

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

Minutes of the meeting held at 7.00 pm on 7 September 2016

**Present:**

Councillor Simon Fawthrop (Chairman)  
Councillors Nicholas Bennett J.P., Ian Dunn, Judi Ellis,  
Ellie Harmer, William Huntington-Thresher, David Livett,  
Alexa Michael, Keith Onslow (Vice-Chairman),  
Sarah Phillips, Michael Rutherford, Stephen Wells and  
Angela Wilkins

**Also Present:**

Councillor Graham Arthur, Councillor Stephen Carr and  
Councillor Robert Evans

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

Apologies for absence were received from Councillors Russell Mellor and Tony Owen.

**344        DECLARATIONS OF INTEREST**

Councillor Michael Rutherford declared that his employer, Deloitte, was mentioned in the report on Expenditure on Consultants.

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

Mark Bowen, Director of Corporate Services, declared that his wife was employed by one of the potential contractors in the report on the Executive's agenda on Extra Care Housing.

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

No questions had been received.

**346        MINUTES OF THE EXECUTIVE AND RESOURCES PDS  
              COMMITTEE MEETING HELD ON 7TH JULY 2016**

**RESOLVED** that the minutes of the meeting held on 7<sup>th</sup> July 2016 (excluding exempt information) be confirmed.

**347        MATTERS ARISING FROM PREVIOUS MEETINGS**  
Report CSD16107

The Committee received an update on matters arising from previous meetings.

**348        FORWARD PLAN OF KEY DECISIONS**

Members noted the Forward Plan of Key Decisions as first published on 16<sup>th</sup> August 2016.

**349        CONTRACTS REGISTER**

The Committee considered an extract from the Contracts register covering Chief Executive Department contracts. Two contracts were flagged as red or amber as follows –

- The Sharepoint Review contract involved the commissioning of a replacement for the Council's current Sharepoint system which would go out of support in October 2017. Although the RAG status was red, the situation was being recovered. Procurement was expected to be completed by December/January, and migration to the new system would take between three to six months.
- The Energy Data Management and Reporting Contract had an amber RAG status as an alert to ensure that a report was presented in October.

A Member asked when the gate zero report on the Exchequer Service contract was due. This would be about two or two and a half years before the contract expired – in about a year's time. It was suggested that the Committee should ask managers from the Total Facilities Management and Adecco Agency Staff contracts to attend committee meetings for scrutiny as Liberata did – the Chairman asked that this be added to the work programme.

The Committee noted that new Contract Procedure Rules had come into effect on 1<sup>st</sup> September. Where waivers were sought, the Directors of Corporate Services, Finance and Commissioning all had to agree the case. Within six months of the end of the contract a report always had to be made to Members.

**RESOLVED that the Contracts Register be noted.**

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

Two questions had been received from Councillor Ian Dunn – the questions and replies are set out in Appendix A to these minutes.

**351 RESOURCES PORTFOLIO - PRE-DECISION SCRUTINY**

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

**a CAPITAL PROGRAMME MONITORING - 1ST QUARTER  
2016/17  
Report FSD16057**

At its meeting on 20th July 2016, the Executive had received the 1st quarterly capital monitoring report for 2016/17 and agreed a revised Capital Programme for the four year period 2016/17 to 2019/20. The report also covered detailed issues relating to the 2015/16 Capital Programme outturn, which had been reported in summary form to the June meeting of the Executive.

The latest report highlighted, in paragraphs 3.1 to 3.8, changes agreed by the Executive in respect of the Capital Programme for the Resources Portfolio; the revised programme for this portfolio was set out in Appendix A to the report. Detailed comments on scheme progress as at the end of the first quarter of 2016/17 were shown in Appendix B, and details of the 2015/16 outturn were included in Appendix C.

It was noted that the table in paragraph 3.1 and the heading for paragraph 3.7 should be corrected to refer to underspends, not overspends.

**RESOLVED that the Resources Portfolio Holder be recommended to note and confirm the changes to the Resources Capital Programme agreed by the Executive on 20<sup>th</sup> July 2016.**

**b TREASURY MANAGEMENT - QUARTER 1 PERFORMANCE  
2016/17 AND INVESTMENT STRATEGY REVIEW  
Report FSD16062**

The Committee received a report summarising treasury management activity during the first quarter of 2016/17, and recommending changes to the Council's Treasury Management Investment Strategy which required the approval of full Council. The report also included an update on the Council's investment with Heritable Bank. Investments as at 30<sup>th</sup> June 2016 totalled £285.2m (excluding the balance of the Heritable investment) and there was no outstanding external borrowing.

