

EXECUTIVE, RESOURCES AND CONTRACTS POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Minutes of the meeting held at 7.00 pm on 23 June 2021

Present:

Councillor Christopher Marlow (Chairman)
Councillor Kira Gabbert (Vice-Chairman)
Councillors Yvonne Bear, Nicholas Bennett MA J.P.,
David Cartwright QFSM, Mary Cooke, Nicky Dykes,
Will Harmer, Simon Jeal, Keith Onslow, Gary Stevens,
Melanie Stevens, Michael Tickner, Pauline Tunnicliffe and
Angela Wilkins

Also Present:

Councillor Graham Arthur, Portfolio Holder for Resources,
Commissioning and Contracts Management

14 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies for absence were received from Councillors Evans and Councillor Hitchins. Councillors Keith Onslow and Gary Stevens attended as their respective substitutes.

The Chairman reported to the Committee that the Leader of the Council was listening to the meeting via conference call.

15 DECLARATIONS OF INTEREST

There were no additional declarations of interest.

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

No questions were received.

17 MINUTES OF THE EXECUTIVE, RESOURCES AND CONTRACTS PDS COMMITTEE MEETING HELD ON 25 MAY 2021 (EXCLUDING EXEMPT ITEMS)

The minutes of the Executive, Resources and Contracts PDS Committee meeting held on 25 May 2021, were agreed and signed as a correct record subject to the correction of a minor typing error.

**18 MATTERS OUTSTANDING AND WORK PROGRAMME
 Report CSD21074**

The report dealt with the Committee's business management including matters outstanding from previous meetings and the proposed work plan for the remainder of the year.

The Committee noted that the Assistant Director for Strategy, Performance and Transformation had not yet had the opportunity to contact Councillors Bennett and Fawthrop regarding the comments they had previously submitted in relation to the draft Building a Better Bromley Strategy. The Chairman asked that the Assistant Director contact the Councillors as a matter of priority.

The Chairman confirmed that the recommendation to convene a meeting of the Constitutional Improvement Working Group had been made to the Executive and any response received would be shared with the Committee.

RESOLVED: That the report be noted and the Assistant Director for Strategy, Performance and Transformation be asked contact Councillors Bennett and Fawthrop as a matter of priority to discuss their comments concerning the Building a Better Bromley Strategy.

19 FORWARD PLAN OF KEY DECISIONS

The Committee noted the statutory Forward Plan of Key Decisions covering the period June 2021 to September 2021.

**20 RESOURCES, COMMISSIONING AND CONTRACTS
 MANAGEMENT PORTFOLIO - PRE-DECISION SCRUTINY**

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

**a TREASURY MANAGEMENT - ANNUAL REPORT 2020/21
 Report FSD21034**

The report summarised treasury management activity during the March quarter and included the Treasury Management Annual Report for 2020/21, which was required to be reported to Full Council. The report ensured that the Council was implementing best practice in accordance with the CIPFA Code of Practice for Treasury Management. Investments as at 31st March 2021 totalled £380.1m and there was no external borrowing. For information and comparison, the balance of investments stood at £396.9m as at 31st December 2020 and £336.1m as at 31st March 2020, and, at the time of writing the report (4th June 2021) it stood at £407.2m.

In opening the discussion, the Chairman sought confirmation of the processes that had been followed prior to investments being made in the Bank of Qatar and Bank of Kuwait. In response, the Director of Finance explained that there were four key criteria:

- Ability to invest in sterling;
- FCA accredited;
- Credit assessment; and
- Assessment of credit default swaps.

With these measures and controls in place the banks were deemed to be comparable with UK Banks.

The Committee noted that whilst Officers did not undertake specific checks to ensure that banks were not aligned to regimes with 'a dubious human rights record', Officers would be aware of wider publicity around such regimes.

The Director of Finance reminded the Committee that the Bank of England Base Rate had been 0.1% for some time, and whilst yield was a key consideration, Officers also took security and liquidity into consideration. Over the last year the Treasury Management Strategy had resulted in additional income of £1.5m in addition to the £1.5m which had been transferred into the Income Equalisation Reserve which generated significant income for the Council whilst managing risks around volatility.

