

EXECUTIVE AND RESOURCES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Minutes of the meeting held at 7.00 pm on 21 March 2018

Present:

Councillor Simon Fawthrop (Chairman)
Councillors Nicholas Bennett J.P., Mary Cooke, Ian Dunn,
Robert Evans, Samaris Huntington-Thresher, David Livett,
Russell Mellor, Alexa Michael, Keith Onslow (Vice-
Chairman), Tony Owen and Angela Wilkins

Also Present:

Councillor Graham Arthur, Portfolio Holder for Resources
Councillor Colin Smith, Leader of the Council

138 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies for absence were received from Cllr Stephen Wells and Cllr Michael Rutherford.

139 DECLARATIONS OF INTEREST

There were no additional declarations of interest.

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

There were no questions.

141 MINUTES OF THE EXECUTIVE AND RESOURCES PDS COMMITTEE MEETING HELD ON 1 FEBRUARY 2018 (EXCLUDING EXEMPT ITEMS)

The minutes of the meeting held on 1st February 2018, excluding exempt information, were agreed and signed as a correct record.

142 MATTERS ARISING AND WORK PROGRAMME Report CSD18044

The Committee considered a report setting out matters arising from previous meetings and the Committee's work programme for 2017/18 and the proposed work programme for 2018/19.

A Councillor suggested that consideration should be given to including a report on the progress of the Growth Fund in Work Programme for 2018/19. It was also suggested that during the next municipal year the Committee should look at the progress of the Audit of Agency Staff that was undertaken.

RESOLVED: That

- 1. Progress on matter arising from previous meetings be noted; and**
- 2. The work Programme be noted.**

143 FORWARD PLAN OF KEY DECISIONS

The Committee noted the Forward Plan of Key Decisions covering the period March 2018-June 2018.

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

The following question for verbal response was received from Cllr Ian Dunn:

Please explain the rationale behind the weighting of 60% to price and 40% to quality applied to the evaluation of virtually every contract awarded by the Council. Please explain why this weighting is equally applicable to a project contract such as school construction and an ongoing service contract.

Reply:

The general approach, particularly given the financial pressures facing the Council, is that tenders will be marked 60% Price and 40% Quality, unless otherwise agreed in consultation with the by the Head of Finance. A case will need to be made for why the financial score would need to reduce downwards.

However, within the 40% Quality score, all service providers will need to reach a minimum score of 5 (out of a possible 10) in each element of the quality score, otherwise they will not progress forward.

The evaluation process is included in Guidance Notes held on the Managers Toolkit, however, the 60/40 split needs to be reviewed more closely when considering Building Contracts where elements of quality may be embedded in the specification, in which case the adjustment on price could increase.

Supplementary Question:

Cllr Dunn noted that some Local Authorities took a different approach and have different weightings to the split between price and quality. Cllr

Dunn asked the Portfolio Holder why the view of 60/40 had been taken rather than a variable approach.

Reply:

The Portfolio Holder noted that there was flexibility in certain cases however in the vast majority of cases a 60/40 split was deemed to be appropriate. The Portfolio Holder noted that LB Bromley had been well in advance of other Local Authorities in terms of outsourcing and processes had been perfected over a period of time. The 60/40 split reflected the current pressures faced by the Council and ensured that contracts were let in the most economical way as well as ensuring the quality element. The Portfolio Holder concluded that he was satisfied that 60/40 was the right balance.

Supplementary Question 2:

When was the last time a contract was assessed using a different split?

Reply:

As a result of feedback from the market the Modular Homes contract was tendered using a 50/50 split. The Contract for Learning Disabilities was also tendered on a 50/50 price/quality basis. When activities for the Pension Fund were being reviewed a 70/30 split in favour of quality was used as it was felt that quality was needed.

Supplementary from Cllr Wilkins:

Is there not a case for reviewing this as there have been a number of instances of a limited number of contractors expressing interest as a result of questions around the quality criteria. Cllr Wilkins cited Mission Care as an example.

Reply:

On behalf of the Portfolio Holder, the Director of Commissioning highlighted that LB Bromley worked with Mission Care and had secured good spot rates on beds. Historically, where block beds were purchased there were often voids. Mission Care had always represented good value to the Council. There was no evidence of bids not being submitted as a result of quality criteria. When the Council did not get the bids it was expecting feedback was always sought and no such feedback had been received in relation to quality criteria.

Supplementary from Cllr N. Bennett:

Can the Portfolio Holder confirm that in drawing up contracts and specifications often quality is agreed within the contract.

