

EXECUTIVE AND RESOURCES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Minutes of the meeting held at 7.00 pm on 15 March 2017

Present

Councillor Simon Fawthrop (Chairman)
Councillors Nicholas Bennett J.P., Ian Dunn, Judi Ellis, Ellie Harmer, William Huntington-Thresher, David Livett, Russell Mellor, Alexa Michael, Keith Onslow (Vice-Chairman), Tony Owen, Sarah Phillips, Michael Rutherford and Angela Wilkins

Also Present

Councillor Stephen Carr, Councillor Graham Arthur and Councillor Robert Evans

426 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies were received from Councillor Stephen Wells.

427 DECLARATIONS OF INTEREST

Cllr Simon Fawthrop declared an interest by virtue of employment with B.T. and Cllr Keith Onslow declared an interest as a former employee of Zurich Insurance Group and a current pensioner of Zurich Insurance.

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

There were no questions to the Committee.

429 MINUTES OF THE EXECUTIVE AND RESOURCES PDS COMMITTEE MEETING HELD ON 1ST FEBRUARY 2017 (EXCLUDING EXEMPT ITEMS)

The minutes were agreed.

430 MATTERS ARISING FROM PREVIOUS MEETINGS

Members noted matters arising and a further update was provided by email from the Committee Clerk on 10th March 2017.

431 FORWARD PLAN OF KEY DECISIONS

Members noted the Forward Plan.

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

There were no questions to the Portfolio Holder.

433 RESOURCES PORTFOLIO - PRE-DECISION SCRUTINY

a CAPITAL PROGRAMME MONITORING - 3RD QUARTER 2016/17 AND ANNUAL CAPITAL REVIEW 2017 TO 2021

Report FSD17025

At its meeting on 8th February 2017, the Executive agreed a revised Capital Programme from 2016/17 to 2020/21. Changes in respect of the Resources Portfolio were outlined and a revised programme for the portfolio presented. Report FSD17025 also included actual spend against budget at third quarter stage and comments on progress for individual schemes/projects.

RESOLVED that the Portfolio Holder be recommended to note and confirm changes agreed by the Executive on 8th February 2017.

b FINANCIAL SYSTEMS UPGRADE - (POST COMPLETION REVIEW REPORT)

Report FSD17033

Members considered a post completion review of a capital scheme to upgrade the Council's financial systems.

The scheme completed within budget and the original contract programme was met. Information appended to Report 17033 provided a full analysis of the project.

A Member expressed concern that the project's original budget appeared high compared to the full costs of the scheme.

RESOLVED that the Portfolio Holder be recommended to endorse the findings of the Post Completion Review for the Financial Systems Upgrade scheme.

c JOINT WEB PLATFORM (POST COMPLETION REVIEW REPORT)

Report CSD17037

Members considered a post completion review into the Joint Web Platform project to upgrade the Council's corporate website.

The scheme completed within budget and the original contract programme was met. Appended information to Report CSD17037 provided a full analysis of the project.

A Member observed that although website visits by mobile phone had increased, less visits were made via desktops with the number of visits by tablet relatively static. As such, there appeared to be no real change in the number of website visits between January 2014 and November 2016. Another Member sought evidence that the new website had contributed significantly towards general efficiency and channel shift across areas of the Council. The Chairman felt that a number of post completion reviews presented to the meeting could provide more detail; it was necessary to consider the original contract and identify lessons for the future. Another Member questioned an earlier decision to move from a Microsoft based website to an open-sourced product suggesting the site could be more vulnerable as a result. The Member asked whether a risk assessment had been made. Another Member suggested that common platforms are susceptible to hacking but it was more about the speed and responsiveness of updates and firewall effectiveness.

In view of the level of Council services now delivered electronically, an enquiry was made on the proportion of households in the borough having internet access. A written response was requested although census figures were understood to indicate a high level of internet connection.

