

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

Minutes of the meeting held at 7.00 pm on 3 June 2015

Present:

Councillor Simon Fawthrop (Chairman)
Councillors Nicholas Bennett J.P., Nicky Dykes, Judi Ellis,
Ellie Harmer, William Huntington-Thresher, Russell Mellor,
Alexa Michael, Keith Onslow, Tony Owen, Ian F. Payne,
Stephen Wells (Vice-Chairman), Ian Dunn, Angela Wilkins
and David Livett

Also Present:

Councillor Graham Arthur, Councillor Stephen Carr,
Councillor Robert Evans and Councillor Will Harmer

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

Apologies for lateness were received from Councillor Tony Owen.

157 DECLARATIONS OF INTEREST

Councillor William Huntington-Thresher declared an interest as a member of the Affinity Sutton Regional Scrutiny Board.

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

No questions had been received.

**159 MINUTES OF THE EXECUTIVE AND RESOURCES PDS
 COMMITTEE MEETING HELD ON 14TH MAY 2015
 (EXCLUDING EXEMPT ITEMS)**

RESOLVED that the minutes of the meeting held on 14th May 2015 be confirmed.

**160 MATTERS ARISING FROM PREVIOUS MEETINGS AND
 UPDATES FROM OTHER PDS COMMITTEES**
Report CSD15067

The Committee noted matters arising from previous meetings.

161 FORWARD PLAN OF KEY AND PRIVATE EXECUTIVE DECISIONS

The Committee noted the Forward Plan of key and private decisions published on 12th May 2015.

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

One question had been received from Councillor Ian Dunn about the spend and number of person days by month on the Adecco Agency Worker contract. – this is attached as appendix 1 to these minutes.

It was confirmed that most of the expenditure was on social workers particularly in the Children and families teams. There were no on-costs to be added to these figures. Members noted that the March figure was higher than previous months, and asked whether figures could be provided of the relative cost of directly employing staff to cover these posts.

163 SCRUTINY OF THE RESOURCES PORTFOLIO HOLDER

Councillor Graham Arthur, Portfolio Holder for Resources, addressed the Committee, giving a summary of his work and focussing in particular on the Council's financial position. He explained how the Council had the lowest spend per head in London and the lowest Council tax in outer London, and had already saved £50m per annum on its revenue budgets. Savings had been taken early, baseline reviews had been used to establish essential service levels, taking into account statutory requirements, and services were being assessed to be delivered in the most cost effective ways. £30m of assets had been disposed of in the previous year, and staffing had been reduced to around 1,900. Staff had risen to the challenge of the difficult circumstances and the local pay arrangements meant that they had received higher pay increases than under national agreements, bottom-loaded to help the lower paid. Property investments had yielded £1.8m above budget expectations and council tax collection rates remained firm despite the changes to benefits. There was a rigid firewall between capital and revenue expenditure, which was tightly controlled. The IT portal was now up and running, to enable more services to be accessed online, which was cheaper for the Council. A new Head of IT had been appointed, an area where the Council could improve, and there were real possibilities for partnership with the health service.

The Portfolio Holder responded to questions on the following issues –

- There was a deeper role for Members in scrutiny, particularly on contracts, where Members needed to ensure that services were properly specified and designed, that contracts were negotiated successfully and monitored effectively. He accepted that Members would need training to adapt to new roles.

- Efficiencies needed to be squeezed out of services before they were outsourced; services needed to be bundled together effectively to attract the right bids, but in some case retaining in-house or a staff-run enterprise could be the best solution. Some Councils had created large outsourced contracts prematurely and were now faced with having to take services back in-house.
- Historically, the Council did not have a comprehensive register of its property assets, but this had been done in the last six months and it was important to review which properties were really needed. A Member commented that there were still too many paper records which had not been digitised.
- There was an incentive to develop and build through the New Homes Bonus and Business Rate Retention, but there would be difficult decisions to be made about green belt and better use needed to be made of brown land. The impact of the new Homes Bonus was potentially disappointing and the Council should not rely on this – it had to be prudent.
- While the Council had been successful in bring staff numbers down, the Local Government Pension Scheme was generous and expensive, and contractors were reluctant to take on pension liabilities. There were complex issues involved which the Pensions Investment Sub-Committee would be investigating.
- The Council was working with other boroughs to provide joint services more efficiently, and this was likely to increase in the coming years.

164 PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS

The Committee considered the following reports on the Part 1 agenda for the Executive's meeting on 10th June 2015.

(5) Provisional Final Accounts 2014/15

Report FSD15034

The Committee considered the provisional outturn for 2014/15 at portfolio level and Council-wide, as well as the implications for the Council's financial position in 2015/16. There was a net nil variation made up of an underspend on service department budgets of £2.3m, £4m underspend on the central contingency, additional interest on balances of £1.8m, prior years adjustments totalling £3.7m cr, a £10m contribution to the Investment Fund and other variations totalling £1.8m.

The Committee considered the Care Services Portfolio, where there was a degree of volatility from unforeseen placements and demographic changes. The Department's task was to cope with these variations and manage within the overall budget, but Members remarked that underspends in some areas

should not be viewed as opportunities to allow overspends elsewhere – there had to be culture change across the organisation that money that was not needed should be given back. This was the first time for ten years that there was an overspend on care budgets, following significant savings in 2013/14. The Department had worked hard to reduce the overspend from the much higher projections in September 2014, but cost pressures had to be identified sooner and proposals to address them put in place earlier.