The Portfolio Holder confirmed this to be the case and suggested that moving forward there was a need for the Council to ensure that a considerable safety net was put in place in terms of the way in which contracts were monitored.

145 RESOURCES PORTFOLIO - PRE-DECISION SCRUTINY

The Committee considered the following report where the Resources Portfolio Holder was recommendation to take a decision.

146 CAPITAL PROGRAMME MONITORING - 3RD QUARTER 2017/18 & CAPITAL STRATEGY 2018 TO 2022
Report FSD18026

The Committee considered a report which highlighted changes agreed by the Executive on 7th February 2018, in respect of the Capital Programme for the Resources Portfolio.

RESOLVED: That the Portfolio Holder be recommended to note and confirm that the changes agreed by the Executive on 7th February 2018.

147 PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS

The Committee considered the following reports on the Part 1 agenda for the meeting of the Executive on 28th March 2018:

(6) BUDGET MONITORING
Report FSD18029

The Committee considered the third budget monitoring position for 2017/18 based on expenditure and activity levels up to the end of December 2017.

The Chairman highlighted issues surrounding containing overspends in Children's Services . The Director of Commissioning confirmed that the issues were around ensuring the full year effects were managed into the 2018/19 financial year.

RESOLVED: That the Executive be recommended to:

- 1. Consider the latest financial position;**
- 2. Note that a projected net underspend on services of £1,058k is forecast based on information as at December 2017;**
- 3. Consider the comments from the Deputy Chief Executive and Executive Director of Education, Care and Health Services, the Executive Director of Environment and Community Services and the Director of Corporate Services as detailed in Appendix 2;**
- 4. Note a projected variation of £769k credit from investment income;**
- 5. note a projected increase to the General Fund balance of £1,980k;**
- 6. Agree the release of £333k (net) from the 2017/18 Central Contingency;**

- 7. Note that reports elsewhere on the Executive agenda request the drawdown of £1,280k from the Central Contingency;**
- 8. Note the return to the Central Contingency of £92k;**
- 9. Note funding of £228k from the GLA for the period 2017/18 to 2019/20;**
- 10. Agree in principle the requests for carry forwards totalling £1,271k (net) subject to formal approval by Executive on 23rd May 2018;**
- 11. Note the full year costs pressures of £4.2m;**
- 12. Note the timing of the Provisional Final Accounts report;**
- 13. Identify any issues that should be referred to individual Portfolio Holders for further action.**

(16) SPECIAL EDUCATIONAL NEEDS AND/OR DISABILITIES REFORMS GRANT – DRAWDOEN AND CARRY FORWARD OF CONTINGENCY GOVERNMENT (NEW BURDENS) GRANT FUNDING

The Committee considered a report seeking approval for: (1) the drawdown of £188,985 from the SEND Implementation (New Burdens) Grant 2018/19; (2) to draw down the remainder of the 2017/18 SEND Implementation (New Burdens) Grant 2017/18 (£20,977) which was kept in contingency; (3) drawdown £63,328 SEND Preparation for Employment grant; totalling a total grant drawdown of £273,290.

RESOLVED: That Executive be recommended to:

- 1. Approve the drawdown of the final year of the SEND Implementation Grant 2018/19 of £188,985**
- 2. Approve the drawdown of the remainder of the 2017/18 SEND Implementation Grant of £20,977 kept in contingency**
- 3. Approve the drawdown of the SEND Preparation for Employment grant 2018/19 of £63,328**
- 4. Approve the total grant drawdown - £273,290**

(17) OPERATIONAL BUILDING MAINTENANCE BUDGETS AND PLANNED PROGRAMME 2018/19
Report DRR18/1014

The Committee considered a report setting out the proposed maintenance budgets and planned programme for 2018/19, requesting additional funding to ensure that the Council had sufficient funds to carry out annual fire risk assessments and any identified remedial works, providing an up-date on the lease review that had been undertaken to identify any further costs arising from additional statutory obligations, requesting additional funding to ensure that the Council had sufficient funds for the Central Depot Wall reconstruction, and outlining the financial implications arising from the expiry of the lease at Yeoman House, Penge.

The Chairman reported that in relation to the Fire Risk Assessments the Executive should be asked to further review the proposals and request soft market testing to ensure that any quotations were competitive.

Referring to the Planned Programme, a Member queried the future impact of including only the highest priority schemes. The Senior Property Manager confirmed that any backlog in property maintenance could be contained. Buildings were maintained to ensure that they remained open and safe for the staff and public occupying them.

