

EXECUTIVE

Minutes of the meeting held on 7 September 2011 starting at 7.00 pm

Present:

Councillor Stephen Carr (Chairman)
Councillors Graham Arthur, Robert Evans, Peter Morgan,
Ernest Noad, Colin Smith and Tim Stevens

Also Present:

Councillor Nicholas Bennett J.P., Councillor Eric Bosshard,
Councillor Brian Humphrys, Councillor Russell Mellor and
Councillor Stephen Wells

56 APOLOGIES FOR ABSENCE

All members were present.

57 DECLARATIONS OF INTEREST

Councillor Nicholas Bennett JP declared an interest in item 10 – Impact of the Recent Disorder on the Borough's Town Centres – in his capacity as a Magistrate at a Court elsewhere who might hear cases arising from such disorders.

58 CONFIRMATION OF MINUTES

- a) **Minutes – 20th July 2011 and the special meeting on 8th August 2011**

RESOLVED that

1) **the minutes of the meeting held on 20th July 2011 be confirmed as a correct record subject to the amendment of Minute 36 – Biggin Hill Airport Olympic Proposals – Verbal Progress Report: fourth paragraph, first sentence ‘Councillor Colin Smith requested local *employment* figures’; and**

2) **the minutes of the special meeting held on 8th August 2011 be confirmed as a correct record.**

- b) **Matters Arising**

RESOLVED that the report be noted.

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

Two written questions had been received from a member of the public details of which are set out in the Appendix to these Minutes.

60 BUDGET MONITORING 2011/12

Report RES11084

Consideration was given to the second budget monitoring report for 2011/12 based on expenditure and activity levels up to June 2011. The report also highlighted any significant variations which would impact on future years as well as any early warning that could impact on the final year end position. The Finance Director advised that he would give more detailed information on future cost pressures as part of the discussions on the following item.

The Executive noted that overall a projected underspend of £305,000 was forecast based on estimates as at June 2011. However, the main cost pressure in year related to the Children and Young People Portfolio which had a £622,000 overspend. The CYP Portfolio Holder, Councillor Noad, spoke on the serious difficulties faced by the Department in trying to manage the unavoidable cost pressures on children's placements and special needs where the Council was statutorily responsible to provide services for these young people. The matter had been discussed by the CYP PDS Committee at its meeting the previous evening when it had been agreed to request the Executive to approve the setting up of a contingency fund to cater for such cost pressures rather than continuing with the present arrangements.

The Resources Portfolio Holder commenting on the proposal referred to other departments who had had to deal with unforeseen situations arising during the year such as Environment and Adults and Community Services. In principle if this was agreed for one service then it should apply to others. However he had some concerns with the proposal and felt that there were other ways to deal with the situation. The Chairman was of the view that the problem should be looked at overall as to how to pull budgets together in the future and stressed the need for good 'gate keeping' as had been the case in Adult & Community Services. Councillor Smith felt that more information/evidence was needed as to why the cases had not been identified earlier or were they all because families had moved into the borough. The Director of Children and Young People services explained that very rigorous management action had been taken to reduce costs but the situation was different this year to last year. This year the department had less flexibility in redirecting monies as a result of the considerable reduction in government grants yet at the same time the Council still had a duty to provide such services. There were four children's cases in particular which had arisen (one of whom had moved into the Borough), three of the children had severe autism and had to be placed in specialist accommodation outside of the borough. The costs of this ranged from in excess of £125,000 up to £200,000 per placement because of their very specific needs. The Director also

responded to questions on the action taken to reduce the levels of locum staff and the progress that had been made.

Councillor Carr referred to the ongoing work being done to look at possible provision being made in borough and that discussions were taking place with Bexley and Croydon to draw up longer term plans to tackle the situation. Councillor Noad advised that he would be reporting on this matter to the Working Party very shortly.

The Finance Director drew attention to the existing arrangements for requesting draw down from the Contingency fund set up to deal with the recent recession. Any requests had to show that all other alternative options had been fully explored particularly as the effects would not only be felt this year but would have on going implications.

