

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

Minutes of the meeting held at 7.00 pm on 5 February 2024

**Present:**

Councillor Simon Fawthrop (Chairman)  
Councillor Robert Evans (Vice-Chairman)  
Councillors Jeremy Adams, Jonathan Andrews,  
David Cartwright QFSM, Kira Gabbert, Adam Jude Grant,  
Julie Ireland, Simon Jeal, Ruth McGregor, Shaun Slator,  
Melanie Stevens, Michael Tickner and Pauline Tunncliffe

**Also Present:**

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

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

Apologies were received from Councillor Brock and Councillor Owen.  
Councillor Andrews and Councillor Tunncliffe attended as their respective  
substitutes. Apologies were also received from Councillor Mark Smith.

**75 DECLARATIONS OF INTEREST**

There were no additional declarations of interest.

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

There were no questions.

**77 MINUTES OF THE EXECUTIVE, RESOURCES AND  
CONTRACTS PDS COMMITTEE MEETING HELD ON 16  
JANUARY 2024 (EXCLUDING EXEMPT ITEMS)**

The minutes of the Executive, Resources and Contracts PDS Committee  
meeting held on 16 January 2024 (excluding exempt information), were  
agreed and signed as a correct record.

**78 MATTERS OUTSTANDING AND WORK PROGRAMME  
Report CSD24017**

*5 February 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.

The Chairman requested that the Expenditure on Consultants report be reinstated on the Committee's Work Programme and presented to the next meeting of the Committee.

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

## **79 FORWARD PLAN OF KEY DECISIONS**

The Committee noted the Forward Plan of Key Decisions covering the period January 2024 to April 2024.

## **80 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 COUNCIL TAX - SECOND HOME PREMIUM Report FSD24013**

The report proposed that a public consultation exercise was undertaken in which it was recommended that a Second Home Premium was introduced from April 2025.

In response to a question, the Revenues and Benefits Manager explained that it would be for the property owner to provide evidence regarding whether or not the property had a permanent resident. Evidence that could be provided included details of where residents voted, registration at a doctor's surgery etc. If evidence was not provided the property would be deemed a second home.

Turning to the issue of the Equalities Impact Assessment, the Revenues and Benefits Manager confirmed that at this stage it was difficult to identify any equalities impact however it was hoped that further information could be gathered as part of any request for comments/consultation process. As a more general point around Equalities Impact Assessments, the Chairman suggested in future there was no need to include assessments as part of reports presented to Members. Instead, a link to the Equalities Impact Assessment could be provided for Member's reference if required. Another Member suggested that in considering and taking decisions Members should be provided with all relevant information in the agenda papers for the meeting, including any Equality Impact Assessment.

A Member highlighted that there was no statutory requirement to undertake a consultation and suggested that in this instance, the consultation did not represent value for money as any consultation was unlikely to change the outcome. In response to the comments, the Legal Advisor to the Committee explained that it was good practice to undertake a consultation/request for comments, and making people aware of any changes in advance would support the Council's defence of any judicial review in the future. The Committee also noted the requirement that any request for comments/consultation had to be meaningful.

Councillor Jeal proposed that the Portfolio Holder be recommended to not agree that a public consultation exercise is undertaken in relation to the introduction of a 100% second homes premium in April 2025. The motion was seconded by Councillor Julie Ireland, put to the vote and CARRIED.  
4 in favour  
1 against  
9 abstentions.

**RESOLVED: That the Portfolio Holder be recommended to not agree that a public consultation exercise is undertaken in relation to the introduction of a 100% second homes premium in April 2025.**

**B CAPITAL PROGRAMME MONITORING - QUARTER 3 2023/24  
Report FSD24012**

At its meeting on 7<sup>th</sup> February 2024, the Executive would receive a report summarising the current position on capital expenditure and receipts following the third quarter of 2023/24 and would be asked to agree a revised capital programme for the five-year period 2023/24 to 2027/28. This report highlighted changes to be considered by the Executive in respect of the capital programme for the Resources, Commissioning and Contract Management portfolio. The revised programme for this portfolio was set out in Appendix A and detailed comments on individual schemes were shown in Appendix B.

