

EXECUTIVE

Minutes of the meeting held on 17 January 2024 starting at 7.00 pm

Present:

Councillor Colin Smith (Chairman)
Councillors Kate Lymer (Vice-Chairman),
Nicholas Bennett J.P., Christopher Marlow, Angela Page,
Diane Smith and Will Rowlands

Also Present:

Councillor Will Connolly, Councillor Simon Fawthrop and
Councillor Simon Jeal

110 APOLOGIES FOR ABSENCE

Apologies were received from Councillor Yvonne Bear.

111 DECLARATIONS OF INTEREST

There were no declarations of interest.

112 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 29 NOVEMBER 2023

RESOLVED: That the minutes of the meeting held on 29 November 2023, be agreed and signed as a correct record, subject to a minor amendment to Minute 101.

113 QUESTIONS

Two questions were received - one for oral response and one for written response received – and are attached at Appendix A.

114 DRAFT BUDGET 2024/25 AND UPDATE ON THE COUNCIL'S FINANCIAL STRATEGY Report FSD24001

The report sought approval of the initial draft 2024/25 Budget including the full year effect of changes agreed as part of the 2023/24 Council Tax report and savings approved during the year with the resultant impact on the Council's medium term 'budget gap'.

A key part of the financial strategy was to highlight the budget issues that would need to be addressed by the Council over the coming financial years, by forecasting the level of available resources from all sources and budget

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pressures relating to revenue spending. More details of the capital programme and the impact on the revenue budget would be reported to the next meeting of the Executive.

PDS Committees views would also be sought and reported back to the next meeting of the Executive, prior to the Executive making recommendations to Council on the 2024/25 Council Tax and Adult Social Care precept levels.

The report provided details of the Provisional Local Government Finance Settlement 2024/25 which was published on 18th December 2023 and represented a one-year settlement only. The awaited Fair Funding Review and changes relating to the devolution of business rates, which could have a significant impact on future funding, had been delayed and were unlikely to be implemented until at least 2026/27.

There were increasing challenges facing the Council as identified in the report. These included the need to address the ongoing Dedicated Schools Grant (DSG) funding deficits, the medium-term risk of depletion of reserves and the resultant impact, funding the future capital programme and progressing to the next steps for the Transformation Programme. The report provided an update on the local authority landscape and the implications on a deteriorating financial position for many local authorities. As indicated later in the report there was no significant additional new funding announced in the Autumn Statement or Provisional Local Government Finance Settlement 2024/25 to address the significant cost pressures facing the Council.

There were still outstanding issues and areas of uncertainty remaining, including various grant allocations and associated grant conditions, which could impact on the final revenue budget. Any significant changes would be reported at the meeting and further updates would be included in the 2024/25 Council Tax report to the next meeting of the Executive.

The report had been scrutinised by the Executive, Resources and Contracts PDS Committee on 16th January 2024 and the Leader reported that there had been a discussion concerning the proposed 7.7% increase in rents following concerns raised by the Leader of the Opposition that a smaller rise should be considered, the rationale for the £1m earmarked reserve for the Transformation Programme and whether it was possible to withhold the increase scheduled to be paid to the London Boroughs Grant Committee.

The Leader explained that to the best of his awareness the vast majority of London Boroughs, of all political persuasions, were regrettably having to raise rates by the maximum 7.7% permitted this year not least to ensure the viability of future housing projects, expanded on the reason for the proposed £1m earmarked fund to assist understanding of its purpose and that his advice from the Director of Corporate Services and Governance was emphatic that withholding funding from the London Borough Grants Committee was not permissible, and that on that basis, the recommendations listed below should be approved unchanged.

Cllr Connelly then placed his Group's objection to the proposed 7.7% Rent rise on the record and after further discussion led by the Chairman of ERC PDS concerning legal advice relating to the Grants Committee, the Executive moved to consider the recommendations.

The Portfolio Holder for Resources, Commissioning and Contracts Management later announced that the proposed staff pay award for 2024/25 would be 3%. There would also be an increase in the merit payment scheme of 3% to reward outstanding performance in service. Furthermore, the decision had been taken to delete the old BR3 salary scale meaning that the lowest paid staff would receive an increase of around 6% and it was within the Council's financial envelope to do this.

RESOLVED: That

- 1. The initial draft 2024/25 Budget detailed in Appendix 7 of the report be agreed.**
- 2. The initial draft 2024/25 Budget for each portfolio be referred to the relevant PDS Committees for consideration.**
- 3. The financial projections for 2025/26 to 2027/28 be noted.**
- 4. It be noted that there are still areas of financial uncertainty which will impact on the final 2024/25 Budget.**
- 5. Given the scale of financial challenges, a one off Transformation Fund 2024-2028 earmarked reserve of £1m be approved to resource the next phase of Transformation Programme to assist in delivery of significant future year savings. This will be funded from the Growth and Investment Fund earmarked reserve and the final allocation of these resources will be delegated to the Chief Executive in consultation with the Resources, Commissioning and Contract Management Resources Portfolio Holder (See Section 6.8 of the report).**
- 6. It be agreed to increase rent levels for London Affordable Rents and Social (Formula) Rents by 7.7% from April 2024 as set out in Section 9.8 of the report.**
- 7. The setting of the schools' budget, mainly met through Dedicated Schools Grant, be delegated to the Education, Children and Families Portfolio Holder, allowing for consultation with the Schools Forum (see section 10 of the report).**
- 8. It be noted that the Dedicated Schools Grant Deficit Recovery Plan will be reviewed and updated for future reporting to Members (see paragraph 10.18 of the report).**

