

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

Minutes of the meeting held at 7.00 pm on 7 July 2016

Present:

Councillor Simon Fawthrop (Chairman)
Keith Onslow (Vice-Chairman)
Councillors Julian Benington, Ian Dunn, Ellie Harmer,
William Huntington-Thresher, David Livett, Russell Mellor,
Alexa Michael, Tony Owen, Sarah Phillips and
Angela Wilkins

Also Present:

Councillor Graham Arthur and Councillor Robert Evans

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

Apologies were received from Cllr Nicholas Bennett JP, Cllr Judi Ellis and Cllr Michael Rutherford and Cllr Stephen Carr, Leader of the Council, was also unable to attend.

Cllr Julian Benington attended as alternate for Cllr Rutherford.

321 DECLARATIONS OF INTEREST

Cllr Simon Fawthrop declared an interest in relation to a number of items as an employee of British Telecom.

In relation to the Anerley Business Centre (referred to at item 9d), Cllr Angela Wilkins declared an interest as a L B Bromley nominee to the Trustees of the Crystal Palace Community Development Trust.

Cllr Julian Benington also declared an interest as a Trustee of the Biggin Hill Memorial Museum Trust.

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

There were no questions.

**323 MINUTES OF THE EXECUTIVE AND RESOURCES PDS
COMMITTEE MEETING HELD ON 8TH JUNE 2016
(EXCLUDING EXEMPT ITEMS)**

RESOLVED that the minutes of the meeting held on 8th June 2016 (excluding exempt information) be confirmed.

Concerning the record of the question from Cllr Owen and written reply appended to the minutes, it was explained that officers other than the former Director of Regeneration and Transformation had attended meetings with Biggin Hill Airport Ltd concerning a change to the airport's operating hours.

324 MATTERS ARISING FROM PREVIOUS MEETINGS
Report CSD16090

The Committee received an update on matters arising from previous meetings.

An update report from the Chairman of the Public Protection and Safety PDS Committee was tabled and a copy is at **Appendix A**.

325 FORWARD PLAN OF KEY DECISIONS

Members noted the Forward Plan of Key Decisions as first published on 14th June 2016.

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

There were no questions to the Portfolio Holder.

327 SCRUTINY OF THE RESOURCES PORTFOLIO HOLDER

The Portfolio Holder for Resources, Cllr Graham Arthur, outlined progress on staff matters, finance and assets.

On staffing the Portfolio Holder included the following in his comments:

- the team responsible for measures to assist young people into work had received an award at the recent Bromley Stars event;
- graduate trainees are included within the Council's staff;
- staff involved with the GLA elections and Referendum vote were commended and thanked for their work, including the level of hours worked both day and night;

- Departmental Representatives were in place and meeting in a positive way;
- it was hoped that the contract with Amey and Cushman & Wakefield for Facilities Management and Strategic and Operational Property Management would be in place by 1st October 2016; and
- Registrars had recently received a positive assessment.

Concerning finance, the Portfolio Holder highlighted that the Council would need to be self-sufficient from 2020. He also referred to the Government's four year funding offer and transition funding of £4.1m. The Council had a well-resourced contingency fund and there was a firewall between capital and revenue budgets. Bank deposits were now yielding diminishing returns.

The Portfolio Holder also referred to the Growth Fund and an increase in Business Rate income; the Council's investment portfolio was also delivering over £13m for front line services.

Concerning assets, the Council pursued a policy of selling those it no longer needed. Referring to the Mears contract, the Portfolio Holder highlighted savings of some £4.6m per annum that would be realised, reflecting the Council's sustainable stewardship.

In discussion a Member suggested there were current risks with commercial property investment, the Bank of England warning of difficulties for the sector; prices had been too high and seven property funds had suspended funds following the Referendum outcome. The Member suggested that (property) assets were widely overvalued.

However, the Council's property investments were used to generate interest income and were not held for capital gain. Returns could be expected to fluctuate up or down and a declining property market could be an investment opportunity. A declining market would be short term and the Council was looking to achieve a 6.1% return longer term. Property investments were carefully targeted by advisers, Colliers, and any investment would be considered by a panel, including the Portfolio Holder, before Executive decision. Referring to Bear Stearns and the start of the 2007-08 Financial Crises, the Member contended that he was not looking short term and suggested the Council was willing to gamble funds to achieve income, warning that the market to drive property growth would cease and not be stable for some time. Prices would stay low and he asked for any investment properties to be debated at length by the Committee. He also disputed that investment returns went to front line services.