As it was becoming increasingly difficult to identify institutions to place deposits with, a number of changes to the Council's investment strategy were proposed to increase flexibility and diversification. Members considered that safety and security of the Council's funds was paramount, and that it was important not to just follow the ratings, but to investigate each potential deposit. Members were informed that the proposed changes increased the options open to the Council and that there was a stringent process requiring approval in writing from the Director of Finance for all investments.

**RESOLVED that**

**(1) Treasury Management Performance for the first quarter of 2016/17 be noted.**

**(2) Council be recommended to approve the following changes to the Council's Treasury Management Investment Strategy:**

**(i) a reduction to the sovereign rating criteria to AA- as detailed in paragraph 3.6.2 of the report;**

**(ii) a reduction to the individual counterparty rating criteria to BBB+ as detailed in paragraph 3.6.3;**

**(iii) an increase to the maximum investment period for UK banks in Banks 1C category as detailed in paragraph 3.6.4;**

**(iv) the inclusion of investments with Housing Associations as detailed in paragraph 3.6.5; and**

**(v) the inclusion of Variable Net Asset Value Fund Money Market funds as detailed in paragraph 3.6.6.**

(Councillor David Livett requested that his contrary vote be recorded as he considered that more information on risks was required to enable an informed decision to be made.)

**352 SCRUTINY OF THE CHIEF EXECUTIVE**

The Chief Executive attended the meeting to answer questions and be scrutinised on his work. Since he had last attended the Committee in February, his work had been dominated by the response to the Ofsted inspection of Children's Services (this is recorded under minute 353), but there had also been substantial changes to officer structures, with senior managers concentrated in a strong Corporate Management Team comprising Assistant Directors as well as Directors, the departure of Marc Hume, Director of Regeneration and Transformation and the establishment of a Commissioning Team with Lesley Moore as Director.

A Member asked whether there was now sufficient senior leadership to drive through important issues such as housing and development. The Chief

Executive responded that the new Total Facilities Management Contract would enable the Council to buy in to substantial strategic professional expertise. He also assured Members that there was enough experience at senior level remaining within the Council to provide client-side management of specialist consultants to ensure that they acted in the best interests of the Council. The Renewal and Recreation Portfolio Holder would also be taking an enhanced role. Members also asked about the Future Leaders Programme and other staff development. The Chief Executive commented that it was necessary to re-position the strategy and consider where investment would produce the best outcomes for the borough.

The Chairman of the Contracts Sub-Committee, Councillor Stephen Wells, commented that it appeared that there were skills gaps relating to contracts procedures and financial regulations, and a lack of control at senior levels. One of the outcomes from this was a large number of last-minute waivers being requested. The Chief Executive understood these concerns and acknowledged that there had been problems. The appointment of a Director of Commissioning was intended to address this, and her team was working through these issues, but it was clear that the responsibility for managing contracts lay with budget holders. The Director added that although there were still issues requiring waivers in the system, the level of waivers would soon be significantly reduced. New contracts guidance was about to be issued to staff.

A Member commented that the Council had been found to be lacking management control on a range of issues, including the Youth Opportunity Team, Children's Services and Contracts and wanted to know where responsibility lay and what was being done to address this. The Chief Executive accepted that responsibility for the management of the Council lay with him.

Questioned about the Corporate Risk Register, the Chief Executive accepted that it might not have much detail on a number of issues, such as Children's Services. However, there were departmental risk registers that covered a wider range of issues in more detail and the Corporate Risk Register was considered at the Corporate Management Team every month. The Risk Register was one of a range of interlinked documents including the Contracts Register and Financial Regulations. Councillor Onslow requested a paper copy of the risk registers, and suggested that the Audit Sub-Committee look at the process of putting risk registers together.

A Member commented that Internal Audit reports had identified a number of failures to manage contracts adequately, and asked whether there had been disciplinary proceedings against the managers involved. The Chief Executive confirmed that responsibility for contract monitoring and performance lay with Directors and senior managers, and that in some cases there had been disciplinary action. The Chairman stated that senior managers needed to review their contracts regularly, but the Contracts Sub-Committee should continue to monitor the situation and seek improvements.

A Member asked what was being done to address the large backlog of planning enforcement cases. The Chief Executive responded that he was aware of Member concerns, and of the need to take a more robust approach and to communicate more effectively with Members. He stated that it might be appropriate to have a one-off injection of resources to address the backlog of cases.