**RESOLVED: That the Portfolio Holder be recommended to note and acknowledge the changes to be considered by the Executive on 7<sup>th</sup> February 2024.**

**C TREASURY MANAGEMENT - ANNUAL INVESTMENT  
STRATEGY 2024/25 & QUARTER 3 PERFORMANCE 2023/24  
Report FSD24016**

The report summarised treasury management activity during the third quarter of 2023/24. Investments as at 31<sup>st</sup> December 2023 totalled £370.1m (£388.7m at 31<sup>st</sup> December 2022) and there was no outstanding external borrowing.

*5 February 2024*

The report also included the Treasury Management Strategy and the Annual Investment Strategy for 2024/25, which were required by the CIPFA Code of Practice for Treasury Management in the Public Services to be approved by the Council.

The report also included Prudential Indicators (Annex 3 of Appendix 4) and the MRP (Minimum Revenue Provision) Policy Statement (paragraph 2.4 of Appendix 4), both of which required the approval of Council. For clarification, the Council was required by statute to agree and publish prudential indicators, primarily to confirm that the Council's capital expenditure plans were affordable and sustainable.

The report ensured that the Council was implementing best practice and complying with the requirements of the CIPFA Code of Practice for Treasury Management.

During discussion, the Committee discussed the advantages and disadvantages of investing in other Local Authorities. The Chairman noted that Councils were not permitted to default on loans and Bromley could therefore expect a return on its investment. The Director of Finance explained that, through a capitalisation direction, Councils could be given permission to borrow to service loans through the public works loan board. The Director highlighted that careful consideration was given to whether or not to invest in other local authorities and often investments were short term with a cautious approach being taken.

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

- 1) Note the Treasury Management performance for the third quarter of 2023/24;**
- 2) Recommend that Council agrees to adopt the Treasury Management Statement and the Annual Investment Strategy for 2024/25 including:**
  - (i) the Prudential Indicators for the period 2024/25 to 2026/27 (Annex 3 of Appendix 4); and**
  - (ii) the Minimum Revenue Provision (MRP) Policy Statement (paragraph 2.4 of Appendix 4).**

**81 SCRUTINY OF THE LEADER OF THE COUNCIL**

The Leader of the Council, Councillor Colin Smith, attended the meeting to respond to questions from the Committee. Councillor Smith had previously circulated a written report to the Committee in November 2023 and noted the following updates since that time:

- The Ofsted Inspection of Children's Services had taken place and the outcome was fantastic news for the Council.

- Bromley had retained the accolade of London's Best Recycling Borough for the second year in a row.
- A great deal of work had been undertaken in relation to the preparation of the Council's budget and the budget setting meeting would take place in a few weeks' time.
- Tentative plans for service transformation savings would be presented to Members in the next round of meetings.
- Councils across the country were facing significant financial challenges. There needed to be a review of the local government settlement which was now out of date and there was a clear need for fairer funding for Council.

The Leader then responded to questions, making the following comments:

- Inflation had been budgeted at 3.5% for 2024/25 and if inflation were to continue to fall as predicted this would improve the bottom line.
- Councillor Mike Botting was championing the Armed Forces Covenant and he would be asked to provide an update on the progress made in implementing the Covenant at a future meeting.
- Portfolio Holders and PDS Committees would play a critical role in shaping plans for transformation. It was the responsibility of the Executive to shape and mould key decisions and help to facilitate service design. There was a key role for PDS Committees in terms of accountability and there was a need for all Members to read their agendas and consider the ways in which key services could be protected going forward.
- Looking forward, in addition to protecting services, one key ambition would be to fundamentally keep Bromley solvent. The Leader highlighted that unless there was a radical change in the approach to funding across Local Government, there would be little option but to cut services. There appeared to be little appetite around addressing the fairer funding question and consequently it was likely, in his opinion, that the 'cap' on future council tax increases would be lifted by whoever formed the next Government.
- In relation to Biggin Hill Airport, when there was further news, an update would be sent to all Members.

The Committee thanked the Leader for his update.

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

The Committee considered the following reports on the Part 1 agenda for the meeting of the Executive on 7<sup>th</sup> February 2024:

- (5) **COUNCIL TAX REPORT 2024/25**  
**Report FSD24014**

*Executive, Resources and Contracts Policy Development and Scrutiny Committee*

*5 February 2024*

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. This was reported to previous meeting of Executive. Details of the capital programme were reported elsewhere on this agenda.

The Provisional Local Government Finance Settlement 2024/25 only covered 2024/25, with no indication of future years funding. The settlement included continuation of the ASC precept, increase in new homes bonus, increase of repurposed social care funding (children's and adults) and market sustainability improvement fund (adult social care). However, there were significant reductions in the Services Grant.

