approved by Members, the Council will need to sign an Access Agreement to enable it to use the framework agreement.

6. PROCUREMENT IMPLICATIONS

- 6.1 This report seeks to join the new LBLA Framework Agreement for barristers for a period of 3 years with the option to extend for a further year at an approximate cost of £2.2m.
- 6.2 The Council is able to make use of the Framework and has been properly included on the Contract Notice.
- 6.3 The award will be conducted in line with 7.4 of the Council's Contract Procedure Rules.
- 6.4 As the value of the contract is above the thresholds set out in the PCR 2015, it must be conducted in line with cl. 33 of the same.
- 6.5 For the requirements set out above, the method of direct award can be used under the terms of the framework.
- 6.6 As the contract value is over £30,000 including VAT, an award notice will need to be published on Contracts Finder.
- 6.7 As the contract value is over the thresholds set out in the PCR 2015, a Find A Tender award notice must be published.
- 6.8 In accordance with Clause 3.5 of the Contract Procedure Rules, the Head of Procurement, or their representative, has been consulted regarding the use of the Framework.
- 6.9 The Council's Contract Procedure Rules require the following for authorising an award via a framework for a contract of this value; the Approval of the Executive following Agreement by the Portfolio Holder, Chief Officer, the Assistant Director Governance & Contracts, the Director of Corporate Services and the Director of Finance must be obtained. In accordance with CPR 2.1.2, Officers must take all necessary professional advice.
- 6.10 The actions identified in this report are provided for within the Council's Contract Procedure Rules, and the proposed actions can be completed in compliance with their content.

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Report No.
HPR2023/065

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE

29th November 2023

Date: For Pre-Decision Scrutiny by the Executive, Resources and Contracts Policy Development and Scrutiny Committee on Monday 27 November 2023

Decision Type: Non-Urgent Executive Non-Key

Title: OPERATIONAL PROPERTY REPAIR PROGRAMME UPDATE

Contact Officer: Graham Soars, Head of Special Projects (Interim), Strategic Property
E-mail: Graham.Soars@bromley.gov.uk (tel: 020 8313 4593)

Chief Officer: Sara Bowrey, Director of Housing, Planning, Property and Regeneration

Ward: All Wards

1. Reason for decision/report and options

- 1.1 In March 2023 the Executive approved the award of construction consultancy services to commence the delivery of the OPR Programme. This report is seeking approval to commence procurement of further design led multidisciplinary consultancy services and to progress the surface car parks works tender.
-

2. **RECOMMENDATION(S)**

- 2.1 That the Resources & Contracts Planning Development & Scrutiny Committee notes the contents of the report and makes any comments available to the Executive.
- 2.2 That the Council's Executive are recommended:
- 1) To note the contents of this report and to agree to the following recommendation.
 - 2) To note that up to £1.046m of the OPR budget as planned will be used for the essential repair of surface car parks required to maintain statutory service.
 - 3) To proceed to procurement for the works contract for the essential repair of surface car parks at an estimated value of up to £1m as set out in paragraphs 3.13, with delegated authority to the Director of Housing, Planning, Property and Regeneration to approve the detailed procurement strategy and contract award.

- 4) To approve the procurement of Construction Consultancy Services via a competitive tender process utilising the NHS SBS framework for consultants that can provide a Building Surveying led multidisciplinary team to design and deliver the Strategic Property OPR Workstreams, with delegated authority to the Director of Housing, Planning, Property and Regeneration to approve the detailed procurement strategy.
- 5) To note that up to an additional £0.95M of the OPR budget as planned will be used for Building Surveying led multidisciplinary teams to design and deliver the Strategic Property Workstreams. The total budget value of the appointment(s) is estimated to be £2.4m.
- 6) To agree to delegate authority to the Director of Corporate Services to enter and manage legal matters relating to these services and works to allow matters to progress.
- 7) Executive to recommend to Full Council a supplementary capital estimate of £3.0m for surveys and potential remedial works associated with Reinforced Autoclaved Aerated Concrete (RAAC).

Impact on Vulnerable Adults and Children

1. Summary of Impact: Not Applicable
-

Transformation Policy

1. Policy Status: Existing Policy
 2. Making Bromley Even Better Priority:
(5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
-

Financial

1. Cost of proposal: £4.996m
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Not Applicable
 4. Total current budget for this head: Not Applicable
 5. Source of funding: Growth Fund
-

Personnel

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

Legal

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

Procurement

1. Summary of Procurement Implications: The recommendation proposed in this report are in accordance with the Council's Contract Procedure Rules.
-

Property

1. Summary of Property Implications: In accordance with the OPR report dated 30th November 2022 as considered and approved on 12th December 2022 at a meeting of the Council's Full Council.
-

Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: Not Applicable
-

Impact on the Local Economy

1. Summary of Local Economy Implications: Not Applicable
-

Impact on Health and Wellbeing

1. Summary of Health and Wellbeing Implications: Not Applicable
-

Customer Impact

1. Estimated number of users or customers (*current and projected*): Not Applicable
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? As this affects all Wards individual Wards have not been consulted. However, Ward Councillors will be consulted as to the specifications developed in conjunction the service delivery areas and the appointed Construction Consultancy Services Provider as detailed within this report.
2. Summary of Ward Councillors comments: Not Applicable

3. COMMENTARY

Background

- 3.1. On 12th December 2022 the Council's Full Council Meeting considered and approved the Operational Property Review (OPR) dated 30th November 2022. This followed a review of the Council's operational property which had been undertaken to identify the optimal operational estate and understand the liability of it over a 10-year period together with the potential to undertake repair and minor refurbishments where appropriate to minimise future liability.
- 3.2. Following the approval of the OPR, a Programme Board has been established to ensure robust governance, overseeing all aspects of the programme including key decision making and cost management. A number of sub boards and working groups sit below the programme board and report monthly with updates and recommendations.
- 3.3. In March 2023 the Executive approved proceeding to procurement and award of consultancy services to scope the works that need to be undertaken, advise on the optimum delivery route and manage the delivery of the works. This was commissioned through the NHS SBS Framework and the consultant has undertaken condition surveys, initial scoping and cost estimates for the various sites.
- 3.4. Through the initial development of the programme, it has been established that the refurbishment works will require technical design led services to fully design and specify the contract works ensuring the tender process and delivery of the works provide best value whilst minimising the risks around delivery particularly where services must remain in operation during the works. It is now apparent that the consultant originally procured is unable to adequately resource such design services on a programme of this scale going forward and a new commission will be required.

Procurement of Consultancy Services to Design and Delivery Strategic Property OPR Workstreams

- 3.5. It is proposed to procure a consultant that can provide a Building Surveying led multidisciplinary design and delivery team with the following core disciplines to be applied across all the projects:
 - Building Surveyor (lead consultant and contract administrator)
 - Mechanical & Electrical Engineer
 - Principle Designer / Health & Safety Advisor
 - Quantity Surveyor
 - Clerk of Works
 - Sustainability Consultant

Additional services that will be included on specific projects will include but not be limited to:

- Architect
- Structural Engineer
- Fire Consultant
- Planning and Heritage Consultant

- 3.6. The services required are being scoped on a project led basis. They will form the basis of the overall tender and enable the council to obtain a fixed price contract.
- 3.7. To ensure the programme can be adequately resourced, the projects are to be tendered in lots. Multiple suppliers providing the professional services will ensure resilience to the delivery of the programme. A review to define the lots is ongoing and is to be agreed by the Programme Board.

- 3.8. In considering the preferred route to procure the consultancy services the option of an open tender has been assessed against the benefits of a framework. A framework is deemed preferential in this case as it will provide a restricted list of bidders that are consultancy professionals, negating the need for an initial pre-qualification process.
- 3.9. When reviewing the option to award contracts via frameworks there are those that include a sole supplier with pre tendered rates for the services and frameworks that have multiple suppliers to allow competitive tender. Both options have been reviewed for their benefits. On this occasion the preference is to utilise a framework with multiple suppliers to have competition in the tender process and be able to have separate commissions for the lots.
- 3.10. The NHS SBS Construction Consultancy Services Framework was previously recommended for consultancy services and still provides a suitable solution, offering a multidisciplinary design lot to place a tender. This has been assessed as the most appropriate route as the Council can ensure multiple suppliers are commissioned across the lots to provide resilience of resource and provide competition in the tender pricing element.
- 3.11. Having reviewed the procurement options available, it is recommended to progress the procurement of the new design led consultancy services through several separate commissions tendered as prioritised lots through the NHS SBS framework. A recommendation to award contracts will be brought back to Executive in the first quarter of 2024 dependent on the value of the tender returns linked to delegated approval thresholds.
- 3.12. The additional budget that will be required for the Building Surveying led multidisciplinary design services is estimated to be £0.95m. The existing workstream budgets will be utilised to cover the cost of this service. The total budget value of the appointment(s) is estimated to be £2.4m.

