

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

Minutes of the meeting held at 7.00 pm on 4 September 2013

Present:

Councillor Eric Bosshard (Chairman)
Councillors Nicholas Bennett J.P., Brian Humphrys,
William Huntington-Thresher, Russell Mellor (Vice-
Chairman), Nick Milner, Tom Papworth, Ellie Harmer,
Peter Fookes, David Hastings, Tony Owen,
Neil Reddin FCCA, Pauline Tunncliffe, Will Harmer and
Kate Lymer

Also Present:

Councillor Graham Arthur, Councillor Stephen Carr and
Councillor Robert Evans

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

Councillor Ellie Harmer sent apologies for arriving late.

365 DECLARATIONS OF INTEREST

There were no declarations of interest, although in respect of agenda item 15 (a) Enhancement of Bromley Pensions Software it was noted that advice had been received that Members who were part of the Local Government Pensions Scheme did not need to declare an interest.

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

No questions had been received.

**367 MINUTES OF THE EXECUTIVE AND RESOURCES PDS
 COMMITTEE MEETING HELD ON 18TH JULY 2013
 (EXCLUDING EXEMPT ITEMS)**

It was noted that in minute 357, Updates from PDS Chairmen, the typing errors related to the Education PDS Committee update, not the Public Protection and Safety PDS Committee update.

RESOLVED that, subject to the correction set out above, the minutes of the meeting held on 18th July 2013 (excluding exempt information) be confirmed.

368 MATTERS ARISING FROM PREVIOUS MEETINGS
Report RES13152

The Committee received an update on matters arising from previous meetings – the information requested at the last meeting from Liberata would be chased.

369 FORWARD PLAN OF PRIVATE AND KEY DECISIONS

The Committee received the latest version of the Forward Plan of Private and Key Decisions published on 13th August 2013.

370 QUESTIONS TO THE PORTFOLIO HOLDER FROM MEMBERS OF THE PUBLIC AND COUNCILLORS ATTENDING THE MEETING

No questions had been received.

371 RESOURCES PORTFOLIO - PRE-DECISION SCRUTINY

The Committee received the following reports for pre-decision scrutiny where the Resources Portfolio Holder was minded to take a decision.

371.1 CAPITAL PROGRAMME MONITORING - 1ST QUARTER 2013/14
Report RES13144

At its meeting on 24th July 2013 the Executive had received the first quarterly monitoring report for 2013/14 and agreed a revised Capital Programme for the four year period 2013/14 to 2016/17. This was set out in Appendix A to the report. Appendix B set out details of the 2012/13 outturn and Appendix C set out detailed comments on scheme progress at the end of the first quarter of 2013/14.

A Member commented that IT projects often appeared to be delayed, either because they were not planned or managed well. Officers responded that often these were very complex projects and sometimes project plans were too optimistic; Members comments would be passed back.

RESOLVED that the recommendation to confirm the changes to the Resources Capital Programme made by the Executive be supported.

371.2 TREASURY MANAGEMENT - ANNUAL REPORT 2012/13 & PERFORMANCE Q1 2013/14
Report RES13151

The Committee considered the Treasury Management Annual Report for 2012/13 and a summary of investment performance in the first quarter of 2013/14. The report also included an update on the Council's investment with Heritable Bank (the Council had now received 94% of its claim) and proposed

changes to the Council's Annual Investment Strategy in the form of an increase in the maximum duration for loans to other local authorities from two years to three and the inclusion of collective (pooled) investment schemes as eligible investment vehicles. These changes would require the approval of full Council.

The Committee accepted that with returns at low levels it was sensible to accept the proposed changes to the Strategy.

RESOLVED that the recommendations to note the report, approve the actual prudential indicators within the report and request Council to approve changes to the Annual Investment Strategy be supported.

372 HOLDING THE CHIEF EXECUTIVE TO ACCOUNT

Mr Doug Patterson, the Chief Executive, attended the meeting to update the Committee on his work and answer questions. He summarised the current position on a number of issues, including the budget, integration of health and social care and local terms and conditions for staff.

Mr Patterson indicated that he was confident that the projected overspends in the current year would be dealt with, and offered to comment further on this when the Committee considered the Executive's Budget Monitoring report (minute 373 below). The budget gap for 2014/15 was projected to be between £4m and £8m, with a further £20m to be found in 2015/16 leading to an eventual reduction in budget in the region of £60m (from about £190m to about £130m.) Work was continuing on the twin strands of baseline reviews and commissioning, where a number of services were under active consideration.

The integration of health and social care services was a key issue and undoubtedly the correct way to go, building on the joint commissioning that had already taken place. Mr Patterson confirmed that recent announcements of funding for integration did not involve any new or additional money and the Department of Health would still need to approve the Council's health spending plans. Any movement towards more integration or community budgets would have opportunities for efficiencies, but there would also be some very difficult issues to overcome and a common vision across local public sector agencies would be needed.