9. The proposed contribution of £247,872 in 2024/25 to the London Boroughs Grant Committee be agreed (see section 12 of the report).
10. It be noted that the outcome of consultation with PDS Committees will be reported to the next meeting of the Executive (See paragraph 15.4 of the report).
11. The outcome of the Provisional Local Government Financial Settlement 2024/25 as detailed in the report be noted.
12. The budget gap remaining of an estimated £38.7m per annum by 2027/28 and that any decisions made for the 2024/25 Budget will have an impact on the future year projections be noted.
13. It be noted that any final decision by Executive on recommended Council Tax and Adult Social Care Precept levels to Council will normally be undertaken at the next meeting of Executive.

**115 OUTCOME OF OFSTED INSPECTION OF CHILDREN'S SERVICES
Report ECHS19017**

On 6th November 2023, Ofsted inspectors notified the London Borough of Bromley to complete a one week ILACS inspection of children's social care services in Bromley. A team of seven inspectors reviewed the effectiveness of services for children in need of help and protection, children in care and care leavers. The inspectors also judged the impact of leaders on social work practice with children and families and evaluated the overall effectiveness of children's services in Bromley. The inspection team gave a feedback presentation on Friday 17th November.

On 12th January 2024, the Ofsted inspection report was published and formally outlined the following awarded judgments:

Judgement	Grade
The impact of leaders on social work practice with children and families	Outstanding
The experiences and progress of children who need help and protection	Outstanding
The experiences and progress of children in care	Outstanding
The experiences and progress of Care Leavers	Outstanding
Overall effectiveness	Outstanding

The report to Executive provided Members with:

- A summary of the key feedback for each judgment area and any identified areas for improvement

- The next steps for the completion of an improvement plan to address the recommendations identified in the report.

The Executive recognised the remarkable team effort that had taken place across the division to achieve such an excellent grading, the outstanding contributions made by the Portfolio Holder for Children, Education and Families, the Chairman of the Children, Education and Families PDS Committee as well as the foundations set in place by former Cllr Peter Fortune, prior to his departure.

The Portfolio Holder for Children, Education and Families highlighted that Bromley was one of only three councils in the country to be judged outstanding and this achievement had been recognised earlier in the day at Prime Minister's Question Time.

She extended her thanks to the Chief Executive, the Director of Children's Services, the former Director of Children's Services, Mrs Janet Bailey, the Department Senior Leadership Team, the Director of HR and his Team and the Chairman of the Bromley Safeguarding Children Board. Thanks were also extended to all councillors for being engaged and active corporate parents. Finally, the Executive recognised the work done by the Children's Service Governance Board under the Chairmanship of Mrs Isobel Cattermole and the work of the Bromley Safeguarding Children Board under the Chairmanship of Mr Jim Gamble. The Executive recognised that the Service and Council had been on a long journey with the investment in the service proving its worth and the result illustrating the Council's commitment to statutory services.

The report had been scrutinised by the Executive, Resources and Contracts PDS Committee at its meeting on 16 January 2024 and the Committee had supported the recommendations and had recognised the achievement of the Service and thanked all those involved for their contributions and commitment.

RESOLVED: That the findings of the Ofsted report and the outlined plan to address the recommendation identified in the report be noted.

**116 ACADEMY INFORMATION SYSTEM AND ASPIEN
CORPORATE DEBT MANAGEMENT SYSTEM SOFTWARE
LICENCE AND MAINTENANCE ARRANGEMENTS
Report FSD24006**

In July 2018, officers recommended to the Executive that the future provider of the Exchequer Service should undertake a health check of several IT systems used to deliver the service. The Executive noted that due to the complexities of a number of the systems and the need to provide sufficient time to migrate high risk data, these health checks should be carried out within 12 months of the contract start date to confirm the value for money options going forward.

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The Exchequer Services Contract commenced on 1st April 2020; however, the review of the Academy Information System (now known as Capita One Revenues & Benefits) and the Aspien Corporate Debt Management System were significantly delayed due to the impact of the pandemic.

Quotes for completing a full review of the Academy Information System were requested from our IT contractors, BT and from Liberata. Unfortunately, there were delays with obtaining the quotes and the delivery of the report, which was eventually delivered at the end of September 2023.

The report from Liberata recommended migrating to the NEC Revenues & Benefits system with transition costs of £1.52 million and annual costs of £259k on the basis that the NEC system offers greater automation which will improve collection and processing performance, however the indication from colleagues in the London Revenues Group (LRG) was that there was very little difference between the two systems.