The Executive generally took the view that no changes should be made to the current budget arrangements but that work should be undertaken to look at ways to more accurately reflect the costs of placements in future years. The Chairman asked that Councillors Arthur and Noad take the lead, together with the Finance Director in examining the situation in more detail.

RESOLVED that

- 1) the latest financial position be noted including the projected net underspend of £305,000 forecast, based on information as at June 2011, which consists of a £164,000 overspend on services offset by additional grant income of £319,000 and a projected underspend on the Central Contingency provision of £150,000;**
- 2) the comments by the Directors of Children & Young People and Adult & Community Services in respect of cost pressures within their departments be noted; and**
- 3) no action be taken in respect of the request for a special contingency fund for children's placements but the respective Portfolio Holders and the Finance Director consider the matter in more detail and if necessary report back to members with any proposals.**

61 UPDATE ON THE COUNCIL'S FINANCIAL STRATEGY 2012/13 TO 2015/16

Report RES11075

The Executive discussed an updating report on the Council's financial strategy which also outlined the issues that would continue to shape the medium and longer term strategy. Particular attention was drawn to the ongoing reductions in funding faced by the Council over the medium and longer term in the light of the current financial state of public finances.

The Finance Director introduced his report and explained the context of the current financial situation which was an international as well as a national problem impacting on public finances which ultimately affected all local authorities. The report included a summary of the latest budget projections for Bromley and the additional savings required to balance the budgets for 2012/13 to 2014/15. Members noted that there was a further budget gap of £3.4m in 2012/13 rising to £28.4m per annum by 2014/15. The key factors contributing to the ongoing budget gap were inflation, the ongoing loss of Government grants and service pressures as already highlighted in the previous budget monitoring item. The Finance Director drew attention to Appendix 2 of the report which showed the crucial changes/proposals that could also impact on the Council's finances. He highlighted among others issues the Local Authority Central Services Education Grant (LACSEG) which showed that the potential further loss of grant to Bromley could be about £5m. This figure had not been reflected in the budget gap at this stage as the situation was still unclear. Against this background consideration had been given to how to bridge the on-going budget gap and one of the various measures included a review of the Council's key assets was currently being undertaken. Arising from this it was proposed to utilise about half (£25m) of the Council's general reserves (totalling £49m) to set up two investment funds with the remaining reserves being the minimum level necessary for financial prudence. The first one would be a Regeneration/Investment Fund which would allow for the acquisition of certain assets creating additional levels of income for the Council and supporting the Council's regeneration ambitions. The second Invest to Save fund would provide for 'loans' to be made for appropriate initiatives with any savings taking into account an element for repaying the fund whilst generating further savings. Details of the stringent criteria for applications to the fund were set out in the report.

The Chairman commented that the proposals, particularly the Regeneration and Investment Fund were intended to make better use of the Council's assets and yield higher returns whilst bringing much needed investment into the Town Centres. Other London Boroughs had already used this approach to advantage rather than leaving funds in reserves which gained poor returns.

In response to some concerns raised by Councillor Evans about the true worth of Invest to Save schemes, the Resources Portfolio Holder accepted that a better system of monitoring such schemes was needed and he would expect monitoring reports, including the measuring of outcomes, to be submitted to the Improvement & Efficiency Sub-Committee and PDS Committee. He also spoke in support of the proposals as a strategy for the future.

Councillor Morgan expressed his support for the actions proposed but felt that Bromley was continually penalised for being efficient and rather should be rewarded. He asked if further representations could be made to the Government on this issue. Councillor Morgan also stressed the need for rigorous testing of schemes submitted for Invest to save funding.

The Leader advised that representations had been made to the Government on a number of occasions and he had had two meetings with Bob Neill, the Parliamentary Under Secretary of State for Communities and Local Government. Currently he was meeting with a number of London Boroughs (cross party members) to put a new round of representations to the government on this issue.

Councillor Noad agreed with what was proposed and said that there were examples of Invest to Save schemes that had proved a success such as Riverside. On the question of paying back into reserves one of the issues was that the number of service users was expanding taking up the profit earned.