Priority Projects

- 3.13. The surface car park works have been identified as a priority workstream which can be progressed without the need for further design. The next steps will be to issue a full scope of works for each site to be priced. The procurement of the works is proposed either via utilising the existing term contracts the Council has in place for highways and car park maintenance, which would use the pricing mechanism and schedule of rates within the contracts where applicable, or using competitive open tendering ensuring Value for Money is obtained. The current approved budget for this work stream is £1.046m and up to £1.0m of this is to be used for the works. This report seeks approval to commission the surface car park works contracts utilising a compliant route as set out above with the detailed procurement strategy to be agreed by the Chief Officer allowing works to progress in early spring.
- 3.14. Children's Services are undertaking a review of the Youth centres to assess the service needs and this will inform the property works required. The Castlecombe Centre is being brought forward as an urgent project to undergo refurbishment. A Report has been provided to Executive requesting approval to progress the repair scheme through proceeding to procurement as part of the OPR Youth Centre workstream. The Report also seeks agreement to the Castlecombe Youth Centre building as a suitable location for the Mottingham Community Support Centre and that the works undertaken will need to ensure this wider service need is met.
- 3.15. The brief for the Astley Centre has been developed to incorporate the Independent Living Centre service that is moving in December. The works at the Astley centre will also modernise

this locally listed building providing fit for purpose facilities for the current centre users. This has been identified as a priority project in the programme.

3.16. The works to the Saxon Centre have been developed in detail and this project will be progressed as a priority once the new lease is agreed between the parties.

Budget

3.17. Following the OPR Report to Executive in November 2022, the programme was reviewed, and the recommended budgets required for the programme were approved at Full Council in December 2022. The current budgets are set out below.

Scheme	Total estimate
	£m
Adult day centres/care homes	12.853
Children and family centres	7.113
SEN services	0.500
Youth Offending Service	0.000
Youth Centres	3.610
Adult education centres	7.853
Surface car parks	1.060
Cemetery properties	0.912
Traveller sites	3.184
Libraries	11.125
Leisure centres (Gp 2)	27.600
Contingency budget	4.000
Risk provision - Churchill	5.000
Grand total - all programme	84.810

3.18. The cost of the consultancy services will be split across individual budgets for each workstream.

RAAC

3.19. Reinforced Autoclaved Aerated Concrete (RAAC) is a lightweight cementitious material used in building structures in the UK and Europe since the late 1950's. In the 1990s structural deficiencies became apparent; and these are discussed in papers by the Building Research Establishment. In May 2019 the Standing Committee on Structural Safety issued an alert after being notified of the failure of roof panels in a school.

3.20. Subsequently the Local Government Association has advised its members to check as a matter of urgency whether any buildings in their estates have roofs, floors, cladding or walls made of RAAC.

3.21. The Property Team is implementing a full review of the Council's estate for the presence of RAAC. A building surveying practice has been commissioned and surveys are progressing. It is anticipated this will take six months to complete. The properties in the OPR are being reviewed as part of this commission.

3.22. This report seeks a supplementary capital estimate of £3.0m to cover the costs of the RAAC investigative surveys and any potential remedial works required across the Council's property portfolio.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 4.1. There is not considered to be an impact on Vulnerable Adults and Children as a consequence of this decision – other than that services will still continue to be provided from retained premises.

5. TRANSFORMATION / POLICY IMPLICATIONS

- 5.1. It is essential that the Council manages its assets so as to meet the Council's aims and objectives.

6. LEGAL IMPLICATIONS

- 6.1. This report primarily requests Members to: (i) approve the procurement of a works contract for the essential repair of surface car parks at an estimated value of up to £1m with delegated authority to the Director of Housing, Planning, Property and Regeneration to approve the detailed procurement strategy and contract award; and (ii) approve the procurement of a Construction Consultancy Services contract via a competitive tender utilising the NHS SBS framework with delegated authority to the Director of Housing, Planning, Property and Regeneration to approve the detailed procurement strategy. Further, the Executive is asked to recommend to Full Council a supplementary capital estimate of £3.0m for surveys and potential remedial works associated with Reinforced Autoclaved Aerated Concrete (RAAC)
- 6.2. This matter comes before the Executive as, in accordance with Contract Procedure Rules (CPRs), this is the only body within the Council that can approve the procurement of contracts with a value in excess of one million pounds.
- 6.3. Section 122 of the Road Traffic Regulation 1984 Act imposes a general duty on local authorities exercising functions under the Act to secure the expeditious, convenient and safe movement of vehicular and other traffic (including pedestrians) and the provision of safe and adequate parking facilities on and off the highway.
- 6.4. The repairs to the car parks are works contracts as defined by the Public Contracts Regulations 2015 (the Regulations). As these works are “below financial threshold” contracts then officers are not bound to undertake a fully regulated procurement. Any procurement must, however, still comply with the lawful procurement requirements of transparency, non-discrimination and proportionality. If these works are to be procured via a variation to an existing Council contract, then it must also accord with Regulation 72 of the Regulations. Legal advice can be further given when the specific proposal is formulated.
- 6.5. The consultancy services to be procured are defined as a services contract under the Regulations. As the value of the services is above the threshold then these services must be procured according to the full requirements of the Regulations. Regulation 33 permits the Council to use a compliant framework agreement providing it complies with the processes detailed in that regulation. The Procurement comments below confirm the correct CPRs have been followed in agreeing to use this particular framework agreement.
- 6.6. The Council has the legal power to hold, maintain and develop its landholdings and buildings in connection with its functions and general powers in the way described in this report. Under Section 111 of the Local Government Act 1972 the Council has the power to do anything calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. In furtherance of these statutory powers, the Council may provide and commission through a contract, the consultancy services as more fully set out in this report.

- 6.7. The Executive is asked to recommend a supplementary budget to Full Council for the RAAC surveys. These must be done in accordance with the Council's statutory duties to ensure its properties are safe and well maintained in accordance with its duties both as a landlord and under established Health and Safety law.
- 6.8. Legal Services will continue to advise as the more detailed procurement strategies are developed by officers.

7. PROCUREMENT IMPLICATIONS

- 7.1. This report seeks to proceed to procurement for a construction consultant via a suitable framework.
- 7.2. In accordance with Clause 3.5 of the Contract Procedure Rules, the Head of Procurement has been consulted regarding the use of the NHS SBS Framework and must be consulted on other frameworks used. In accordance with CPR 2.1.2, Officers must take all necessary professional advice.
- 7.3. This action requires the following for authorisation; the formal Approval of the Executive following the Agreement of the Portfolio Holder, the Chief Officer, the Assistant Director Governance & Contracts, the Director of Corporate Services and the Director of Finance for actions of these values.
- 7.4. This report further seeks to proceed to procure surface car park works using the Council's Term Contractor or, if they are not able to undertake this work an open process, with an estimated value of up to £1.0m.
- 7.5. This is a works contract and the value of this procurement falls below the thresholds set out in Part 2 of the Public Contracts Regulations 2015, so is only subject to Part 4 of the Regulations.
- 7.6. Should the Council seek to use an open tender, as set out in 8.2.1 of the Council's Contract Procedure Rules, this procurement must make use of public advertisement, and therefore must also be advertised on Contracts Finder. In compliance with the Council's Contract Procedure Rules (Rule 3.6.1), this procurement must be carried out using the Council's e-procurement system.
- 7.7. The procurement must comply with PCR 2015 principles of transparency and equal treatment. Any time limits imposed, such as for responding to adverts and tenders, must be reasonable and proportionate.
- 7.8. The Council's specific requirements for authorising proceeding to procurement are covered in 1.3 of the Contract Procedure Rules with the need to obtain the formal Agreement of the Assistant Director Governance & Contracts, the Director of Corporate Services and the Director of Finance for a procurement of this value. In accordance with CPR 2.1.2, Officers must take all necessary professional advice.
- 7.9. The actions identified in this report are provided for within the Council's Contract Procedure Rules, and the proposed actions can be completed in compliance with their content.

8. FINANCE IMPLICATIONS

- 8.1. The proposed activity as outlined within the OPR project is fully contained within budgets agreed in the original report on the Operational Property Review to Executive dated 30

November 2022 and then again in the capital monitoring report to Executive dated 18 January 2023. The proposal as set out is fully compliant with Bromley’s financial regulations relating to capital expenditure.

- 8.2. The request on paragraph 3.22 of this report for a supplementary capital estimate of £3.0m to cover the costs of the RAAC investigative surveys and any potential remedial works required across the Council’s property portfolio, will be funded from a provision within the capital programme for uncertainty and future risks. This pot covers a 4-year period up until 27/28 and has been set aside for inflationary pressures, risks and future uncertainties across the whole capital programme, the RAAC issue significantly depletes this provision.

