

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

Minutes of the meeting held at 7.00 pm on 3 September 2014

Present:

Councillor Eric Bosshard (Chairman)
Councillors Nicholas Bennett J.P., William Huntington-
Thresher, Russell Mellor, Ellie Harmer, Peter Fookes,
Tony Owen, Ian F. Payne, Pauline Tunnicliffe, Kate Lymer,
Samaris Huntington-Thresher, David Livett, Keith Onslow
and Angela Wilkins

Also Present:

Councillor Graham Arthur

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

Apologies for absence were received from Councillor Will Harmer and Councillor Stephen Carr.

37 DECLARATIONS OF INTEREST

There were no declarations of interest made at the start of the meeting.

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

No questions had been received.

**39 MINUTES OF THE EXECUTIVE AND RESOURCES PDS
COMMITTEE MEETING HELD ON 8TH JULY 2014 (EXCLUDING
EXEMPT ITEMS)**

RESOLVED that the minutes of the meeting held on 8th July 2014 be confirmed.

40 MATTERS ARISING FROM PREVIOUS MEETINGS
Report CSD14120

The Committee received an update on matters arising from previous meetings. Councillor David Livett reported in relation to minute 8 (Treasury Management – Annual Report) that he had only met the Director of Finance once, and that he had had no input into the Treasury Management report going to the Executive's next meeting.

41 FORWARD PLAN OF KEY AND PRIVATE EXECUTIVE DECISIONS

The Committee noted the Forward Plan of key and private executive decisions published on 12th August 2014.

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

No questions had been received.

43 SCRUTINY OF THE RESOURCES PORTFOLIO HOLDER

Councillor Graham Arthur, the Resources Portfolio Holder, gave a short presentation to the Committee and answered questions on his work. He began by highlighting two events which illustrated the quality of the staff employed by the Council (the Bromley Stars evening) and the commitment of volunteers across the borough (the Volunteers Reception.) He then remarked on how the Council was changing – around six hundred staff had left the Council at all levels. It was important to ensure that the organisation was not “top heavy” with senior staff, although he recognised that losing many experienced and senior staff in recent years was a challenge and possibly more thought needed to be given to succession planning. He accepted that Members also needed to reflect on their role.

Councillors had to consider what the borough should be like in the future. As the local plan was developed there would be difficult decisions on how to develop the three areas identified at Biggin Hill, the Cray Valley and Bromley Town Centre, and, with homelessness continuing to be a pressure, also on whether to set up housing zones to attract the New Homes Bonus. The Council had to review its own land-holdings, liquidating those that were not needed, and look to generate income. While the Council was correct to be risk-averse with Council taxpayer’s money, it also had to pursue ways of getting better returns on its investments.

With around 40% of Councils stating that they would not be able to balance their books in the 2014/15 and 2015/16 financial years, it was vital that Bromley was not one of these, despite already having the lowest costs per head in London. The current projected overspend of £4m could not be tolerated and all portfolios would have to continue to live within their budgets.

Members of the Committee questioned Councillor Arthur. A Councillor asked why Bromley was losing money by not levying additional Council Tax on landlords who kept their properties empty. Councillor Arthur stated that it would be wrong to add an additional penalty on landlords who usually did not want their properties to be empty – it was also suggested that this would prevent landlords from investing in improvements between tenants. A Member suggested that too many staff were leaving in areas such as planning due to the commissioning programme and criticised what he saw as a move

away from working in partnership with other local agencies. Councillor Arthur responded that the commissioning programme had not affected planning yet, and staff in the Customer Service Centre, for example, felt that the situation had improved since they had been outsourced. He also stated that relationships with local NHS agencies were good and continued to improve, although local NHS Leaders often had little power and had to defer to central decisions. Another Member added that although the concept of “total place” was useful the old Local Strategic Partnership only amounted to a “talking shop” and there was little incentive for partners to work together to reduce silo-working in public services.

The Chairman commented that with government grant being reduced by around 40% it was vital that new statutory obligations were not imposed on Councils and that the overall burden was reduced. Councillor Arthur confirmed that there were regular meetings with local MPs at which these issues were explained and he encouraged all Members to lobby their MPs. He could not point to any definite changes as a result, but he felt that relationships were being strengthened.

