

EXECUTIVE

Minutes of the meeting held on 14 January 2015 starting at 7.00 pm

Present

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

Also Present

Councillor Peter Fortune, Councillor Will Harmer,
Councillor William Huntington-Thresher, Councillor Pauline
Tunncliffe and Councillor Angela Wilkins

120 APOLOGIES FOR ABSENCE

Apologies were provided on behalf of Councillor Eric Bosshard (Executive and Resources PDS Chairman) and Councillor Nicholas Bennett JP (Education PDS Chairman).

121 DECLARATIONS OF INTEREST

Councillor Peter Morgan declared a Personal Interest by virtue of his daughter being a Director of Kier Property Services.

122 TO CONFIRM THE MINUTES OF THE MEETINGS HELD ON 26TH NOVEMBER 2014 AND 19TH DECEMBER 2014

The minutes of the meetings held on 26th November 2014 and 19th December 2014 were agreed.

A matters arising report was also provided for Members along with updated Terms of Reference for the Executive Working Group on Special Educational Needs.

The Leader also confirmed that Councillor Will Harmer had been appointed as Executive Assistant to the Leader.

RESOLVED that:

(1) the minutes of the meetings held on 26th November 2014 and 19th December 2014 be agreed;

(2) updated Terms of Reference for the Executive Working Group on Special Educational Needs be agreed; and

(3) the Leader of the Council's appointment of Councillor Will Harmer as Executive Assistant to the Leader for the remainder of the 2014/15 municipal year be noted.

**123 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING
THE MEETING**

Five questions had been received for oral reply and one for written reply. Details of the questions and replies are at **Appendix A**.

**124 DRAFT 2015/16 BUDGET AND UPDATE ON COUNCIL'S
FINANCIAL STRATEGY 2016/17 TO 2018/19**

Report FSD15001

Approval was sought for the Council's initial draft 2015/16 Budget. This included actions to reduce the Council's medium term "budget gap" and savings for consideration.

There continued to be outstanding issues and areas of uncertainty, and any further updates would be included in the 2015/16 Council Tax report to the Executive's next meeting.

On future funding it was explained that the Comprehensive Spending Review might be further delayed, creating additional uncertainty for local authority budget planning, 2016/17; there would, however, be no change in direction on public sector constraint.

Commenting on the report, the Portfolio Holder for Resources highlighted a focus on prudence. Referring to the Chancellor's Autumn Statement, the Portfolio Holder highlighted that new targets were being set for releasing public sector land for housing delivery. Although related mainly to Government Departments, it was noted that it could be extended to local government land in the future. The Portfolio Holder suggested that this would need careful monitoring. Capital monies were protected from revenue spend by an effective "firewall" enabling capital to be invested with returns of 5 to 6%. Such returns were achieving income in excess of £4m per annum to help protect front line services.

The Portfolio Holder also proposed that the draft budget would enable Council staff on localised pay and conditions to receive a 1.2% pay increase. Staff would be eligible to receive the increase from April 2015.

Concerning inflation, it was confirmed that the Retail Price Index (RPIX) currently stood at 1.7%, below the level of 2% at the time of drafting Report FSD15001. Implications of the change would feed into the 2015/16 Council Tax report.

The Leader highlighted the recommendation to refer the initial draft budget for each portfolio to relevant PDS Committees for consideration. It was important

for PDS Committees to look carefully at their draft portfolio budget. Comments would then be reported to the Executive's next meeting before recommendations are made to Council on 2015/16 Council Tax levels.

RESOLVED that:

- (1) the initial draft 2015/16 Budget be agreed as shown in Appendix 4, including the savings detailed in Appendix 6;**
- (2) the initial draft 2015/16 Budget for each portfolio be referred to the relevant PDS Committees for consideration;**
- (3) the financial projections for 2016/17 to 2018/19 be noted;**
- (4) there continued to be areas of financial uncertainty which would impact on the final 2015/16 Budget and future year forecasts;**
- (5) the setting of the schools budget, mainly met through Dedicated Schools Grant, be delegated to the Education Portfolio Holder, allowing for consultation with Head Teachers, Governors and the Schools Forum (see section 14.1.4 of Report FSD15001);**
- (6) the outcome of consultation with PDS Committees be reported to the next meeting of the Executive;**
- (7) the proposed contribution of £339,919 in 2015/16 to the London Boroughs Grant Committee be agreed (see section 8 of Report FSD15001);**
- (8) where consultation has not already commenced, officers begin the process of consulting on the savings proposals prior to finalising implementation of the savings at Appendix 6 of Report FSD15001;**
- (9) the outcome of the 2015/16 Local Government Financial Settlement be noted;**
- (10) the significant remaining budget gap of an estimated £53.3m per annum by 2018/19 be noted; and**
- (11) any final decision by Executive on recommended Council Tax levels to Council would normally be undertaken at the next Executive meeting.**

125 INVEST TO SAVE

Report RES14078

At the Executive's September meeting the Portfolio Holder for Resources asked for a report on progress with Invest to Save measures.

