

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

Minutes of the meeting held at 7.00 pm on 20 November 2019

**Present:**

Councillor Simon Fawthrop (Chairman)  
Councillor Christopher Marlow (Vice-Chairman)  
Councillors Gareth Allatt, Julian Benington, Mary Cooke,  
Ian Dunn, Nicky Dykes, Robert Evans, Russell Mellor,  
Keith Onslow, Chris Pierce, Kieran Terry, Michael Tickner,  
Stephen Wells and Angela Wilkins

**Also Present:**

Councillor Graham Arthur, Portfolio Holder for Resources,  
Commissioning and Contracts Management  
Councillor Peter Morgan, Portfolio Holder for Renewal,  
Recreation & Housing  
Councillor Colin Smith, Leader of the Council

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

Apologies were received from Councillors Harmer, Cartwright and Rutherford.  
Councillors Terry, Pierce and Onslow attended as their respective substitutes.

**84 DECLARATIONS OF INTEREST**

Item 13 – Risk Management: Councillor Fawthrop declared an interest as an  
employee of British Telecom. He also declared that his wife was an employee  
in the Council's HR Department providing training to staff.

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

No questions had been received.

**86 MINUTES OF THE EXECUTIVE AND RESOURCES PDS  
COMMITTEE MEETING HELD ON 9 OCTOBER 2019  
(EXCLUDING EXEMPT ITEMS)**

The third bullet point on page 12 was amended to read:- 'The Chief Executive  
was *not* aware of any plans to merge London boroughs and have 5 'Super  
Boroughs'.'

**Subject to the addition of the above amendment, the Minutes of the  
meeting held on 9<sup>th</sup> October 2019 were agreed, and signed as a correct  
record.**

**87           MATTERS OUTSTANDING AND WORK PROGRAMME  
Report CSD19164**

The Committee considered a report setting out matters outstanding from previous meetings and the proposed work plan for 2019/20.

**RESOLVED: That**

- 1. Progress on matters outstanding from previous meetings be noted; and**
- 2. The Work Programme for 2019/20 be noted.**

**88           FORWARD PLAN OF KEY DECISIONS**

The Committee noted the Forward Plan of Key Decisions covering the period November 2019-February 2020.

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

In response to a question from Councillor Benington on the Executive's consideration of the Council Tax report, the Director of Finance confirmed that meetings with Local Residents' Associations were scheduled to take place over the next two weeks.

**90           RESOURCES, COMMISSIONING AND CONTRACTS  
PORTFOLIO - PRE-DECISION SCRUTINY**

The Committee considered the following report where the Resources, Contracts and Commissioning Portfolio Holder was recommended to take a decision.

**a           TREASURY MANAGEMENT - QUARTER 2 PERFORMANCE  
2019/20 & MID-YEAR REVIEW  
Report FSD19103**

The Committee considered a summary of treasury management activity during the second quarter of 2019/20. The report also included a Mid-Year Review of the Treasury Management Strategy Statement and Annual Investment Strategy and ensured that the Council was implementing best practice in accordance with the CIPFA Code of Practice for Treasury Management. Investments as at 30<sup>th</sup> September 2019 totalled £346m and there was no outstanding external borrowing. For information and comparison, the balance of investments stood at £331.8m as at 30<sup>th</sup> June 2019, £311.6m as at 31<sup>st</sup> March 2019, and, at the time of writing the report (11<sup>th</sup> November 2019) it stood at £365.7m.

Members were advised that the budgeted income was £3.3m and the report referred to additional income of £500k projected for the current year.

In regard to paragraph 3.4.5, Councillor Mellor congratulated the Director of Finance on the recovery of £4,985k (leaving a balance of just 2%), following the administration of the Heritable Bank.

The Project Beckenham Loan continued to generate income at a rate of 6%. However, the property was now vacant and the developer had repaid £1m with £1.3m still outstanding.

**RESOLVED: That the Portfolio Holder be recommended to:-**

- 1. note the Treasury Management performance for the second quarter of 2019/20; and**
- 2. recommend that Council approves the 2019/20 prudential indicators as set out in Annex B1.**

## **91 PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS**

The Committee considered the following reports on the Part 1 agenda for the meeting of the Executive on 27 November 2019

### **(6) BUDGET MONITORING 2019/20 Report FSD19102**

The Committee considered a report which provided the second budget monitoring position for 2019/20 based on expenditure and activity levels up to the end of September 2019.