Members discussed the use of a central contingency fund for unforeseen items, to be drawn down only when necessary. There were suggestions both that it should be reduced as the Council's budgets shrank, but also that as budgets tightened and risks increased it was more necessary than ever.

The Committee was assured that all budgets were scrutinised rigorously and the Leader stated that savings had been taken early wherever possible.

RESOLVED that the recommendations be supported.

(Councillors Ian Dunn and Angela Wilkins requested that their contrary votes be recorded.)

(7) Investment Property Review
Report DRR15/056

The report provided an overview of the Council's investment portfolio and proposed a process for reviewing this portfolio. The following categories of property would be reviewed in priority order over the coming year – estate shops (freehold and leasehold), shopping centres, green belt, miscellaneous commercial properties, residential properties and sports and community uses. All properties would be challenged rigorously.

The Executive was also asked to reaffirm a set of management policies set out in the report as (a) to (k). Members noted that policy (f) was not to grant preferential terms to charities, providing them with a hidden subsidy, as there were proper channels for supporting charities, including the 80% discount on business rates. A Member queried whether the Council could pursue policy (g) about avoiding granting leases to competing businesses – this would be considered as part of the review, but there was some scope for considering the social and economic needs of the area. Policy (k) was not to dispose of small pieces of land for garden extensions unless it was in the Council's interest, as this often involved a disproportionate amount of staff time. Members felt that this was contrary to the aim of disposing of property that was not needed in order to achieve capital receipts and reduce maintenance costs.

RESOLVED that the Executive be recommended to support the proposed review of the Council's investment portfolio and reaffirm the management policies (a) to (j) set out in the report, but to remove policy (k) that small pieces of land should not be sold for garden extensions.

(8) Bromley Museum and the Priory, Orpington
Report DRR15/046

In February 2015 officers had recommended, in the context of the need to make budget savings, that the Bromley Museum be relocated to the Central Library and the Priory building be disposed of on the open market. Since then, at the request of the Portfolio Holder for Renewal and Recreation, officers had investigated the future of the Museum and the Priory and held discussions with residents and interested parties. Although heritage and arts were highly valued by residents, the current museum standard was weak, and a new approach to provision of a local museum was needed with significantly reduced revenue costs.

Some Members suggested that as the Lubbock Collection was not related to the history of the borough it should be offered back to the Lubbock family or to a more suitable museum, such as the Horniman museum or the Natural History Museum; this would allow more space to be devoted to local history.

It was clarified that the £395k to be allocated from capital receipts for the relocation of exhibitions to the central library was capital receipts from elsewhere, not from the Priory building.

Some Members commented that maintaining a mobile collection was a luxury that the Council could no longer afford. A Member suggested that as it was not possible to display all 20,000 objects in the Museum's collection more effort should be given to displaying them in community buildings across the borough, such as libraries and schools.

RESOLVED that the Executive be recommended to

(1) approve the recommendations set out in the report subject to the following amendments –

- **Recommendation 2.2 to read “...for sale *or disposal of a leasehold interest* on the open market...”**
- **Recommendation 2.4 to “...the allocation of *up to* £15k per annum revenue...”**

(2) return the Lubbock Collection to the Lubbock family.

(11) Supplementary Planning Document (SPD) on Planning Obligations: Addendum on Changes to Pooling S.106 Contributions and S.106 Threshold Changes
Report DRR15/009

The report proposed an addendum to the Council's existing Supplementary Planning Document Planning Obligations (2010) to reflect changes introduced by the Community Infrastructure Levy (CIL) Regulations 2010 (as amended), which came into effect from 6th April 2015. As an interim measure, until a local

CIL was in place, the Council would need to seek financial contributions from developers only for specific purposes and ensure that only a maximum of five contributions were spent for specific items of infrastructure.

The report was considered in conjunction with the Section 106 update report on the Committee's own agenda.

RESOLVED that the recommendations be supported.

165 SECTION 106 AGREEMENTS: UPDATE
Report DRR/15/053

The report provided an update on section 106 agreements - the Committee considered this report in conjunction with the report on the Executive's agenda on the Supplementary Planning Document on Planning Obligations.

The Committee discussed expiry dates for section 106 expenditure. It was noted that not all agreements had an expiry date, but officers had worked hard in recent months to ensure that money was used effectively. Sometimes, particularly with highways money, the money was not spent as the improvements were not needed; there was only one recent example of a developer successfully asking for money to be returned. In response to a question, it was explained that the level of affordable housing was defined within each agreement for each development.

RESOLVED that the contents of the report and the appendices be noted.

166 WORK PROGRAMME 2015/16
Report CSD15069

The Committee considered its work programme for 2015/16. The following issues were raised -

- The Chairman requested information on use of consultants across the Council.
- A member requested more detail on cost pressures in future years – there would be a four year financial forecast report to the Executive in the autumn.
- Members discussed the need for Councillor training – this was an issue being picked up primarily by General Purposes and Licensing Committee, although this Committee would also have some oversight of this matter.
- A member raised the issue of how recharges could be reduced – he hoped that the Chief Executive could address this issue at the next meeting.

- Members enquired about the Contracts Register – this would be reported at a forthcoming meeting.

167 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**

168 EXEMPT MINUTES OF THE MEETING HELD ON 14TH MAY 2015

The exempt minutes of the meeting held on 14th May 2015 were confirmed.

169 PRE-DECISION SCRUTINY OF EXEMPT EXECUTIVE REPORTS

The Committee scrutinised a report on the Executive's Part 2 agenda on Residential Property Acquisitions.

The Meeting ended at 10.10 pm

Chairman