

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

Minutes of the meeting held at 7.00 pm on 16 March 2016

Present:

Councillor Simon Fawthrop (Chairman)
Councillors Nicholas Bennett J.P., Mary Cooke, Judi Ellis,
Ellie Harmer, William Huntington-Thresher, David Livett,
Russell Mellor, Alexa Michael, Keith Onslow, Tony Owen,
Tim Stevens J.P. and Angela Wilkins

Also Present:

Councillor Graham Arthur and Councillor Stephen Carr

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

Apologies for absence were received from Cllr Ian Dunn, Cllr Ian Payne (Cllr Mary Cooke attended as his substitute) and Cllr Stephen Wells (Cllr Tim Stevens attended as his substitute.) Apologies for lateness were received from Cllr Nicholas Bennett.

277 DECLARATIONS OF INTEREST

Councillor Keith Onslow declared interests as a former employee and current pensioner of Zurich Municipal and as an employee of the Royal Borough of Greenwich.

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

No questions had been received.

**279 MINUTES OF THE EXECUTIVE AND RESOURCES PDS
COMMITTEE MEETING HELD ON 3RD FEBRUARY 2016
(EXCLUDING EXEMPT ITEMS)**

RESOLVED that the minutes of the meeting held on 3rd February 2016 (excluding exempt information) be confirmed.

280 MATTERS ARISING FROM PREVIOUS MEETINGS
Report CSD16041

The Committee noted matters arising from previous meetings. An update from the Public Protection and Safety PDS Committee meeting on 2nd March 2016 was tabled.

281 FORWARD PLAN OF KEY DECISIONS

The Committee noted the Forward Plan of Key Decisions as published on 23rd February 2016.

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

No questions had been received.

283 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.

283.1 CAPITAL PROGRAMME MONITORING Q3 2015/16 & ANNUAL CAPITAL REVIEW 2016 TO 2020
Report FSD16028

At its meeting on 10th February 2016 the Executive had received a report summarising the current position on capital expenditure and receipts following the third quarter of 2015/16 and presenting for approval new capital schemes in the annual capital review process. The Executive had agreed a revised Capital programme for the five year period 2015/16 to 2019/20 including changes relating to the Resources Portfolio.

RESOLVED that the Portfolio Holder be recommended to note and confirm the changes agreed by the Executive.

283.2 INSURANCE RENEWALS 2016/17 - UPDATE ON AWARD OF CONTRACTS
Report FSD16025

In October 2015 the Resources Portfolio Holder had agreed that tenders be sought for all Council insurance policies with the exception of casualty/liability insurance (i.e. property, motor, fidelity guarantee personal accident, school journey, minibuses, shops blanket and engineering inspections) through the Crown Commercial Services (CCS) Framework. An external broker, JLT Specialty Ltd, had been engaged to assist in the management of the tender exercise. However, on 25th February 2016, with no warning, the CCS Framework had been withdrawn and the tender process had been discontinued. Officers recommended extending the existing contracts for three months and re-running the tender process using the new CCS Framework.

The Chairman suggested that a better deal could be achieved by extending the current contract for a further year so that the contract could be aligned with the Council's casualty/liability insurance in June 2017. Officers confirmed that Clause 75 (5) of the Public Contracts Regulations 2015 permitted

modifications to contracts during their term provided that the value of the modification was below 10% of the total contract value. This would allow the three month extension proposed, but the legal position was clear that a longer extension of around a year would not be permitted for this contract. None of the other grounds for varying or extending the contract in Regulation 72 were relevant and in the absence of any sort of supporting argument it would be foolhardy to extend for longer. There was a real risk of challenge given conditions in the insurance market. However, the Committee was advised that a contract awarded under the new CCS Framework could be for a duration that would align with the casualty/liability insurance.

A Member commented that School Journey cover should be unnecessary as more schools became academies and that JLT as experts in their field should have been aware that the CCS Framework would be withdrawn. He proposed that rather than continue to use them the Council should ask the Royal Borough of Greenwich to run the tender process. Officers confirmed that JLT would be working on the new tender process without any additional payment, and that their fee of £2,500 would be payable even if the Council dispensed with their services. The Council would also risk losing the benefit of their experience from the first tender process, which was nearing completion when the Framework had been withdrawn. Officers accepted that Greenwich were better resourced for Insurance than Bromley, and had consulted with their Insurance Manager, but at no point in the tender process had Greenwich indicated that they would be prepared to manage the process for Bromley. A Member questioned whether Bromley had lost too many staff in key areas.

Officers confirmed that the premium charged by the CCS Framework had been increased from 0.05 under the old framework to 0.075 under the new one.

RESOLVED that the recommendations to the Resources Portfolio Holder to agree that -

(i) the insurance tender process for property, motor, fidelity guarantee, personal accident, school journey, minibuses, shops blanket and engineering inspections be re-run; and

(ii) the existing insurance contracts currently due to expire on 30th April 2016 be extended for three months to 31st July 2016;

be supported subject to the addition of an additional recommendation that the Portfolio Holder should investigate the possibility of extending existing contracts for 12 months and requesting the Royal Borough of Greenwich to run the process instead of the external broker, JLT.

**283.3 SITE OF FORMER SMALL CIVIC HALLS, YORK RISE,
ORPINGTON**
Report DRR16/030

Work to demolish buildings on this site had been completed in September 2014. Since then, consideration had been given to possible Council uses for the site. There was considerable demand for public parking in this location, so three options had been drawn up for conversion of the site for parking, with differing levels of investment. Sale of the site would be likely to result in a substantial capital receipt, but Members considered that converting the site for parking using the existing surface (option 1 in the report) would allow the Council more time to consider the long term use of the site.