Councillor Tony Owen asked the Portfolio Holder whether the challenge to the 2012/13 accounts had been resolved, and whether this would affect the 2013/14 accounts. Officers would investigate and inform Members. He also asked whether there were any concerns about Mytime Active, where there had been a turnover of directors and rumours of substantial losses. A report on arrangements with Mytime was expected at the next Renewal and Recreation PDS Committee, and it was suggested that Councillors should address questions direct to Mytime.

(Councillor Nicholas Bennett declared an interest during this item as a Council representative on the Mytime Active Board.)

Members noted the projected overspend on Adult Social Care Commissioning and the Government’s changes to the accounting regime. The Director of Finance’s representative explained that the projected overspend was not due to the changed Government requirements, but with individual placements for people with complex needs and delays in implementing planned changes that would achieve savings.

A Member asked whether changes of planning use from office to residential under permitted development rights were having an impact on the levels of business rates. The Portfolio Holder responded that the numbers of properties involved was small, but in any case the New Homes Bonus was probably greater than the business rates lost. A Member suggested investing in developing broadband services, particularly in rural parts of the borough. This would improve services for both residents and small and medium sized businesses.

Councillor Arthur agreed that Councils needed to think three to five years ahead not just in terms of the next annual budget. He considered that it would be realistic to see a quarter of the Council’s properties sold within the next

three years, but there needed to be a clear vision of how the resulting receipts would be re-invested. A Councillor commented that the Council's attitude to risk was inconsistent and needed to be clarified. In particular he objected to investing in further retail properties with long leases and in diversified growth funds which combined a blend of high risk investments and derivatives. The Portfolio Holder responded that the Council had to take opportunities to invest its money effectively.

The Chairman suggested that a task force of Councillors should be set up to work on a strategic borough plan. Others agreed that the Council needed a vision for the Borough, as had been articulated in 2006 with the 2020 Vision document. The Constitution Improvement Working Group needed to look at the issues, including numbers of councillors and the role of PDS Committees.

44 RESOURCES PORTFOLIO - PRE-DECISION SCRUTINY

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

44.1 CAPITAL PROGRAMME MONITORING - 1ST QUARTER 2014/15

Report FSD14058

At its meeting on 16th July 2014 the Executive had agreed a revised Capital Programme for the four year period 2014/15 to 2017/18. The report also covered detailed issues relating to the 2013/14 Capital Programme outturn and changes agreed by the Executive in relation to the Resources Portfolio.

RESOLVED that the recommendation that the changes to the Capital Programme be noted and confirmed is supported.

45 PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS

Report CSD14121

The Committee considered the following reports on the part 1 agenda for the meeting of the Executive on 10th September 2014.

(5) Budget Monitoring 2014/15

Report FSD14060

The Committee considered the second budget monitoring report for 2014/15, based on expenditure and activity levels up to July 2014. The report sought authorisation for the release of particular sums from Central Contingency and for a number of carry-forward requests.

The projected net overspend on services for 2014/15 was now £4.351m, with full year cost pressures of £5.5m. It was suggested that officers were being over-optimistic in the setting of budgets and in projecting savings from invest to save schemes. The Director of Finance's representative summarised the rigorous procedures in place to identify cost pressures and justify any growth

items. She assured the Committee that budgets were realistic, but there were inevitably changes in activity levels that could not always be predicted. When this happened Chief Officers had to take action in-year to ensure that cost pressures were reduced or balanced by savings elsewhere in their budgets.

In the current year most of the pressures were within the Care Services budget and the Chairman of the Care Services PDS Committee confirmed that there had been significant unexpected pressures. She was expecting to see an updated budget report in the next few days. Issues for Care Services included the costs of new care placements, the need to review emergency placements for older people on time and delays in implementing anticipated savings.

A Member appealed for all budget documents to be in the same format across committees - officers confirmed that the templates drawn up by the Costs and Charges Working Group were being used in the formation of budgets.

Members also commented on the anticipated overspend in the Adult Education budget and possibilities for reducing waste collection costs.

The Chairman requested a summary of the significant changes in costs since the budget had been set.

RESOLVED that the recommendations be supported.

