

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

Minutes of the meeting held at 7.00 pm on 3 February 2016

Present:

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

Also Present:

Councillor Graham Arthur, Councillor Stephen Carr and
Councillor Robert Evans

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

Apologies for absence were received from Councillors Nicky Dykes, Keith Onslow (replaced by Councillor Douglas Auld), and Ian Payne (replaced by Councillor Michael Rutherford). Councillor Nicholas Bennett also sent apologies for arriving late.

262 DECLARATIONS OF INTEREST

Councillor Simon Fawthrop declared an interest as an employee of British Telecom.

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

No questions had been received.

**264 MINUTES OF THE EXECUTIVE AND RESOURCES PDS
COMMITTEE MEETINGS HELD ON 5th and 6th JANUARY 2016
(EXCLUDING EXEMPT ITEMS)**

RESOLVED that the minutes of the meetings held on 5th and 6th January 2016 (excluding exempt information) be confirmed.

265 MATTERS ARISING FROM PREVIOUS MEETINGS
Report CSD16019

The Committee received an update on matters arising from previous meetings. It was noted that the further information on call-centre staff

requested under minute 252 had not yet been provided – this would be followed up.

266 FORWARD PLAN OF KEY DECISIONS

The Committee noted the Forward Plan of private and key executive decisions as published on 12th January 2016.

267 CORPORATE CONTRACTS REGISTER

The Committee reviewed the Corporate Contracts Register. Members commented that it was essential that officers used the Register to ensure that contracts were re-tendered, or extensions or waivers were sought, in good time. It was also important that all PDS Committees reviewed their contracts using the Register, and Finance Officers had been requested to ensure that they had the opportunity to do this. Cllr Stephen Wells reported that he had asked for the Contracts Register to be considered at the next meeting of the Contracts Working Group.

The Parking Contract had been considered at Audit Sub-Committee in December when Members had been assured that the re-tendering process was on-track. The tender was flagged as amber on the Register, indicating that there was concern about the process meeting deadlines, but although the tenders were now late it was still possible that they could be met.

The Register contained a number of maintenance contracts related to the Total Facilities Management contract, which was due to be reported to the Executive in March. Most of these contracts were due to end at the end of October 2016, but there was some flexibility as both the Council and any new contractor would not be bound to use these maintenance contracts.

Councillor Judi Ellis commented that it was important that the Council did not undermine providers or damage their finances by leaving re-tendering too late. She emphasised how good providers and their staff in the social care field could suffer if processes were delayed.

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

No questions had been received.

269 RESOURCES PORTFOLIO - PRE-DECISION SCRUTINY

The Committee considered the following reports for pre-decision scrutiny where the Resources Portfolio holder was minded to take decisions.

269.1 TREASURY MANAGEMENT - PERFORMANCE Q3 2015/16
Report FSD16013

The report summarised treasury management activity during the period ending on 31st December 2015 and updated Members on the Council's investment with the Heritable Bank. The report ensured that the Council was implementing best practice in accordance with the CIPFA Treasury Code of Good Practice for Treasury Management. Investments as at 31st December 2015 totalled £301.9m (excluding the balance of the Heritable investment) and there was no external borrowing.

A Member asked how safe it was to lend to other authorities. The Director of Finance responded that although local authorities were not usually rated they did represent a secure investment that in practice the government would have to underwrite.

RESOLVED that the contents of the report be noted, and in particular that three month's notice to terminate the contract with Tradition UK was given in December 2015.

269.2 TREASURY MANAGEMENT - ANNUAL INVESTMENT STRATEGY 2016/17
Report FSD16012

The CIPFA Code of Practice for Treasury Management in the Public Services required that Council approve the Treasury Management Strategy and Annual Investment Strategy for 2016/17, including the prudential indicators and the Minimum Revenue Provision (MRP) Policy Statement. As the Council did not need to borrow to finance its capital expenditure many of the indicators had no real significance for the Council.

Members questioned whether permitted lending should be extended to include BBB investment grade funds, and questioned why the Council had no money in corporate bonds. The Director of Finance responded that the question of including investment grade funds would be kept under review and corporate bonds would be used where a suitable return could be obtained.

