

## **EXECUTIVE**

Minutes of the meeting held on 14 January 2015 starting at 7.00 pm

### **Present**

Councillor Stephen Carr (Chairman)  
Councillors Graham Arthur, Robert Evans, Peter Morgan,  
Colin Smith, Tim Stevens and Stephen Wells

### **Also Present**

Councillor Peter Fortune, Councillor Will Harmer,  
Councillor William Huntington-Thresher, Councillor Pauline  
Tunncliffe and Councillor Angela Wilkins

### **120 APOLOGIES FOR ABSENCE**

Apologies were provided on behalf of Councillor Eric Bosshard (Executive and Resources PDS Chairman) and Councillor Nicholas Bennett JP (Education PDS Chairman).

### **121 DECLARATIONS OF INTEREST**

Councillor Peter Morgan declared a Personal Interest by virtue of his daughter being a Director of Kier Property Services.

### **122 TO CONFIRM THE MINUTES OF THE MEETINGS HELD ON 26TH NOVEMBER 2014 AND 19TH DECEMBER 2014**

The minutes of the meetings held on 26th November 2014 and 19<sup>th</sup> December 2014 were agreed.

A matters arising report was also provided for Members along with updated Terms of Reference for the Executive Working Group on Special Educational Needs.

The Leader also confirmed that Councillor Will Harmer had been appointed as Executive Assistant to the Leader.

### **RESOLVED that:**

**(1) the minutes of the meetings held on 26th November 2014 and 19<sup>th</sup> December 2014 be agreed;**

**(2) updated Terms of Reference for the Executive Working Group on Special Educational Needs be agreed; and**

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**(3) the Leader of the Council's appointment of Councillor Will Harmer as Executive Assistant to the Leader for the remainder of the 2014/15 municipal year be noted.**

**123           QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING  
THE MEETING**

Five questions had been received for oral reply and one for written reply. Details of the questions and replies are at **Appendix A**.

**124           DRAFT 2015/16 BUDGET AND UPDATE ON COUNCIL'S  
FINANCIAL STRATEGY 2016/17 TO 2018/19**

**Report FSD15001**

Approval was sought for the Council's initial draft 2015/16 Budget. This included actions to reduce the Council's medium term "budget gap" and savings for consideration.

There continued to be outstanding issues and areas of uncertainty, and any further updates would be included in the 2015/16 Council Tax report to the Executive's next meeting.

On future funding it was explained that the Comprehensive Spending Review might be further delayed, creating additional uncertainty for local authority budget planning, 2016/17; there would, however, be no change in direction on public sector constraint.

Commenting on the report, the Portfolio Holder for Resources highlighted a focus on prudence. Referring to the Chancellor's Autumn Statement, the Portfolio Holder highlighted that new targets were being set for releasing public sector land for housing delivery. Although related mainly to Government Departments, it was noted that it could be extended to local government land in the future. The Portfolio Holder suggested that this would need careful monitoring. Capital monies were protected from revenue spend by an effective "firewall" enabling capital to be invested with returns of 5 to 6%. Such returns were achieving income in excess of £4m per annum to help protect front line services.

The Portfolio Holder also proposed that the draft budget would enable Council staff on localised pay and conditions to receive a 1.2% pay increase. Staff would be eligible to receive the increase from April 2015.

Concerning inflation, it was confirmed that the Retail Price Index (RPIX) currently stood at 1.7%, below the level of 2% at the time of drafting Report FSD15001. Implications of the change would feed into the 2015/16 Council Tax report.

The Leader highlighted the recommendation to refer the initial draft budget for each portfolio to relevant PDS Committees for consideration. It was important

for PDS Committees to look carefully at their draft portfolio budget. Comments would then be reported to the Executive's next meeting before recommendations are made to Council on 2015/16 Council Tax levels.

**RESOLVED that:**

- (1) the initial draft 2015/16 Budget be agreed as shown in Appendix 4, including the savings detailed in Appendix 6;**
- (2) the initial draft 2015/16 Budget for each portfolio be referred to the relevant PDS Committees for consideration;**
- (3) the financial projections for 2016/17 to 2018/19 be noted;**
- (4) there continued to be areas of financial uncertainty which would impact on the final 2015/16 Budget and future year forecasts;**
- (5) the setting of the schools budget, mainly met through Dedicated Schools Grant, be delegated to the Education Portfolio Holder, allowing for consultation with Head Teachers, Governors and the Schools Forum (see section 14.1.4 of Report FSD15001);**
- (6) the outcome of consultation with PDS Committees be reported to the next meeting of the Executive;**
- (7) the proposed contribution of £339,919 in 2015/16 to the London Boroughs Grant Committee be agreed (see section 8 of Report FSD15001);**
- (8) where consultation has not already commenced, officers begin the process of consulting on the savings proposals prior to finalising implementation of the savings at Appendix 6 of Report FSD15001;**
- (9) the outcome of the 2015/16 Local Government Financial Settlement be noted;**
- (10) the significant remaining budget gap of an estimated £53.3m per annum by 2018/19 be noted; and**
- (11) any final decision by Executive on recommended Council Tax levels to Council would normally be undertaken at the next Executive meeting.**

**125 INVEST TO SAVE**

**Report RES14078**

At the Executive's September meeting the Portfolio Holder for Resources asked for a report on progress with Invest to Save measures.