In relation to investing in local authorities, the Director of Finance explained that it was unlikely that local authorities would default on loans due to the impact on borrowing and loss of confidence in the market. However, reputational issues were taken into account and a balanced judgement made.

In respect of Pooled investment Schemes, the Director of Finance confirmed that this related to setting aside funding for 3-5 years as well as Multi Asset income Funds.

In respect of the Project Beckenham investment, the Director of Finance explained that it had been in the Council's interest to support a local scheme. The Council would continue to be open to future opportunities on the basis of security.

The Chairman acknowledged and recognised the continuing good performance in the Council's Treasury Management.

RESOLVED: That the Portfolio Holder be recommended to:

- 1. Note the Treasury Management Annual Report for 2020/21;**
- 2. Approve the actual prudential indicators within the report.**

21 PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS

The Committee considered the following reports on the Part 1 agenda for the meeting of the Executive on 30 June 2021:

(5) PROVISIONAL FINAL ACCOUNTS 2020/21 Report FSD21020

The report considered the 2020/21 provisional outturn at portfolio level and Council wide as well as the potential implications for the Council's financial position in 2021/22. The purpose of the report was to give a broad overview of the financial outturn. The 2020/21 provisional outturn provided for no variation in general fund balances, subject to the recommendations in the report being agreed. The report referred to the financial impact of the Covid-19 situation which needed to be treated with some caution because of the ongoing uncertainty arising from moving out of lockdown to transition and ultimately the 'new normal'. The report sought agreement to set aside resources to support funding housing investment as well as partly fund future Covid related cost pressures. The report also referred to the arrangements to address Government funding received during 2020/21 where the corresponding costs were charged to the Council's general fund in future years.

In introducing the report, the Director of Finance highlighted that it had been a remarkable year with the requirement to manage unprecedented levels of funding from the Government to deliver the response to the Covid pandemic. Now was the point of transition where attention had to be turned to thoughts about adjusting to the 'new normal' and the pressures which would inevitably present in the coming years.

Another key focus would be supporting the Council priority of housing. Officers would continue to work on the basis of delivering value for money and targeting resources where they were needed.

In relation to the carry forward request, the Committee noted that some would be utilised for the ongoing response to the Covid pandemic. It was clear that current levels of government funding could not be sustained in future years, as such there was a need to manage the current funding to ensure future resilience as well as manage the ongoing risks around the pandemic.

RESOLVED: That the Executive be recommended to

- 1. consider the provisional revenue and capital outturns for the 2020/21 financial year and the earmarked balances on the General Fund as at 31st March 2021;**
- 2. consider the variations in 2020/21 impacting on the Council's 2021/22 financial position;**

3. consider the comments from Chief Officers;
4. approve the requests for carry forwards totalling £749k (net) subject to the funding being allocated to the Central Contingency in 2021/22 to be drawn down on the approval of the relevant Portfolio Holder;
5. agree the changes to the central contingency sum;
6. recommend to Council that a sum of £3.887m be set aside as a contribution to the Housing Invest to Save Fund earmarked reserve;
7. recommend to Council that a sum of £6.506m be set aside as a contribution to the COVID impact/recovery earmarked reserve;
8. note the creation of a Business Rates Adjustment earmarked reserve relating to the timing differences of grant income received and the costs charged to the Councils General Funds.

**(6) CAPITAL PROGRAMME OUTTURN 2020/21
Report FSD21038**

This report set out the final outturn on capital expenditure and receipts for 2020/21. Capital expenditure in the year was £19.7m, compared to the final approved budget of £46.0m, resulting in a total net variation of Cr £26.3m. For funding purposes, £15.0m slippage was assumed in the Quarter 3 capital monitoring report, so there was an overall variation of Cr £11.3m in the use of capital receipts and external and revenue contributions.