Non-Applicable Headings:	Personnel Implications, Property Implications, Carbon Reduction/Social Value Implications, Impact on the Local Economy, Impact on Health and Wellbeing, Customer Impact
Background Documents: (Access via Contact Officer)	Executive Report dated 12th December 2022 Executive Report dated Wednesday 29 March 2023

Report No.
HPR2023/066

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE

Date: 29th November 2023

Decision Type: Non-Urgent Executive Non-Key

Title: LOCAL AUTHORITY & VOLUNTARY SECTOR LEASES

Contact Officer: Darren Essex - Assistant Director Property (Interim)
Tel: 020 8313 4312 (xtn. 3113) E-mail: darren.essex@bromley.gov.uk

Chief Officer: Sara Bowery - Director for Housing Planning and Regeneration

Ward: All Wards

1. Reason for decision/report and options

- 1.1 A Member request has been received for a report on the Council's policy on rental subsidies for Voluntary Sector Council tenants providing community benefits. This report provides an initial overview of the property portfolio held by the Council as it relates to its leasing arrangements with Voluntary Sector Organisations. Further detailed investigations would be required to confirm the assumptions presented in this report.
-

2. **RECOMMENDATION(S)**

Members are recommended to:

- 2.1 Authorise the Director of Housing, Planning and Regeneration in consultation with the Director of Finance and the Portfolio Holder for Resources, Commissioning and Contract Management to negotiate Payment Management Plans with Voluntary Sector Organisations whose financial integrity may be significantly impacted by rental increases.
- 2.2 Authorise that a Payment Management Plan be considered where a rental increase of over 30% has occurred following a lease renewal or rent review on a Council owned property let to a Voluntary Sector Organisation.
- 2.3 Authorise that Payment Management Plans provide a stepped rental increase over a period of up to 3 three years with the rent payable on the third anniversary of the lease renewal or rent review being the Open Market Rent as determined at the prior (increased rent) lease event and with all future rents to be increased annually in line with CPI (Consumer Price Index).

- 2.4 Authorise that a Payment Management Plan is a one-off transitional arrangement to allow a Voluntary Sector Organisation to adjust to the new increased rent.
- 2.5 Authorise the Director of Housing, Planning and Regeneration in consultation with the Director of Finance and the Portfolio Holder for Resources, Commissioning and Contract Management to negotiate repayment plans or other suitable financial arrangements with Voluntary Sector Organisations outside of the parameters of a Payment Management Plans as set out in 2.2 and 2.3 above. These arrangements may be up to a maximum sum of £50,000 or if higher only with of the approval of the Executive.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Supporting the continued provision of Voluntary Sector organisation services.
-

Transformation Policy

1. Policy Status: New Policy
 2. Making Bromley Even Better Priority:
 - (1) For children and young people to grow up, thrive and have the best life chances in families who flourish and are happy to call Bromley home.
 - (2) For adults and older people to enjoy fulfilled and successful lives in Bromley, ageing well, retaining independence and making choices.
 - (3) For people to make their homes in Bromley and for business, enterprise and the third sector to prosper.
 - (4) For residents to live responsibly and prosper in a safe, clean and green environment great for today and a sustainable future.
 - (5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
-

Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A
 3. Budget head/performance centre: Investment properties income
 4. Total current budget for this head: £467k
 5. Source of funding: General Fund
-

Personnel

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

Legal

1. Legal Requirement: Statutory S123 Local Government Act 1972
 2. Call-in: Not Applicable
-

Procurement

1. Summary of Procurement Implications: Not Applicable
-

Property

1. Summary of Property Implications: See Report
-

Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: Not Applicable
-

Impact on the Local Economy

1. Summary of Local Economy Implications: Ensuring the continuing operations of local Voluntary Sector Organisations.
-

Impact on Health and Wellbeing

1. Summary of Health and Wellbeing Implications: Supporting the provision of Voluntary Sector Organisation services.
-

Customer Impact

1. Estimated number of users or customers (*current and projected*): Not Known.
-

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 Whilst further detailed investigations would be required to provide detailed breakdowns of use, occupiers, rent and other determining factors the following information provides a useful insight into the status of Council owned, non-operational, let property within the Council's Non-Investment or Growth Fund property portfolio on the following basis:

- Including, Registered Charities, Community Interest Companies, Registered Societies, Private Limited Company by guarantee without share capital (use of 'Limited' exemption) and Private Limited Company by guarantee without share capital.
- Including, sports groups/'community' groups who are registered as standard private limited companies have been excluded.
- The Council's leisure operator is included except where otherwise stated.
- Parks portfolio and school academies are excluded.
- Income includes all property agreement types, such as leases, licences, wayleaves, easements etc.
- The data may include transactions about to complete, such as disposals, new agreements, rent reviews etc.
- In terms of forecast, an increase of the passing income by 35% has been assumed, to be increased from the event date assuming a 10%, 20%, 30% stepped increase (years 1, 2 & 3), with the income achieving the assumed 35% level increase at commencement of year 4. Any subsequent lease events within the 3 years have been disregarded.
- All nil/peppercorn lettings are excluded from the forecast.
- Where a rent comprises of both base and variable (such as turnover) elements, only the non-variable part has been reported on.

3.2 The total number of properties of qualifying properties under 3.1 above is 783. The total rental income from these is approximately £4.35m per annum.

3.3 The total number of properties let to Voluntary Sector Organisations is estimated at 152 being 19.4% of the 783 (3.2 above). The total rental income is approximately £1.4m per annum or 32% of the £4.35m per annum (3.2 above).

3.4 It should be noted that if the Council's leisure provider is excluded this reduces the Voluntary Sector Organisation income to approximately £520,000 per annum across 139 properties being approximately 12% of the £4.35m (3.2 above).

3.5 At the current time there are 122 properties let to Voluntary Sector Organisations at £1,000 per annum or less, being 15.6% of the 783 (3.2 above).

3.6 As part of the assessment of this proposal, the estates team has considered what the total loss of rent would be if the Council agreed to reduce rents, assuming a 10%, 20%, 30% stepped increase, in years 1, 2 & 3 accordingly, with the rent reverting to Open Market Rent at 35% on the 3rd anniversary (with annual CPI increases thereafter). On this basis it is estimated that there would be a cumulative total rental loss of income amounting to approximately £185,000 across 88 properties. This calculation excludes the Council's leisure operator.

3.7 The Council currently has a number of historic occupational arrangements with Voluntary Sector Organisations where it charges a low rent due to the previous valuations undertaken by the Council's former advisor not being correct, having been assessed too low at that time or where they were negotiated as part of an agreement for service provision and in some cases where the rent forms part of a service and payment contract.

3.8 The Council's current policy is to obtain Open Market Value on all its properties in compliance with S123 of the Local Government Act 1972 to achieve best value. This will be maintained

across the Council's property portfolio to protect the Council's rental income stream and the capital value of its portfolio. It should be noted that Open Market Value takes account of the use property as set out within the lease and the nature of the accommodation occupied.

- 3.9 The Council currently monitors payments and where a Voluntary Sector Organisation is not able to meet its rental commitments due to temporary financial difficulties or other mitigating circumstances for example during the COVID-19 emergency. Then the Council can in exceptional circumstances agree repayment plans or other suitable measures to assist the Voluntary Sector Organisation and ensure full rent recovery.
- 3.10 It is apparent that a number of Voluntary Sector Organisations have outstanding rent reviews or lease renewals or will have forthcoming rent reviews or lease renewals events within the next 3 years which may result in significant increases to the rent that they pay to the Council and as a result adversely impact their financial integrity. This could impact on the ability of a Voluntary Sector Organisations to continue operating.
- 3.11 To safeguard the provision of services provided by Voluntary Sector Organisations, protect future income streams to the Council, the capital value of its portfolio and ensure compliance with S123 of the Local Government Act 1972 Members may consider it appropriate to provide Council assistance to Voluntary Sector Organisations by way of a transitional rental arrangement or 'Payment Management Plan'.
- 3.12 Payment Management Plans may be considered appropriate where a rental increase of over 30% has occurred following a lease renewal or rent review at a Council owned property let to a Voluntary Sector Organisation.
- 3.13 Payment Management Plans may provide a stepped rental increase over a period of up to 5 three years with the rent payable on the third anniversary of the lease renewal or rent review being the Open Market Rent as determined at the prior (increased rent) lease event to allow a Voluntary Sector Organisation to make appropriate arrangements to adjust to the new increased rent as a one-off transitional arrangement.
- 3.14 Any rent adjustment below Open Market Rent will need to be reflected in the investment property budget.
- 3.15 It should be noted that the approach taken by some Local Authorities differ from maintaining Open Market Rent to offering some level of subsidy arrangements for some community organisations dependent upon differing determining factors such as financial integrity, provisions of statutory services, contribution to key council objectives and priorities. However a key consideration needs to be loss of income at open market rent and resultant implications.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

Supporting the continued provision of services.

5. TRANSFORMATION/POLICY IMPLICATIONS

Not Applicable

6. FINANCIAL IMPLICATIONS

- 6.1 Members are asked to approve the authorisation for the Director Housing Planning and Regeneration in consultation with the Director of Finance and the Portfolio Holder for Resources, Commissioning and Contract Management to negotiate Payment Management Plans with Voluntary Sector Organisations whose financial integrity may be significantly impacted by rental increases.

- 6.2 The payment plans offered are to be offered to those tenants whose rental income has risen over 30% following a lease renewal or review.
- 6.3 The plan comes with the conditions of a maximum of 3 years stepped increase with the 3rd anniversary being the point in which open market rent is paid and that this is a one-off transactional arrangement aimed at supporting the voluntary sector organisation to adjust to the increased rental fees.
- 6.4 In financial terms for the council these arrangements do not create a financial pressure, but rather just a delay in benefit as the increases rental income is currently not factored into the budget, therefore as the rental income increases, the council will be generating more income, however where 3 year payment plans are arranged, this benefit takes a little longer.
- 6.5 On the whole this ensures a welcome uplift to rental incomes that have been below market rates for a protracted period. The proposals reduce the impact on tenants and avoid the additional costs associated with re-letting.