For a property coming to the market, the Chairman referred to the Council needing to process its decision making with speed - excessive scrutiny could jeopardise an investment opportunity. Another Member indicated the importance of yield; against a backdrop of minimum Government funding, it was possible to earn a 6% return. It was suggested that business rate income

would only increase significantly with developments over 9,000 sq.ft and it was necessary to be proactive in obtaining such a size of premises e.g. a distribution centre (rather than stores/shops). For investment opportunities and key infrastructure improvements, the growth fund was targeted at three areas (Biggin Hill, the Cray Business Corridor, and Bromley Town Centre).

Concerning any risk management following the Referendum, the Portfolio Holder indicated that property investments needed the security of being long term. The Chairman indicated that not all investment properties were accepted, the Portfolio Holder adding that more were rejected than pursued. Over recent years the Council had sold defunct properties and bought investment properties with a good return. A Member indicated that such investments had produced a return to help the Council - the Executive's performance had been good and on several occasions the Executive had listened to the views of PDS Members when selecting properties.

The Portfolio Holder was also asked about the current position on funds invested with Heritable Bank and it was confirmed that 98% of the Council's investment had been recovered and the remaining 2% would be provided in due course. There would however be no interest paid.

Concerning the contract with Mears, the Portfolio Holder saw the provision of 400 properties as a first tranche. A neighbouring authority wanted a similar contract with Mears but there would be no arrangement for 12 months. There might be sufficient properties for all interested authorities but it was not possible to confirm at this stage whether this would be the case.

328 RESOURCES PORTFOLIO - PRE-DECISION SCRUTINY

The Committee considered the following proposed decisions by the Resources Portfolio Holder.

- a FORMER CHARTWELL BUSINESS CENTRE, CENTRAL DEPOT - IMPROVEMENT WORKS (POST COMPLETION REVIEW REPORT)**
Report DRR16/063

In compliance with Capital Programme Procedures, a post completion review was undertaken of the improvement works to the former Chartwell Business Centre.

The scheme was completed within budget at £11k below the latest approved capital estimate and the balance would be returned to capital receipts. The original contract programme had also been met.

A full analysis of the project was appended to Report DRR16/063.

Noting that there continued to be occupation by contractors providing services for Environment and Community Services, an enquiry was made on whether all personnel could be moved to the Central Depot. The Environment PDS

Chairman understood that street lighting staff had moved but was unsure of the position concerning any personnel that might be remaining.

Members commended the scheme completing at £11k below the latest approved capital estimate.

RESOLVED that that the Resources Portfolio Holder be recommended to endorse the findings of the Post Completion Review carried out in respect of the Former Chartwell Business Centre – Improvement Works.

b TREASURY MANAGEMENT - ANNUAL REPORT 2015/16
Report FSD16050

Members considered the Treasury Management Annual Report for 2015/16 (prior to reporting to full Council on 26th September 2016) and summarised treasury management activity for the quarter to 31st March 2016.

Investments at 31st March 2016 totalled £285.5m (excluding the balance of the Heritable investment) with £24.4m of temporary external borrowing.

In addition to ensuring best practice in accordance with the CIPFA Code of Practice for Treasury Management, the report also included an update on the Council's investment with Heritable Bank.

Concerning the final quarter 2015/16, a Member felt that it was necessary to influence what is going to take place rather than report previous quarter activity. If the existing reporting structure is necessary, he felt that it would be helpful to publish reports earlier so that Members can discuss their content with officers. When seeking to invest, the Member felt that fund application was guarded with no investment grade investments taken on. Concerning the CCLA Local Authorities' Property Fund, he thought that this could be very long term with a risk of being locked into the investment and income reduced. Noting the performance of Diversified Growth Funds (DGF), he asked whether there were any plans to review DGF performance. He also felt that a lot of historical material in the report was unnecessary.