A Member commented that the Diversified Growth Fund was no longer providing the excellent returns that it had initially, and that suggested that the high returns on property reflected high levels of risk. The Director of Finance advised that Diversified Growth Fund was less volatile than equities but would deliver good returns over the long term. Property provided an asset that could be sold and good income – currently around £13m per annum.

An urgent supplementary report was considered in part 2 of the meeting relating to proposals to include Mears as a permitted investment.

RESOLVED that Council be recommended to adopt the Treasury Management Statement and the Annual Investment Strategy for 2016/17

(Appendix 1 to the report) including the prudential indicators and the Minimum Revenue Provision (MRP) policy statement.

**269.3 Plaistow Cemetery Lodge, 132 Burnt Ash Lane, Bromley
BR1 5AF
Report DRR16/013**

It was proposed that Plaistow Cemetery Lodge be declared surplus to Council requirements and offered for sale on the open market. Conditions would be placed on any sale to prevent obstruction of the shared access-way leading to Plaistow Cemetery. In order to allow a prospective purchaser to proceed without delay, it was proposed that authority to accept a suitable offer be delegated to the Director of Regeneration and Transformation, including above the normal £500k delegation limit. Further information on the potential value of the property was contained in a part 2 report.

RESOLVED that the Resources Portfolio Holder be recommended to declare Plaistow Cemetery Lodge surplus to Council requirements and agree that it be offered for sale on the open market, and to agree that authority to accept an offer for this property be delegated to the Director of Regeneration and Transformation, in consultation with the Resources Portfolio Holder, to enable the sale to be progressed quickly.

**270 PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS
Report CSD16020**

The Committee considered the following reports on the part 1 agenda for the Executive's meeting on 10th February 2016.

**(5) 2016/17 Council Tax
Report FSD16017**

The Committee received the report identifying the final issues affecting the 2016/17 revenue budget and seeking approval from full Council of the level of the Bromley element of the 2016/17 Council Tax and the "schools budget." Confirmation of the final GLA precept would be reported to the Council meeting on 22nd February. The approach taken in the report was to achieve a legal and financially balanced budget in 2016/17 but to have measures in place to deal with the medium term financial position.

RESOLVED that the recommendations be supported.

**(6) Capital Programme Monitoring Q3 2015/16 & Annual Capital Review
2016 to 2020
Report FSD1616018**

The report summarised the current position on capital expenditure and receipts following the third quarter of 2015/16 and presented a revised Capital Programme.

RESOLVED that the recommendations be supported.

(10) Gateway Review 0, 1 & 2 Approval of 2016/17 Operational Building Maintenance Budgets, Planned Maintenance Programme and Preferred Procurement Option
Report DRR16/023

The Committee considered a report setting out the proposed planned maintenance programme for 2016/17, setting out the criteria used to assemble the programme, the strategic and business justification for the programme and the preferred procurement option for completing the programme. There was currently a high number of high priority projects that needed to be funded. Members were assured that these were issues that had been building up in recent years, and not the result of over-zealous inspections. The recommendations included proposals to address the overspend in 2015/16 and a shortfall in funding for 2016/17 by viring money allocated to the Anerley Business Centre which would probably not now be required and by drawing down from the Infrastructure Investment Fund. It was confirmed that the funding expectations for Anerley Business Centre were subject to a final inspection of subsidence issues by structural engineers due to take place this month, and that the Infrastructure Investment Fund was not a capital fund.

The Chairman requested that a schedule of the statutory requirements underpinning the programme and the inspection regimes be circulated.

A Member questioned whether expenditure on the Civic Centre buildings was justified given the uncertain future use of the site. Officers confirmed that the expenditure was necessary to keep the buildings in safe use for the short term, and no unnecessary expenditure was being proposed.

Expenditure was proposed for the Astley Centre and a Member questioned whether this was an effective use of the limited budget. However, the Care Services Portfolio Holder confirmed that there were no plans to close the centre.

The Committee discussed whether there was an appropriate balance between planned and reactive work in the proposed programme. Officers advised that increasing planned maintenance would lead to a risk of overspend.

RESOLVED that the recommendations be supported, with an additional recommendation that if spend is less than expected the proposed drawdown from the Infrastructure Investment Fund earmarked reserve should not take place.