7. PERSONNEL IMPLICATIONS

Not Applicable

8. LEGAL IMPLICATIONS

- 8.1 In relation to the proposals set out in this report Section 1 being the general power of competence pursuant to the Localism Act 2011("LA 2011"), gives power to the Council to proceed.
- 8.2 s.111 Local Government Act 1972
- 8.2.1 The Council also has power to do anything calculated to facilitate or is conducive or incidental to the discharge of any of its functions pursuant to s.111 of the Local Government Act 1972.
- 8.3 Section 123 of The Local Government Act 1972
- 8.3.1 If the intended proposals relate to disposals, a local authority has power under s.123 of the Local Government Act 1972 to dispose of the land, so long as the test for the best consideration that can reasonably be obtained (usually based on open market value) is met and the disposal is not at an undervalue.
- 8.3.2 If the disposal is at an undervalue s.123 of the Local Government Act 1972 confers power to the Secretary of State to give general consent for the purposes of land disposals by local authorities carried out under their powers in Part 7 of the 1972 Act.
- 8.3.3 In those circumstances of an undervalue the Local Government Act 1972, General Disposal Consent 2003 removes the requirement for authorities to seek specific consent from the Secretary of State for any disposal of land where the local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the well-being criteria in the Local Government Act 2000:
- a) the promotion or improvement of economic well-being;
 - b) the promotion or improvement of social well-being;
 - c) the promotion or improvement of environmental well-being; and the "undervalue" (i.e. the difference between the unrestricted value of the interest to be disposed of and the consideration accepted) is £2,000,000 or less.

8.3.4 Applications for specific consent should be sent to the Secretary of State and include the following information:

- a) Written description of the land and buildings, the location;
- b) Written description of how the land is currently held by the Council;
- c) Details of any leases, encumbrances such as easements;
- d) Summary of the proposed disposal/transaction.

9. PROCUREMENT IMPLICATIONS

Not Applicable

10. PROPERTY IMPLICATIONS

See Report

11. CARBON REDUCTION/SOCIAL VALUE IMPLICATIONS

This proposal contributes positively to non-financial social value.

12. IMPACT ON THE LOCAL ECONOMY

12.1 The voluntary sector is an important part of the local economic ecosystem. The success of voluntary and charitable organisations has a direct impact on the economic health of both the borough and the Council specifically through the provision of community support and wellbeing services.

12.2 Therefore to ensure that there is no detrimental impact on the local economy this report sets out reasonable interventions to ensure that voluntary organisations are supported to remain in the borough through payment plans and other financial support mechanisms required as a result of rent increases. This approach reduces the risk to the borough's most vulnerable of Voluntary Organisations being forced to close, and the economic repercussions of this.

13. IMPACT ON HEALTH AND WELLBEING

Not Applicable

14. CUSTOMER IMPACT

This proposal has a positive impact on the Council's Customers by supporting the continued provision of Voluntary Sector Organisation services.

15. WARD COUNCILLOR VIEWS

Not Applicable

Non-Applicable Headings:	5,7,9,13,15
Background Documents: (Access via Contact Officer)	Not Applicable

Report No.
HPR2023/064

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE

For Pre-Decision Scrutiny by the Renewal, Recreation and Housing PDS Committee and the Children, Education and Family PDS Committee

Date: RRH: 15 November 2023
CEF: 22 November 2023
Executive: 29 November 2023

Decision Type: Non-Urgent Executive Key

Title: CASTLECOMBE YOUTH CENTRE AND MOTTINGHAM COMMUNITY SUPPORT CENTRE

Contact Officer: Lydia Lee, Assistant Director Culture and Regeneration
Tel: 020 8313 4456 E-mail: lydia.lee@bromley.gov.uk

Chief Officer: Director of Housing, Planning, Property and Regeneration

Ward: Mottingham Ward

1. Reason for decision/report and options

- 1.1 As part of the Operational Property Review programme Castlecombe Youth Centre is scheduled for repair. This report requests approval to progress the repair scheme through proceeding to procurement.
- 1.2 Additionally Castlecombe Youth Centre building has been identified as a suitable location for the Mottingham Community Support Centre and therefore the refurbishment of the site needs to be undertaken so that it meets this wider service need.

2. RECOMMENDATION(S)

2.1 That the Renewal, Recreation and Housing and the Children, Education and Family PDS Committees note the contents of the report and makes any comments available to the Executive.

2.2 That the Council's Executive:

- 1) Agrees to the relocation of the Mottingham Community Support Centre to be co-located with Castlecombe Youth Centre;

- 2) Notes that up to £1.153m of the OPR budget as planned will be used for the repair and remodelling works for Castlecombe Youth Centre to make the site fit for purpose for both services;**
- 3) Agrees to proceed to procurement for the works contract at an estimated value of £1.038m as set out in paragraphs 3.17 to 3.20, with delegated authority to the Director of Housing, Planning, Property and Regeneration to determine the detailed procurement strategy; and,**
- 4) Agrees to delegate authority to the Director of Corporate Services and Governance to enter into and manage legal matters relating to these works to allow works to progress.**

Impact on Vulnerable Adults and Children

1. Summary of Impact: The Castlecombe Youth Centre and Mottingham Community Support Centre services provide key support to vulnerable families. Ensuring the building is fit for purpose is crucial to the delivery of these services in Mottingham.
-

Transformation Policy

1. Policy Status: Existing Policy
 2. Making Bromley Even Better Priority:
 - (1) For children and young people to grow up, thrive and have the best life chances in families who flourish and are happy to call Bromley home.
 - (2) For adults and older people to enjoy fulfilled and successful lives in Bromley, ageing well, retaining independence and making choices.
 - (5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
-

Financial

1. Cost of proposal: £1.153m
 2. Ongoing costs: Non-Recurring Cost
 3. Budget head/performance centre: OPR budget: youth centres and libraries
 4. Total current budget for this head: £1.153m
 5. Source of funding: OPR budget
-

Personnel

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

Legal

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

Procurement

1. Summary of Procurement Implications: The procurement process shall comply with the Public Contracts Regulations 2015 for a below threshold procurement process.
-

Property

1. Summary of Property Implications: Repair works must be mindful of occupational requirements.
-

Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: Opportunities will be taken to improve the energy efficiency of the building.
-

Impact on the Local Economy

1. Summary of Local Economy Implications: N/A
-

Impact on Health and Wellbeing

1. Summary of Health and Wellbeing Implications: N/A
-

Customer Impact

1. Estimated number of users or customers (*current and projected*): The Community Support Centre is a valuable frontline service. Visits to the service in Mottingham have fallen by 92% since it temporarily moved to Mottingham Library. It is anticipated that moving to Castlecombe will reverse usage figures.
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments: Ward Councillors support the proposals. Further detailed comments within report.

3. COMMENTARY

- 3.1 The Youth Support service has historically operated out of the following buildings: Link Youth Centre, Spitfire Youth Centre, Duke Youth Centre, Castlecombe Youth Centre and Anerley Town Hall (Streetwise).
- 3.2 The Youth Support service is of exceptional importance to young people aged 10 years and over who live locally to the sites. Bromley Youth Support programme offers an accessible positive activities programme designed to meet the needs of young people with somewhere safe to socialise and activities that will inspire, inform, motivate and generally support their personal development. This includes specialist provision for young people with special educational needs and disabilities.
- 3.3 The service delivers positive activities that:
- Are delivered via a relationship between youth workers/young people that is voluntary.
 - Connect young people with their communities.
 - Offer young people opportunities in safe environments to take part in a wide range of sports, arts, music and other activities.
 - Support the personal and social development of young people.
 - Improve young people's physical and mental health and emotional wellbeing.
 - Are closely aligned with our targeted services as they are delivered by the same staff.
- 3.4 In addition Bromley Youth Support Programme delivers targeted and preventative services focusing on identifying and supporting vulnerable young people, generally school year 10 and above, who are NEET or at risk of becoming NEET or who are at risk of entering the criminal justice system. Key areas of our targeted services include: Tracking young people's participation in employment, education or training; drop in information and guidance; and individual support via direct referrals. The centres also take part in the Holiday and Food (HAF) school holiday programme, providing activities and lunch to mainly young people on free school meals, during the longer holiday periods.
- 3.5 Given the importance of the service it is important that any buildings the service requires to operate successfully are in good repair. As part of the Operational Property Review (OPR) the Duke Youth Centre has already been identified as surplus to service requirements and the site is being taken forward separately by the Education team for educational use. Anerley Town Hall is not owned by Bromley Council and therefore is not in the scope of the OPR.
- 3.6 Therefore, subject to service need it is expected that Castlecombe, Spitfire and the Link buildings will be repaired.
- 3.7 Due to the need to resolve the future of Mottingham Community Support Centre (details below) officers in the Regeneration team have discussed the Youth Support service need for Castlecombe. It has been confirmed that the Castlecombe building is still required to deliver the service in the Mottingham area. Therefore this report seeks agreement to enable officers to progress the repair of the Castlecombe site to kick start the Youth Centre repair programme as part of the OPR.