Providing more website services was an ongoing process. L B Harrow provided an example with significant progress made on channel shift. The Council could channel shift more services as could the Council's service providers but it was necessary to consider how to encourage the providers to do so. A Member highlighted the response time for some online orders, referring to a near four-week wait for a waste/recycling bin delivery and a one-week wait for a Controlled Parking Zone Permit. As clerical activity is needed to complete an order the system was considered to be only half working.

RESOLVED that the Portfolio Holder be recommended to endorse the findings of the Post Completion Review for the Joint Web Platform project.

d POST COMPLETION REVIEW - INCREASING NETWORK SECURITY

Report CSD17047

Members supported a post-completion review on the capital scheme for increasing network security and ensuring compliance with the forthcoming Government Codes of connection. This was necessary for L B Bromley to connect to the Government Secure Intranet and access shared information and services. Without such connection it would not be possible for the authority to meet some of its statutory duties.

The scheme completed within budget with the scheme objectives met. Appended information to Report CSD17047 provided a full project analysis.

An extended rollout period was necessary due to continuous Public Services Network (PSN) improvements and with significant security improvements in recent years PSN compliance has been achieved each year i.e. L B Bromley has been PSN compliant since the start of PSN connection. With the authority becoming more secure, fewer PSN improvements have been necessary over the past few years.

RESOLVED that the Portfolio Holder be recommended to endorse the findings of the Post Completion Review for increasing network security.

e POST COMPLETION REVIEW - SERVER VIRTUALISATION SCHEME

Report CSD17045

Members considered a post-completion review of the Server Virtualisation capital scheme. The original contract programme had been met and a full analysis of the project was outlined in appended information to Report CSD17045.

To maximise efficiency and minimise cost, the server virtualisation project sought to migrate a number of physical servers to a virtual platform. Following the project start in 2008 the Phase 1 transfer of servers was completed in 2010 (much of the work being undertaken out of hours). The then contractor was reluctant to start Phase 2 as it would have to be passed to a new supplier - Capita. Capita started Phase 2 but managed the process as a rolling replacement programme to reduce costs (a number of systems were approaching replacement). Initial technology employed in the project was then becoming outdated and it was also necessary to increase the virtualisation infrastructure capacity. The hypervisor initially installed had reached end of life and a small cost reduction was made in decommissioning its software support upon upgrading. Older servers continued to be migrated on a virtual by default approach unless physical servers were specifically required for applications or additional capacity needed on the virtual infrastructure.

Although the scheme incurred a slight overspend of £772.02 (due to the project being spread over a longer period and a need to upgrade the hypervisor and increase capacity), the project delivered more than was intended and the physical server count continued to decrease.

The project was delayed against the original contract programme but the first tranche of servers was completed by 2010. Additionally, with the contractor changed twice during the scheme and a rolling program introduced, savings had been made with achievements increased as part of the project and in the Council's ability to move forward; this was not envisaged at the start of the programme.

Some concern was expressed at the project's length of over-run. This was also highlighted in the context of an over-run for the project considered previously to increase network security. However, in light of the rolling programme e.g. replacing old servers on renewal, it was necessary for their replacement to take time and there were now fewer physical server devices on Council premises presenting less risk for L B Bromley.

RESOLVED that the Portfolio Holder be recommended to endorse findings of the Post Completion Review for the Server Virtualisation scheme.

f POST COMPLETION REVIEW - CIVIC CENTRE RE-CABLING SCHEME

Report CSD17046

Members considered a post-completion review of the Civic Centre re-cabling scheme. The scheme was completed within budget with the original contract programme met and increased speed and resilience at network level (the successful Windows 7 and Lync projects were not adversely affected by any performance issues due to network constraints). Information appended to Report CSD17046 provided a full analysis of the project.

With much of the Civic Centre cabling of an older standard including a variety of wiring types and quality, an upgrade was necessary to support unified communications and faster bandwidth for improved network speed. Much work needed to be undertaken with minimal impact to users. Some buildings were straightforward with cabling installed as buildings were refurbished. The project needed to be fluid and responsive to other works and slippage in refurbishment extended timescales. Initial investigation also focused on copper wiring but new fibre standards were introduced over time for faster speeds and longer transmission lengths; it was possible to fund new resilient high speed fibre cabling from the communications rooms to the new data centre, thereby increasing performance.

