

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

Minutes of the meeting held at 7.00 pm on 16 January 2024

### **Present:**

Councillor Simon Fawthrop (Chairman)  
Councillor Robert Evans (Vice-Chairman)  
Councillors Jeremy Adams, Mark Brock,  
David Cartwright QFSM, Kira Gabbert, Adam Jude Grant,  
Julie Ireland, Simon Jeal, Ruth McGregor, Tony Owen,  
Shaun Slator, Mark Smith, Melanie Stevens and  
Michael Tickner

### **Also Present:**

Councillor Christopher Marlow, Portfolio Holder for Resources,  
Commissioning and Contracts Management

Councillors

### **62 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**

Apologies for lateness were received from Councillor Shaun Slator.

### **63 DECLARATIONS OF INTEREST**

Councillor Slator declared an interest in item 8 (Scrutiny of the Portfolio Holder for Resources, Commissioning and Contracts Management) as he would be affected by any changes to the Empty Homes Premium.

### **64 QUESTIONS FROM COUNCILLORS AND MEMBERS OF THE PUBLIC ATTENDING THE MEETING**

There were no questions.

### **65 MINUTES OF THE EXECUTIVE, RESOURCES AND CONTRACTS PDS COMMITTEE MEETING HELD ON 27 NOVEMBER 2023 (EXCLUDING EXEMPT ITEMS)**

The minutes of the Executive, Resources and Contracts PDS Committee meeting held on 27 November 2023 (excluding exempt information), were agreed and signed as a correct record.

### **66 MATTERS OUTSTANDING AND WORK PROGRAMME Report CSD24007**

*16 January 2024*

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.

In response to a question concerning the Biggin Hill Update, the Portfolio Holder confirmed that a huge amount of work was being undertaken with the involvement of senior officers and third-party experts. The Portfolio Holder was seeking to provide a comprehensive update to the committee when the time comes. Negotiations were ongoing, and the Chairman confirmed that when the report came back to the Committee he would ensure that there was every opportunity for residents to read the report, and if necessary the consideration of the report would be delayed to facilitate this.

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

## **67 FORWARD PLAN OF KEY DECISIONS**

The Committee noted the Forward Plan of Key Decisions covering the period November 2023 to February 2024. The Committee noted that the timescales set out in the Forward Plan for the Churchill Court Lettings Strategy were the latest that the report would be presented to Committee.

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

The Committee considered the following reports on the Part 1 agenda for the meeting of the Executive on 17 January 2024:

### **(5) 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 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.

In opening the discussion, the Chairman proposed that the word “not” be inserted at the beginning of recommendation 2.1.9 which would read:

*2.1.9 [That the Executive be recommended to] Not agree the proposed contribution of £247,872 to the London Boroughs Grant Committee.*

The Committee, by majority, supported the proposals noting that the conditions imposed ruled out a number of the charities within the Borough from being able to apply.

A number of Members expressed concerns regarding recommendation 2.1.5 – a request to approve a one-off Transformation Fund 2024-2028 earmarked reserve of £1m to resource the next phase of the Transformation Programme to assist in delivery of significant future year savings. Members of the Committee were concerned about the lack of detail and scrutiny around use of the funds. In response the Director of Finance highlighted the duty on the Local Authority to deliver a balanced budget and the work that would be required to do this. The Director explained that these proposals were about creating the capacity to deliver the scale of the savings required and were crucial to the delivery of the required service transformation.

The Committee discussed the scale of savings that would be required and acknowledged that there would be a need to do things differently. A Member suggested that there should be a review of what could be delivered in-house with the current staffing resources. Staff should also be asked to put forward

*16 January 2024*

any potential areas for saving that they had been able to identify. In addition, a Member highlighted that any funds set aside should not be used to pay for external consultants where there was an adequate in-house resource to complete the work. The Chairman also suggested that consideration should be given to establishing a cross-cutting contracts management department to ensure that the Council was achieving value for money for all its contracts. The Committee agreed that more scrutiny of any expenditure was required. Consequently, it was agreed that recommendation 2.1.5 should be amended to read:

*“Given the scale of financial challenges, approve a one-off Transformation Fund 2024-2028 earmarked reserve of £1m 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). Full details of any proposals should be presented to the Executive, Resources and Contracts PDS Committee for detailed scrutiny prior to any decisions relating to spend being taken.”*

Councillor Jeal proposed that recommendation 2.1.6 in the report should be amended to:

*“Agree to increase rent levels for London Affordable Rents and Social (Formula) Rents by 3.85% from April 2024.”*

The motion was seconded by Councillor Adams and following discussion around the cost of the proposals and the impact of the amendment on the viability of housing schemes, put to the vote and LOST.

Noting that as part of the Operational Property Review the Executive had approved a number of property disposals, a Member queried why it was being proposed that the budget for the team responsible for disposals stay the same when there were fewer properties to manage. The Committee questioned whether there had been a review of the current needs of the Council, and it was suggested that consideration should be given to whether there was a need for a working party to be set up to look at the Council’s requirements and whether the current staffing structure met those requirements. The Director of Finance advised that the Operational Property Review included major works required to properties which was still to be undertaken and would continue to require staff resources and that any review should be considered once such works and major projects were complete.