(6) Treasury Management – Investment Strategy Review and Q1 Performance 2014/15
Report FSD14057

The report summarised treasury management activity during the quarter ending 30th June 2014 and recommended changes to the Council's Treasury Management Investment Strategy, which would require approval by full Council. These were an increase in the total investment limit for the two part-nationalised banks, Lloyds and Royal Bank of Scotland, to £80m each and in the maximum investment period to three years; a reduction in the minimum credit rating for corporate bond investments to A-; and the addition of Diversified Growth Funds as permitted investments, with a total investment up to £10m.

Councillor David Livett criticised the graph showing relative investment risk provided by the Council's advisors, Sector, and suggested that it would be more appropriate to limit investments to Investment grade, rather than A-, which was not used by Moody's. He was also against the use of Diversified Growth Funds, which he felt included risky investments in derivatives, currency positions and overseas investments which few people would be able to understand.

The Resources Portfolio Holder defended the recommendations and the expertise of the officers and the Council's external advisors making them. He

stated that the Council remained risk averse and would only take careful and calculated risks to deliver improved returns.

RESOLVED that the recommendations be supported.

(Councillor David Livett requested that his objection to the use of diversified growth funds be recorded.)

(7) Gateway Report – Proposals for Re-Tendering of the Churchill Theatre

Report DRR14/075

The report provided an overview of the current arrangements for the management of the Churchill Theatre, which expired on 3rd April 2016, and the process and timetable for the lease, which was proposed to be for twenty-five years, to be re-tendered.

A Member questioned whether a theatre was needed in Bromley, but other Members countered that the theatre contributed to the economy of the town centre and the borough as a whole, and also worked with children and the elderly. It was suggested that businesses in the town centre, including Intu, should be encouraged to develop closer relationships with the theatre.

RESOLVED that the recommendations be supported.

(8) Land at Upper Elmers End Road and Croydon Road – Application for Registration as a Town or Village Green

Report CSD14132

At its meeting on 9th July 2014 the Development Control Committee had considered a report advising them of an application to register the triangle of land at Elmers End bounded by Upper Elmers End Road, Croydon Road and Elmerside Road as a town green. The Committee had accepted the recommendation that, as the land did not meet the legal criteria for a third party registration, the application should be rejected. The Development Control Committee nevertheless considered that the land should be registered by way of a voluntary registration by the Council in its capacity as owner of the land.

Members commented that there was little or no evidence to support registration as a town green, that registration might inhibit any future opportunities for improving the road layout and that there was probably no friends group willing to assist with maintenance of the land. Other Members commented that the wishes of local residents should be supported, and that there were examples of roundabouts being developed.

RESOLVED that the Executive be recommended not to register the land as a town or village green.

46 UPDATES FROM PDS CHAIRMEN
Report CSD14122

Only one other PDS Committee had met since the last meeting on 8th July; this was the Renewal and Recreation PDS Committee on 2nd September 2014.

47 WORK PROGRAMME 2014/15
Report CSD14123

The Committee noted its updated work programme. It was also noted that Care Services PDS Committee was setting up a Budget Sub-Committee – this would be progressed after the PDS Committee's next meeting.

The Chairman proposed that a Working Group be set up to establish an overall strategy for the Council.

In relation to the work of the New Technology Working Group, Councillor Nicholas Bennett asked for an update on the provision of Office 365 for Councillors' i-pads.

**48 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**

**49 EXEMPT MINUTES OF THE MEETING HELD ON 8TH JULY
2014**

The exempt minutes of the meeting held on 8th July 2014 were confirmed.

**50 PRE-DECISION SCRUTINY OF EXEMPT RESOURCES
PORTFOLIO HOLDER REPORTS**

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

**50.1 THE FORMER ADVENTURE KINGDOM BUILDING, CIVIC
CENTRE, BROMLEY**
Report DRR14/079

The Committee received the results of the marketing of this property and supported the letting of the property.

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

The Committee scrutinised four reports on the Executive's part 2 agenda for the meeting on 10th September 2014 concerning Acquisition of Investment Properties, Operational Property Review and Disposal Opportunities, Chislehurst Library and Local Land Charges Litigation.

The Meeting ended at 10.05 pm

Chairman