Referring to the £2m overspend, the Chairman emphasised the need for continuous efforts to be made to stay within budget. The Director of Finance confirmed that the principle to contain costs was ever present and there needed to be justification and management action in place to mitigate against any overspends recognising that in some cases the overspend fell outside the Council's direct control.

The report identified expenditure pressures which could have an impact on future years, particularly in the areas of Adult Care and Children's Social Care. Additional Government funding was expected next year however, these areas would still remain under pressure.

Where an overspend was the result of activity, the Council would need to be satisfied there was still enough value for money in that activity to support any additional spend.

Councillor Tickner queried the request for a further £25k to cover business rate charges, one of which was in a BID area. The Director of Finance agreed to confirm with Councillor Tickner who would be responsible for paying this.

Discussion turned to the impact of the election on the local government settlement for 2020/21. The Director of Finance advised that the statutory deadline for agreeing Council Tax was 11 March. It was not clear when the final settlement would be known which could impact on the dates and arrangements for the final decisions to be made by Members.

**RESOLVED: That the Executive be recommended to:-**

- 1. consider the latest financial position;**
- 2. note that a projected net overspend on services of £1,578k is forecast based on information as at September 2019;**
- 3. consider the comments from Chief Officers detailed in Appendix 2 of the report;**
- 4. note a projected variation of £281k debit from investment income as detailed in sections 3.5 and 3.6 of the report;**
- 5. note a projected increase to the General Fund balance of £814k as detailed in section 3.3 of the report;**
- 6. note the full year cost pressures of £5.2m as detailed in section 3.4 of the report;**
- 7. note the return of £37k to the 2019/20 Central Contingency relating to the Exchequer contract inflation as detailed in paragraph 3.2.2 of the report;**
- 8. note the return of £40k to the 2019/20 Central Contingency relating to the Mortuary contract as detailed in para. 3.2.2;**
- 9. note the return of £91k to the 2019/20 Central Contingency relating to the Exchequer contract as detailed in paragraph 3.2.2 of the report;**
- 10. agree to the release of £217k credit from the 2019/20 Central Contingency relating to savings allocated to the review of staffing as detailed in paragraph 3.2.3 of the report;**
- 11. agree to the release of £42k from the 2019/20 Central Contingency relating to additional costs of blue badge costs as detailed in paragraph 3.2.4 of the report;**
- 12. agree to the release of £25k from the 2019/20 Central Contingency relating to savings allocated to the review of staffing as detailed in paragraph 3.2.5 of the report;**

- 13. agree to the release of £200k from the 2019/20 Central Contingency relating to savings allocated to the review of staffing as detailed in paragraph 3.2.6 of the report;**
- 14. agree to the release of £659k from the 2019/20 Central Contingency relating to additional allocation of Better care Funding by NHS England as detailed in paragraph 3.2.7 of the report;**
- 15. agree the allocation of £700k from the Better Care Fund to offset pressures in Adult Social Care as detailed in paragraph 3.2.8 of the report;**
- 16. identify any issues that should be referred to individual Portfolio Holders for further action.**

**(7) CAPITAL PROGRAMME 2019/20  
Report FSD19096**

The Committee considered a summary of the current position on capital expenditure and receipts following the 2<sup>nd</sup> quarter of 2019/20. The report also sought the Executive's approval to a revised Capital Programme.

**RESOLVED: That the Executive be recommended to:-**

- 1. note the report, including a total rephasing of £10,323k from 2019/20 into future years and agree a revised Capital Programme (see paragraph 3.3.7 of the report);**
- 2. approve the following amendments to the Capital Programme:-**
  - a. reduction of £177k on Devolved Formula Capital 2019/20 scheme (see paragraph 3.3.1 of the report);**
  - b. deletion of £2k residual balance on Care Home Improvements to Environment for Older People scheme (see paragraph 3.3.2 of the report);**
  - c. increase of £2k on Carbon Management Programme scheme (see paragraph 3.3.3 of the report);**
  - d. recommend that Council approves an increase of £1,208k SEND Provision Capital funding to the Basic Need scheme (see paragraph 3.3.4 of the report);**
  - e. increase of £499k on London Private Sector Renewal scheme and £117k on Disabled Facilities Grant scheme to reflect the total funding available (see paragraph 3.3.5 of the report); and**

- f. **recommend that Council approves an increase of £1,385k to the Section 106 receipts from developers - as detailed in paragraph 3.3.6 of the report.**

**(8) EMPTY HOMES PREMIUM  
Report FSD19094**

The Committee considered a proposal that the Empty Homes Premium be introduced from April 2020 at the rate of 50% for properties empty for longer than 2 years, increasing to 100% where the property had been empty for 5 years.