RESOLVED: That the Executive be recommended to:

1. Note the report;
2. Approve the following amendment to the Capital Programme for 2021/22:
 - (i) Approve an increase of £2,443k to the Disabled Facilities Grant scheme to reflect the 2020/21 allocation as detailed in paragraph 3.2.1;

(7) GROWTH FUND SUPPORT FOR PLANNING

The report sought Growth Fund support for a 2-year temporary Planner for the Development Management team to work on major applications.

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The Assistant Director for Planning explained that the temporary Planner post would be directly and indirectly supporting the growth of housing schemes across the Borough and would also be supporting the pre application process and the growth in planning applications. In response to a question, the Assistant Director reported that over the course of the year there had been a roughly 20-30% increase in planning applications.

A Member expressed concern that capital funding was being used for revenue expenditure, in response the Chairman suggested that in this case there had been a surge in planning applications and it was not anticipated that the surge would be sustained in the long-term therefore this was fixed-term expenditure. The Director of Finance confirmed that the proposal was to effectively pump-prime and initially fund the service whilst developing sustainable funding solutions for future years. It was possible to fund short-term staffing from capital. The purpose of this post was to support the development of housing schemes across the Borough and there met the criteria of the growth fund.

RESOLVED: That the Executive be recommended to:

- 1. To approve the use of up to £116k from the Growth Fund earmarked reserve to fund a Planning Officer post for a two-year fixed term;**
- 2. To note that this will be reviewed after one year, taking into account the anticipated additional income generated and any underspends within the Planning Department's existing budget, and that any funding not required will be returned to the Growth Fund.**

**(17) IT SERVICES PROCUREMENT
Report CSD21075**

This report summarised options to be explored for ensuring the continued provision of IT services currently provided by BT, following the end of the current contract in December 2023. It set out procurement options to be explored in further detail to enable decision making, procurement and transition to any new or changed arrangements. The report also outlined the approach for undertaking the next phase of work with a detailed review of the options to provide for the member decision on choice of the final options. It did not address specific technologies, as this had been covered in previous reports and decisions, but on the means of provision of IT services.

In response to a question from the Chairman, the Assistant Director for IT confirmed that the use of new technologies to drive modernisation would be looked at part of the procurement options and Officers would be seeking partnership working for the implementation of artificial intelligence and assistive technology. Members noted that the key focus on new technologies

(such as artificial intelligence and 3D printing) would be through the Digital Strategy which was being developed and would be presented to the Committee in September 2021.

A Member expressed concerns around the high project management costs detailed in the report. The Assistant Director confirmed that the costs set out in the report were the indicative costs that had been obtained through market research. It was agreed that the Assistant Director would provide details of the costings that had been received to Councillor Will Harmer following the meeting.

RESOLVED: That the Executive be recommended to:

- 1. Note the options and recommended focus on option 2 presented in this report and approve the funding set out in section 8 for the additional resources required to fully analyse and explore procurement options for the IT provision and subsequent Service Support Models.**
- 2. Note that there is further cost implication depending on the option taken following the options investigation. These costs need to be considered against the strategic importance of the IT service provided which impacts on all of the Council's services, supports the transformation agenda in delivering service improvements and budget efficiencies, and is a vital element of the Council's infrastructure. Consequently, there is a need to explore options, deliver the optimum IT solution and achieve best value for as this is a significant contract forming a vital element that underpins the Council's service delivery infrastructure.**

(18) TRANSFORMING BROMLEY 2019 - 2023: FIRST TWO YEARS

The report provided the Executive with key updates on the progress of the Transforming Bromley agenda two years into the four-year Transformation Programme (2019 - 2023).

The Chief Executive provided an overview of the report highlighting that the 2019 Staff Conference had been the genesis of transformation and details of the progress that had been made would filter through to individual PDS Committees, but it was important to recognise the importance of celebrating the progress that had undoubtedly been made. Since 2019 there had been key development around the Council's Digital Strategy and this, along with the Building a Better Bromley Strategy would be reported to the Committee in September 2021. Despite the ongoing Covid-pandemic and the additional demands that this had placed on a number of Officers, the corporate transformation process had continued. The Covid pandemic had inevitably had an impact and had presented challenges which no one could have

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foreseen in 2019, however, the Transformation Roadmap had never been designed to be a static document and had instead evolved in order to respond to these new challenges.

