

EXECUTIVE, RESOURCES AND CONTRACTS POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Minutes of the meeting held at 7.00 pm on 5 September 2018

Present:

Councillor Simon Fawthrop (Chairman)
Councillors Julian Benington, Nicholas Bennett J.P.,
Mary Cooke, Ian Dunn, Robert Evans, Will Harmer,
Christopher Marlow, Russell Mellor, Keith Onslow (Vice-
Chairman), Chris Pierce, Michael Rutherford, Kieran Terry,
Stephen Wells and Angela Wilkins

Also Present:

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

31 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies were received from Councillor Allatt and Councillor Cartwright.
Councillor Terry and Councillor Pierce attended as their respective alternates.

Councillor Mellor apologised as he had to leave the meeting at 9.20pm

32 DECLARATIONS OF INTEREST

Councillor Simon Fawthrop and Councillor Will Harmer both declared interests
as employees of British Telecom (BT) and left the room during consideration
of Item 11 (Minute 41) – BT ICT Contract Monitoring Report. Councillor
Onslow took the Chair for the duration of this item.

In respect of Item 11 of the Executive Agenda (Gateway 1 – Social Care Case
Management System), Councillors Fawthrop and Harmer declared an interest
as employees of BT and reported that they had both received a dispensation
from the Monitoring Officer to allow them to participate in the scrutiny of the
item.

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

No questions had been received.

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34 MINUTES OF THE EXECUTIVE AND RESOURCES PDS COMMITTEE MEETING HELD ON 5 JULY 2018 (EXCLUDING EXEMPT ITEMS)

The Minutes of the meeting held on 5th July 2018, excluding Part 2 (exempt) information, were agreed and signed as a correct record.

**35 MATTERS ARISING AND WORK PROGRAMME
CSD18126**

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

In relation to the Chairman's request at the previous meeting that the Committee should receive action plans detailing how any 'red' actions would be moved to 'green', the Vice Chairman reported that he sat on the Corporate Risk Management Group. At the last meeting of that Group it had been agreed that the 'Actions' column that currently featured on the Risk Register should be completed in the future. The Vice-Chairman emphasised that it was for the Directorates themselves to fill in the actions. By way of follow up, the Chairman also requested that any risks marked as 'red' needed to be presented to each meeting of the relevant PDS Committee for monitoring until they were no longer red. It was agreed that the relevant 'red' risks for the ERC PDS Committee would be reviewed at the next meeting on 11th October 2018.

In response to a question, the Chairman confirmed that he had been provided with details of the November 2017 Penetration Test and it was agreed that this should be circulated to the Committee.

Action Point 11: That the details of the November 2017 provided to the Chairman be circulated to the Committee.

It was noted that the list of Universal Credit contact numbers had not been circulated to Members and this would be followed up after the meeting.

Action Point 12: That the list of Universal Credit Contact Numbers be circulated following the meeting.

In relation to the report concerning the Cost of Agency Staff which was due to be considered at the next meeting on 11th October 2018, the Chairman requested that the report detail the top 25 staff by spend.

RESOLVED: That

- 1. Progress on matters arising from previous meetings be noted;**
- 2. Any risks marked as 'red' to be presented to each meeting of the relevant PDS Committee for monitoring until they are no longer red.**

3. The relevant 'red' risks for the ERC PDS Committee to be reviewed at the next meeting on 11th October 2018; and

4. The 2018/19 work programme be noted.

36 FORWARD PLAN OF KEY DECISIONS

The Committee noted the Forward Plan of Key Decisions covering the period September 2018-December 2018.

37 MINUTES OF THE CONTRACTS AND COMMISSIONING SUB-COMMITTEE MEETINGS HELD ON 25 JUNE 2018 AND 17 JULY 2018

The Committee received the minutes of the Contracts and Commissioning Sub-Committee meetings held on 25 June 2018 and 17 July 2018.

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

There were no questions.

39 RESOURCES PORTFOLIO - PRE-DECISION SCRUTINY

The Committee considered the following report(s) where the Resources Portfolio Holder was recommended to take a decision.