Councillor Dunn urged officers to ensure that the following year's public consultation exercise set out all options available for consideration.

**RESOLVED: That the Executive be recommended to:-**

1. **consider the responses to the public consultation exercise at Appendices 1 and 2 of the report;**
2. **consider the Equality Impact Assessment at Appendix 3 of the report; and**
3. **agree that the Authority introduce the Empty Homes Premium from the financial year 2020/21 at the rate of 50% for properties empty longer than 2 years, increasing to 100% where the property has been empty for 5 years.**

**(9) COUNCIL TAX SUPPORT/REDUCTION SCHEME 2020/21  
Report FSD19095**

The Committee considered a report setting out the result of the public consultation exercise and seeking approval of the scheme to be forwarded to Full Council.

**RESOLVED: That the Executive be recommended to:-**

1. **consider the updated Impact Assessment at Appendix 1 of the report;**
2. **consider the responses to the public consultation exercise at Appendices 2 and 3 of the report;**
3. **consider whether the Council Tax Support/Reduction scheme for 2020/21 retains the calculation of entitlement for working-age claimants on 75% of the households Council Tax liability. Thereby the maximum assistance provided to a claimant of working-age is 75% of his/her Council Tax liability; and**

4. **subject to the outcome of recommendations 1-3 above, recommend the Council Tax Support/Reduction scheme for 2020/21 to Council.**

**(10) BECKENHAM LIBRARY AND CULTURAL VENUE – AUTHORITY TO PROCEED TO PROCUREMENT  
Report DRR19/051**

The Committee considered procurement processes in relation to a proposal to move Beckenham Library from its current site into Beckenham Public Hall – in Copers Cope Ward - a Grade II listed building with significant potential for community use and situated in a more central town location. Members were also requested to consider the option of making the existing Beckenham Library site available for housing.

Referring to the lifetime of this project, the Chairman considered the procurement process should be looking for the best quality possible. To ensure that 60/40 price/quality weightings were retained, he suggested that Open Tender be used to procure the multi-disciplinary team. In this regard, the Chairman moved that the Executive be recommended to agree to use the above Open Tender process.

Committee Member and Ward Member for Copers Cope Ward, Councillor Tickner, reported concern that a signed petition against the proposed Library relocation was entitled 'Closure of Beckenham Library'. The report considered at the Renewal, Recreation and Housing PDS meeting on 3 November was just a feasibility study for relocation of the library and there were definitely no plans to close the Library. Referring to the 'change.org' website, Councillor Wilkins clarified that the petition was entitled "Save Beckenham Library", with the following text "We call on Bromley Council to retain Beckenham Library on its current site..."

**RESOLVED: That the Executive be recommended to agree that Open Tender is used to procure the multi-disciplinary team, rather than ADUP, so that the Council's 60/40 price/quality weightings are retained.**

**(12) PROVISION OF HOUSING AT WEST WICKHAM LIBRARY AND STATION ROAD CAR PARK, WEST WICKHAM (PART 1)  
Report DRR19/053**

The Committee considered a summary of the initial feasibility work undertaken in relation to the current site of West Wickham Library and Station Road car park in West Wickham to provide approximately 34 residential units and 500sqm of commercial unit.

The report recommended that further feasibility work be undertaken in order to fully assess the viability of the scheme and a procurement exercise be run

concurrently to appoint a multi-disciplinary design team. The results of this further work would be reported to a meeting of the Executive in spring 2020.

Members also considered additional confidential information set out in the accompanying Part 2 (Exempt) report (DRR19/054).