Castlecombe Youth Centre

- 3.8 The current site is in a bad state of repair:
- The roof covering requires replacing,

- the windows and doors require replacing,
- significant drainage issues need to be resolved,
- repairs are required to the car park,
- new ceilings are required in places,
- the layout needs to be improved to meet the needs of the service and enable multi service use of the site,
- new flooring is required,
- mechanical and electrical upgrades are required with a complete rewire and new distribution board and a new boiler/ heating system,
- new furniture and equipment is required,
- new security systems are needed including CCTV and alarm,
- the outside space needs to be made safe for young people to use,
- and full internal and external redecoration is needed.

3.9 The OPR has included an earmarked sum of £857k for the repair of the Castlecombe building.

3.10 The service will be required to close at this location during the works. Officers will consider any outreach opportunities during the period of closure to minimize the negative impact on service users.

Mottingham Community Support Centre

3.11 At the Executive committee meeting on the 8th February 2023 the future of the Community Support Centres in St Paul's Cray and Mottingham were considered. The report with all the background details is report no HPR2023/010. The reason for the report was that the Community Support Centre service was required to move from both sites due to persistent flooding in both locations and the lease for the Mottingham site coming to an end with no opportunity to extend.

3.12 At that meeting it was approved that the St Paul's Cray centre would relocate to St Paul's Cray Library, a move that has been implemented. At the same meeting it was agreed that the Mottingham centre would relocate to Mottingham Library on a trial basis for up to twelve months, with sessions also run from St Edwards Church (these have since been stopped with the agreement of the Ward Councillors), and that other sites would continue to be considered.

3.13 This trial has shown that Mottingham Library is not the ideal location for the Community Support Centre due to its location away from the estate the service primarily serves, and as such it has received low footfall. Between April to September 2023 the number of service users saw a decrease of 92% on the same period the previous year. In discussion with ward councillors the Castlecombe Youth Centre site is considered to be more appropriate, primarily for geographical reasons.

3.14 Originally Castlecombe Youth Centre was discounted as the building was used during the day by the Education team's Home Tuition Service and therefore there was no building space to accommodate the Community Support Centre. However this service has since moved. This means that the building is not currently used during the day time, when the Community Support Centre would be open. The Youth Centre only operates in the evening during term time and therefore the building can support dual use, thus making the most of the Council's assets.

3.15 There is also interest from another non-Council community group, Big Local Mottingham, in using the site as their new home during the day. If, following due diligence and a review of any other Council service needs, this is agreed, the building is considered large enough to

accommodate both uses and how the building functions for this multiuse approach will be taken into account in the remodeling of the site.

- 3.16 The Community Support Centre staff are currently going through the TUPE process with the expectation that they will transfer to working for Greenwich Leisure Ltd (GLL). The TUPE consultation process is currently live. There are expected to be no negative revenue implications to this transfer as set out in the previous report HPR2023/010. Therefore the electrical and data works at the site are likely to need to meet GLL's standards as well as the Council's.
- 3.17 There will be no increase in revenue costs due to the colocation. The cost of moving the support centre to the youth centre is anticipated to be the same as the previous plan of moving to the library.

Scheme budget and procurement approach

- 3.18 Within the OPR there is an earmarked consultancy and works budget of £857k for Castlecombe Youth Centre.
- 3.19 In addition to the building requiring repair and remodelling for its existing service use, the building is also recommended to become the new home of the Mottingham Community Support Centre, and therefore the design and works need to take this dual use into account.
- 3.20 The library programme OPR budget includes £296k for the Mottingham Community Support Centre service which increases the total budget available for Castlecombe building to £1.153m to ensure it can be remodelled to effectively provide space for co-located services.
- 3.21 The design consultancy contract is expected to cost an estimated £115k, and the works contract £1.038m. Initially officers will go out to tender for the design consultancy and as part of this will prepare a works specification. The specified works will then be procured through a suitable compliant procurement process. As the works value is anticipated to be above £1m Executive approval is sought to go out to the market for quotes for the works.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 4.1 The Youth Centre service and the Community Support Centre service are vital for supporting vulnerable communities in Mottingham.
- 4.2 Co-locating these services will have a positive impact on raising the profile of the services and reaching residents who benefit from support.

5. TRANSFORMATION/POLICY IMPLICATIONS

- 5.1 This scheme is part of the Operational Property Review (OPR) repair programme. The funding and buildings in scope for the OPR has previously been agreed by the Executive and Full Council. These works will ensure the sustainability of Council services in fit for purpose premises that are lower cost to run and avoid expensive reactive repairs.

6. FINANCIAL IMPLICATIONS

- 6.1 Executive are being asked to approve the request to proceed to procurement for the works contract at an estimated value of £1.038m as set out in paragraphs 3.17 to 3.20, with delegated authority to the Chief Officer to determine the detailed procurement strategy.

- 6.2 There is sufficient budget within the Castlecombe Youth centre and the Libraries OPR Budgets to meet the estimated cost of works of £1.038m, Executive are being asked to authorise the use of these OPR budgets to fund the works.
- 6.3 There would be an expectation of a further paper to Executive to agree drawdown from the OPR budget if the works exceed the estimation above.
- 6.4 It should be noted that if for any reason the project does not progress then all costs borne to that point would have to be funded out of revenue budget as it can no longer be paid for out of the OPR Capital budget as it would not be considered as an ongoing capital works programme. This is just a caveat to raise awareness of the risk to the revenue budgets if the project was aborted.

7. LEGAL IMPLICATIONS

7.1 This report seeks executive approval to:

i) relocate the Mottingham Community Support Centre to be collocated with Castlecombe Youth Centre;

ii) proceed to procurement for a works contract for repairs at Castlecombe youth centre at an estimated value of £1.038m with delegated authority to the Chief Officer to determine the detailed procurement strategy; and

iii) delegate authority to the Director of Corporate Services to enter into and manage legal matters relating to these works to allow works to progress.

7.2 The report additionally asks executive to note that up to £1.153m of the OPR budget as planned will be used for the repair and remodelling works for Castlecombe Youth Centre to make the site fit for purpose for both services.

7.3 Section 507B of the Education Act 1996 places a duty on local authorities to secure for qualifying young persons in the authority's area access to sufficient educational leisure-time activities which are for the improvement of their well-being, and sufficient facilities for such activities; and (b) sufficient recreational leisure-time activities which are for the improvement of their well-being, and sufficient facilities for such activities. Procuring a works contract for repairs at Castlecombe youth centre will assist the council to ensure facilities are fit for activities in fulfilment of these duties.

7.4 This is a works contract for the purposes of the Public Contracts Regulations 2015 (the Regulations) however falls below the thresholds set out in Part 2 so is only subject to Part 4 of the Regulations.

7.5 The Council's specific requirements for authorising proceeding to procurement are covered in 1.3 of the Contract Procedure Rules (CPR) with the need to obtain advice from the Assistant Director Governance & Contracts, the Director of Corporate Services and the Director of Finance for a procurement of this value. For a procurement of this value a minimum of three written tenders must be obtained in accordance with CPR 8.2.

7.6 Officers may wish to seek further advice from the legal department regarding any agreements required to facilitate the works.

8. PROCUREMENT IMPLICATIONS

- 8.1. This report seeks in principle approval to proceed to procure for a works contract at an estimated value of £1.038m. Delegated authority is sought to the relevant Chief Officer to approve the detail of the procurement strategy, subject to agreement from the relevant Officers and Portfolio Holder.
- 8.2. Due to the estimated contract value and the classification of the contract as a works contract, this will be a below threshold procurement. The procurement process shall comply with the Public Contracts Regulations 2015 for a below threshold procurement process.
- 8.3. The Council's specific requirements for authorising proceeding to procurement are covered in 1.3 of the Contract Procedure Rules with the need to obtain Approval from Executive with the formal Agreement of the Chief Officer, Assistant Director Governance & Contracts, the Director of Corporate Services, the Director of Finance and the Portfolio Holder for a procurement of this value. In accordance with CPR 2.1.2, Officers must take all necessary professional advice.
- 8.4. In compliance with the Council's Contract Procedure Rules (Rule 3.6.1), this procurement must be carried out using the Council's e-procurement system where a tender process is utilised.
- 8.5. Under the delegated authority sought, a Gateway Officer report should be completed in consultation with the Corporate Procurement Team, Finance & Legal to set out the detail and proposed route for this procurement once it is known with the relevant Officer and Portfolio Holder approval and agreement before commencement.

9. PROPERTY IMPLICATIONS

- 9.1 The freehold of Castlecombe Youth Centre is owned by London Borough of Bromley. There are no known title encumbrances to the commencement of the works. The applicant is reminded to ensure that all statutory obligations should be complied with in pursuance of the proposed workstream. The applicant should be mindful of any occupational arrangements that may have been implemented by the overriding Youth Service, as the stakeholder.

