

EXECUTIVE, RESOURCES AND CONTRACTS POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Minutes of the meeting held at 7.00 pm on 5 October 2022

Present:

Councillor Simon Fawthrop (Chairman)
Councillor Shaun Slator (Vice-Chairman)
Councillors Kathy Bance, Mark Brock,
David Cartwright QFSM, Kira Gabbert, Alisa Igoe,
Julie Ireland, Simon Jeal, Jonathan Laidlaw, Keith Onslow,
Tony Owen, Will Rowlands, Mark Smith, and
Melanie Stevens.

Also Present:

Councillor Christopher Marlow, Portfolio Holder for Resources,
Commissioning and Contracts Management
Colin Smith, Leader of the Council

34 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies were received from Councillors Adams, Evans and McGregor.
Councillors Bance, Onslow and Igoe attended as their respective substitutes.

35 DECLARATIONS OF INTEREST

Councillor Fawthrop declared a pecuniary interest as an employee of British Telecom (BT). Councillor Fawthrop left the meeting for the duration of Minutes 42(17) and 45(24) – IT Procurement and Provision (Part 1 and Part 2). The Vice-Chairman took the Chair for the two items.

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

No questions were received.

37 MINUTES OF THE EXECUTIVE, RESOURCES AND CONTRACTS PDS COMMITTEE MEETING HELD ON 28 JULY 2022 (EXCLUDING EXEMPT ITEMS)

The minutes of the Executive, Resources and Contracts PDS Committee meeting held on 28 July 2022, were agreed and signed as a correct record.

38 MATTERS OUTSTANDING AND WORK PROGRAMME Report CSD22094

The report dealt with the Committee's business management including the proposed work plan for the 2022/23 municipal year.

Members noted that proposals for the Civic Centre redevelopment would be considered by the Executive (and therefore scrutinised by the Committee) in November 2022.

A Members requested that an update on the further tranche of the Household Support Grant be provided.

In response to a question, the Portfolio Holder for Resources Commissioning and Contracts Management advised that the item on Biggin Hill would be scrutinised by the Committee before the end of the year.

A Member requested that the Committee be provided with adequate opportunity to read and reflect on the report concerning the Operational Property Review noting that last year there had been some delays publishing the report which had resulted in Members having limited time to review the report prior to the meeting.

A Member requested that the Committee consider Energy Strategy during the year. The Chairman advised that consideration would have to be given to when and how the Committee would review energy strategy as it was a cross departmental issue.

The Committee noted that the Chairman had requested a report on Free Speech be presented in November.

RESOLVED: That the report be noted.

39 FORWARD PLAN OF KEY DECISIONS

The Committee noted the Forward Plan of Key Decisions covering the period August 2022 to November 2022.

40 SCRUTINY OF THE CHIEF EXECUTIVE

The Chief Executive, Mr Ade Adetosoye, attended the meeting to respond to questions from the Committee. the Chairman thanked the Chief Executive for the detailed written update circulated as part of the agenda papers. Mr Adetosoye responded to questions, making the following comments –

- The new Council Website was gradually bedding in, and problems were being resolved as they were reported. There had initially been

issues with the migration of data and these had been resolved. The Chief Executive was proud of the work that had been done and the new website would be monitored to ensure that search results were as efficient and as accurate as possible. The Committee noted that as companies such as Google, Microsoft and Amazon used artificial intelligence (AI) for their search functionality, search results would be tailored to a user's account and previous search history. It was therefore worth registering for an account in order to improve search results. IT would be asked to investigate issues that had been reported with website links that were over six months old and Council forms would be reviewed to ensure that they referred users to the new website.

- The Leadership Board had been monitoring the Household Support Grant and Members were encouraged to refer any outstanding issues in relation to receipt of vouchers to the Chief Executive for further investigation.
- If a further Household Support Scheme was brought forward it was likely that slightly different proposals for the administration of the scheme would be presented to Members and further advice would be given nearer the time.
- In respect of Inspection readiness, the Chief Executive explained that there were three regulated services which were subject to unannounced inspections.
- In relation to the Local Government Settlement and the Fairer Funding review, Members noted that delays to the Fairer Funding Review meant that Bromley was in receipt of less government funding but was managing the same or increased expectations in terms of service delivery. The Council continued to lobby and raise concerns with colleagues in central government. In addition the Council's fiscal policy remained the same in terms to delivering services within the available budget envelope.
- Service delivery and the performance of all departments across the Council was monitored using a RAG rating. The Public Affairs team, in particular, had a detailed work plan setting out public engagement initiatives and communications plans for specific projects. The team were held to account and would continue to grow.
- The Council was awaiting the policy direction from central government in respect of Homes for Ukraine as funding was predicated on that policy direction. Once the direction of travel was known there would be clear communication with both Ukrainian guests and their sponsors.
- The Council was reviewing the impact of the cost-of-living crisis on children and families. The Council website was being updated to ensure information about the additional support available was provided. Directors were undertaking a review of statutory obligations.
- The Council continued to deliver its Digital Strategy and the need to be ambitious and consider what more could be done was recognised. Residents were encouraged to access services online but where this

5 October 2022

was not possible one to one support from Council Officers was available.