Discussions with Liberata regarding the contents of the system review were ongoing and were likely to be completed within the next few months. The Department was also exploring the greater use of automation available within the Academy system.

The Aspien Corporate Debt Management System was used by the Council's contractors Liberata in conjunction with the Council's financial system Oracle Fusion to bill and collect in the region of £60 million each year and the authorisation for extension of the agreement was due to expire in January 2024.

The Council changed its financial system from Oracle R12 to Oracle Fusion in April 2022. The review of the debt recovery module, Advance Collections had commenced however it had not been possible to complete this due to the bedding in of Oracle Fusion. It had been estimated that the review would be completed within the next 12 months and if the outcome of the review was that Advance collections should be implemented a further 18 months would be required.

The report sought authorisation to renew the licence agreements for both the Academy System and the Aspien Corporate Debt Management System beyond 2024. The cumulative value of these extensions made this an Executive decision.

The report had been scrutinised by the Executive, Resources and Contracts PDS Committee at its meeting on 16 January 2024 and the Committee had supported the recommendations.

RESOLVED: That

- 1. The renewal of the agreement for the Academy Information system until 31st March 2027 at an estimated annual cost of £182k; £546k over 3 years be approved.**

2. **The renewal of the agreement for Aspien Corporate Debt Management System until 31st January 2027 at an annual cost of £9.9k; £30k over 3 years be approved.**

117 CONSIDERATION OF ANY OTHER ISSUES REFERRED FROM THE EXECUTIVE, RESOURCES AND CONTRACTS POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

There were no additional items referred from Executive, Resources and Contracts PDS Committee.

118 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**

119 EXEMPT MINUTES OF THE MEETING HELD ON 29 NOVEMBER 2023

RESOLVED: That the exempt minutes of the meeting held on 29 November 2023 be agreed and signed as a correct record.

Chairman

The Meeting ended at 7.55 pm

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Questions for Oral Reply

1. From Mr Dermot Mckibbin to the Portfolio Holder for Children, Education and Families

In 2021/22, the South East London Community Energy conducted feasibility studies on 4 schools that were feasible for solar panels. Do these schools now have solar panels in place? If not, will the Council re-open discussions again with Selce in order to get solar panels on these four schools?

Reply:

The Council does not currently plan to re-open discussion with SELCE because they were concluded mutually. The Council successfully bid to the London Community Energy Fund (LCEF) for support to finance energy efficiency surveys at its maintained schools in 2021, and the surveys were conducted by SELCE. The mutual decision not to process further with SELCE once feasibilities were completed was based on the Council's decision to fund the CAPEX costs of the proposed solar panels. CAPEX purchase of the solar panels did not fit with SELCE's community leasing model. However, funding the CAPEX will result in schools enjoying the full benefit from the solar energy generated.

On point of clarification, officers have checked through the final proposals submitted by SELCE on 30 September 2021 to the Council, and this only refers to 3 maintained schools: Edgebury, Poverest and Riverside.

The Council is currently finalising the feasibility work to procure and install the photovoltaic solar panel arrays at the 3 schools this year.

Supplementary Question:

I am a Director of South East London Community Energy. Would you please write to me setting out the advantage of the partnership following the meeting? Could you also send me your response to my question in writing?

Reply:

Yes I would be happy to write to you following the meeting.

Questions for Written Reply

1. From Ms Helen Alsworth to the Portfolio Holder for Children, Education and Families

Please list which Bromley maintained schools were assessed as suitable for solar panels and at what cost, which schools now have renewable energy in place and what does it consist of?

Reply:

The schools were:

Edgebury Primary School
Poverest Primary School
Riverside School

Our maintained schools have been subject to continual improvement with regards sustainability and decarbonisation over the past decade. Our Education Planned Maintenance Programme supporting our maintained schools includes a 10% annual allocation for improvements that benefit the environment. In addition, the expansion of both Edgebury Primary School and Poverest Primary School through our Basic Need Capital Programme has both delivered improvements to thermal efficiency, in line with building regulations, and included the installation of photovoltaic solar panel arrays on the new build elements.

At Southborough Primary School the Council has recently completed a scheme to replace the school's gas-fuelled boilers with air source heat pumps, part funded by Salix, as part of the Public Sector Decarbonisation Programme. The estimated final cost of this scheme is £892,000.

Marjorie McClure School was not included in the assessments undertaken by SELCE as it was in the process of being rebuilt on a new site as part of the Department for Education's Priority School Building Programme. That school was part of a sustainability pilot by the Department for Education in response to the UK Government target to achieve net-zero 'greenhouse gas' emissions by 2050. The new building is designed to reduce the need for energy use with heating and hot water generation fossil-fuel free by means of an air source heat pump and including photovoltaics on the roof.

The Council is planning to procure and install further photo-voltaic solar panels on the 3 schools surveyed during 2024. The estimated costs of these works is £96,000.