Members commended the report for its clarity in setting out the present financial position. The Chairman stressed that this was ongoing work and emphasised the need for robust monitoring of each case before any finances were made available and that it would be carried out in a transparent and open manner.

RESOLVED that

- 1) approval be given to continuing the updated “One Bromley” approach to the budget as set out in paragraphs 9.1 – 9.3 of the report;**
- 2) the latest financial forecast for 2012/13 to 2015/16 be noted as well as the continued financial uncertainty;**
- 3) the variable changes that can impact on the Council’s overall financial position as detailed in paragraph 6 (a) – (j) of the report be noted; and**
- 4) the report be referred to individual PDS Committees for their consideration and any comments be reported back to the Executive.**

RESOLVED that Council be RECOMMENDED to:

- 1) approve the creation of a Regeneration/Investment Fund (Earmarked Reserve) with £10m set aside from general reserves as detailed in Paragraph 10.4 of the report; and**
- 2) approve the creation of an Invest to Save Fund (Earmarked Reserve) with £14m set aside from general reserves as detailed in Paragraph 10.5 of the report.**

62 GATEWAY REVIEW - PROCUREMENT STRATEGY FOR LEARNING DISABILITY SUPPORT SERVICES

Report ACS11043

In accordance with the requirement for Gateway reviews, the Executive considered a report seeking approval for the recommended procurement strategy for new framework contracts for care and support services for people with learning disabilities. Tendering for the framework would begin in October 2011 with a contract start date in May 2012 and would create a 5 year agreement.

The framework would be tendered using the Due North electronic tendering system. As part of the procurement process, officers would be seeking efficiencies in the delivery of services whilst maintaining quality and reliability. The results of the tender would be reported back to the Executive at the end of the year for approval to the final award of the contract.

RESOLVED that approval be given to conduct an open tender for a framework for supported living services, live in care and domiciliary care to be let for 5 years from May 2012 with an option to extend for up to 2 years, the option to be exercised by the Director of Adult and Community Services in consultation with the Adult and Community Portfolio Holder.

63 NHS FUNDS FOR SOCIAL CARE 2011/12 AND 2012/13: FOR SERVICES FOR PEOPLE WITH DEMENTIA

Report ACS11042

Members considered a report on the use of the funding allocation to the PCT identified in the NHS Operating Framework for 2011/12 and 2012/13 for social care services which also supported the NHS. Approval was being sought to the investment plan and accompanying business cases and to draw down the necessary NHS funds. The Assistant Director, Commissioning and Partnership (A&CS) advised that total funding, consisted of £3.176m in 2011/12 and £3.042m in 2012/13, which had been transferred to the local authority.

The Executive was being requested to approve the draw down of some of the funding for phase 1 of the dementia programme of £250,000 in 2011/12 and £184,280 in 2012/13. This would result in a net saving of £219,734 to the Council and £111,150 to the PCT in 2012/13. Full details of the four initiatives being proposed were set out in the report. Further investment plans for Physical Disabilities and Learning Disabilities would be submitted to members at the October Executive meeting. Details of Phase 2 of the dementia programme would be submitted later in the year. The Shadow Health and Well-Being Board had endorsed the priority areas for investment and would receive 6 monthly reports on the outcome of the use of these funds. The

Portfolio Holder for Adult and Community Services spoke in support of the proposals.

RESOLVED that

- 1) the focus of the investment plan as identified in paragraph 3.13 of the report be endorsed; and**
- 2) approval be given to draw down the NHS funds for Social Care from the Council's central contingency of £250,280 in 2011/12 and £184,280 in 2012/13.**

64 CONTRACTUAL ARRANGEMENTS FOR SERVICES FOR PEOPLE WITH LEARNING DISABILITIES

Report ACS11044

The Executive considered a report seeking the extension of the care contract with Avenues Trust to provide services for people with a learning disability as part of the PCT Re-provision Programme. The ACS Portfolio Holder had originally approved the award of the contract to Avenues Trust in April 2008 for a 3 year period with an option to extend for a further 2 years.