- There were a number of Council priorities that lay with individual services and directors such as recruitment of foster carers which was the responsibility of the Director of Children's Services.
- Officers were duty bound to provide Members with adequate information to facilitate sound decision making. There was a balance between detail and focus and Officers would be asked to provide the detail required as succinctly as possible.
- Information on the use of the Covid fund for the year to date – what it had been used for and the remaining balance – would be provided following the meeting.

The Committee thanked the Chief Executive for his informative and helpful update.

41 RESOURCES, COMMISSIONING AND CONTRACTS MANAGEMENT PORTFOLIO - PRE-DECISION SCRUTINY

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

A CAPITAL PROGRAMME MONITORING - 1ST QUARTER 2022/23 Report FSD22070

On 6th October 2022, the Executive would receive a report summarising the current position on capital expenditure and receipts following the 1st quarter of 2022/23 and would be asked to agree a revised capital programme for the four-year period 2022/23 to 2025/26. The report highlighted changes to be put to the Executive and the Leader in respect of the capital programme for the Resources, Commissioning and Contract Management portfolio.

RESOLVED: That the Portfolio Holder be recommended to note and acknowledge the changes to be put to the Executive on 6th October 2022.

B POLICY: PUBLIC PROCUREMENT UPDATE Report CSD22102

The report provided an update and overview to Members on Transforming Public Procurement, now being considered by Parliament as The Procurement Bill. The report also noted the need to update the Council's Contract Procedure Rules in due course to ensure compliance with updated Regulations; and it recommended the development of a formal 'Local Procurement Priorities' policy document as a side document to 'Making Bromley Even Better'.

In response to a question concerning the additional pressure on capacity, resource and planning, the Assistant Director for Governance and Contracts

confirmed that there had not yet been any mention of additional funding to support the requirements of the Procurement Bill although the final details and additional actions had not yet been received. At the moment the Council had no plans to commit additional resource, the initial focus would be to establish regular, simple processes to manage notices. Every opportunity needed to be explored to provide efficient processes and to manage the new requirements appropriately.

The Committee noted that there were currently no specific timescales for the local priorities document as it would depend on the nature of consultation with Members. Officers would work to deliver the local priorities document as soon as possible however it was important that the document also reflected the Procurement Bill.

In response to a question, the Assistant Director for Governance and Contracts confirmed that the Procurement Bill did seek to make it easier to take account of the past performance of a contractor, although it was also possible under the current arrangements.

The Assistant Director for Governance and Contracts also confirmed that the CIPFA guidelines of a 60% price and 40% quality split for contracts was within the current Contract Procedure Rules and would be the starting point for any new Contract Procedure Rules.

RESOLVED: That the Portfolio Holder be recommended to note the update on Transforming Public Procurement; and to agree the proposed approach for both the development of 'Bromley Local Procurement Priorities' as set out in paragraphs 3.23 to 3.30 of the report and the update of the Councils Contract Procedure Rules as set out in paragraphs 3.31 to 3.37 of the report.

42 PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS

The Committee considered the following reports on the Part 1 agenda for the meeting of the Executive on 6 October 2022:

(5) BUDGET MONITORING 2022/23 Report FSD22068

The report provided the first budget monitoring position for 2022/23 based on expenditure and activity levels up to the end of July 2022. The report also highlighted any significant variations which would impact on future years as well as any early warnings that could impact on the final year end position.

The Chairman reported that he had asked for some further information about the projected budget overspend for Legal Services and at the moment, excluding any invoices pending or waiting to be paid, around £150,000 of the expected £500,000 had been spent.

5 October 2022

In response to a question concerning the cost of IT Procurement, the Director of Finance confirmed that the one-off costs had been built into the budget and the ongoing running costs needed to be built in. In terms of the revenue budget next year, costs would be reflected but not any direct saving as this was mitigated against future costs.

The Director of Finance also highlighted the impact of rising inflation on the contingency which had previously provided an element of flexibility. However, there was concern that the impact of inflation was now so significant that some of that flexibility would be lost. This would be reflected in the report presented to Members in January 2022.