RESOLVED: That the Executive be recommended to

- 1. Agree to increase the Building Maintenance budget by £86k for fire risk assessments and cyclical maintenance for the reasons set out in the report which is to be funded from the Council's 2018/19 Central Contingency.**
- 2. Approve funding of up to £79k from the earmarked reserve for Infrastructure Investment to undertake the remedial works identified from the fire risk assessments, subject to the outcome of further review and soft market testing to ensure any quotations are competitive.**
- 3. Approve an overall expenditure of £2,173k for the Building Maintenance budget in 2018/2019, subject to the Council agreeing the budget.**
- 4. Approve the planned programme in Appendix A of the report.**
- 5. Delegate authority to the Director of Regeneration to vary the programmes to accommodate any change in the approved budget or where such action is considered necessary to either protect the Council's assets or make the most effective use of resources.**
- 6. Approve the carrying forward to 2018/19 the sum of £163k for the Central Depot Wall.**
- 7. Approve funding of £500k from the earmarked reserve for Infrastructure Investment to add to the sums already set aside for the Central Depot Wall, making a total budget of £716k.**
- 8. Add the Central Depot Wall scheme to the 2018/19 capital programme with a total scheme cost of £716k, funded from the £163k carry forward sum and £553k from the earmarked reserve for Infrastructure Investment.**
- 9. Note that the part year saving of £44k relating to Yeoman House will be returned to the 2018/19 Central Contingency**
- 10. Note that a future report on the maintenance issues for the Churchill Theatre/Central Library will be brought back to Members.**

148 SCRUTINY OF THE LEADER

The Leader of the Council, Councillor Colin Smith, attended the meeting to respond to questions from the Committee. Councillor Smith gave a brief introduction highlighting the following issues:

- The Council was on a sound financial footing and remained debt free.
- The recent bad weather had been handled well and the Council was on top of pot holes.
- Improvements in Children's Services continued to progress and attention was now turning to the next full Ofsted Inspection.
- Work was underway on Housing and Homelessness Strategies.
- Town Centre Development was moving forward.
- Planning Enforcement was generally improving.
- The Council had raised its dissatisfaction with the Collective Investment Vehicle (CIV) for the Pension Fund with London Councils.

Councillor Smith then responded to questions, making the following comments:

- The vision for the next 4 years included further improvements to finances, securing fairer funding for the future, meeting housing targets, developing a School and Centre of SEN excellence, continuing to balance the competing demands surrounding protecting the Greenbelt whilst supporting the development of business and providing Bromley houses for Bromley people.
- Further financial cuts from Central Government remain the great threat to the Council's continued wellbeing. There was a continuing need to look at revenue generation, focusing on the business rate model and ensuring that businesses thrive. There would also be a continued need to lobby Central Government to drive fairer funding, although there did appear to be an acknowledgement that cuts to Local Government funding had now gone as far as they could go.

149 TFM CONTRACT (AMEY) Report DRR 08/082

The Committee considered a report that had been presented following a request from Members. The Amey Contract delivered a range of services including: (1) Planned building maintenance; (2) Reactive maintenance across the estate; and (3) Facilities Management. The report focused on the performance of these activities from November 2017 to the end of February 2018.

The Director of Regeneration, the Strategic Property Manager, and Mr Darren Nolan – Account Manager for Amey, attended the meeting to respond to questions.

The Director of Regeneration reported that Amey had been providing services since October 2016. There was a process of formal contract monitoring in place and this had already identified a number of areas for improvement within the contract:

- Reactive maintenance - the Client Team were engaging with Amey around these issues. What had become apparent was that the priorities assigned to certain tasks were not always appropriate and this had arisen as a result of the disconnect between the Amey Central London Helpdesk and the needs of the local estate. Discussions were underway to introduce a helpdesk that had an understanding of local needs and priorities.
- The structure of the performance review allowed for monthly reviews which led to some issues not being picked up for a number of weeks. This was being addressed.
- Lack of proactive identification of faults and a reliance on reporting through the helpdesk leading to some faults not been addressed.

The Chairman reported that he continued to be approached by Councillors and staff about elements of the Amey contract that were not working, such as cleaning and fixing toilets. The Chairman stated that he would like to see a Service Improvement Plan with clear timescales drawn up in partnership with Amey.

In response to a question, the Director of Regeneration reported that issues around cleaning arose with the first letting of the contract. Issues had arisen with the TUPE of staff which had culminated in the cleaning staff not turning up to work. It had taken time to resolve the issues with cleaning and it had been an area that required continuing management and maintenance. The service was now moving forward and there was an acknowledgement that this was a sensitive issue.