Members were advised that Avenues Trust were currently providing care and support services at The Elms and Brosse Way to a satisfactory standard. It was proposed to extend the contract for the further two years which would align the end date of this agreement with other supported living contracts awarded under the Re-provision programme.

RESOLVED that approval be given to extend the care contract with Avenues Trust for services to people with a learning disability at The Elms and Brosse Way for 2 years until 30th September 2013 in line with the option in the contract.

65 IMPACT OF THE RECENT DISORDER ON THE BOROUGH'S TOWN CENTRES

Report DRR11/086

The Director of Renewal and Recreation explained that the report covered three areas i) an assessment of the impact of the rioting and public disorder that took place in the Borough on 8th August 2011; ii) the financial support being made available by the Government and the Mayor of London; and iii) the Council's Assistance Programme.

Members were advised that the impact on local businesses in the affected areas had ranged from low level damage to frontages up to serious loss of stock and equipment due to looting. The Director updated the Executive and advised that a total of 58 businesses had been effected in some way by the rioting and 85% of these had been visited by officers to reassure that the

Council was working closely with the Police and to provide information on sources of help and advice as well as assessing the loss and disruption they experienced. It was estimated that two thirds of the companies were small businesses and the majority had insurance cover. Estimates of the costs arising from the losses incurred ranged from about £900 up to £300,000 and only a few had had to close for up to 2 to 3 days with 1 business still closed and boarded awaiting a refit. To date it was estimated that about 9 small businesses were likely to apply for assistance under the scheme being proposed. It was suggested that the level of individual grants on offer be limited to £2,500 per application and that authority to approve these requests be delegated. The report proposed setting aside £142,500 for the fund but in view of the current level of possible take up it was suggested this be reduced to £50,000.

Details of the funding schemes announced by the Government and the London Mayor were set out in the report. Whilst the Council could not claim under all these it was expected the Council would be 100% reimbursed through the Government High Street support Scheme. The Mayor of London had also announced additional funding to help make longer term improvements to the capital's town centres and High Streets damaged by the recent disturbances full details of which were still awaited.

The Portfolio Holder for Public Protection and Safety reported to the Executive on the events that had occurred on 8th August 2011 and the response by the Police and Council in keeping the situation under control. He praised the work of all those involved in maintaining law and order at the time and afterwards in the clearing up operation which showed the excellent partnership working. The CCTV footage had proved very useful in helping the Police identify those involved. A full report would be made to the Public Protection and Safety PDS Committee meeting on 20th September 2011 and all members would be invited to attend.

RESOLVED that

- 1) the impact of the recent disorder in the Borough's Town Centres and the arrangements put in place by the Government and locally to assist the recovery be noted;**
- 2) in view of the need to act quickly delegated authority be given to the Director of Renewal and Recreation, in agreement with the Leader of the Council and the Portfolio Holders for Resources and Renewal and Recreation to decide on the final form of the Council's package of support for local businesses affected by the disorder; and**
- 3) a sum of £50,000 be set aside in the Central Contingency to fund these potential costs, on the basis they will be refunded from the Department for Communities and Local Government.**

**66 CONSIDERATION OF ANY OTHER ISSUES REFERRED FROM
THE EXECUTIVE AND RESOURCES POLICY DEVELOPMENT
AND SCRUTINY COMMITTEE**

There were no additional issue to be reported from the Executive and Resources PDS Committee.

**67 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 that 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**

**68 EXEMPT MINUTES OF THE MEETING HELD ON 20TH JULY
2011**

The exempt minutes of the meeting held on 20th July 2011 were confirmed.

**69 FORMER BROMLEY TOWN HALL AND SOUTH STREET CAR
PARK, BROMLEY (OPPORTUNITY SITE C)**

The Executive noted the arrangements proposed by the selected development partner to progress the acquisition and development of the Town Hall. Member authority would be required before the Council was committed to enter into a development agreement and the agreement for the lease.

70 CORPORATE MANAGEMENT

The Executive agreed to discuss this report on the grounds of urgency and approved the recommendations.

Chairman

The Meeting ended at 8.40 pm