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Report RES14078 provided an overall summary on Invest to Save schemes and their progress. A schedule summarising financial implications was also tabled.

Noting two instances of the projected saving at 31st March 2015 not matching or exceeding the original approved saving (Green Garden Waste/Textile Collection Service and Transfer of Customer Service Centre to Liberata), the Leader asked that the schemes be closely monitored to ensure they are not missing out on improvements. The Deputy Leader suggested that the full benefits of the Green Garden Waste Scheme could be underestimated in the report and asked that officers check the position further. (Democratic Services Note: the Director of Finance investigated further and circulated separately to the Deputy Leader confirmation of additional benefits not covered in the report).

It was also highlighted that the Executive and Resources PDS Committee had requested a further progress report on invest to save schemes toward the end of the municipal year.

RESOLVED that the report be noted.

126 GATEWAY REVIEW OF HOUSING IT SYSTEMS

Report CS14106

With the Council's contracts for suppliers of Housing Systems software expiring in March 2016, a gateway review of current and future system requirements had been completed, and the market surveyed for alternative systems.

It was proposed to procure a fully integrated Housing IT system from a framework developed by Crown Commercial Services, Report CS14106 listing the benefits of using the procurement framework.

The current Housing IT systems had been purchased from different suppliers at varying times, their integration and software being both complex and expensive to maintain. An upgrade of one system impacted on others and the interfaces developed; some three to four upgrades were typically required each year, with additional upgrades necessary should major software be upgraded.

Newly developed solutions enabled customers to manage their own registrations so reducing administration for a Housing Department. Soft market appraisal of systems also identified other potential efficiencies which were outlined in Report CS14106.

In view of the complex and technical nature of IT system procurement, the Government had, through Crown Commercial Services, established two frameworks for IT services, both including housing systems. A detailed specification of the IT services would determine whether best value would be

achieved by direct purchasing or running a mini-competition from the framework.

The soft market testing suggested that a new system with all modules integrated would cost between £70k and £200k. The structure of additional implementation costs would vary between products available.

The cost of annual maintenance licences for the current housing systems amounted to £70,695 per annum. Additionally, costs to upgrade the systems amounted to £25,000. Each year additional costs were incurred in maintaining the current system and associated processes amounting to approximately £50k. A major server upgrade required for 2016/17 would cost an additional £50K plus project management costs.

New models did not require extensive annual upgrades. An annual reduction in licence costs could also be achieved. Moreover, an integrated housing IT system would also lead to significant efficiencies in working practices. Income from Registered Social Landlords using the IT system for Choice Based Lettings could also increase should there be new providers.

Appendix 2b to Report CS14106 outlined proposed revenue running cost savings from implementing a fully integrated Housing IT system. An updated version of the Appendix tabled at the meeting also factored in reduced additional costs of upgrades and maintenance.

The Portfolio Holder for Care Services highlighted that the type of system being considered was not completely new, having the benefit of use elsewhere in another borough. It would also be a freestanding system and not part of the Council's IT system.

RESOLVED that:

- (1) officers proceed to procure a fully integrated Housing IT system from a framework developed by Crown Commercial Services; and**
- (2) the capital funding bid to procure and implement the new Housing IT system to facilitate savings set out at Appendix 2b of Report CS14106 be approved.**

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

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

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

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**129 EXEMPT MINUTES OF THE MEETINGS HELD ON
26TH NOVEMBER 2014 AND 19TH DECEMBER 2014**

The exempt minutes of the meetings held on 26th November 2014 and 19th December 2014 were agreed.

**130 AWARD OF CONTRACTS FOR CAPITAL SCHEMES AT
PARISH CE PRIMARY SCHOOL AND ST PAUL'S CRAY CE
PRIMARY SCHOOL**

Report ED15029

Report ED15029 sought approval to the appointment of contractors for building schemes at Parish CE Primary School and St Paul's Cray CE Primary School.