In response to the points raised it was confirmed that economic outlook information from the Council's external treasury advisers, Capita, had yet to be received and by waiting until September a better informed report could be provided. The CCLA Fund was restricted to Public Authority clients; there was currently a waiting list should it be necessary to redeem investments but there was not currently a surge of interest to do so. The Chairman felt that it was necessary to monitor the situation.

It was also confirmed that performance of the DGF investment would be reviewed along with DGF investments in the Pension Fund. It was however accepted from the outset that the value of DGF returns would go up as well as down and officers were waiting for Quarter 1 performance to see whether there was any further movement.

RESOLVED that the Treasury Management Annual Report for 2015/16 be noted and the Portfolio Holder and Council be recommended to:

(1) note the Treasury Management Annual Report for 2015/16; and

(2) approve the actual prudential indicators within the report.

329 FORMAL CONSULTATION ON OUTLINE SERVICE PROPOSALS AND PROCUREMENT STRATEGY - BANKING CONTRACT

Report FSD16045

With the Council's current contract with HSBC for banking services due to expire on 31st March 2017, approval was sought to commence the procurement process to re-tender the contract.

In view of cash and cheques (relatively costly to handle) being replaced by internet banking, direct debits, and other such processes, a full tendering exercise involving a review of the Council's banking arrangements and associated costs was thought appropriate. The tender process would need to enable flexibility in the contract to take account of the Council's commissioning agenda and further potential outsourcing of services. With changes to the profile and volume of activity, prices per transaction would be fixed and overall price dependant on the volume/value of transactions. It was necessary to ensure that this was fully reflected in the service specification.

Given the need for quality of banking (particularly if there was to be a transfer of banking provider), consideration was given to the price/quality basis for evaluating tenders. Practice was to follow the CIPFA evaluation model based on 60% pricing and 40% quality and to always seek a high score on quality. All costs would be taken into account and the quality score would be undertaken first.

In addition to the proposed contract length of five years with an option to extend for a further two years, it was suggested that a further option of an additional two years be considered. This was supported by Members. It was felt that a 5 + 2 + 2 contract length would be more attractive for those looking to tender and could attract more interest. It might also be possible to achieve some savings from such a contract length. It was confirmed that the financial security of those tendering would be part of the quality assessment, financial viability checks always being made for every contract.

RESOLVED that the Portfolio Holder be recommended to agree that:

(1) the contract for the Council's banking services be tendered; and

(2) the contract length be for a period of five years with an option to extend for two years and then a further two years if considered appropriate.

330 BUDGET MONITORING 2016/17 DRAWDOWN OF CARRY FORWARDS FROM CENTRAL CONTINGENCY
Report FSD16052

For the Resources Portfolio, approval was sought to draw-down underspends from central contingency carried forward from 2015/16.

A sum of £801k was requested for draw-down to Resources Portfolio budgets, £250k of the sum being funded by government grant, providing a net carry forward of £551k. Details of the various reasons for draw-down were outlined in Report FSD16052.

RESOLVED that the Portfolio Holder be recommended to agree drawdown from Central Contingency of 2015/16 carry forward sums totalling £551k (net of grant income) as detailed at paragraph 3.3 of Report FSD16052.

331 PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS
Report CSD16091

Members considered the following reports on the Part 1 agenda for the Executive meeting on 20th July 2016.

(5) Budget Monitoring 2016/17
Report FSD16051

The first budget monitoring report for 2016/17 covered expenditure and activity levels to the end of May 2016 and highlighted variations which could impact on future years and the final year end position for 2016/17.

Concerning a projected overspend of £3,333k for the Care Services Portfolio (with a full year effect of £4,241k), savings were profiled over the year and the level of projected overspend was expected to reduce. Savings not yet realised had already been built into the Care Services budget. Being demand (numbers) driven, volatility was associated with care services and its budget.

A supplement to the Budget Monitoring report also sought Executive agreement to release up to £950k from Central Contingency to address key issues arising from the recent Ofsted Inspection of Children's Services. It might also be necessary to set aside further monies, assumed as non-recurring at this stage.

Members unanimously supported the sum being made available. Officers needed to be able to deal with matters urgently and it was suggested that the Portfolio Holders for Resources and Care Services meet weekly to monitor spend. Releasing the sum was a one-off measure outside of the 2016/17 budget for Care Services.

RESOLVED that the recommendations be noted and those associated with the release of resources to respond to the outcome of the Children's Services Ofsted Inspection be supported.