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Report RES14078 provided an overall summary on Invest to Save schemes and their progress. A schedule summarising financial implications was also tabled.

Noting two instances of the projected saving at 31<sup>st</sup> March 2015 not matching or exceeding the original approved saving (Green Garden Waste/Textile Collection Service and Transfer of Customer Service Centre to Liberata), the Leader asked that the schemes be closely monitored to ensure they are not missing out on improvements. The Deputy Leader suggested that the full benefits of the Green Garden Waste Scheme could be underestimated in the report and asked that officers check the position further. (Democratic Services Note: the Director of Finance investigated further and circulated separately to the Deputy Leader confirmation of additional benefits not covered in the report).

It was also highlighted that the Executive and Resources PDS Committee had requested a further progress report on invest to save schemes toward the end of the municipal year.

**RESOLVED that the report be noted.**

## **126 GATEWAY REVIEW OF HOUSING IT SYSTEMS**

### **Report CS14106**

With the Council's contracts for suppliers of Housing Systems software expiring in March 2016, a gateway review of current and future system requirements had been completed, and the market surveyed for alternative systems.

It was proposed to procure a fully integrated Housing IT system from a framework developed by Crown Commercial Services, Report CS14106 listing the benefits of using the procurement framework.

The current Housing IT systems had been purchased from different suppliers at varying times, their integration and software being both complex and expensive to maintain. An upgrade of one system impacted on others and the interfaces developed; some three to four upgrades were typically required each year, with additional upgrades necessary should major software be upgraded.

Newly developed solutions enabled customers to manage their own registrations so reducing administration for a Housing Department. Soft market appraisal of systems also identified other potential efficiencies which were outlined in Report CS14106.

In view of the complex and technical nature of IT system procurement, the Government had, through Crown Commercial Services, established two frameworks for IT services, both including housing systems. A detailed specification of the IT services would determine whether best value would be

achieved by direct purchasing or running a mini-competition from the framework.

The soft market testing suggested that a new system with all modules integrated would cost between £70k and £200k. The structure of additional implementation costs would vary between products available.

The cost of annual maintenance licences for the current housing systems amounted to £70,695 per annum. Additionally, costs to upgrade the systems amounted to £25,000. Each year additional costs were incurred in maintaining the current system and associated processes amounting to approximately £50k. A major server upgrade required for 2016/17 would cost an additional £50K plus project management costs.

New models did not require extensive annual upgrades. An annual reduction in licence costs could also be achieved. Moreover, an integrated housing IT system would also lead to significant efficiencies in working practices. Income from Registered Social Landlords using the IT system for Choice Based Lettings could also increase should there be new providers.

Appendix 2b to Report CS14106 outlined proposed revenue running cost savings from implementing a fully integrated Housing IT system. An updated version of the Appendix tabled at the meeting also factored in reduced additional costs of upgrades and maintenance.

The Portfolio Holder for Care Services highlighted that the type of system being considered was not completely new, having the benefit of use elsewhere in another borough. It would also be a freestanding system and not part of the Council's IT system.

**RESOLVED that:**

- (1) officers proceed to procure a fully integrated Housing IT system from a framework developed by Crown Commercial Services; and**
- (2) the capital funding bid to procure and implement the new Housing IT system to facilitate savings set out at Appendix 2b of Report CS14106 be approved.**

**127            CONSIDERATION OF ANY OTHER ISSUES REFERRED FROM  
THE EXECUTIVE AND RESOURCES POLICY DEVELOPMENT  
AND SCRUTINY COMMITTEE**

There were no additional issues to be reported from the Executive and Resources PDS Committee.

**128            LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE  
LOCAL GOVERNMENT (ACCESS TO INFORMATION)  
(VARIATION) ORDER 2006 AND THE FREEDOM OF  
INFORMATION ACT 2000**

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**129 EXEMPT MINUTES OF THE MEETINGS HELD ON  
26TH NOVEMBER 2014 AND 19TH DECEMBER 2014**

The exempt minutes of the meetings held on 26<sup>th</sup> November 2014 and 19<sup>th</sup> December 2014 were agreed.

**130 AWARD OF CONTRACTS FOR CAPITAL SCHEMES AT  
PARISH CE PRIMARY SCHOOL AND ST PAUL'S CRAY CE  
PRIMARY SCHOOL**

**Report ED15029**

Report ED15029 sought approval to the appointment of contractors for building schemes at Parish CE Primary School and St Paul's Cray CE Primary School.

Chairman

The Meeting ended at 7.53 pm