- a GATEWAY 1 MEMBERS REPORT. FORMAL CONSULTATION ON OUTLINE SERVICE PROPOSALS AND PROCUREMENT STRATEGY - COUNTER FRAUD SERVICES. FSD18065-1**

The Committee considered a report setting out options for the investigation of fraud. The Council currently had a partnership agreement in place with the Royal Borough of Greenwich for the investigation of fraud. There had been various exemptions and extensions to the partnership agreement, the latest of which was due to expire on 31 March 2019.

Details of the procurement strategy and the justification for the contract award were set out in detail in the Part 2 (exempt report). The Committee discussed the report and recommendations in detail in Part 2 of the agenda.

RESOLVED: That the report be noted and that the Portfolio Holder be recommended to endorse the recommendations outlined in the Part 2 report (FSD18065-2)

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**b EMPLOYEE BENEFITS
CSD18128**

The Committee considered a report setting out a summary of the outcome of a soft market testing exercise into employee benefits undertaken by Officers and the business case for entering into the Crown Commercial Services CCS framework for a new employee benefits provider.

The Council's current Employee Benefits contract was provided by Sodexo (formerly P&MM). The contract had been with Sodexo since September 2007 with the current contract due to expire on 9th December 2018.

In considering the report Members felt that the option for staff to purchase additional annual leave should be investigated and if possible progressed at this early stage.

In response to a question concerning whether salary sacrifice could be utilised for additional pension contributions, the Director of Corporate Services reported that the rules around pension contributions were governed by the relevant local government pension legislation and as such this would need to be carefully investigated prior to any proposals being made. There were currently mechanisms in place to enable members of the Local Government Pension Scheme to make additional voluntary contributions.

RESOLVED: That the Portfolio Holder be recommended to:

- 1. Agree to investigate and if possible progress annual leave purchasing at this early stage;**
- 2. Agree to enter into the CCS Framework and engage with Edenred to provide Employee Benefits services for the total contract value of up to £544,150. The total contract value includes the vouchers for the merited rewards; and**
- 3. Agree the contract term as set out in para 3.25 of the report for a period of 4 years.**

**c CAPITAL PROGRAMME MONITORING - 1ST QUARTER
2018/19
FSD18067**

The Committee considered a report setting out the revised Capital Programme for the Resources, Commissioning and Contracts Management Portfolio. On 11th July 2018, the Executive received a report summarising the current position on capital expenditure and receipts following the 1st quarter of 2018/19 and agreed a revised Capital Programme for the four year period 2018/19 to 2021/22.

A Member noted that the report included proposals for capital funding to support the roll out of Window 7 and Office 2000, very outdated IT software. The Member cautioned against the use of such out of date software which was unlikely to be supported in the future. The Member sought assurances that there were no security risks associated with the use of the out of data software. In response the Director of Corporate Services confirmed that in the coming months a report would be presented to the Committee outlining proposed IT Strategies going forward and this report would address the concerns that had been raised.

RESOLVED: That the Portfolio Holder be recommended to note and confirm the changes agreed by the Executive on 11th July 2018.

**d TREASURY MANAGEMENT - QUARTER 1 PERFORMANCE
2018/19
FSD18068**

The Committee considered a report summarizing treasury management activity during the first quarter of 2018/19. The report ensured that the Council was implementing best practice in accordance with the CIPFA Code of Practice for Treasury Management. Investments as at 30th June 2018 totalled £303.6m and there was no outstanding borrowing. For information and comparison, the balance of investments stood at £284.8m as at 31st March 2018, £320.1m as at 30th June 2017, and at the time the report was written (20th August 2018) it stood at £319.4m.

RESOLVED: that the Portfolio Holder be recommended to note the Treasury Management performance for the first quarter of 2018/19.

40 PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS

The Committee considered the following reports on the Part 1 agenda for the meeting of the Executive on 12th September 2018:

**(6) BROMLEY PRIVATE SECTOR LEASING SCHEME AND COUNCIL
OWNED TEMPORARY ACCOMMODATION MANAGEMENT
SERVICES – CONTRACT EXTENSION**

The Committee scrutinised a report seeking permission to extend by 2 years Bromley's formal contract for the procurement and management of private sector leased properties and management of Council owned temporary accommodation.