In response to a question, the Chief Executive highlighted that in 2019, one of the key aspirations had been to introduce agile and home working. The Covid pandemic had accelerated these plans and currently 60-90% of the workforce were working flexibly. A report on the Civic Centre Accommodation Strategy would be presented to Members in the coming months.

In response to a series of questions, the Chief Executive confirmed that reports concerning the 17 strands of the Transformation Programme could be made available to Members. However, a number of these reports would have been presented to individual PDS committees or Executive as part of the savings identified in the medium-term financial strategy. It was clear that the Transformation Roadmap was an organic document and where necessary Officers would approach committees and garner comments and views from Members in order to ensure that the process of corporate transformation was flexible and reactive.

In response to a suggestion that the language of transformation should be more focused on service improvement, the Chief Executive confirmed that all members of the Corporate Leadership Team focused on three key areas:

- What could be done to improve the lives of residents?
- What could be done in terms of improving processes? and
- What innovations could be delivered?

It was only when these three key areas were addressed that savings could be delivered through transformation.

In relation to staffing resilience and continuity, the Chief Executive confirmed his awareness of the age profile of the Council's Senior Leadership Team and the inevitable loss of experience and wisdom that was likely to manifest in the coming 5 to 10 years. In response to this, efforts were being made to develop and build programmes of support and promote internal staff. Through mentoring, supporting and coaching the Council would be able to develop its own pipeline strategy. Members noted that this was not a problem unique to Bromley, in the past year 7 Chief Executives and a number of Directors across London had retired.

RESOLVED: That Executive be recommended to:

- 1. Note and comment on the report**
- 2. Agree to refer the report to all PDS Committees and General Purposes and Licensing Committee.**

**22 CUSTOMER SERVICES CONTRACT MONITORING REPORT
Report CSD21073**

The report provided information on the performance of the Customer Service Contract provided by Liberata for the period 1st December 2020 to 31st May 2021. A letter from Amanda Inwood-Field, Contract Director for Liberata, provided her update on each individual element and her letter was attached at Appendix 1 of the report.

In opening the discussion, the Chairman noted that throughout the period from March to May there had been a steady deterioration in the performance of the contact centre and asked what action was being taken to mitigate the downward trend. In response, the Committee heard that throughout April and May there had been an increased number of calls relating to the elections and registrations of marriages, births and deaths. Performance had been closely monitored and recent data evidenced an improvement in performance.

In relation to the review of the Council's website, the Chairman requested that a particular effort be made to remove expired pages. The Committee noted that the programme to review and refresh the website content had already started and as part of this old content would be deleted.

Noting that that no surveys had been sent out in April and May, the Vice-Chairman queried whether surveys were now being sent to customers. In response, the Committee were informed that April and May had been the period of transition to the new survey. 121 surveys had been sent in the current period and measures were being put in place to increase the number of surveys being sent. Customers who contacted the Council by telephone or in person were provided with a friendly URL or alternatively a paper copy of the survey could be supplied if required.

Noting that the number of surveys sent out was currently comparatively small, the Committee were told that following the changes that had been implemented, future reports to the Committee would evidence a significant increase in the number of surveys.

The Committee requested that the next monitoring report provide details of any analysis of equality impact in terms of increased digitalisation, particularly the impact on vulnerable adults and children. Members noted that no individual details were collected in terms of the protected characteristics of customers engaging with the Contact Centre.

RESOLVED: That the report be noted.

**23 EXCHEQUER SERVICE - CONTRACT PERFORMANCE
REPORT
Report FSD21037**

The report provided information regarding Liberata's performance in the provision of Exchequer Services for the period 1st April 2020 to 31st March

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2021. A letter from Amanda Inwood-Field, Liberata's Contract Director, provided an update on each individual service and was attached at Appendix 1 to the report with statistical data relating to the services shown in subsequent appendices.