10. CARBON REDUCTION/SOCIAL VALUE IMPLICATIONS

- 10.1 The repair works will include upgrades to the mechanical and electrical services including a new boiler. The new equipment will be more efficient and reduce carbon impact. Any opportunities for green energy solutions within budget or for which grant funding can be secured will be pursued. Insulation including double glazing will also be improved on site.

11. CUSTOMER IMPACT

- 11.1 The relocation of the Support Centre to Castlecombe is considered crucial to supporting vulnerable communities and residents. The Youth Centre building is ideally located to reach residents who most require Council support.
- 11.2 In 2022, prior to the Community Centre leaving its rented premises in March 2023, the centre received an average of 980 visitors and 160 remote interactions (emails and phone calls) per month. Centre usage peaked in Jan 2022 with 2,058 visitors in the month. Floods affecting the available IT equipment between October 2022 and March 2023, prevented courses from running Jan – Mar 2023, resulting a notable drop in footfall. Jan – Mar 2023 recorded a 54% decrease in visitors to the centre, though remote queries increased slightly by 8%.
- 11.3 Following temporary relocation of the service to Mottingham Library from April 2023, visitors to the service dropped further. Between April to September 2023 a total of 404 visitors were

recorded – a decrease of 92% on the same period in the previous year. Remote queries also decreased by 28% during this time, showing previous visitors had not been converted to remote interactions.

11.4 Within the youth hub we have activities such as football, cooking sessions, IT access, board games, a music studio and a gym. The age of the young people attending on average are from 10 -16 years old. During April to September 2023 there were 123 contacts, and 1022 young people attended 45 youth club sessions.

15. WARD COUNCILLOR VIEWS

15.1 Both Ward Councillors have been consulted on this proposal and both are fully supportive of this move. Following the temporary re-siting of the Mottingham Community Support Centre to the Mottingham Library in Mottingham Village, the footfall and the uptake of the restricted services and facilities offered has been, as expected, disappointingly low, due in the main to its distance from the Mottingham Estate.

15.2 The Castlecombe site is adjacent to the local area designated as ‘an area of social and economic deprivation’ and the Centre will now be sited with other community services and very close to Elmstead Wood Primary School. This, therefore, provides a more satisfactory solution for the provision of the wide variety of services required in this local area. The Centre will have the opportunity to work closely with other providers of community services.

Non-Applicable Headings:	Personnel implications; Impact of Local Economy; Impact on Health and Wellbeing
Background Documents: (Access via Contact Officer)	Report HPR2023/010

Report No.
CEF23063 A

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: EXECUTIVE

Date: For Pre-Decision Scrutiny by the Children, Education and Families Policy Development and Scrutiny Committee on Wednesday 22 November 2023

Decision Type: Non-Urgent Executive Key

Title: AWARD OF CONTRACT FOR CAPITAL WORKS AT OAKLANDS PRIMARY ACADEMY PART 1 (PUBLIC) REPORT

Contact Officer: Robert Bollen, Head of Strategic Place Planning
Tel: 020 8313 4697 E-mail: Robert.Bollen@bromley.gov.uk

Chief Officer: Director of Education

Ward: Biggin Hill Ward

1. Reason for decision/report and options

- 1.1 To award a contract for the construction of new classroom and ancillary accommodation to support the opening of a new additionally resourced provision (ARP) for children with an Education Health and Care Plan (EHCP) at Oaklands Primary Academy Biggin Hill.

2. **RECOMMENDATION(S)**

- 2.1 That the Children, Education and Families PDS Committee and Council's Executive notes the contents of this report with regards the creation of a new Additionally Resourced Provision for children with an Education Health and Care Plan at Oaklands Primary Academy Biggin Hill and associated capital works.
- 2.2 That the Council's Executive agrees the award of contract for capital works at Oaklands Primary Academy as detailed in Part 2 of this report.

Impact on Vulnerable Adults and Children

1. Summary of Impact: The scheme will benefit 30 pupils with SEN and their families.
-

Transformation Policy

1. Policy Status: Existing Policy
 2. Making Bromley Even Better Priority:
 - (1) For children and young people to grow up, thrive and have the best life chances in families who flourish and are happy to call Bromley home.
-

Financial

1. Cost of proposal: £2.9m
 2. Ongoing costs: n/a
 3. Budget head/performance centre: Education Capital Programme
 4. Total current budget for this head: £105,124k
 5. Source of funding: DfE Basic Need Capital Grant, DfE SEND Provision Capital funding, DfE School Condition Allocations (SCA), S106 contributions
-

Personnel

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

Legal

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

Procurement

1. Summary of Procurement Implications: See Section 8.
-

Property

1. Summary of Property Implications: The proposed works will improve and extend the accommodation at an academy school leased to the academy trust on a 125-year academy lease. There is no impact on the Council's corporate property estate.
-

Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: The proposed building will conserve energy by following a fabric first approach, minimise heat loss and reducing energy consumption by using LED light fittings and low energy equipment. Wherever possible recycled and sustainable materials will be used.
-

Impact on the Local Economy

1. Summary of Local Economy Implications: n/a
-

Impact on Health and Wellbeing

1. Summary of Health and Wellbeing Implications: The new facility will support children with SEN who have a higher likelihood to have mental health need.
-

Customer Impact

1. Estimated number of users or customers (*current and projected*): The proposal will benefit 30 pupils per annum and their families
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments:

Prior to this report being produced Cllr Stevens commented: "I am glad to see this work progressing and would request to be kept in the loop of developments."

3. COMMENTARY

- 3.1 The proposed contract award allows construction works to take place to provide sufficient accommodation for a new 3 class additionally resourced provision (ARP) for children with special education needs (SEN) at Oaklands Primary Academy Biggin Hill.

Background

- 3.2 Bromley has seen the number of children with an Education Health and Care Plan (EHCP) increase significantly from 2,493 in 2020 to 3,580 in 2023, an increase of 30%.
- 3.3 This increase in the number of EHCPs is having a significant impact on the Council in terms of ensuring sufficient places are available to meet local demand, and meeting the rising costs associated with EHCP placements.
- 3.4 Bromley's policy is that wherever possible a child with SEN should be able to access a school place in their local area and in doing so reduced the need to use costly independent placements.
- 3.5 In order to meet need, the Council is currently undertaking a High Needs Funding and Estates Review of existing specialist provision and seeking to increase the places available locally. The scheme to create a new Additionally Resourced Provision (ARP) at Oaklands Primary Academy forms part of this programme.
- 3.6 There is currently no specialist provision for children with EHCPs in Biggin Hill. Following discussion with the Council, from 6 June to 7 July 2022 Oaklands Primary Academy consulted on the creation of a specialist provision at the school. Following consideration of the outcomes of consultation, the trust made an application to the Department for Education (DfE) to open a 30-place provision at the school. In September 2023, the DfE's Regional Director agreed the creation of the new provision and the school becoming part of the Chancery Education Trust. That trust currently operates the existing SEN provision at Pickhurst Academy.
- 3.7 The provision at Oaklands Primary Academy will be for children with complex needs including Autistic Spectrum Disorder (ASD), Attention Deficit Hyperactivity Disorder (ADHD), Social, Emotional and Mental Health Need (SEMH) and learning difficulties. Whilst most children with SEN can have their needs well met in a mainstream class, this cohort requires more intensive support in order for their holistic education, life and wellbeing needs to be best met.
- 3.8 The new provision's 30 places will be split across Key Stage 1 & 2. In advance of the main building works being undertaken, the school is carrying out minor works to enable the provision to open to its first cohort in January 2024, with pupils moving into the new accommodation in autumn term 2024.
- 3.9 On 8 August 2016 the Oaklands Primary Academy gained planning consent for a major redevelopment of its site. The current scheme (phase 2) utilises this permission and will provide the required specialist provision including a link between the existing junior block and the reception block (phase 1) completed in 2019. The works will create 3 specialist classrooms, group and staff spaces, plus sensory, hygiene and life skills facilities.
- 3.10 On 29 March 2023 the Executive added the scheme at Oakland Primary Academy to the Council's Basic Need Programme with an estimated scheme cost of £3,593k.
- 3.11 The works were tendered via contract finder on 31 July 2023 for a 6-week tender period. Following contractor requests for additional time, this period was extended by a week, with the tender period closing on 15th September 2023.

4 IMPACT ON VULNERABLE ADULTS AND CHILDREN

4.1 The scheme will benefit 30 pupils with SEN and their families.

5 TRANSFORMATION/POLICY IMPLICATIONS

5.1 Bromley Council has an established policy for the review and strategic planning of school places and related school organisation. The need to ensure sufficient school places, the quality of those places and their efficient organisation is a priority within the Council's strategy Making Bromley Even Better 2021-31; 'For children and young people to grow up, thrive and have the best life chances in families who flourish and are happy to call Bromley home.' In seeking best value in the delivery of school places this proposal will be the priority; 'To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.' The proposals contained within this report also contribute to key targets within the Children, Education and Families Portfolio Plan.