Members expressed concern that the report had not been scrutinised by the Renewal, Recreation and Housing PDS Committee. As there was no indication that the decision was urgent it was agreed that Executive should be recommended to defer its decision to enable thorough scrutiny by the Renewal, Recreation and Housing PDS Committee.

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RESOLVED: that the Executive be recommended to defer its decision to enable thorough scrutiny by the Renewal, Recreation and Housing PDS Committee.

**41 BT ICT CONTRACT MONITORING REPORT
Report CSD16105**

The Chairman and Councillor Will Harmer, having declared an interest, left the room prior to the start of this item. Cllr Keith Onslow, as Vice-Chairman, chaired the meeting during the Chairman's absence.

The Committee received the third performance report of the British Telecom (BT) ICT contract utilising the Pan London Framework. Nick Adams and Andrew Gee from BT attended the meeting to respond to questions. Overall, the contractor was performing very well, with only a very limited number of cases where KPI's had not been met. The Committee noted the cumulative sum of £13.5k service credit provided by BT to LBB as a result of KPI breaches within the reporting period. The breaches were detailed in the report and centred on performance around looking after back office servers. The volume of calls in this area was very low and in one case the KPI was breach following one missed call.

The Vice-Chairman noted that Councillors had not been included in the customer satisfaction survey that had been undertaken. In response the Head of ICT confirmed that on this occasion, due to the timing of the survey which had been undertaken just after the Members' Induction, it had encompassed staff registered as IT Administrators. The next survey would include Councillors and the wider Council Staff. A Member suggested that Members' responses should be listed separately as their experience of IT support could be very different to that of staff.

The Head of ICT confirmed that the "gain/share" arrangement that had been agreed as part of the new services would deliver £90k savings for the Council over 3 years.

In response to a question from the Vice-Chairman concerning how the KPIs were audited, Mr Gee explained that for each case an underlying set of data was presented to the auditors for inspection.

The Head of ICT confirmed that the Contracts Database reflected the strict Change Control Notices. There had also recently been an audit of the contract and no Priority 1 actions had been raised. It was noted that the outcome of the Audit would be presented to the Audit Sub-Committee in due course.

The Vice-Chairman noted that that Table 3a (Project Ester Performance November 2017 to May 2018) within BTs report demonstrated a number of

occasions where KPIs were not met. Mr Gee confirmed that this reflected periods of staff training and performance had since improved.

The Vice-Chairman thanked Nick Adams and Andrew Gee for attending the meeting.

RESOLVED: That the report be noted.

42 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 Member Induction was now complete and new Members were settling into their new role.
- Work was on going around the Children's Services agenda and it was hoped that the forthcoming Ofsted Inspection would recognise the good progress was being made. The Leader thanked Members who had attended the successful Corporate Parenting Fun Day.
- In relation to Adults Services, issues arising from the poor Ombudsman report were being closely reviewed to ensure that lessons were learnt.
- Within the Renewal, Recreation and Housing Portfolio, work was being undertaken to identify how more housing could be secured across the Borough. It was essential to look at reducing levels of homelessness which if not properly managed would have an adverse impact on the budget.
- The Local Plan continued to evolve and would provide a solid basis for planning decisions. The Leader reported that over the Autumn the Council would be considering the Mayor of London's Plan.
- Turning to Traveller Incursions; a Borough-wide injunction had now been put in place with the aim of addressing the recent surge in incursions. The Leader thanked Councillor Kate Lymer, the Portfolio Holder for Public Protection and Enforcement, for her contribution to this.
- Policies across the Environment Portfolio were being reviewed.
- The main challenges for the Local Authority continued to centre around resources. Work was underway to address the future budget deficit.
- The Leader highlighted the financial challenges facing other Local Authorities such as Northamptonshire, Somerset, and East Sussex.
- The Leader reported that he was broadly optimistic that the message regarding the pressures facing Local Government was slowly getting through to Central Government and as a result of this additional, targeted funding (especially around Adult Social Care) would be provided.

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

- The issue of Traveller incursions had been recognised as a national issue and raised with MPs. It was recognised that stronger legislation was required which recognised the limited resources available to Local Government to deal with the issues.