A Member suggested that wireless technology provided a lower cost option than cabling although it was understood the latter provided more security.

RESOLVED that the Portfolio Holder be recommended to endorse findings of the Post Completion Review for the Civic Centre re-cabling Scheme.

434 SCRUTINY OF THE LEADER OF THE COUNCIL

The Leader of the Council, Cllr Stephen Carr, addressed the Committee and responded to Member questions.

The Leader highlighted that some difficult decisions had been taken given the financial constraints faced by the Council. In-year savings were being delivered with the budget position closely monitored. A significant amount of oversight and work had been undertaken within the Finance Steering Group. A balanced budget would be set for 2017/18 and 2018/19 with little or no impact on the Council's frontline services. But it was necessary to work now to ensure a balanced budget in 2019/20 and 2020/2. Additional resources were also included for Children's Services and some savings were not being taken for Adult Care Services. L B Bromley would benefit from Government policy permitting Councils to levy an Adult Social Care Precept over the next three years.

Improvements had been made to the Youth Offending Service (YOS) and for Children's Services Ofsted had made two further inspection visits since last year's original inspection. A new Executive Director of Education, Care and Health Services (and Deputy Chief Executive) started with the Council last December. Improvements have been made with encouraging feedback received from the latest inspection visit on 22nd/ 23rd February 2017. These included comments on governance and leadership and financial resourcing. Ofsted no longer saw children in L B Bromley at risk. The Leader was looking to see sustainable progress with social workers performing to a high standard.

The Leader also referred to the new Contracts Register being fully operational in the coming summer. The commissioning agenda would continue and the contracts register and database would enable further improvements to commissioning and procurement of services. The outsourcing of strategic property to Cushman and Wakefield had been positive and there was now capacity for movement on a number of projects previously worked on prior to commissioning. A review of the Council's investment strategy would be undertaken at the end of April 2017; a review of the Council's Asset Management Strategy would also be undertaken.

On future challenges, the Leader referred to a high level of expenditure to deal with homelessness. Ongoing work to address the problem included extra housing supply and other means to reduce temporary accommodation costs. Initiatives such as modular homes could also be considered. On the Mears scheme 46 properties were currently purchased for the scheme (of which 25 are tenanted) with a further 47 properties under offer or going through the purchase stage. The scheme was on track for 400 properties within two years. A progress report and presentation was expected to the May Executive meeting. Indications suggested that more investment funding could be

provided for the scheme. As such, consideration could be given over the summer to its expansion - it was first necessary to achieve close to 200 units and then 400 units. There had been a significant amount of learning in the first four to five months of the scheme and some pace was now being seen. Consideration of further investment might be appropriate on reaching 150 units.

Sufficient business rate income and achieving good investment returns also presented future challenges. Additionally, it was necessary to increase income from the Council's Asset Management Strategy.

On other matters, a question was asked about the 03 flightpath to Biggin Hill airport. The Leader explained that he would be meeting with airport representatives and referred to the level of noise reduction from aircraft using the flightpath; he understood there would be a second round of consultations. An advert had also been placed for a post to assist on planning enforcement and in response to a question on a possible new rail link to Bromley North, the Leader highlighted a potential option to extend London Overground from New Cross to Bromley North.

The Chairman thanked the Leader for his comments and responses to questions.

435 PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS

The Committee looked at the following reports on the Part 1 agenda for the Executive meeting on 22nd March 2017.

(5) Children's Services Update

Members considered tabled figures outlining budget, spend and committed sums related to additional funding for Children's Social Care.

Bromley Clinical Commissioning Group (CCG) had confirmed it would provide £500k per annum for the next three years (total of £1.5m) to contribute towards funding for children with severe needs, including costs of residential care placements for children with severe autism. Within a sum of £2,093,000 committed for 2017/18 for the full year effect of 2016/17 pressures, allowance had been made for £500k from the CCG.