6 FINANCIAL IMPLICATIONS

6.1 The proposed activity is funded in line with the appraisal of the capital scheme at Oaklands Primary Academy as agreed by the Executive on 29 March 2023 as part of the Basic Need Programme Update.

7 LEGAL IMPLICATIONS

7.1 The Children and Families Act 2014 places statutory responsibilities on the Council for supporting children and young people with special educational needs (SEN) and disabilities to ensure there are sufficient good school places for all pupils, including those with SEN and disabilities. The distribution and application of monies received from Central Government is subject to guidance and advice from the Department for Education. Academies are subject to their Funding Agreement with the Department of Education and Statutory Guidance concerning proposals to expand schools, build new schools or make significant changes to school places which may require prior consultation. However, Finance have identified the proposed activity is funded in line with the appraisal of the capital scheme as agreed by the Executive. (See 6.1 Antes.)

7.2 The Procurement comments to this report have confirmed the correct procurement process has been undertaken and there has been compliance with the Council's Contract procedure Rules (CPR's).

7.3 Should officers require any further legal assistance with regards to completing the contract documentation this can be obtained from the Legal team.

8 PROCUREMENT IMPLICATIONS

8.1 This report seeks to award a contract for the construction of SEN facilities at Oaklands Primary Academy as detailed in Part 2.

8.2 An open tender process was used.

8.3 This process has been carried out in line with the requirements of the Public Contracts Regulations 2015.

8.4 The Council's requirements for authorising an award of contract are covered in CPR 16. For a contract of this value, the Approval of the Executive following Agreement by the Portfolio Holder

the Assistant Director Governance & Contracts, the Director of Corporate Services and the Director of Finance must be obtained. In accordance with CPR 2.1.2, Officers must take all necessary professional advice.

8.5 Following the decision, all relevant notices in compliance with current Procurement requirements will be published. A mandatory standstill period will need to be observed.

8.6 The actions identified in this report are provided for within the Council's Contract Procedure Rules, and the proposed actions can be completed in compliance with their content.

9 PROPERTY IMPLICATIONS

9.1 Whilst the Council is freeholder, the school accommodation is let to the academy trust on a 125-year academy lease and does not form part of the Council's operational property estate.

10 CARBON REDUCTION/SOCIAL VALUE IMPLICATIONS

10.1 The building will address conservation of energy by firstly reducing energy loss by following a fabric first approach. The building is designed with the aspiration to better the Part L minimum U-values to minimise heat loss. Secondly the building will reduce the amount of energy it requires, by using LED light fittings and low energy equipment and sanitary fittings.

10.2 Low maintenance and long lifespans ensure that the materials forming the facade of the building will not require regular replacement. The metal clad elements offer recyclability, the timber can be sourced from sustainable woodland, and the masonry elements offer maximum robustness. The building will utilise as much roof space as possible for photovoltaic panels to mitigate the scheme's energy consumption and lower its reliance on the grid, and thus fossil fuel generated energy.

12. IMPACT ON THE LOCAL ECONOMY

12.1 The proposed contractor is a local company. Efforts will be made with the contractor to maximise the use of local labour and sub-contractors.

13. IMPACT ON HEALTH AND WELLBEING

13.1 The scheme will support up to 30 pupils per year with an Education Health and Care Plan (EHCP) and their families. Research and practice indicate that children with SEN and learning disabilities are more likely to develop mental health needs during their lifetime and often co-present.

14. WARD COUNCILLOR VIEWS

14.1 Comments were requested from ward councillors. Prior to this report being produced Cllr Stevens commented: "I am glad to see this work progressing and would request to be kept in the loop of developments."

Non-Applicable Headings:	Personnel Implications and Customer Impact.
Background Documents: (Access via Contact Officer)	Basic Need Capital Programme Update, Executive, 29 March 2023

Report No.
ACH23-052

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker: EXECUTIVE WITH PRE-DECISION SCRUTINY FROM ADULT CARE & HEALTH POLICY DEVELOPMENT & SCRUTINY COMMITTEE (21 NOVEMBER 2023)

Date: 29 November 2023

Decision Type: Non-Urgent Executive Key

Title: SECTION 31 AGREEMENT BETWEEN LONDON BOROUGH OF BROMLEY AND OXLEAS NHS FOUNDATION TRUST FOR THE INTEGRATED PROVISION OF MENTAL HEALTH SERVICES (SOCIAL WORK TEAM)

Contact Officer: Tel: 020 8461 7653 E-mail: kelly.sylvester@bromley.gov.uk

Chief Officer: Kim Carey – Director of Adults Social Care

Ward: All

1. REASON FOR REPORT

- 1.1 On 21 July 2004, Executive granted permission for the London Borough of Bromley to enter into an agreement with Oxleas NHS Foundation Trust for the provision of Adult Mental Health services. The agreement established the framework for Oxleas NHS Foundation Trust to undertake their role as the lead provider for Bromley's Adult Mental Health Services (including the Community Mental Health Team), permissible under s31 of the Health Act 1999. Subsequently the London Borough of Bromley and Oxleas NHS Foundation Trust established a pooled budget to deliver the service and transferred/seconded staff to the new arrangement.
- 1.2 The current Agreement is due to expire on 30 November 2024 consequently, the purpose of this report is to seek Executive approval to extend the partnership arrangement for the provision of Adult Mental Health Services between the London Borough of Bromley and Oxleas NHS Trust. The extension will enable the partners to continue to operationalise the required improvements, that were set out in the s31 Review (2021), and ultimately enable the Council to recommend a service model for the longer term.

2. RECOMMENDATION(S)

2.1 Executive is asked to:

- Authorise that the Council enters into a 2 year (extension) agreement with Oxleas NHS Foundation Trust resulting in the continuance of their role as the lead provider of Adult Mental

Health Services including operational management. Resulting in an estimated cost of £3,787,914 over the two year extension period (up to 30 November 2026).

- Agree the extension of the pooled budget provision, the value of which will continue to be in line with CPI and the National Minimum Wage (which preserves the current value for money arrangement)
- Agree that the power to sign this agreement and to finalise negotiations is delegated to the Chief Officer (Director of Adults Social Care) as the agreement primarily relates to staff who would normally be directly located in the Adults Social Care Directorate.
- Note that the Integrated Commissioning Board supports and has consented to the Trust retaining these arrangements with the Council.

Impact on Vulnerable Adults and Children

1. Summary of Impact: The arrangements provides a impact for service users who need the essential and statutory support. The service reflects the local Corporate Plan priorities.
-

Transformation Policy

1. Policy Status: Not Applicable
 2. Making Bromley Even Better Priorities:
 - (2) For adults and older people to enjoy fulfilled and successful lives in Bromley, ageing well, retaining independence and making choices.
 - (5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
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Financial

1. Cost of proposal: Estimated cost £3,787,914 over two year extension period
 2. Ongoing costs: Current agreement value £1,780,440 per annum
 3. Budget head/performance centre: Mental Health
 4. Total current budget for this head: £8,415k
 5. Source of funding: Revenue budget
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Personnel

1. Number of staff (current and additional): 35 Posts with 6 Vacancies
 2. If from existing staff resources, number of staff hours: 1,000 hours
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Legal

1. Legal Requirement: Statutory Requirement
 2. Call-in: Not Applicable:
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Procurement

1. Summary of Procurement Implications: Not applicable
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Property

1. Summary of Property Implications: Not applicable
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Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: Oxleas NHS Foundation Trust have a corporate commitment to carbon reduction (section 5 below).
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Customer Impact

1. Estimated number of users or customers (current and projected): On average 364 referrals per annum and 212 assessments over 12 months
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Ward Councillor Views

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

3. COMMENTARY

- 3.1 On 21 July 2004, Executive granted permission for the London Borough of Bromley to enter into an agreement with Oxleas NHS Foundation Trust for the provision of Adult Mental Health services. The approval was sought via report DSSH04050.
- 3.2 Executive authorised a 20-year agreement with Oxleas NHS Foundation Trust to enable them to become the lead provider of Adult Mental Health Services including operational management and the establishment of a pooled budget.
- 3.3 The partnership arrangements with Oxleas Mental Health Foundation Trust provide:
- a seamless service that simplifies access to services for Service Users and carers, enhancing the delivery of safe, sound and supportive services.
 - a single line management structure with clear lines of service and professional accountability within a single integrated service framework.
 - an integrated and co-ordinated approach to the assessment of individual needs based on a combined application of the policies of both the Council and the Trust.
 - a co-ordinated approach to the planning and development of services.
 - an integrated approach to clinical, case and service audit.
 - integrated programmes of service improvement based on joint standards and service monitoring.
- 3.4 When the partnership was originally established 3 members of the Council's staff transferred to Oxleas NHS Foundation Trust under TUPE arrangements, whilst the other Council staff (32 at the time) remained employed by the Council but seconded to Oxleas NHS Trust. The reason for this was because social work staff who are authorised to act as Approved Social Workers under the 1983 Mental Health Act must be employed by a Local Authority. A head of social work post was created and the 'Head of Bromley Mental Health Social Care' continues to be funded by the Council, reporting to the Director of Oxleas NHS Foundation Trust and the Social Care Assistant Director for Operations. The team continues to include 35 posts but there are 6 vacancies.
- 3.5 Since the original Agreement was made, there have been many changes to the provision of mental health services, NHS services and social care services locally and nationally. The Partnership therefore needed to ensure that these joint arrangements mirror the changes, along with the changing expectations of those who accessed the service.
- 3.6 The Care Act 2014 has transformed the approach taken by local authority Adult Social Care services to working with people with care and support needs and with carers. The Care Act 2014 also introduced a code of practice for safeguarding vulnerable adults. For these reasons it was agreed that it was important to jointly review existing arrangements, with specific attention paid to Care Act 2014 compliance and recording (including Safeguarding). The review also incorporated consideration of the arrangements in place for the supervision, management and professional development of staff seconded through the Partnership Agreement and their links to the Council; along with an appraisal of the contribution made by this Partnership to the Bromley Mental Health & Wellbeing Strategy.
- 3.7 The review was sponsored by the Director for Adult Services, LBB and the Chief Operating Officer, Oxleas NHS Foundation Trust. A working group of senior managers from across the two organisations led the review. Two external consultants were employed to firstly collect information to inform the review and to then engage with staff, service users and other stakeholders on the development of an action plan. The review was undertaken in the second

half of 2021 with an action plan agreed for implementation from 2022. Health Scrutiny Sub Committee were presented with the outcome of the Review in April 2023 (ACH23-019).