RESOLVED that the Resources Portfolio Holder be recommended to agree that the site be retained for a year and adapted for use as a public car park at minimal cost.

(As this was Mrs Heather Hosking's last meeting before leaving the Council Members put on record their appreciation for her thirty two years' service.)

284 PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS
Report CSD16042

The Committee considered the following reports on the part 1 agenda for the Executive's meeting on 23rd March 2016.

(5) Budget Monitoring 2015/16
Report FSD16024

The report set out the budget monitoring position to the end of December 2015 – a net underspend on services of £4,373k was forecast.

RESOLVED that the report be noted and the recommendations be supported.

(13) Basic Need Programme
Report ED16016

The report provided an update on capital schemes included in the Council's Basic Need Programme with a project value in excess of £1m. The Chairman asked Members to note that there was currently a shortfall of £56.1m. Cllr Nicholas Bennett commented that the report had not been submitted to the Education PDS Committee.

RESOLVED that the recommendations be supported.

(14) Gateway Report Commissioning – Proposed Total Facilities Management Contract
Report DRR16/018

The report updated Members on the Total Facilities Management work streams – firstly developing contract documentation for a bundle of services including Planning, Strategic Property, Operational Property, Facilities Management and Public Protection, and secondly working with the Tri-Borough (Westminster City Council and the Boroughs of Hammersmith and Fulham and Kensington and Chelsea) and Amey Community Limited on the Tri-Borough Framework Agreement for Total Facilities Management. It was recommended that the Council enter into contract with Amey as a call-off from the Tri-Borough Framework Agreement for a minimum of five years (with an option to extend for a further three years) for Strategic Property, Operational Property and Facilities Management and that officers explore the market testing of Planning Services and Public Protection Services.

Officers confirmed that there was no impact on the Council's Pension Fund, as the Council was still liable for deficit costs if the services were not outsourced. It was confirmed that the one-off costs of £339k included IT costs. The Chairman pointed out that the figures on the proposed incentive scheme in the table on page 7/165 of the report needed some minor amendment.

A Member asked whether sufficient consultation had been carried out with the Tri-Boroughs. It was confirmed that although there had been teething problems, the three boroughs considered that performance was satisfactory, and officers confirmed that the Council did have the protection of being able to exit the contract quickly if it needed to.

A Member expressed concern at the proposals to market Public Protection services and Planning, commenting that it would be difficult to make further savings from Public Protection when the service was already running at minimum levels, while vital local knowledge and democratic accountability could be lost in Planning. Officers indicated that the market considered that further savings could be made through IT, and that it would be difficult for the Council to match the level of IT investment that large private companies could achieve by maximising economies of scale. If it was proposed that outsourcing went ahead there would be a further report to Members.

RESOLVED that the recommendations be noted and supported.

285 SECTION 106 AGREEMENTS: UPDATE
Report DRR16/027

The Committee received its regular update on Section 106 agreements, including an appendix giving an update on progress with financial contributions received to date that were outstanding, together with target dates. Members were keen to ensure that moneys received were spent promptly and appropriately.

Cllr Wilkins asked whether there was any possibility of some of the Section 106 money from the Anerley School for Boys development being used to support community work at Anerley Town Hall - the Chief Planner offered to investigate this and report back to Cllr Wilkins

Cllr Ellis commented that a Section 106 contribution for health relating to The Partridge in Cray Valley West ward was being allocated to a health scheme in Penge. Officers confirmed that there was a grant agreement in place between the Council and the CCG to control health contributions and ensure that they were allocated to CCG priorities within appropriate timescales. Cllr Ellis considered that it would be useful for the Health Scrutiny Sub-Committee to be given details of Section 106 moneys allocated to health and other Members added that the principle should be followed for other types of contribution and other PDS Committees. The Chairman asked whether it was appropriate for health contributions to be channelled into private health facilities such as dental practices.

RESOLVED that the contents of the report be noted and that reports be sent in future to the relevant PDS Committees for scrutiny.

**286 ANNUAL POLICY DEVELOPMENT & SCRUTINY REPORT
2015/16**
Report CSD16045

The Committee received the draft Policy Development and Scrutiny report for 2015/16.

RESOLVED that the Annual Policy Development and Scrutiny Report for 2015/16 be approved for submission to Council on 11th April, subject to any final comments from PDS Chairmen.

287 WORK PROGRAMME 2015/16
Report CSD16043

The Committee received the latest version of its work programme. It was noted that a report on the Growth Fund was expected to the Executive in May, and that there was an update in the Executive's current Budget Monitoring report (section 3.11.)

RESOLVED that the work programme be noted.

**288 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**

**289 EXEMPT MINUTES OF THE MEETING HELD ON 3RD
FEBRUARY 2016**

The exempt minutes of the meeting held on 3rd February 2016 were confirmed.

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

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

**290.1 SITE OF FORMER SMALL CIVIC HALLS, YORK RISE,
ORPINGTON**

The Committee noted financial data relating to this site.

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

The Committee scrutinised the following reports on the Executive's part 2 agenda for the meeting on 23rd March 2016 –

- (5) Budget Monitoring 2015/16
- (23) Finalisation of Mears Proposal
- (24) Acquisition of Investment Property
- (25) Site G: Revised Development Boundary and Procurement
- (26) Extension to Agency Contract

292 SECTION 106 AGREEMENTS: UPDATE - APPENDIX 5

The Committee noted confidential financial information relating to Section 106 agreements.

The Meeting ended at 8.58 pm

Chairman