Clarification was sought on how the 2017/18 Children's Social Care budget figure of £5,157,000 had been arrived at with some concern expressed that a lower budget figure could have been expected. The Chairman felt that greater drill-down into the figures was necessary with more detail and follow through on budget lines for increased clarity. Nevertheless, the Children's Services budget was agreed within the overall Council budget for 2017/18 and estimating expected spend on placements (influenced by demand) was difficult. If budgets on staffing and placements could be tracked, it should be possible to demonstrate a reduction in levels over time as the service becomes more efficient (with all necessary staff employed to the required

level at this stage). Future updates would show details of staffing and placements as separate groupings. A main scrutiny focus needed to be on whether the care services overall budget was being over or under spent.

RESOLVED that the tabled detail of additional funding for Children's Social Care be noted.

(6) Budget Monitoring 2016/17
Report FSD17034

Members considered the third budget monitoring position for 2016/17 based upon expenditure and activity to the end of December 2016.

On SEN transport, a significant cost pressure area, a thorough review of the budget was underway with reasons for overspend. With two separate vehicle fleets operated for Adults and Children, it was suggested that a significant saving could be made by combining the fleets - passenger vehicles could be used early morning e.g. 8am to transport children with special needs and later e.g. 9am to transport adults with needs. Such an option could perhaps be considered for contract renewal. SEN transport would also appear on the Contracts Register and be considered by the Commissioning Board including a commissioning strategy for the service. Commissioning would be a significant means for the Council to achieve efficiencies in meeting its budget deficit in future years (beyond 2018/19).

RESOLVED that the recommendations be supported with a further recommendation added that consideration be given to a merger of the Adult Passenger and SEN transport vehicle fleets.

(9) Operational Building Maintenance Budgets and Planned Programme 2017/18
Report DRR17/018

Report DRR17/018 set out the proposed maintenance budgets and planned programme for 2017/18. It also highlighted a number of budgetary pressures. Additional funding of £126k per annum was requested from Central Contingency (2017/18) to ensure sufficient funds for maintaining Council buildings and compliance with statutory requirements. Two major concerns identified by Amey (in delivering building maintenance) related to the Council's regimes for water hygiene and cyclical maintenance.

Approval was also sought for (i) funding from the earmarked reserve in the Infrastructure and Investment Fund to install separate meters to the utility supplies at Churchill Theatre/Central Library to protect the Council's VAT exemption status and (ii) carrying forward a sum of £113k from this year's planned programme to 2017/18 concerning a reconstruction of brickwork to the Old Stable Wall at Central Depot.

For the Council's tenanted portfolio, Amey had identified significant ambiguity in the interpretation of landlord/tenant responsibilities for some leases. Given

the risk posed, Amey had commenced a review of leases. For any statutory need to cover additional costs a further report would seek funding through the 2017/18 Central Contingency Sum.

RESOLVED that the recommendations be supported.

(16) Information Briefing

Members noted a progress update on the Crystal Palace Park Regeneration Plan including progress with the capital scheme on regenerating the park in line with the Masterplan vision (AECOM was now developing an implementation plan for a preferred option and a cost plan was also being developed for the delivery phase). Update details were also provided on a new form of governance for the park and a new park specific business model. Next steps related to the Regeneration Plan were also outlined.

The Chairman preferred to see ambitious options for the park's top site, looking to see what could be achieved. In this regard the Chairman wanted to see whether there is a list of "barriers" which could rule out certain considerations for the site.

436 RISK REGISTER (AS RELEVANT FOR RESOURCES PORTFOLIO)

Members considered an extract from the Corporate Risk Register (June 2016 update) related to responsibilities covered by the Council's Chief Executive's Department. Additional information comprised a brief guide to Risk Management, a New Risk Matrix, and details of Risk Variables covering Impact (Severity) Guidelines and Likelihood (Probability) Definitions. Details were also provided of Corporate Risks/Organisational Issues as at March 2016 along with associated text on priority actions.

For the Register extract a general overarching view was suggested as an accompaniment to the Register – risks could also be amalgamated to reduce cost and the Register was now considered a little bulky. A need to further amend the Register was acknowledged, particularly on certain references to risks covered by the Regeneration and Transformation Division, now covered by the Environment and Community Services Department. It was also confirmed that risks corporately covered (by the Corporate Leadership Team) now included Children's Services.