(6) Capital Programme Monitoring – 1st Quarter 2016/17
Report FSD16047

Executive approval was sought for an amended Capital Programme following a first quarter summary of the current position on capital expenditure and receipts. Members supported the recommendations in Report FSD16047.

RESOLVED that the recommendations to the Executive be supported.

332 REVENUES SERVICE MONITORING REPORT
Report FSD16043

Members considered the performance of Liberata's Revenues Services for the six months to 31st March 2016. In particular, the in-year Council Tax collection rate for 2015/16 at 97.72% was 0.03% higher than achieved in the previous financial year and the sixth highest in London; the in-year collection rate for Business Rates, 2015/16 was 98.87%, an improvement of 0.07% on the previous year and the 11th highest in London.

Should other approaches fail to recover Council Tax or Business Rate arrears, the Chairman highlighted a sanction of securing a charge against a property and it was confirmed that the next monitoring report would outline the number of charges on property for Council Tax arrears.

An increasing level of debt was being collected. For static debt, the level remained below the threshold for a court summons in a number of cases - the debt needing to rise above the minimum level before taking court action. In recovering arrears and debt rescheduling, direct debit payment could form part of any repayment arrangement.

Given a trend in recent years for some businesses to operate from residential property, the Portfolio Holder for Resources was asked if it would be possible to lobby Government on the matter in view of implications for local authority revenue.

RESOLVED that information contained within Report FSD16043 and Liberata's appended letter be noted.

333 CUSTOMER SERVICES MONITORING REPORT
Report CSD16087

Members considered Liberata's performance for the Customer Service Contract during the period 1st December 2015 to 31st May 2016.

An increase in call volumes in April and May 2016 was mainly due to the GLA Election and EU referendum. This had impacted service level (SL) performance but the position had now recovered although performance just following the referendum was down. Liberata had provided more resource to deal with call volumes in April, May and June.

To help prevent customer calls being abandoned a voicemail message was suggested to indicate when a call might be answered (wait time software). Current arrangements advised a caller that he/she was held in a queue with details of alternative communication routes also provided.

Concerning Reception and Contact Centre customers, Liberata had under achieved (apart from January 2016) in attaining a Customer Satisfaction target of less than 10% dissatisfied or very dissatisfied. Change to the structure of the customer satisfaction survey was suggested to determine where there is continuing dissatisfaction and Liberata can better account for their performance. A fewer number of survey questions was also suggested.

Members were advised that the survey had been re-built in recent months and the questions changed. The new survey was currently being tested and following subsequent review and any further changes, it was expected to be available within the next four to six weeks.

It was thought helpful to explore which future events might potentially cause an increase in customer contact; an appropriate quantity and level of staff could then be deployed to meet demand. It might not be possible to factor in unforeseen occurrences or other activity e.g. extending the electoral registration deadline for the Referendum vote, but calls could be re-directed to the Council website during high call volumes and website improvements could be made to highlight issues e.g. publicising roads where it has not been possible to complete a collection round.

A steady growth of forms had been completed online with a growing number completed by MyBromley account holders. Although there were now over 25,000 MyBromley active users, it was suggested that residents tended to use their account just once for a specific purpose and it was necessary to encourage residents to make more use of their account. To this end it was necessary to consider making an increased number of mandatory services accessible via the account; services not currently available on the web were more complex ones e.g. certain social care services and officers were looking to address this through the MyLife portal and linking the two sites further.

RESOLVED that the report and appended Liberata letter be noted.

334 BENEFITS SERVICE MONITORING REPORT
Report FSD16042

Members considered Liberata's performance on the provision of benefit services between 1st October 2015 and 31st March 2016 including

performance related to claim processing and a monthly error rate, the Chairman highlighting a need for processing to be right first time.

RESOLVED that:

(1) information in Report FSD16042 and appended Liberata letter be noted; and

(2) the Portfolio Holder be recommended to agree that the consultation exercise for the Authority's 2017/18 Council Tax Support/Reduction Scheme recommend that the scheme remain the same as currently in place.