In response to a question, the Chief Executive commented that he had not noticed any difference yet with the new London Mayor taking office.

The Chairman thanked the Chief Executive for attending the meeting.

### **353        PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS**

The Committee considered the following reports on the part 1 agenda for the Executive's meeting on 14<sup>th</sup> September 2016.

#### **(5) Ofsted Inspection of Children's Services**

Report CS17036

The Council's services for children in need of help and protection and children looked after had been inspected by Ofsted between 11<sup>th</sup> April and 5<sup>th</sup> May 2016. At the same time, a linked inspection of the Bromley Safeguarding Children's Board (BSCB) had taken place. The report provided a summary of the inspection findings, the actions taken immediately to respond to the findings and the Council's plans for further improvement as set out in the draft improvement action plan. It also set out potential funding requirements resulting from the improvement plan for which Council approval would be required.

As Care Services PDS Committee would be looking at the improvement plan at its meeting on 13<sup>th</sup> October, the Chairman urged the Committee to focus on the financial issues and outcomes. The Chief Executive informed the Committee that progress had been made under the Governance board chaired by the Leader, and he believed that the improvement plan was a strong document. The response from Ofsted had been positive at the follow-up meeting on 26<sup>th</sup> July. The aim was to restore services to "Good."

The Chief Executive accepted that, with hindsight, the Council should have done more to improve children's services and that it was a mistake not to appoint a new Director sooner. Members sought details of the cost of the previous Director's departure, but the Director of Corporate Services advised that this was confidential under employment law. Some information on this would eventually need to be published in the Council's accounts. There were now additional managers at senior level; some staff had left and the Director post was being filled, so there had been real changes at management levels since the inspection. The new Director would have a view about what further changes would be required, and would bring expertise and professional knowledge that would improve services on the ground.

Questioned by Members, the Chief Executive agreed that although changes at management level were crucial, practice on the ground had to improve. The changes were designed to improve supervision and bring down caseloads, which would allow more time for an improved quality of work. The criticism from Ofsted was that vulnerable children were left at risk for too long, and thresholds for intervention were possibly too high. Action needed to be taken sooner to reduce the risk to children, and key performance data needed to be fed back to managers and Members.

The Chairman drew attention to the cost of the improvement plan. The Executive had agreed in July to release an initial sum of £950k, but there was now a need to seek Council approval for additional funding. The Chief Executive responded that it was important that the improvement plan was resourced appropriately, and that all expenditure could be tracked in detail back to actual improvements. The Chairman asked whether the additional expenditure was likely to be just to address the current issues, reducing in future, but the Chief Executive responded that although it was too early to be certain what the on-going requirement would be, it was likely that the level of expenditure would not reduce. However, Members would ultimately have to specify the level of expenditure.

Members commented that it was important that all information and expenditure was triangulated and cross referenced – managers had to constantly ask how their actions benefitted children and were Members aware? There needed to be a change of mind-set so that children's services were not viewed in isolation, and Members and senior managers were kept informed of performance.

Members commented that some of the criticisms in the Ofsted report had been flagged up in recent years by PDS Committees, and that recommendations appeared to have been ignored. The Chief Executive apologised for this and agreed that systems and structures needed to be in place to ensure that recommendations were picked up and followed through. A Member added that it was important for Members not to just accept verbal assurances, but to follow up issues rigorously.

A Member asked the Chief Executive what the outcome would be if Adult Services were inspected by Ofsted. He responded that senior officers were expecting an inspection soon, and were working to check that services were robust, but a recent peer review had been positive.

The Leader concluded the debate by reminding Members that there were good staff and practice which Ofsted had recognised, and assuring Members that the Improvement Plan was not just focussed narrowly on the eighteen recommendations in the Ofsted report, but on a broader improvement in services.

**RESOLVED that the recommendations be supported.**

**(10) Gateway Report – Domestic Violence against Women and Girls Services**

Report CS17029

The current contracts for Domestic Violence and Violence against Women and Girls services expired on 31<sup>st</sup> March 2017. It was proposed that a formal procurement process be started offering the services as a single contract with an estimated value of £220k per annum until March 2020. Funding for the service was entirely dependent on the success of bids to MOPAC.

The Chairman noted that the timeline at paragraph 5.6 of the report had not been updated to account for the Executive's meeting being one week later than scheduled. Officers confirmed that the overall timetable would still be met.