There remained uncertainty around the level of Government funding for 2025/26 and beyond, particularly as the Government would need to address the significant increase in public debt due to the pandemic. The longer-term Spending Review together with the awaited Fair Funding Review and Devolution of Business Rates (or any revised funding proposals) was not expected until 2026/27 but could be delayed even further.

This report identified the final issues affecting the 2024/25 revenue budget and sought recommendations to the Council on the level of the Bromley element of the 2024/25 Council Tax and Adult Social Care precept.

Confirmation of the final GLA precept would be reported to the Council meeting on 26<sup>th</sup> February 2024. The report also sought final approval of the 'schools budget'. The approach reflected in this report was for the Council to not only achieve a legal and financially balanced budget in 2024/25 but to have measures in place to deal with the medium-term financial position (2025/26 to 2027/28).

Following the Government reductions in funding since austerity measures began there have been some recent improvements in funding. However, the burden of financing increasing service demands falls primarily on the level of council tax and share of business rate income. The financial forecast assumes that the level of core grant funding will remain unchanged, in real terms, from 2025/26.

In introducing the report, the Director of Finance provided an update noting the following:

- Earlier in the day the final settlement had been received which had included further one-off funding for 2023/24 of £411k;
- In addition to the funding announced on 26<sup>th</sup> January 2024, a further ongoing £24k had been received;
- A supplementary paper had been circulated to the committee providing details of the consultation responses and the minutes from the PDS Committees' consideration of the budget;
- Councils were required to produce productivity plans by July 2024;
- Details of some grants remained outstanding;
- Questions remained around the future of the Household Support Grant and further details were expected in the Spring Budget on 6<sup>th</sup> March 2024;

- Further technical recommendations would be presented to Executive on 6<sup>th</sup> February 2024.

In response to a question, the Director of Finance confirmed that the additional £411k was a business rate levy adjustment and the funds would be reflected in the Quarter 4 Budget Monitoring Report.

In response to a further question, the Director of Finance confirmed that there was no expectation that there would be any changes to the initial precept figures provided by the Mayor of London.

In relation to the Homelessness Prevention Grant, the Director of Finance explained that the final allocation was not yet known, and the report reflected a best estimate based on judgement.

**RESOLVED That Executive be recommended to recommend to Council that:**

1. **The overall Dedicated Schools Budget (DSG) of £116.5m which matches the estimated level of Dedicated Schools Grant (DSG), after academy recoupment be approved;**
2. **The draft revenue budgets (as in Appendix 2) for 2024/25 be approved;**
3. **That Chief Officers identify alternative savings/mitigation within their departmental budgets where it is not possible to realise any savings/mitigation reported to the previous meeting of the Executive held on 17th January 2024;**
4. **A general contingency sum of £9,772k (see section 6) be approved;**
5. **The following provisions for levies for inclusion in the budget be approved:**

	000s
<b>London Pension Fund Authority*</b>	<b>460</b>
<b>London Boroughs Grant Committee</b>	<b>248</b>
<b>Environment Agency (Flood defence etc.) *</b>	<b>310</b>
<b>Lee Valley Regional Park *</b>	<b>324</b>
<b>Total</b>	<b>1,342</b>

6. **The latest position on the GLA precept, which will be finalised in the overall Council Tax figure to be reported to full Council (See section 12) be noted;**
7. **The “Bromley element” of the Council Tax for 2024/25 to be recommended to the Council, including a general increase and the Adult Social Care Precept, having regard to possible ‘referendum’ issues (see section 16) be considered;**

*5 February 2024*

- 8. The approach to reserves outlined by the Director of Finance (see Appendix 4) be approved;**
- 9. That any decision on final council tax levels will also require additional “technical” recommendations, to meet statutory requirements, which will be completed once the final outcome of levies are known at the full Council meeting (see 16.8) be noted;**
- 10. The Section 25 commentary (Local Government Act 2003), reflected in section 18 of the report, be considered in making recommendations to full council;**
- 11. The Director of Finance be authorised to report any further changes directly to Council on 26<sup>th</sup> February 2024.**

**CAPITAL STRATEGY 2024/25 TO 2027/28 & Q3 CAPITAL PROGRAMME MONITORING  
Report FSD24015**

This report incorporated the Council’s new Capital Strategy and Capital Programme for 2024/25 to 2027/28. It also summarised the current position on capital expenditure and receipts following the conclusion of the third quarter monitoring exercise.