The Chairman suggested presentation of the Register extract twice per year to the Committee alternating with the Corporate Contract Register (CEX extract). However, should the Risk Register be considered by Audit Sub-Committee, it would not be necessary for Executive and Resources PDS to consider although the Committee would appreciate seeing any updates to the Register. If a risk had come to pass, the Chairman also suggested that it was no longer an issue for the Register - as such, officers were encouraged to review whether items listed in the Register continued to pose a risk.

It was suggested that the next training to Members responsible for risk management (CEX/AUD.0191) should be left to the 2018 Member Induction Training (provided no further training had been programmed). In view of claim related changes/trends in the insurance market, the risk register had been submitted to insurers the previous week for review.

On risks related to Treasury Management (CEX/ACT.0300) and Banking Failure (CEX/ACT.0298), the significance of losing a capital sum was far greater than losing interest earned on the capital sum; however, it was not unusual to see such risks “evened out” due to a tolerance of risk and assessment.

From details related to Corporate Risks/Organisational issues, it was not considered possible to identify specific risks e.g. withdrawing a service given financial reductions. In proposing priority actions, a timescale was suggested for their implementation. Reference was also suggested to how a risk is monitored and managed and whether it had materialised.

Given a risk of further Government funding reductions (CEX/FIN.0095) and the Council’s need to be financially self-sufficient by 2020, the new Contract Management System would be a key tool to help procure further savings. It would also incorporate the Risk Register and flag-up issues. Managers could use information from the system daily to manage their services.

In regard to a risk of failing to provide adequate training to Members and officers responsible for risk management (CEX/AUD.0191), it was suggested that wording is needed on what might next happen should this be the case. An estimate of the financial impact of a risk was also suggested as was reference to a safety impact. In this regard, road safety schemes were subject to a cost justification process based upon a national formula applied to killed and seriously injured (KSI) cases at a location. The Chairman hoped that such a safety estimate could be evolved for other risk types so removing any need to repeat original work.

In view of his impending retirement, thanks were conveyed to the Head of Audit for his work to the Council.

437 ANNUAL POLICY DEVELOPMENT AND SCRUTINY REPORT 2016/17

The draft Annual PDS Report had been published prior to the meeting. Democratic Services would receive any Member comments on the draft document following the meeting.

438 WORK PROGRAMME

There was no discussion on the Committee’s remaining work programme for 2016/17.

439 UPDATES FROM PDS CHAIRMEN

An update from Cllr Alexa Michael as Chairman of the Public Protection and Safety PDS Committee is at **Appendix A**.

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

**441 EXEMPT MINUTES OF THE MEETING HELD ON
1ST FEBRUARY 2017**

The Part 2 minutes were signed on conclusion of the meeting as an appropriate summary.

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

Members considered certain reports on the Part 2 agenda for the Executive's meeting on 22nd March 2017.

The Meeting ended at 9.57 pm

Chairman

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PP&S PDS Chairman's Report

A meeting of the Public Protection & Safety (PP&S) PDS was held on Wednesday 18 January 2017. The agenda items included:

- A presentation from Challenger Troop (Youth Engagement)
- Review of the Emergency Planning and Business Continuity Service
- Environmental Protection Update
- Police Update
- Extension of Dogs Services Contract
- Animal Welfare – Licence Fees for Home Borders
- Internal Audit Stray Dogs Review Report

The next PP&S PDS meeting is planned for Wednesday 29 March, having been moved back from Wednesday 1 March due to rescheduling of the Council Tax Setting meeting.

On Thursday 2 February, the Chairman attended a meeting of the Bromley Youth Council Executive. She attended the Bromley Safer Neighbourhood Board Public Meeting at London South East College (Bromley) in Bromley Common on Thursday 23 February, followed by a meeting of the Bromley Safer Neighbourhood Board on Monday 27 February.

Cllr Alexa Michael
PP&S PDS Chairman
March 2017

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