The move towards local terms and conditions was now largely completed, with only 27 staff not having signed the new contract, and 14 staff going to Employment Tribunal. The final deadline was 15th September 2013.

The Chairman stated that progress on commissioning needed to be faster; Mr Patterson accepted this but responded that five major services were now being considered – Customer Services, HR Transactional Services, Adult Social Care, Regulatory Services and Facilities and Property Management. Around £30m had already been taken out of the Council's budget in the previous two or three years. Councillor Nicholas Bennett suggested that as

budgets declined the burden on Councils was actually being increased through new legislation and “activist” judges – Mr Patterson confirmed that local MPs were being briefed and agreed that issues such as people with no recourse to public funds, changes to youth remand funding, and homelessness and welfare reforms were causing budget pressures in Care Services.

Councillor Pauline Tunnicliffe reported that Care Services PDS Committee had received reports of wastage in the community equipment budget, where expensive equipment had not always been retrieved and re-used and health partners were projected to overspend by a considerable margin. Mr Patterson commented that the Council’s greater financial rigour and democratic influence would help to prevent these issues as integration between health and social care progressed.

Councillor Neil Reddin raised the issue of inflationary pressures building up in the economy, and the effect of this on contracts. Members were informed that RPIX had been used for Council contracts in the past, but CPI was normally used now.

Councillor Will Harmer asked whether the proposed outsourcing of Customer Services to Liberata would mean that the contract would restrict the Council’s opportunities to reduce services. It was confirmed that it would be possible to vary the contract if necessary.

Councillor Russell Mellor asked whether mergers with other boroughs were likely. In response, Mr Patterson referred to the tri-borough arrangements in London, and to questions about the size of district councils.

Councillor William Huntington-Thresher asked whether the Council could expect Government funding to address the pressure for secondary school places in the future, and where the additional land required could be found. The Council did have the demographic information available to carry out the planning required, and Councillor Bennett reported that the Primary Places Working Group had met earlier that week and made a series of recommendations, and, renamed as the School Places Working Group, would continue to address these issues.

The Committee emphasised that to tackle the budget reductions it was necessary to have a strategic plan, to face the difficult decisions about services that might need to be withdrawn and to take prompt action. Officers responded that although it might appear that progress was slow, considerable work had been done to understand the Council’s activity.

373 PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS
Report RES13153

The Committee considered the following reports on the agenda for the meeting of the Executive on 11th July 2013.

(5) Budget Monitoring

Report RES13148

The Committee considered the second budget monitoring report for 2013/14 based on activity and expenditure levels up to July 2013. The report also highlighted significant variations which would impact on future years and early warnings that could affect the final year end position.

The Chief Executive summarised the causes for some of the projected overspends and the action being taken to balance the budget. The largest variations were in Environment (car parking income not achieved), Resources (rental income not achieved) and Care Services, where a number of different pressures were being addressed including placements budgets, people with no recourse to public funds, young people on remand and homelessness provision. The Chief Executive assured Members that with better gatekeeping, compensatory savings and provisions in contingency the overspend would be significantly reduced by the end of the financial year.

A Member raised concerns that projected savings were sometimes too optimistic, and that there was often too much of a delay between decisions being taken and implemented.

RESOLVED that the recommendations be supported.

(6) 2013/14 Planned Highway Maintenance Programme – Street Services Reinstatement Fund

Report RES13156

It was proposed to use £483k held in the Street Services Reinstatement Fund (included in the Council's earmarked reserves) to fund a number of additional highway maintenance schemes. The money had originally been set aside in 2003 for the purposes of remedial works for cable television infrastructure.

RESOLVED that the recommendations be supported.

(7) Glebe Foundation Special School (Capital Works)

Report ED13078

A statutory consultation had been carried out on proposals to enlarge the Glebe Foundation Special School by 104 places, and permission was sought to engage a consultant to undertake initial feasibility and planning work.

RESOLVED that the recommendations be supported.

(8) Adoption Reform Grant (Part A) Drawdown

Report CS13032

In January 2013 the Department for Education had announced grant funding for local authorities to support adoption reform. The Executive had already

approved proposals for Part B of the grant, ring-fenced specifically for the recruitment of adopters. Permission was sought to draw down funding of £140,100 of the £547,752 available from Part A, which was not ring-fenced. The report also outlined possible spend for 2014/15 and 2015/16.

RESOLVED that the recommendations be supported.

(9) Formal Consultation on Outline Service Proposals and Procurement Strategy – Customer Services
Report RES13157

At its meeting in November 2012 the Executive had asked officers to explore opportunities for outsourcing Customer Services, whilst recognising the importance of maintaining service standards and retaining well-trained staff with local knowledge. It was now proposed to award a contract to Liberata commencing on 1st November 2013 enabling annual savings of £68,000 on Customer Services operations and additionally £28,000 from the Capita IT contract if the number of computers decreased by 100. A one-off investment of £330k from the Invest to Save Fund was also proposed to deliver further savings of between £125,000 and £200,000pa. It was confirmed that current service standards would apply, there would be no job-losses and all staff would transfer to Liberata.