Chairman

The Meeting ended at 7.53 pm

QUESTIONS FOR ORAL REPLY

Questions received from Nathan Hardman, Governor, La Fontaine Academy

1. How is Bromley Council collaborating with free school groups and Central Government to ensure there is a sustainable increase in primary school capacity for Bromley Children, and suitable sites are identified and secured for free schools?

Reply

Officers from Bromley Council are in regular dialogue with free school proposers, operators, and the DfE to support Free School providers where proposals address identified needs in terms of pupil places. This includes liaison on potential sites and in the case of La Fontaine Primary Academy the Council has provided temporary use of an existing school site whilst discussions take place on a permanent location for the school.

2. Which free school groups (or academy trusts) is Bromley Council supporting to address the shortage in Central Bromley reception places?

Reply

The local authority is working with a range of academy trusts, free schools, local authority maintained schools, and faith schools in central Bromley to address the growing demand for school places. This includes:

- Supporting La Fontaine to achieve a suitable central Bromley location
- Supporting Harris Shortlands Primary Academy and the delivery of its new school at Kingswood House
- Supporting the Aquinas Multi Academy Trust to expand Parish CE Primary School from 2 to 3 Forms of Entry
- Supporting E21C Multi Academy Trust to expand Scotts Park Primary from 2 to 3 Forms of Entry
- Expanding St Georges CE Primary school from 1.5 to 2 Forms of Entry

Questions received from Jane Crockett

1. So, given that reserves have risen since I left, why are frontline services still being cut?

Reply

The “Draft 2015/16 Budget and Update on the Council’s Financial Strategy 2016/17 to 2018/19” on the agenda outlines the Council’s approach to reserves which are one-off monies that are contributing to enable sustainable income opportunities as well as help manage financial risks.

A combination of inflation and cost pressures continuing whilst the Council faces significant ongoing reductions in Government funding, results in a potential budget gap of over £53m per annum by 2018/19, even if the Council agrees the savings proposals in the report.

The ongoing funding reductions will impact on the Council’s ability to meet some statutory service levels and the provision of services that matter to our residents. We will endeavour to protect front line services where possible but they cannot be fully protected during the ongoing austerity period.

2. If you’re saying that frontline services have to be cut (youth services) then have you considered outsourcing?

Reply

Every opportunity is considered for services. In this case the proposal before Members is to remove the service budget and funding, so a market solution would not be possible.

Supplementary Question

Have charities been considered?

Reply

The Leader understood that the third sector and others would be willing to consider providing services in the future.

3. So, with these cuts coming to the youth service, what will Bromley do to help the pressure that will then be imposed on the police, schools, social services etc?

Reply

The Leader explained that implications of decisions are assessed before they are made. Should it be decided to remove the funding, its impact would be ameliorated, at least in part, by the close working of partners in Bromley. If there were to be a deteriorating situation through unintended consequences, and a recognition that any new arrangements were not working, consideration would be given to bringing the service back in-house.

Supplementary Question

Jane Crockett indicated that she had seen a change amongst young people in the area of the borough where she lived and suggested that any deteriorating situation would worsen should there be more cuts.

Reply

The Leader preferred that the Council was not faced with the current budget pressures. In the circumstances it was necessary to strike a balance on priorities and to compose a sustainable budget.

In relation to services that would no longer be provided by the Council, it could be expected that the services would be either delivered in a different way by other providers or not provided.

QUESTIONS FOR WRITTEN REPLY

Questions received from Lynn Bird for written reply

Why are Bromley Council seeking to save £60 million from essential public services when the Council's net assets have increased by over £70 million between March 2013 and March 2014 when there are areas of Bromley facing severe and enduring social deprivation?

Reply

The Council's net assets, as reflected on the balance sheet, do not necessarily represent the funding available to provide services and include operational and investment properties and cash flow items partly offset by long term liabilities.

The main reason for the £70m increase in net assets between 31st March 2013 and 31st March 2014 was a reduction in the Council's long term liabilities following a review by the Council's external actuary and does not reflect any increase in funding for services.

It is a legal requirement for the Council to produce a balanced budget and many of the assets relate to operational properties used for the provision of services to our residents. Inflationary demands, continued service pressures and significant reductions in government funding result in the need to find savings of over £60m in the next four years. The Council does hold some reserves but the policy relating to the use of these reserves, which will be reported to the next meeting of the Executive, recognises that reserves are one-off monies which cannot be utilised to fund on-going expenditure. The assets will continue to be reviewed as part of the Council's ongoing wider financial strategy of looking at economic growth, investment opportunities and disposal options in order to deliver long term savings and generate sustainable income opportunities to protect key services as far as possible.