Members expressed their thanks to the Director of Corporate Services and his Team for the work that had been done in this area.

- In terms of the provision of transitory land, detailed consideration would need to be given to whether there would still be high clean-up costs and whether there was sufficient evidence to suggest that transitory land would be utilised if it were to be provided.
- The issues highlighted in the Ofsted report of Children's Services had not been a result of poor resourcing and the Commissioner's report had made this clear. It was noted that a number of Local Authorities had not taken difficult revenue funding decisions early enough and the affect of this were now emerging.
- Currently the Local Authority was debt free. Senior Leaders at the Council continued to engage around fairer funding as it was clear that the situation in relation to local government funding was getting desperate.
- In relation to funding the Aeronautical College at Biggin Hill, London and South East Colleges was capable of borrowing money if it wanted. As a result of the merger of the College, if the Council were to provide funding it would be de facto funding Bexley and Greenwich residents attending the college. The Council had made an offer of a loan to the College and no response had yet been received.
- In relation to Westcamp at Biggin Hill, the Leader recognised that this was a wasted asset and all options would need to be considered in relation to the site.
- Turning to housing, the Local Plan had provision for 641 housing units per year. The Borough would not be able to sustain the 1400 units advocated by the Mayor of London. It was possible that if the Mayor continued to press for such high levels of housing provision year-on-year it was possible that he would face a legal challenge from outer-London Boroughs. This threat to the character of outer-London boroughs was at the top of the agenda and there would be an interesting debate over the next 3 to 4 years.
- In terms of transport infrastructure, it was hoped that the DLR would be extended to Bromley North. It was important that the existing connectivity remained unchanged, what was needed was greater connectivity for Bromley and to this end, going forward it would be important to highlight the regional benefits of increased connectivity in Bromley.

- A robust communications strategy was in place for Children's Service's.
- Further integration with health services was under consideration and in recent months there appeared to be increased appetite from health partners to further engage with the Local Authority. If there were to be further integration with health services it would have to be clear that the Local Authority would not share risks around finances as any such risk was unquantifiable. As Members and Officers considered future options they would need to be focused on the legal implications of what was under consideration.

The Chairman thanked the Leader for his presentation to the Committee.

43 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**

44 EXEMPT MINUTES OF THE MEETING HELD ON 5 JULY 2018

The Part 2 (exempt) minutes of the meeting held on 5th July 2018 were agreed, and signed as a correct record.

45 EXEMPT MINUTES OF THE CONTRACTS AND COMMISSIONING SUB-COMMITTEE MEETINGS HELD ON 17 JULY 2018

The Committee received the Part 2 (exempt) minutes of the Contracts and Commissioning Sub-Committee meeting held on 17th July 2018.

46 PRE-DECISION SCRUTINY OF EXEMPT RESOURCES PORTFOLIO HOLDER REPORTS

The Committee considered the following reports on the Part 2 agenda where the Resources Portfolio Holder was recommended to take a decision:

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**a GATEWAY 1 MEMBERS REPORT. FORMAL CONSULTATION ON OUTLINE SERVICE PROPOSALS AND PROCUREMENT STRATEGY - COUNTER FRAUD SERVICES.
FSD18065-2**

The Committee considered a report setting out options for the investigation of fraud. Details of the procurement strategy and the justification for the contract award were set out in detail in the Part 2 (exempt report). The Committee discussed the report and recommendations in detail in Part 2 of the agenda.

47 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 12th September 2018:

**(10) AWARD OF CONTRACT FOR WORKS AT OAKLANDS PRIMARY SCHOOL (PHASE 1)
Report ED13067**

The Committee considered the report and supported the recommendations.

**(11) GATEWAY 1: SOCIAL CARE CASE MANAGEMENT SYSTEM
Report ED18068**

The Committee considered the report and supported amended recommendations.

(12) GATEWAY REPORT: ONE OFF FUNDING FOR CHILDREN AND YOUNG PEOPLE'S SPEECH AND LANGUAGE THERAPY

The Committee considered the report and supported the recommendations.

The Meeting ended at 9.55 pm

Chairman