The Committee were informed that when the services were in-house no systems of recording maintenance requests had been in place and there had been no formal performance management. This had led to a lack of understanding about activity levels and had been one of the key issues in developing the contract specification as there had been no baseline.

Members expressed concerns with the priority assigned to certain tasks and the lack of urgency reflected in the priorities. In response the Director of Regeneration agreed that some activity had been assigned the wrong priority and work was underway to address this. It was also acknowledged that there needed to be an improvement in the maintenance of facilities. A letter had already been sent to Amey specifying that the Help Desk needed to be brought back locally. It was also agreed that in key priority areas, such as the Main Reception, an independent weekly walk through was required in order to self-identify issues rather than rely on reporting through the help desk.

The Portfolio Holder highlighted that Amey had got the big things right but that it was the little things which remained outstanding which caused frustration. It

was highlighted that the Civic Centre site was in poor repair and required investment but simple maintenance tasks needed to be completed in a timely manner.

In response to a further question in relation to cleaning, the Director of Regeneration confirmed that Amey were delivering a level of cleaning to the budget provided by the Council. The Director confirmed that the contract had delivered savings for the same level of service.

A Member raised concerns surrounding the clarity of the figures in the report provided to Members and requested that for future reports further context and detail be provided to enable Members to drill down. It was also suggested that it would be helpful to have more historical performance data to enable Members to evaluate performance over a longer timeframe. The Director of Regeneration confirmed that there was more detailed information which could be provided to the Committee. Members stressed the need to ensure that there was a baseline for comparison going forward. A Members also stressed the need to ensure that the right targets were set and that performance was measured against the right target.

Action Point 18: That the Director of Regeneration circulate to the Committee for information the detailed list of issues reported for action.

The Committee requested that in future reports there be more clarity surrounding the pass rate for performance.

The Chairman noted that in other areas of the agenda Members were being asked to give consideration to letting other contracts to Amey; and suggested that if performance of this contract was not good enough the Council may wish to reconsider letting other contracts.

The Chairman thanked the Director of Regeneration, the Strategic Property Manager and the Amey Account Manager for their attendance at the meeting.

**150 ANNUAL POLICY DEVELOPMENT AND SCRUTINY REPORT
2017/18
Report CSD18045**

The Committee noted the Annual Policy Development and Scrutiny Report for 2017/18. Any further comments and amendments would be incorporated by Democratic Services prior to Submission to Full Council on 9th April 2018.

A Member expressed concerns that the Chairmen's reports did not entirely reflect the challenges to the Council. A specific example provided was that of the reflection of food hygiene inspections in the PPS PDS Chairman's report.

It was noted that not all PDS Committees had sight of the Chairman's report prior to its publication and it was therefore suggested that in future years all PDS Committees should endorse the Chairman report prior to it being submitted to E&R PDS.

It was noted that the activities of the PDS Committees relied heavily on the support of Council Officers, and Members felt that this should be better reflected in the Annual Scrutiny report. Following the meeting the Chairman identified that the foreword to the Annual Scrutiny report had included the following statement:

“Finally, I would like to thank all Committee Chairmen, members, and the Council’s officers for their diligence and hard work during last year in finding practical solutions, which have ensured that Bromley Council could formulate a balanced budget and is able to continue to provide essential services next year, which are important to our residents.”

The Chairman extended his own thanks to the Officers that had supported the E&R PDS Committee in 2017/18.

Councillor Mellor moved that the report be accepted. The report was accepted by majority, with Councillors Angela Wilkins and Ian Dunn voting against the motion.

RESOLVED: That the 2017/18 Annual Scrutiny Report be approved, subject to correction of minor typographical errors.

151 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**

152 EXEMPT MINUTES OF THE MEETING HELD ON 1 FEBRUARY 2018

The Part 2 (exempt) minutes from the meeting held on 1st February 2018, were agreed and signed as a correct record, subject to clarification surrounding whether one item need to remain in Part 2.

153 PRE-DECISION SCRUTINY OF EXEMPT EXECUTIVE REPORTS

The Committee considered the following reports on the Part 2 agenda for the meeting of the Executive on 28th March 2018:

**(25) AWARD OF CONTRACT FOR WORKS AT BISHOP JUSTUS
SCHOOL
Report ED18048**

The Committee considered the report and noted the recommendations.

**(27) OPERATIONAL BUILDING MAINTENANCE BUDGETS AND
PLANNED PROGRAMME 2018/19 – PART 2
Report DRR18/1014**

The Committee considered the report and noted the recommendations.

The Meeting ended at 8.20 pm

Chairman