Noting the funding set aside in respect of Audits, Councillor Tickner, in his capacity of Chairman of the Audit and Risk Committee, emphasised that this was a significant issue for the Council. Councillor Tickner reported that he had lobbied local MPs as there was no benefit to local residents arising from any increase in this expenditure.

In response to a question about the Capital Programme, the Director of Finance confirmed that there were no new capital receipts to fund projects. There would need to be a debate about the future funding of the capital programme. In respect of the possible move of the Central Library, the report, when it was presented to Committee, would need to detail funding arrangements.

The Committee emphasised the importance of the service PDS Committee thoroughly reviewing the proposed budget and giving consideration to any areas where savings could be identified. The views of the PDS Committee would be captured and reported back to the February meetings of this Committee and the Executive.

**RESOLVED: That Executive be recommended to**

- 1. Agree the initial draft 2024/25 Budget detailed in Appendix 7 of the report.**
- 2. Refer the initial draft 2024/25 Budget for each portfolio to the relevant PDS Committees for consideration.**
- 3. Note the financial projections for 2025/26 to 2027/28.**
- 4. Note that there are still areas of financial uncertainty which will impact on the final 2024/25 Budget.**
- 5. Given the scale of financial challenges, approve a one-off Transformation Fund 2024-2028 earmarked reserve of £1m 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). Full details of any proposals should be presented to the Executive, Resources and Contracts PDS Committee for detailed scrutiny.**
- 6. Agree 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. Delegate the setting of the schools' budget, mainly met through Dedicated Schools Grant, to the Education, Children and Families Portfolio Holder, allowing for consultation with the Schools Forum (see section 10 of the report).**
- 8. Note 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).**

16 January 2024

9. **Not agree the proposed contribution of £247,872 in 2024/25 to the London Boroughs Grant Committee (see section 12 of the report).**
10. **Note 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. **Note the outcome of the Provisional Local Government Financial Settlement 2024/25 as detailed in the report.**
12. **Note 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.**
13. **Note 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.**

**(6) 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 17<sup>th</sup> November 2023.

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

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

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

Councillor Gabbert, in her capacity of Chairman of the Children, Education and Families PDS Committee, offered heartfelt congratulations to everyone involved in the outcome of the Ofsted Inspection. The Committee extended its gratitude to the Council's Senior Leadership Team, the Portfolio Holder for Children, Education and Families and all the officers across the Council who had been involved in the inspection process. Councillor Gabbert recognised the extra-ordinary journey that the service had been on since 2016 and expressed pride in what had been achieved and all the people that had made it happen. The comments were unanimously endorsed by all Members of the Committee, and it was recognised that the challenge was now to maintain the outstanding services provided to children in the Borough.

The Executive were asked to note the congratulations, pride and gratitude of the Committee.

**RESOLVED: That the Executive be recommended to note the findings of the Ofsted report and the outlined plan to address the recommendation identified in the report.**

**(7) 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.

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.

*16 January 2024*

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.

**RESOLVED: That Executive be recommended to**

- 1. Approve 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.**
- 2. Approve 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.**

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

The Portfolio Holder for Resources, Commissioning and Contracts Management, Councillor Christopher Marlow, attended the meeting to respond to questions from the Committee. Councillor Marlow had previously circulated a written update to the Committee outlining activity across the Portfolio. The Portfolio Holder then responded to questions, making the following comments:

- There would not be a large number of furnished empty properties that would be liable if a Second Home Council Tax Premium were to be introduced. However, long-term empty properties did generate a



significant economic cost for the Borough. There would need to be adequate notification of the introduction of such a scheme.

- Changes to the Biggin Hill Airport Consultative Committee had been proposed over a year ago and had not been progressed. Regrettably, the Portfolio Holder did not see any other route for adding more councillor representation to the Consultative Committee.
- It was going to become increasingly challenging to balance the budget and provide statutory services. Whilst the PDS Committees were strongly encouraged to forensically review their department budgets and review non-statutory services and non-value adding activities to see where savings could be made, the Council needed to ensure that it was not fined for failure to meet obligations.
- The financial challenges facing the Council were significant and all PDS Chairman were asked to review all opportunities for savings to be brought forward.
- The opportunities for Local Authorities to raise revenue were limited and as a result all those which were available would need to be considered and utilised where possible.

The Committee thanked the Portfolio Holder for his update.

## **70 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 REVENUES SERVICE MONITORING REPORT Report FSD24003**

The report provided information regarding the performance of the Revenues Services provided by Liberata for the period 1 April to 30 November 2023. A letter from Bola Odunsi, Liberata's Regional Director (London and the Southeast), provided an update on each of the individual services and was attached at Appendix 1 of the report with statistical data relating to the Revenues Service attached at Appendix 2.