335 EXCHEQUER SERVICE MONITORING REPORT
Report FSD16049

The Committee noted Liberata's performance in the provision of Exchequer Services to 31st March 2016 including:

- Sundry Debtors, Mortgages and Corporate Debt
- Accounts Payable
- Financial Assessment and Charging
- Appointee and Deputyship

RESOLVED that the information in Report FSD16049 and appended Liberata letter be noted.

336 SECTION 106 AGREEMENTS: UPDATE
Report FSD16048

Members were updated on the current position with Section 106 Agreements.

In discussion further explanation was provided on the Community Infrastructure Levy (CIL) in relation to existing s.106 arrangements - CIL replacing part of the sums currently being received through existing s106 payments e.g. health and education payments. More certainty would be provided of receiving CIL should a development be constructed compared to current s106 arrangements. Existing s106 arrangements would, however, continue for roads and affordable housing.

A local CIL would be developed alongside the Local Plan and a charging schedule produced with a CIL Regulation list of infrastructure projects taken from the Infrastructure Delivery Plan schedule. The CIL would be presented for adoption as soon as possible after the Local Plan.

Highlighting Appendix 4 to Report FSD16048, and noting that details were broken down by Portfolio, the Chairman suggested that the information be considered by individual PDS Committees.

RESOLVED that Report FSD16048 and the contents of its Appendices be noted.

337 IT AND MOBILE PHONE CONTRACTS
Report CSD16015

As previously requested by the Chairman, Report CSD16015 provided an opportunity for the Committee to scrutinise the Council's mobile phone contract and IT support contracts. Details of the contracts were summarised in appendices to the report.

In regard to Mobile Device Management, a Member enquired whether it would be possible to have the updated IOS version on Council provided i-Pads for Members. Updated versions of Word and Excel could then be used.

RESOLVED that the information in the report be noted.

338 IMPACT OF EU REFERENDUM - UPDATE (if required)

No update was provided.

339 WORK PROGRAMME
Report CSD16092

The Committee noted its work programme for 2016/17.

RESOLVED that the work programme be noted.

340 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**

341 EXEMPT MINUTES OF THE MEETING HELD ON 8TH JUNE 2016

RESOLVED that the exempt minutes of the meeting held on 8th June 2016 be confirmed.

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

No consideration was given to exempt reports for the Executive meeting, 20th July 2016, the items having received prior scrutiny by the Care Services PDS Committee at its meeting on 28th June 2016.

The Meeting ended at 9.58 pm

Chairman

Public Protection & Safety (PP&S) PDS Chairman's Report

The Chairman attended the Bromley Safer Neighbourhood Board AGM and meeting on Tuesday 14 June.

The first Public Protection & Safety PDS of the 2016-17 municipal year was held on Wednesday 29 June. The agenda included a presentation by the London Fire Brigade which focused on the LIFE course that teaches teaches young people between the ages of 14 and 17 firefighting skills alongside real firefighters. Launched in Tower Hamlets in 2002 as a response to antisocial behaviour against firefighters, the LIFE scheme now operates in all London Boroughs and has engaged with more than 12,000 young people. Members of the PDS have been invited to attend a LIFE passing-out parade when participants "graduate" from the intensive one-week course.

The PDS also received a Police Update and the MOPAC Update. The Draft Portfolio Plan for 2016-17 was presented by Cllr Kate Lymer, the PP&S Portfolio Holder and the contents discussed. A review of last year's priorities and targets was also given. The Portfolio is hitting its targets in every area except in the inspection of Risk B food premises, where only 73% had been inspected.

The PP&S Portfolio Priorities for 2016-17 are to:

1. Tackle night time anti-social behaviour using targeted interventions
2. Take action against rogue traders
3. Tackle the sale of age-related products to under-age buyers
4. Inspect 100% of high-risk food premises
5. Maintain and enhance the CCTV monitoring service in town centres and other key areas

Members also received a Food Safety Service Plan because PDS Members had shown a strong interest in this key area of the Council's work. The Food Safety Team is currently under-strength by more than 4 FTEs, so must target its scarce resources at the highest Risk A food premises. The intention is to tackle the backlog of Risk B premises during the 2016-17 year. PDS Members commended the Food Safety Team for its work in dealing with the highest priority cases and agreed that Food Safety should be the Portfolio priority for any additional funding if available.

Cllr Alexa Michael
Chairman, Public Protection & Safety PDS
July 2016

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