RESOLVED: That the Executive be recommended to

- 1. Consider the latest financial position;**
- 2. Note that a projected net overspend on services of £8,036k is forecast based on information as at July 2022.**
- 3. Consider the comments from Chief Officers detailed in Appendix 2;**
- 4. Note the carry forwards being requested for drawdown as set out in paragraph 3.3 of the report.**
- 5. Note a projected reduction to the General Fund balance of £2,177k as detailed in section 3.4 of the report.**
- 6. Note the full year cost pressures of £8.255m as detailed in section 3.5 of the report.**
- 7. Agree to the release of funding from the 2022/23 central contingency as detailed in paragraphs 3.2.2 to 3.2.23 of the report;**
- 8. Agree to the release of £600k from the Growth Fund reserve for the Local Plan review as detailed in paragraph. 3.9 of the report.**
- 9. Identify any issues that should be referred to individual Portfolio Holders for further action.**
- 10. Note the change in General Fund Earmarked Reserves as detailed in paragraph 3.12 of the report.**
- 11. Recommend that Council agree a sum of £2.4m be drawn down from the 2022/23 contingency as detailed in paragraph 3.2.2 of the report.**

**(6) CAPITAL PROGRAMME MONITORING – 1ST QUARTER 2022/23
Report FSD22071**

The report summarised the current position on capital expenditure and receipts following the first quarter of 2022/23 and sought the Executive's approval to a revised capital programme.

RESOLVED: That the Executive be recommended to

- 1. note the report, including a total re-phasing of £4,482k from 2022/23 into future years, and agree a revised capital programme**
- 2. approve the following amendments to the Capital Programme:**
 - (i) increase of £8,478k to the Basic Needs capital scheme (paragraph 3.5.1 of the report) i**
 - (ii) addition of £383k of SCA grant and of £466k of Salix grant to the Capital Maintenance scheme (paragraph 3.5.2 of the report)**
 - (iii) increase of £2,443k to the Disabled Facilities Grant capital scheme (para 3.5.3 of the report) i**
- 3. Recommend that Council approve the total increase of £8,478k to the Basic Needs capital scheme, £849k to the Capital Maintenance scheme, and £2,443k to the Disabled Facilities Grant capital scheme (see paras 3.5.1 to 3.5.3)**

**(12) URBAN DESIGN GUIDE SUPPLEMENTARY PLANNING DOCUMENT
- CONSULTATION DRAFT
Report HPR2022/45**

The report recommended that the draft Urban Design Guide Supplementary Planning Document (SPD) be published for six weeks public consultation.

The report had previously been considered by the Development Control Committee on 27 September 2022 and the Renewal Recreation and Housing PDS Committee on 4 October 2022.

A Member of the Committee expressed concern that an item that had already been scrutinised by a PDS Committee was being considered by the Executive, Resources and Contracts PDS Committee. In response the Chairman explained that he had been made aware that there had been some changes to the amendments proposed by the Development Control Committee, and he was using his Chairman's prerogative to ask the

5 October 2022

Executive, Resources and Contracts PDS Committee to reaffirm the amendments proposed by the Development Control Committee.

RESOLVED: That the Executive, Resources and Contracts PDS Committee reaffirm the amendments proposed by the Development Control Committee on 27 September 2022.

**(17) IT PROCUREMENT AND PROVISION (PART 1)
Report CSD22069**

(Having previously declared a pecuniary interest the Chairman left the room, and the Vice-Chairman assumed the Chair)

The report provided an analysis of the work agreed by the Executive at its meeting on 30 June 2021 and set out options and recommendations for the Executive to consider on the future of IT Services including procurement options. The Portfolio Holder for Resources, Commissioning and Contract Management had been consulted on the analysis of options in this report. Any future changes to the IT infrastructure technology would be submitted for consideration and decision making by Members as and when necessary, as they would be part of the IT infrastructure transformation.

In response to a number questions, the Assistant Director for IT advised that the SWOT analysis was something that was undertaken for IT projects and had previously proved successful. The Assistant Director further advised that consultancy costs for the last two years related to IT projects and that some costs would be reduced as a result of the further in-house capacity.

The Assistant Director for IT further advised that the core service received from BT was good however a review of the market and value for money suggested that the best option would be to make increases to the in-house capacity to future proof the service and bridge the capacity gap. The Committee noted that where IT advice was needed, departments were required to approach the Council's IT department in the first instance. If expertise was available in house this was utilised and where necessary external expertise was purchased.

The Assistant Director agreed to bring back paper prior to any extension after the initial five-year period.

RESOLVED: That the Executive be recommended to note the options explored in the report.