Referring to the lifetime of this project, the Chairman considered the procurement process should be looking for the best quality possible. To ensure that 60/40 price/quality weightings were retained, he suggested that Open Tender be used to procure the multi-disciplinary team. In this regard, the Chairman moved that the Executive be recommended to agree to use the above Open Tender process.

**RESOLVED: That the Executive is recommended not to agree recommendation 2.4, but is instead recommended to approve an Open Tender procurement strategy, rather than ADUP, so that the Council's 60/40 price/quality weightings are retained.**

## **92 SCRUTINY OF THE PORTFOLIO HOLDER FOR RESOURCES, COMMISSIONING AND CONTRACTS MANAGEMENT**

The Portfolio Holder for Resources, Commissioning and Contracts Management, Councillor Graham Arthur, attended the meeting to respond to questions from the Committee. The Portfolio Holder had circulated a written update for the Committee prior to the meeting. Councillor Arthur responded to questions, making the following comments –

- In regard to the Exchequer Contract, the £12m initial investment made by the contractor related to digitalisation work and technology within customer services. This was an invest to save initiative which would result in some benefit to other boroughs but would ultimately provide Bromley with the wider advantages that come with digitalisation.
- In relation to budget overspend, there was concern that nationally, there appeared to be a significant amount of spare money. As a result, there was a danger that the public may think that the Council had plenty of funds available thereby increasing their expectation. This assumption was wrong; the Council still had financial issues. There was a need for greater awareness on what the Council can do and it was important to keep within spending limits.
- The Bromley Staff Conference took place on 19 November with a second session scheduled for 21 November. The conference centred around transformation, with a repeated theme about driving up services with sufficient finances.
- A meeting between the Portfolio Holder and the Director of Corporate Services regarding additional signage/lighting etc. for polling stations during the coming General Election would shortly take place.

- Options to change and simplify the Council's procurement process would be reviewed in the future.
- The Council's Legal Team had successfully defended a challenge to the London Plan.
- The Assistant Director, Governance and Contracts was taking a more pragmatic and flexible view in the way the procurement system operated, in particular the length of time taken from start to finish. It was hoped that a review of the system would attract more tenders.

The Chairman thanked Councillor Arthur for his contribution.

**93            TFM CONTRACT REPORT  
                 Report DRR19/061**

The Committee received an update on the Facilities Management offering by Amey Plc in respect of performance from January to September 2019 together with a detailed review of the approach Cushman and Wakefield had applied in relation to their targeted £1m savings from the TFM Contract. The Chairman welcomed Mr Darren Nolan and Mr Mike Alder to the meeting who attended on behalf of Amey Plc and Cushman and Wakefield respectively.

This item was further considered under the accompanying Part 2 report (Item 18).

**RESOLVED: That the update be noted.**

**94            RISK MANAGEMENT  
                 Report FSD19099**

The Committee considered the current iteration of the Corporate Risk Register together with those for the Corporate Services, Finance, Human Resources and Customer Services departments.

Councillor Wilkins requested an update on the current position in regard to the Finance Risk Register (Ref 5 on page 65 of the report). The Director of Finance reported that this related to part of the scheduled transformation work and an update on the statutory review would be incorporated within the transformation plans which would be considered early in the new calendar year. He confirmed that scrutiny of the arrangements would be considered by the ERC PDS Committee.

**RESOLVED: That the report be noted.**

**95 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**

**96 EXEMPT MINUTES OF THE MEETING HELD ON 9 OCTOBER  
2019**

The Part 2 (exempt) minutes of the meeting held on 9<sup>th</sup> October 2019 were agreed, and signed as a correct record.

**97 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 27<sup>th</sup> November 2019:

**(25) PROVISION OF HOUSING AT WEST WICKHAM LIBRARY AND  
STATION ROAD CAR PARK, WEST WICKHAM (PART 1)  
Report DRR19/054**

Members also considered additional confidential information set out in the Part 2 (Exempt) report and made recommendations to the Committee.

No further comments were made.

**98 INVESTMENT PROPERTY PORTFOLIO REVIEW**

The Committee considered the Part 2 (exempt from publication) review of the Council's Investment Property Portfolio.

**99 TFM CONTRACT REPORT PART 2 INFORMATION  
Report DRR 19/061**

Members considered confidential information accompanying the Part 1 report at Item 12.

**RESOLVED** that the report be noted.

The meeting ended at 8.20 pm

Chairman