In opening the discussion, the Chairman asked what action was being taken to address issues around sundry debtors. In response, the Committee heard that reminders were sent as the end of the year approached although the process was not always simple as some invoices required certain negotiation prior to the final invoice being agreed.

In relation to the debt advice provided to individuals who may be experiencing financial difficulties as a result of the pandemic, the Committee noted that there was a payment deferral period as well as new legislation to provide 'breathing space' to people experiencing financial problems. Members also noted that clients were also advised to seek independent debt advice.

In response to a question, the Committee noted that in terms of disputed debt, further analysis would need to be obtained in order to review the age profile of the debt. In relation to the BT debt, the Committee noted that an update on how the dispute was being managed would need to be obtained from the Service Department. It was agreed that responses to these points would be addressed in the next monitoring report presented to the Committee.

Members noted that performance in respect of Financial Assessments had dipped as a result of the loss of key staff at the beginning of the year. This was a very technical package which required specialist training for staff. Resourcing issues had now been resolved and the target was being achieved with assessments being turned around in 10 days. In response to a question from the Chairman concerning workforce stability, the Committee noted that recently Liberata had already transitioned to its post-Covid operating model and had started to recruit to a shared service centre which would provide increased resilience.

In relation to online residential reviews, the Committee noted that there was an alternative paper-based version in addition the setup of the Service enabled resources to be targeted on supporting vulnerable clients with completing the review either online or paper-based.

The Committee acknowledged the importance of ensuring that adequate controls were in place for payments.

RESOLVED: That the report be noted.

**24 BENEFITS SERVICE MONITORING REPORT\COUNCIL TAX
SUPPORT\REDUCTION 2022/23
Report FSD21035**

The report provided information regarding the performance of the Benefits Service provided by Liberata for the period 1 December 2020 to 31 March

2021. A letter from Amanda Inwood-Field Liberata's London Regional Contract Director was attached to the report as Appendix 1. This communication provided Liberata's perspective of performance, together with an update on initiatives to be introduced in the coming months.

In opening the discussion, the Chairman noted that it was encouraging that that the increase in applications for Council Tax Support had been limited 12% to date, although it was recognised that this was likely to increase from September 2021 as the furlough scheme ended. Members noted that there were already higher volumes of Universal Credit (UC) work coming through the system. Investment had been made in UC automation and this would help in keeping workload volumes down.

The Committee noted that Appendix 6 to the report set out DWP reported performance for Q3 2020/21 and this showed that Bromley was tracking comparatively well for that performance. Members suggested that a benchmarking exercise needed to be undertaken to ensure that there was increased learning from best practice. It was clear that Bromley was performing well but it would be helpful to continually review what more could be done to drive continuous improvement. The Chairman suggested it would be helpful for the next monitoring report to include benchmarking data for other local authorities to enable Members to identify trends.

Turning to the issue of the Council Tax Support/Reduction Scheme, the Portfolio Holder for Resources, Commissioning and Contracts Management explained that all local authorities had to make their own individual decisions in relation to the scheme offered. Bromley had opted to take a simplistic approach to the scheme which required a contribution of 25%. A number of other local authorities had far more complex schemes which were then challenging to administer. It was agreed that the information produced by London Councils detailing the various Council Tax Support/Reduction Schemes across London would be shared with the Committee. The Portfolio Holder highlighted that, as a result of the challenging financial position many families found themselves in as a result of the pandemic, it was recognised that it would be difficult for many to face an increase this year. The Committee also noted the availability of the government funded hardship fund, which had also been increased for this year. The Portfolio Holder highlighted the holistic approach taken to support for the Council's Care Leavers, noting that the support package that was available went far beyond simply support with the costs of Council Tax.

In relation to the consultation for the Council Tax Support/Reduction Scheme, a Member suggested that it may be helpful to respondents if the alternative options that were available were set out as part of the consultation along with figures and examples of how the different schemes would impact on finances.