The report included details of the new schemes that will be added to the Capital Programme and information concerning the proposed asset disposals that would be used to generate capital receipts and ultimately contribute towards the funding of the Capital Programme.

Also included were details of the related Capital Financing implications, including proposals to refinance current housing schemes through borrowing, utilisation of revenue reserves to address the shortfall in capital resources for 2023/24 onwards and details of how these proposals would impact the Council’s revenue budget.

In introducing the report, the Director of Finance highlighted the pressures on the Capital Programme and noted that any proposals for future capital work would need to clearly identify funding streams.

The Chairman reported to the Committee that he would be arranging a meeting with the Assistant Director for IT to discuss the costs around the Public Switch Telephone Network (PSTN).

Noting that the property market had been depressed, Members questioned whether now was the best time to consider selling the Civic Centre site. It was noted that all options were being assessed and Members would be provided with details of all the options being considered.

The Committee also requested that details of the costs for the work in relation to Kelsey Park Bridge be provided following the meeting.

Turning to the Capital Strategy, a Member queried whether there were any additional costs associated with re-phasing. In response, the Director of Finance confirmed that building cost inflation was very high and this increased the cost pressures when schemes were rephased, although a general provision was made at the time of re-phasing.

**RESOLVED: That Executive be recommended to**

- 1. Note the report, including a total rephasing of £27m from 2023/24 into future years as detailed in section 3.7, and agree a revised capital programme;**
- 2. Approve the Capital Strategy for 2024/25 to 2027/28 including the following amendments to the capital programme:**
  - (a) Adjustments identified as part of the capital monitoring process totalling a net reduction of £1,007k as detailed in sections 3.5 and 3.6; and**
  - (b) An increase of £2,477k in relation to new schemes to be added to the Capital Programme as detailed in section 3.11.**

**OPERATIONAL BUILDING REPAIR AND MAINTENANCE  
BUDGET 2024/25  
Report CSD24015**

Members of the Executive would be considering the Council's draft 2024/25 Budget at their meeting on 7<sup>th</sup> February 2024. This report set out indicative budget allocations reflected in the Draft 2024/25 Budget report for operational building maintenance against the repairs and maintenance budget.

In response to a question the Head of Facilities Management confirmed that the budget values reflected in the report were based on current rates and the cost of previous similar works.

The Committee requested that the following further information be provided following the meeting:

1. Details of the costs of repair and maintenance of the Council's non-operational properties;
2. Details of the cost per square meter of resurfacing the Norman Car Park, although Members noted that the works were procured through the Council's contract processes.
3. The number of 'arches' at Waterman Square.

**RESOLVED: That Executive be recommended to**

- 1. Noting the 2024/25 Budget Report considered elsewhere on the agenda, approve the following expenditure for operational**

*5 February 2024*

**building maintenance for 2024/25 – Repairs and Maintenance - £2.6m.**

- 2. Delegate Authority to the Director of Housing, Planning, Property and Regeneration to vary the planned programme and budget allocations within the repairs and maintenance budget to take actions necessary to either protect the council’s assets or make the most effective use of resources.**

## **83 POLICY DEVELOPMENT AND OTHER ITEMS**

### **A RISK MANAGEMENT Report FSC24011**

The report provided Members of the Executive, Resources and Contracts Policy, Development and Scrutiny Committee with the net ‘High’ (Red) risks extracted from the Corporate Services, Finance and the Human Resources and Customer Services Risk Registers.

A Member highlighted the growing risk of electric powered personal vehicles and was pleased to note that the risks were being considered.

Another Member asked that the Director of Corporate Services and Governance review the risk matrices for Information Compliance and Cyber Crime. It was suggested that it may be helpful to provide a more detailed commentary regarding why these were both deemed carry the same weight in terms of impact.

It was noted that the Audit and Risk Management Committee regularly reviewed the risk registers.

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

## **84 INFORMATION ITEMS**

The items comprised:

- Contracts Register

## **85 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**

**86 EXEMPT MINUTES OF THE MEETING HELD ON 16 JANUARY  
2024**

The Part 2 (exempt) minutes of the meeting held on 16 January 2024, were agreed and signed as a correct record.

The Meeting ended at 8.45 pm

Chairman