The proposals would consolidate existing front-line services under one provider and would enable more services to be transferred to the Customer Service Centre (CSC). Portal development would increase accessibility of services, allow more self-service and reduce the use of other more expensive customer service channels.

The Chairman invited Glenn Kelly, as Staff-side Secretary, to address the Committee. He argued that the proposals were too hasty and would only produce minimal savings. He drew attention to the accommodation costs of £107,000 which had been excluded from the bid – he argued that these should have been included making Liberata's bid more expensive than retaining the service in-house. He criticised the report for not providing enough detail, and questioned whether the channel-shift approach was appropriate in the borough with the highest population in London of people over 85 years.

Officers confirmed that the accommodation costs had been excluded as this was the cheapest approach and reflected existing in-house recharges. If an element of rent was included Liberata would simply charge a corresponding increase in their bid price. The Liberata contract had three and a half years to run, and it was anticipated that further savings could be achieved when it was re-tendered, along with savings from IT and channel shift which could amount to as much as £300,000 in total.

Some Members felt that there was not sufficient detail in the report on issues such as how failure-demand could be reduced, and that the savings targets were not sufficiently ambitious. Fix my Street was mentioned as an example

of an effective and innovative online service that the Council should be using and emulating – it was confirmed that was having an impact already and which would increase when it was publicised in future. The portal would be key to addressing failure demand; this would not be developed by Capita as the IT support provider, but the Council would take advantage of Liberata's expertise in this field. It was confirmed that there were targets for answering phone calls, but call duration was not targeted as resolving the customer's issues was the aim.

The Committee supported the principle of channel shift, and it was confirmed that further development of online services such as school admissions and free school meals applications would be within the contract.

Members asked for further details of the proposals, such as a project specification or draft contract, and sought more substance and evidence of how the additional savings could actually be achieved. It was also noted that the contract needed to allow the Council to vary and reduce service standards if necessary – officers confirmed that the contract contained this flexibility, and that the default clauses in the existing contract would apply should Liberata fail to perform to the required standards. Officers agreed to circulate further information including the service level agreement (SLA).

Members asked why Bromley Social Services Direct (BSSD) was not being included in the proposed contract. It was explained that BSSD was a discreet service separate from the main part of the CSC; as Adult Social Care services were being re-modelled the Education, Care and Health Services Department preferred the BSSD service to transfer back to them to manage the changes they required.

The Committee concluded that the Executive should be informed that the recommendations should be supported, but considered that more information was needed to support the anticipated savings.

RESOLVED that the recommendations be supported.

374 UPDATES FROM PDS CHAIRMEN
RES13154

The Committee received an update from Councillor Pauline Tunnicliffe, Chairman of the Care Services PDS Committee, on the meeting held on 3rd September 2013.

375 WORK PROGRAMME 2013/14
Report RES13118

The Committee received an update on its work programme for 2013/14 and on currently active working groups and Sub-Committees. The Chairman informed the Committee that there would be reports to the meeting on 13th November on the Bromley Employment Project and to the meeting on 8th January on Shared Parking Services.

Councillor Nicholas Bennett reported that the Primary School Development Working Group had been re-named the School Places Working Group, while the Behaviour Services Working Group had been wound up. Councillor William Huntington-Thresher invited Members to attend the meeting of the LIP (Local Improvement Plan) Working Group on 10th September, which would be considering the draft LIP before it was considered by the PDS Committee on 1st October.

376 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**

377 EXEMPT MINUTES OF THE MEETING HELD ON 18TH JULY 2013.

The exempt minutes of the meeting held on 18th July 2013 were confirmed.

378 PRE-DECISION SCRUTINY OF EXEMPT RESOURCES PORTFOLIO HOLDER REPORTS

The Committee scrutinised the following proposed decisions of the Resources Portfolio Holder.

378.1 Enhancement of Bromley Pensions software

The Committee supported a proposal to approve a waiver of the Contract Procedure Rules to award a contract for the upgrade of the Council's pensions administration software.

378.2 Lynwood House, Crofton Road, Orpington

The Committee considered a proposal to release a restrictive covenant.

378.3 The Laurels, Norheads Lane, Biggin Hill

The Committee considered a proposal to agree to a change of name of the purchaser.

378.4 Isard House, Glebe House Drive, Hayes

The Committee considered a proposal to accept a revised purchase price for Isard House.

**378.5 Former Caretaker's House, Education Development Centre,
Princes Plain, Bromley**

The Committee considered a proposal to retain the former caretaker's house at the former Education Development Centre.

**379 PRE-DECISION SCRUTINY OF EXEMPT EXECUTIVE
REPORTS**

The Committee scrutinised reports on the Executive's part 2 agenda for the meeting on 11th September 2013 – (13) Former Town Hall and South Street Car Park, Bromley and (14) Gateway Review – Dynamic Purchasing System.

The Meeting ended at 9.04 pm

Chairman