In response to a question, the representative from Liberata confirmed that where mistakes occurred they were reviewed and lessons learnt with the aim of ensuring that mistakes were not repeated. A Member suggested that it would be helpful for the next report to have a short update covering mistakes that had been made and what had been done to correct the mistakes.

In response to a question about the drop in the rates of collection in respect of Nightly Paid Accommodation Charges, the Liberata representative confirmed that there was little expectation that things would improve in the short term as household budgets were finely balanced and households were having to prioritise their expenditure.

*16 January 2024*

Concerning the reference to “propensity to pay”, representatives from Liberata explained that the tool analysed customers’ ability to pay and would allow the service to initially focus resources to enable a higher return. The tool would also enable the right intervention or solution at the right time.

**RESOLVED: That the Portfolio Holder be recommended to agree a temporary revision to the Council Tax Arrears Incentive Scheme for years 2024/25 and 2025/26 with a review at the beginning of 2026/27. The details of the proposal are set out in the accompanying Part 2 Appendix.**

## **71 POLICY DEVELOPMENT AND OTHER ITEMS**

### **A BENEFITS SERVICE MONITORING REPORT Report FSD24004**

The report provided information regarding the performance of the Benefits Service provided by Liberata for the period 1 April to 30 November 2023. A letter from Bola Odunsi Liberata’s Regional Contract Director (London and Southeast) was attached as Appendix 1 to the report. This communication provided Liberata’s perspective of performance, together with an update on initiatives to be introduced in the coming months.

In response to a question the Revenues and Benefits Manager confirmed that the decision to reduce Council Tax Support had had a detrimental effect on the collection rates for those customers. People were struggling and there were more claims to the discretionary hardship fund.

In relation to the processing of change of circumstances, the Committee sought assurances that a plan was in place to ensure the target was met. It was agreed that this element should be brought back to the Committee by the Revenues and Benefits Manager if there was no progress in meeting the target. Representatives from Liberata confirmed that this was an ongoing issue however following recruitment, performance had improved in December and there was confidence that the target would be met by the end of the year.

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

### **B EXCHEQUER SERVICE CONTRACT PERFORMANCE REPORT Report FSD24005**

The report provided information regarding Liberata’s performance in the provision of Exchequer Services for the period 1<sup>st</sup> April 2023 to 30<sup>th</sup> September 2023 with an updated position as at 30<sup>th</sup> November 2023. A letter from Bola Odunsi, Liberata’s Regional Contract Director, provided an update on each individual service and was attached at Appendix 1 of the report with statistical data relating to the services shown in subsequent appendices.

The Chairman suggested that, where possible, there should be a provision within contracts regarding interest payable on late payments.

A Member suggested that the impact of the cost-of-living crisis was a further risk that should be born in mind as this would affect peoples' ability to pay. It was noted that the increase in debts written off was attributed to the impact of Covid and the cost-of-living crisis. There was more work going into debt recovery but rates remained low.

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

### **C CUSTOMER SERVICES CONTRACT MONITORING REPORT Report CSD24006**

This report provided information on the performance of the Customer Service Contract provided by Liberata for the period 1st May 2023 to 30th November 2023. A letter from Bola Odunsi Regional Director (London & The Southeast) for Liberata, provided his update on each individual element and was attached at Appendix 1 of the report.

In response to a question concerning the reduction in performance around Blue Badges and Freedom Passes, representatives from Liberata explained that a member of staff had left and there had been delays with automation. In response, an additional person had been recruited and performance was back on track.

Concerning whether anything could be done to incentivise people to respond to the customer satisfaction survey, the Committee heard that Liberata were looking to use voicebot functionality to encourage customers to provide feedback and it was hoped that this would encourage people to respond.

In relation to the move to Churchill Court, Liberata were working with colleagues in the Council to develop a customer journey and a communications plan. The two reception areas would be amalgamated, and it was anticipated that everything would be in place by September 2024. There would also be a review of whether statistics relating to the self-service terminals could be included in future reports.

A Member suggested that there needed to be some joint working to collect measures and data around whether customers actually received the help they needed. It was noted that measures around whether the original issue was resolved at the first contact would be included in future reports. The Chairman suggested that it might be helpful if the Committee could be provided with statistics concerning the number of call transfer dropouts.

The Committee noted that the KPIs for call responses had evolved over time, and historically some had been reduced in order to deliver efficiency savings. The Assistant Director agreed to provide specific details following the meeting.

*16 January 2024*

In respect of statistics relating to the out-of-hours service and trends in the number of calls received the Committee were advised that these areas would require further investigation and analysis.

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

**72 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**

**73 PRE-DECISION SCRUTINY OF EXEMPT RESOURCES, COMMISSIONING AND CONTRACTS PORTFOLIO HOLDER REPORTS**

The Committee considered the following reports on the Part 2 agenda where the Resources, Contracts and Commissioning Portfolio Holder was recommended to take a decision.

**A REVENUES SERVICE MONITORING REPORT PART 2 APPENDIX**

The Committee noted and discussed the Part 2 information.

The Meeting ended at 9.59 pm

Chairman