271 SCRUTINY OF THE LEADER OF THE COUNCIL

The Leader of the Council, Cllr Stephen Carr, summarised the issues on which he was focussing, in particular the budget for 2016/17 and the local government finance settlement announced on 18th December and

subsequently corrected on 23rd December following an error at the DCLG. Efforts were continuing to seek a fairer settlement for Bromley, with assistance from the borough's MPs and in conjunction with other outer London authorities. The Government had offered the possibility of a four year financial settlement – the Leader felt that this would offer some certainty in budgeting and help staff to feel more secure. It was important to continue to seek further efficiencies as the Council moved towards becoming self-sufficient in its finances.

The Mears proposals were progressing well, including meetings with potential investors. Homelessness was a major issue for the Council, and the proposals would help homeless people and reduce pressure on homelessness budgets, along with the development of Bellegrove and Manorfields and efforts to support private landlords and private tenancies.

The Leader was keen to press ahead with integration of health and social care, creating a new model of local care, providing service benefits and efficiencies, and not just following the Manchester model. Greg Clark MP had offered to instigate a meeting with the Health Secretary.

Other important issues were the Youth Service, where although there were challenges he was confident that Members and officers were delivering improvements; use of the Growth Fund to generate additional business rates and the developments at Bromley South and in the street environment in Beckenham town centre.

Members of the Committee raised the following issues –

Business Rates: The Leader agreed that the lack of certainty on when the baseline was, and how much would be lost central government under equalisation measures. This problem had been raised with the Government.

Business Improvement Districts (BIDs): The Leader confirmed that the Council would continue to work with BID companies to ensure that there was coordination and all worked together.

London Councils: Asked whether the Council should consider leaving London Councils, the Leader commented that there were considerable costs associated with leaving.

Ring-fenced grants: The leader was working with Greg Clark MP and Jo Johnson MP to discuss education funding.

Growth Fund: A member asked whether the Council had the right in-house expertise to make the most of the Growth Fund. The Leader responded that it was important to have staff with the right skills in a changing environment. In some cases this might mean buying in specialist expertise, such as Colliers advising on property.

Grant reductions: The Leader was asked whether there was recognition from Ministers that there was a limit to the cuts that Councils could make. He commented that the Council was still moving towards becoming self-sufficient, but he agreed that there was a different tone in Whitehall under the new Secretary of State, and the suggestion that if special need could be demonstrated there might be scope for assistance on business rate retention.

Working with the CCG: A Member commented on slow progress working with the CCG on a particular project and how this had a detrimental impact on the plans of a voluntary organisation. The Leader offered to discuss this outside the meeting with the Care Services Portfolio Holder.

The Chairman thanked the Leader for attending and answering committee members' questions.

272 WORK PROGRAMME
Report CSD16021

The Committee considered its work programme for 2015/16, and noted that several of the working groups listed in Appendix 2 had either finished their work or had not needed to meet, including the Accommodation with Care Working Group, the School Places Working Group, the School Improvement Panel (now called the Academies Working Group) and the Environment Budget Pressures Working Group.

Councillor Angela Wilkins repeated her request for a report on the Growth Fund – it was intended that this would be provided in the spring.

Members discussed how they could anticipate when Gate reports could be expected. These would normally be flagged up in the Contracts Register and the Forward Plan of Key Decisions. It was noted that work was continuing on the Contract Summaries with the aim of circulating these in March.

**273 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**

274 EXEMPT MINUTES OF THE MEETING HELD ON 6th JANUARY 2016

The exempt minutes of the meeting held on 6th January 2016 were confirmed, subject to a minor amendment.

275 PRE-DECISION SCRUTINY OF EXEMPT RESOURCES PORTFOLIO HOLDER REPORTS

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

275.1 PLAISTOW CEMETERY LODGE, 132 BURNT ASH LANE, BROMLEY BR1 5AF
Report DRR16/014

The Committee noted details of the estimated value of Plaistow Cemetery Lodge.

275.2 TREASURY MANAGEMENT - INVESTMENT STRATEGY: SUPPLEMENTARY PAPER

The Committee agreed to consider an urgent part 2 supplementary report about including Mears as a permitted investment on the grounds that the proposals needed to be scrutinised before they went to full Council for decision.

The Meeting ended at 9.10 pm

Chairman