(18) PROPERTY INVESTMENT FUND PORTFOLIO – PORTFOLIO PERFORMANCE, INVESTMENT STRATEGY AND MITIGATION FUND (PART 1)

The report related to the Council's Property Investment Fund Portfolio, providing an update to Members on the Portfolio's performance, and setting out the proposed Investment Strategy and supporting Key Performance Indicators to be adopted.

Members noted that the retail sector had been struggling and this had resulted in an impact on the Council's investments funds. However, some high street properties had been purchased for strategic reasons and the fluctuations in property value would only become an issue at the point the properties were sold. The Chairman noted that the high street properties were currently proving an income stream through the rent paid by tenants.

In response to a question, the Head of Estates and Asset Management advised that the report detailed 21 assets held in the Investment Fund which were intended to generate a revenue stream that supported Council service delivery. The properties were all let to tenants, and the key objectives were maximising revenue and mitigating against falling revenue. The Committee noted that in 2020 the Executive had taken the decision to bring in an external firm of Chartered Surveyors to provide advice on the Asset Management Plan for the Investment Fund and Officers were now seeking authority to proceed with the recommended strategy. In terms of resourcing, the Council's Property Team was relatively slim, but it was a team of fully qualified Chartered Surveyors with support from an external resource which had already been bought in.

Members noted that the priority of the Investment Fund in 2014 had been to invest money and achieve income. The properties had been bought on a long-term basis and the report before the Committee set out that there had been a 13% return on the initial investment suggesting that the priority had been met. The Chairman also highlighted that there had been a great deal of scrutiny when the properties had been purchased.

A Member expressed concern around the approach being taken and the initial lack of active management of the investment property portfolio. It was suggested that a professional company should have been bought in to actively manage the portfolio from the start. The Member requested that the Committee have sight of the results of the active management strategy after the first year.

The Chairman advised the Committee that he had requested that consideration be given to a joint venture with Fidelity who managed the Pension Fund.

RESOLVED: That the Executive be recommended to approve

- 1. The adoption of the Investment Strategy (Strategic Objectives) as set out in Section 3.3 (3.3.21)**
- 2. The adoption of the Key Performance Indicators as set out in Section 3.3 (3.3.23 – 3.3.25)**

5 October 2022

- 3. The creation of a mitigation fund equating to 10% of the rental income generated by the Investment Fund properties as set out in Section 3.3 (3.3.26 – 3.3.30) with reporting on this to be included within the annual ERC PDS portfolio performance reports.**
- 4. Delegate authority to the Director, Assistant Director & Head of Estates & Asset Management in consultation with the Portfolio Holder for Resources to act within the adopted Strategy and Key Performance Indicators**
- 5. The disbandment of the Property Investment Advisory Board to be replaced with regular Officer briefings to the Portfolio Holder for Resources for general asset management and performance updates with reporting to the Executive for material deviations from the adopted Investment Strategy and for key decisions such as acquisitions and disposals alongside the annual comprehensive performance report currently in place.**

43 POLICY DEVELOPMENT AND OTHER ITEMS

A CONTRACTS REGISTER AND CONTRACTS DATABASE UPDATE Report CSD22104A

The report presented September 2022's Corporate Contracts Register for consideration. The Contracts Register presented in 'Part 2' of the agenda included a commentary on each contract to inform Members of any issues or developments.

In opening the discussion, the Chairman highlighted that there were no flagged contracts.

The Committee requested that the font size of the Contracts Register be increased, consideration be given to the colour of the paper for the Part 2 report, and the print quality be improved to better facilitate ease of reading. A Member highlighted that the Excel spreadsheet had been circulated via email and the document was available online – these electronic versions could be magnified.

In response to a question the Assistant Director for Governance and Contracts confirmed that the contracts on the register were ordered based on the RAG rating and the value of the contract.

RESOLVED: That the report be noted.

44 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**

45 PRE-DECISION SCRUTINY OF EXEMPT EXECUTIVE REPORTS (IF ANY)

The Committee considered the following reports on the Part 2 agenda for the meeting of the Executive on 6 October 2022:

**(17) IT PROCUREMENT AND PROVISION (PART 2)
Report CSD22069B**

The Committee noted the Part 2 (exempt from publication) information and made recommendations to the Executive.

(18) PROPERTY INVESTMENT FUND PORTFOLIO – PORTFOLIO PERFORMANCE, INVESTMENT STRATEGY AND MITIGATION FUND (PART 2)

The Committee noted the Part 2 (exempt from publication) information and made recommendations to the Executive.

The Meeting ended at 8.41 pm

Chairman