**RESOLVED that the recommendations be supported.**

**(11) Government's Four Year Funding Offer**

Report FSD16061

As part of the Local Government Finance Settlement 2016, Rt Hon Greg Clark MP, the Secretary of State for Communities and Local Government, had announced the "Four year funding offer". The report sought approval to accept the funding offer on the basis it provided a minimum funding level and more certainty about future resources. Accepting the offer was not an endorsement by the Council that it represented a fair funding level and lobbying would continue for a better deal for Bromley and its residents. It was noted that the offer required that an efficiency plan be prepared and published; there was no prescription on how this was done but it had to cover the full four year period. The suggested approach was to include this report with links to the Council's Medium Term Financial Strategy reports to the Executive in January and February 2016 as the efficiency plan submission.

**RESOLVED that the recommendations be supported.**

**(12) Gateway Report on the Agency Staff Contract and Review of Future Options**

Report CE01626

The Council's contract with Adecco for the provision of agency staff was due to expire on 23<sup>rd</sup> April 2017. The report reviewed the options available for the contract and recommended that the Council continue with the ESPO Framework for which Adecco was the preferred supplier.

The Committee noted that the rates achieved through the framework had been achieved through economies of scale based on a 70/30% split on price/quality. The estimated savings from the existing contract were being calculated and would be available for the Executive's meeting.



Councillor Ian Dunn noted that achievement rates for filling vacancies were recorded at 86% against a target of 98% and asked for information about the incentives for Adecco to meet this target.

**RESOLVED that the recommendations be supported.**

**(13) Upgrade of Website**

Report CSD16111

Support for the current version of the Web Content Management System (CMS) provided by Jadu for the Council's website was due to cease and at its meeting in February 2016 the Executive had approved a capital budget of £100k to review and scope the long term requirements of the Web and Customer Relationship Management (CRM) systems. It was now proposed that £176k of additional funding be included in the capital programme to implement the Jadu upgrade, for Liberata to upgrade components of the MyBromley web portal and for Blue Sky to provide a temporary environment to enable the upgrade process. Existing contracts would be used to carry out these upgrades.

In response to a question, officers confirmed that it was the intention to continue to develop the website and move more services across to it, although this was a separate work-stream.

A Member reported that links to the Planning Portal had been down for several days the previous week; however, this was a national system not under the Council's control.

**RESOLVED that the recommendations be supported.**

**354 EXPENDITURE ON CONSULTANTS 2015/16 AND 2016/17**

Report FSD16053

The Committee had asked for a report on the use of consultants to be submitted each year. The report examined both capital and revenue expenditure in 2015/16 and 2016/17 so far. The final figure for 2016/17 was expected to be lower than for 2015/16.

The Committee discussed the following –

- Colliers – Councillor Nicholas Bennett requested a breakdown of the fees paid to Colliers.
- Deloittes – Deloittes had been employed to provide specialist advice on the tax issues raised by HMRC concerning consultants. Assisted by their advice, the Council had been able to minimise the fine paid to HMRC.

- Independent Chair of the Safeguarding Adults Board – The HMRC had advised that this person was a post-holder, rather than a consultant, and they were now paid through Adecco.
- SEND Appeals – Councillor Judi Ellis suggested that a further report was needed to the Education Select Committee on the level of appeals.

**RESOLVED that the report be noted and referred to the other PDS Committees for consideration.**

**355        WORK PROGRAMME**  
Report CSD16109

The Committee considered its work programme for 2016/17. Scrutiny sessions with Adecco and Amey would be added following the Committee's consideration of the Contracts Register (minute 349.)

Councillor Nicholas Bennett reported that the School Places working Group would be re-established.

**356        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**

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

The Committee scrutinised the following report on the Executive's part 2 agenda for the meeting on 14<sup>th</sup> September 2016 –

**(20) Award of Contract for Capital Works at Stewart Fleming Primary  
School**  
Report ED17006

Following a procurement process and evaluation of tenders, the report recommended the award of a contract for phase 1 of the works at Stewart Fleming Primary School.

A number of potential tenderers had declined to submit bids; officers were requested to write to Councillor Michael Rutherford with further details about why these companies had declined to tender. Councillor Ian Dunn commented that the school had recently achieved an Outstanding grade from Ofsted and that he was pleased, as a ward councillor, that it was expanding.

**RESOLVED that the recommendations be supported.**

**358        REFERENCE    FROM    CONTRACTS    SUB-COMMITTEE:  
             CONTRACT ISSUES ARISING FROM INTERNAL AUDIT**

The Committee considered a report referred to them by the Contracts Sub-Committee on contract issues arising from Internal Audit reports.

The Meeting ended at 9.46 pm

Chairman