- 3.8 In summary the Review made the following recommendations for action:
- 3.8.1 That the Partnership agree a joint statement of intent and action plan to improve the partnership working arrangements.
 - 3.8.2 That the governance arrangements for the partnership, the then Section 31 Monitoring Group, be reviewed.
 - 3.8.3 A line of sight is provided to the Bromley Assistant Director with responsibility for Safeguarding for assurance purposes in relation to the oversight of cases of concern following referral to Oxleas.
 - 3.8.4 All Care Act assessments, statutory reviews, Carers assessments and Safeguarding enquiries by Oxleas practitioners working in Bromley (and not limited to seconded social workers only) are recorded on the Oxleas information and management system. This record is shared with Bromley Council to inform performance monitoring and review.
 - 3.8.5 All LBB seconded social work staff at Oxleas have the same access to the Bromley Council staff intranet and shared resources as Council social workers. Seconded social work staff, in turn, will be required to log in frequently to the Council system to maintain their contact and make use of such resources.
 - 3.8.6 The Head of Social Care role for Bromley at Oxleas is clearly defined and the post-holder is supported. The role and tasks of other Oxleas managers, in relation to the delivery of social care related targets, is more clearly defined, including assurance around Care Act compliance.
 - 3.8.7 Care Act training is undertaken by non-social worker practitioners working in the Oxleas community service line and by Team managers, including the Primary Care Plus team.
 - 3.8.8 A joint commitment to introducing the co-production process with people in need of care and support, including the introduction of measurable targets is jointly produced and agreed by the partners in co-operation with stakeholders with a direct experience of mental health issues.
 - 3.8.9 Senior strategic officers for each partner organisation shall together identify areas for improvement in relation to pinch-points in the system, for example, (i). at the Safeguarding referral stage, and (ii). at the point of decision about which team is best placed to carry out an assessment of an adult with complex needs who is not easily categorised according to criteria used in the current care pathways.
 - 3.8.10 Written guidance is produced to improve the care pathways between the partner organisations, including the work carried out by each organisation before and after receiving a referral and in the process of the transfer of tasks and responsibilities.
- 3.9 Following the agreement of these recommendations an Action Plan was developed through engaging those staff affected by the review and following a period of engagement with service

users and wider stakeholders. Work on implementing the improvements is being overseen by the newly established Community Mental Health Partnership Board.

- 3.10 Progress is being made on the Action Plan and most actions had been completed within the timeframes. For example, new partnership governance arrangements have been established and those LBB staff seconded to the Trust now have full access to LBB IT systems. The implementation of the Adult Social Worker career development pathway and competency framework has helped to provide a clear set of expectations for professional development. All other actions were reported as being on track for completion. However, there are still some work to do regarding Care Act compliance and the approach to Safeguarding and these remain on the Action Plan as areas for improvement.
- 3.11 Permission to extend the agreement for 2 years will enable the service time to fully scope the current commissioning options and agree any future service requirement with Oxleas NHS Foundation Trust.
- 3.12 The 2022/23 Pooled budget consisted of £ 1,618,413 contributed by the council, whilst Oxleas contribute £16,828, 651 which illustrates that the service delivered substantial added value and cost avoidance. The revised contribution is confirmed at the end of each financial year.

4. AGREEMENT RECOMMENDATION

4.1 **Recommended Provider(s): Oxleas NHS Foundation Trust**

4.2 **Estimated Agreement Value (annual and whole life): Currently (£1,780,440 per annum estimated whole life cost:**

2024 £1,824,951.00

2025 £1,870,575.00

2026 £1,917,339.00

Total for the extension - £3,787,914

4.3 **Other Associated Costs:** NA

4.4 **Proposed Agreement Period:** 2 Years

4.5 Key Performance Indicators are included in the current agreement and are currently being reviewed via the quarterly agreement management meetings.

5. SOCIAL VALUE, CARBON REDUCTION AND LOCAL / NATIONAL PRIORITIES

5.1 As a major local employer and provider of health services across south-east London Oxleas NHS Foundation Trust aim to be a positive partner in Bromley, in addition to providing healthcare to local people, they have made a commitment to the following social value priorities (including carbon zero):

- Developing job opportunities – they recruit locally and most of their staff live locally. They offer volunteering and lived experience opportunities and have created a wide range of apprenticeship and work experience placements.

- Environmental sustainability – Oxleas are taking steps to reduce their carbon footprint and to become a carbon zero organisation.
- Championing diversity and inclusivity – Oxleas are a leading organisation for promoting diversity and inclusion and they are taking action to make their services more accessible as illustrated by their award-winning ‘Building a Fairer Oxleas’ programme.
- Supporting local businesses and organisations – Oxleas work in partnership with many local businesses and organisations particularly in the voluntary sector.
- Supporting veterans – Oxleas are a forces-friendly employer and ensure that their services are accessible too. Their commitment has been recognised through the Armed Forces Covenant scheme, resulting in a Gold award.
- Keeping well – Oxleas work with partners to help local people stay well both physically and mentally. This includes taking part in community events, sharing information and health tips through their trust membership and supporting the ‘South London Listens programme’.

6. FINANCIAL CONSIDERATIONS

- 6.1 This report recommends that Executive authorises a 2-year (extension) agreement with Oxleas NHS Foundation Trust resulting in the continuance of their role as the lead provider of Adult Mental Health Services including operational management. This will result in the agreement ending on 30 November 2026. The estimated total cost for the extension over two years is £3,787,914.
- 6.2 The Council has budget provision within the Mental Health service revenue budget for the Council’s contribution to the pooled budget. The partnership agreements cover the budgetary arrangements for the pooled fund including avoiding overspends and managing any underspends. The Agreement requires each partner agency to have agreed their financial contribution by 31 March for the subsequent financial year and that each Partner’s contribution allows them to discharge their statutory obligations (the risk ownership stays with each partner as at present).

7. PERSONNEL CONSIDERATIONS

- 7.1 This report seeks to extend the current arrangement of formal secondments within the provisions of Section 31 of the National Health Service Act 2006.
- 7.2 During this period, existing seconded staff will remain employees of the London Borough of Bromley.
- 7.3 Although the proposed extension will have no impact on the current arrangement with employees, the service have communicated the proposals and will continue to keep staff up to date.
- 7.4 As per the Council’s Managing Change procedure, the service would need to consult with affected staff and Trade Unions regarding any proposed changes following the longer term review of service models.

8. LEGAL CONSIDERATIONS

- 8.1 This report seeks approval from the Executive to:

- Authorise a 2 year (extension) agreement with Oxleas NHS Foundation Trust to provide Adult Mental Health Services including operational management ending on 30 November 2026 at a value of £3,787,914
- Agree the extension of the pooled budget provision
- Delegate power to enter the agreement to the Chief Officer (Director of Adults Social Care) as the agreement primarily relates to staff who would normally be directly located in the Adults Social Care Directorate
- Note that the Integrated Commissioning Board supports and has consented to the Trust retaining these arrangements with the Council.

8.2 Section 31 of the Health Act 1999 allows the NHS and local authorities to work together by enabling them to pool their resources, delegate functions and resources from one party to another and enable a single provider to provide both health and local authority services. Despite the operational arrangements the legal duty for meeting assessed needs will remain with the Council

8.3 The Council's requirements for authorising an extension are covered in CPR 23.6.1 and 23.6.2. The thresholds for authorisation for a formal agreement extension are set out in CPR 13.1. In accordance with CPR 13.1, extensions over £1,000,000 require approval from the Chief Officer in Agreement with Director of Corporate Services, Assistant Director Governance & Contracts, Director of Finance and the approval of Executive

Non-Applicable Headings:	Transformation/Policy Implications IT and GDPR Considerations Procurement Considerations Strategic Property Considerations
Background Documents: (Access via Contact Officer)	None

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