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To:
All London Borough of Bromley Providers

24th March 2020

Dear Provider

During this time of unprecedented Public Health measures, our priority is to support our residents and our staff. This extends to all providers of London Borough of Bromley services.

We will work in partnership with all providers to support you over the next few weeks and months to ensure, as far as possible, continuity of services and sustainability of our providers – both during and after the current outbreak of COVID-19.

Arrangements will need to be discussed and agreed, as required, with your named Contract Manager and/or key contact at the Council as each contract and the needs of each provider will be individual and specific. However, the London Borough of Bromley, effective immediately, will operate under the following principles:

- i. We will work collaboratively and in partnership with our providers to support them during this time.
- ii. For services we provide to our most vulnerable residents, and other essential services, providers should, where necessary, discuss with their Contract Manager the Business Continuity procedures they are putting in place to ensure effects are mitigated as far as possible.
- iii. Providers and the Council will work collaboratively to be flexible in delivery and to deploy resource across different services and contracts (subject to statutory and safeguarding considerations) to meet the needs of our residents. Opportunities to do so (for example, where a provider has available staff resource due to a reduction or cessation in service that could be redeployed to support other services) should be discussed with their Contract Manager.
- iv. We will support sustainability and support the maintenance of cash flow to providers through the following measures as appropriate:
 - o Payment on receipt of invoice. Invoice reconciliation or correction can take place over a longer period.

- Alternative payment mechanisms or frequency (such as moving to monthly payments where this is not already in place; or interim payments or advance payments).
- Block payments to providers, based on the past three months of invoicing (or other suitable mechanism), where otherwise payment would have been based on actual volumes (occupancy, hours, etc.) and invoice payments would normally have been reconciled to evidenced delivery.
- Where a provider is at risk, due to the short term liabilities arising from the COVID -19 period, continued payment (either based on current payment mechanisms or moving to block payments as appropriate) where there has been a reduction or cessation in service related to the Public Health situation (for example, school closures);
- Additional payments (for example, lump sum or increased rates) to take into account evidenced additional costs related to the Public Health situation. For example, additional infection control costs or use of higher cost agency staff.
- Suspension, as appropriate, of performance related or KPI mechanisms or penalties within a contract, as well as flexibility in varying current specification requirements where required.

These principles will apply across all contracts with the specifics relevant to your contract discussed and agreed with the Contract Manager. Any changes to the contract will be supported by suitable variations as required – although this may take time to implement and so a partnership approach is required.

These principles are not unconditional. The Council will expect our providers to consider their own resources available to support them during the current period as well as fully utilising the Government support available, prior to considering Council support during this period. The Council has a continuing duty to ensure Best Value and so the following conditions will apply:

- a) Providers must provide reasonable supporting evidence, in discussion with their Contract Manager, to demonstrate the short term financial pressures and risks they are operating under and to establish the appropriate financial support measure(s) to be applied. Financial support, after allowing for an organisation's existing resources and Government support, is expected to be used to assist in meeting cash flow requirements and extra short term liabilities (costs) related to the current Public Health situation rather than deal with existing financial or contract performance problems.
- b) Providers must ensure they access the range of business support mechanisms announced, or subsequently announced, by the Government. Financial support provided through the Council will be considered after allowing for such mechanisms, although there may be overlaps that can be subsequently reconciled (see below).
- c) In due course, the Council will undertake a broad process of reconciliation of provider payments and invoices covering this period. The approach will be flexible and will reflect the unusual circumstances in which they were made – but to support Best Value, the Council will need to ensure that payments and financial support made during this period, which represent public money, are appropriate to actual service

delivery, incurred costs and other income/relief received via business support mechanisms announced by the Government.

- d) To support appropriate and reasonable reconciliation, providers are expected to move to open book accounting principles with all cost data covering this period made available to the Council as required.
- e) Providers must ensure that payments to their employees and sub-contractors continue to be made, and in a timely fashion. Providers are expected to act reasonably at all times, take steps to minimise service disruption and mitigate loss as far as possible.
- f) These principles will be kept under review by the Council and may be withdrawn at our discretion. However, they are currently open ended and are expected to be in place over the next few months. They are provided in good faith by the Council but do not assume any contractual or legal liability.

While finalising the arrangements to support London Borough of Bromley providers, advice was issued through the Cabinet Officer on Supplier Relief. We are gratified that our approach is consistent with this advice. The Cabinet Office guidance can be viewed here: <https://www.gov.uk/government/publications/procurement-policy-note-0220-supplier-relief-due-to-covid-19>

We trust that the arrangements described in this letter are clear and demonstrate our intent to support all our providers, working in partnership, during this period of disruption caused by the Covid-19 situation. Should you have any queries, then please raise them through your Contract Manager.

Yours sincerely



Ade Adetosoye OBE
Chief Executive