At the conclusion of the discussion, Councillor Simon Jeal proposed that the recommendation be amended to add a question to the consultation regarding an exemption for care leavers and to further amend the consultation to

provide examples of the impact of either an increase or decrease in Council Tax Support. The motion was seconded by Councillor Angela Wilkins, put to the vote and LOST.

The Chairman proposed that the Portfolio Holder be recommended to approve consulting on Option 3 (leaving the scheme unchanged for 2022/23). The motion was seconded by Councillor Kira Gabbert put to the vote and CARRIED:

RESOLVED: That

- 1. The report be noted**
- 2. The next monitoring report include benchmarking data for other local authorities and;**
- 3. The Portfolio Holder be recommended to approve that Option 3 (leaving the scheme unchanged) be recommended in the consultation exercise for the Authority's 2022/23 Council Tax Support/Reduction scheme.**

25 REVENUES SERVICE MONITORING REPORT
Report FSD21036

The report provided information regarding the performance of the Revenues Services provided by Liberata for the period 1 December 2020 to 31 March 2021. A letter from Amanda Inwood-Field, Liberata's London Regional Contract Director, provided an update on each of the individual service and was attached to the report at Appendix 1 with statistical data relating to the Revenues Service attached at Appendix 2.

In opening the discussion, the Chairman asked how Bromley's performance compared with other London Boroughs in terms of Council Tax and Business Rates. In response Members noted that for Business Rates the average decline across London was 8.4% whilst Bromley's was 6.4% as such Bromley was below average. In relation to Council Tax Bromley performed comparatively well. Noting the poorer performance in respect of business rates, a Member suggested that it may be helpful for the Committee to have sight of the improvement plan for the service. The Chairman also suggested that future reports include a commentary of comparative performance and the action being taken to drive continuous improvement.

As the information concerning the number of accounts removed from the single person discount as a result of fraud was not available at the meeting it was agreed that this information would be provided following the meeting. It was also agreed that information concerning the number of properties vacant for 2 years and those vacant for 5 years would also be provided following the meeting.

In response to a question, the Director of Finance explained that more would be known about the risk surrounding the collection of Business Rates and to a lesser extent Council Tax once the virtual court started. However, it was clear that a lot would depend on the economy and economic recovery. Members noted that it had been a difficult year with a number of cancelled direct debits however, the Director of Finance confirmed that risks had been factored into the financial forecast.

Turning to the Empty Properties Premium, the Chairman noted that there were currently a number of uncertainties in relation to the performance of the economy and it would be unwise to take action which may prejudice homeowners who were trying to sell their property. Members noted that there were a number of complex reasons why properties were left empty (such as probate) and it was important to highlight that there was currently a premium being charged for empty properties, the Committee were considering the issue of increasing this premium in certain circumstances. The Committee requested that it be provided with any information that was available concerning why and where homes were left vacant.

RESOLVED: That

- 1. The report be noted;**
- 2. Future reports include a commentary of comparative performance and the action being taken to drive continuous improvement; and**
- 3. The Portfolio Holder be recommended to approve the deferral of the decision to increase the Empty Homes Premium to 2022/23.**

26 QUESTIONS ON THE EXECUTIVE, RESOURCES AND CONTRACTS PDS INFORMATION BRIEFING

In response to three questions asked at the meeting in respect of Risk Management, the Director of Finance confirmed that:

1. The Risk Register provided in the report was a high-level register with separate Risk Registers for contractors.
2. Issues surrounding adjustment to the new normal were currently under consideration including risks around the impact of ending the furlough scheme and inflationary risks arising from the pandemic.
3. In relation to Brexit, the approach that was now being taken was to report specific risks through the individual Risk Registers for each Directorate.

A Members also noted that reference to the continued preparation for the *second* wave of the pandemic should be amended to make reference to the third wave.

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**27 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**

28 EXEMPT MINUTES OF THE MEETING HELD ON 25 MAY 2021

The Part 2 (exempt) minutes of the meeting held on 25 May 2021, were agreed and signed as a correct record.

The Meeting ended at 9.46 pm

Chairman