

EXECUTIVE AND RESOURCES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Minutes of the meeting held at 7.00 pm on 1 February 2017

Present

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

Also Present

Councillor Graham Arthur and Councillor Robert Evans

410 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

There were no apologies.

411 DECLARATIONS OF INTEREST

Cllr Simon Fawthrop highlighted his interest as an employee of B.T. with whom the Council was contracted for IT support.

Cllr Keith Onslow also highlighted his interest as an employee of the Royal Borough of Greenwich on insurance related work, Cllr Onslow also declaring that he had previously been employed by Zurich Insurance and was currently a pensioner.

As an England athlete, and in relation to the Committee's pre-decision scrutiny of Executive reports, Councillor Michael Rutherford declared an interest on the Executive item regarding future proposals for Norman Park Athletics Track.

412 QUESTIONS FROM COUNCILLORS AND MEMBERS OF THE PUBLIC ATTENDING THE MEETING

There were no questions to the Committee.

413 MINUTES OF THE EXECUTIVE AND RESOURCES PDS COMMITTEE MEETING HELD ON 4TH JANUARY 2017

The minutes were agreed.

The Chairman of the Environment PDS Committee provided a brief update on outstanding utility works debt by B.T - the debt being owed as a result of poor highway repair following utility works. Debt recovery was not easy to enforce as there is no contract between a utility company and the Council requiring payment; it was first necessary to agree a sum with a utility company and the Council would then in a better position to enforce recovery. B.T. was aware of the Council's focus for improved highway repair and the standard was now improving. Most of the outstanding B.T. debt would be recovered.

414 FORWARD PLAN OF KEY DECISIONS

Members noted the Forward Plan.

415 CONTRACTS REGISTER

Members considered the latest position on contracts covered by the Chief Executive's Department.

Further to a second 'plus one' extension option being taken and agreed for the Mobile Phone Services contract (CEX 27), reasons for the extension would be circulated to Members.

Following concern on how efficiently Amey take forward furniture requests under Total Facilities Management (CEX51), a process map was requested to show how the company deals with service requests. There was also concern on the time taken by Amey to provide a car park permit and the Contracts Sub-Committee would look for an opportunity to consider such matters at a future meeting.

The contract for Occupational Health Services (CEX12) was marked amber but issues concerned with a framework contract arrangement had now been resolved.

The contract covering Multi-Functional Devices (MFDs), Central Print Unit Devices, and Print Management Software (CEX180) was also marked amber. The provision was originally intended for Amey as part of the TFM contract but better rates could be obtained by the Council undertaking its own tendering. It was also premature to enter a contract/lease arrangement when certain staff accommodation matters at the Civic Centre remained outstanding. The future print/MFD strategy was dependant on such matters, including the decanting of staff, being finalised.

It was also confirmed that on-site contactors use the Council's MFDs but costs are recovered along with a proportion of administration costs.

RESOLVED that the Contracts Register be noted.

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

There were no questions to the Portfolio Holder.

417 RESOURCES PORTFOLIO - PRE-DECISION SCRUTINY

**a TREASURY MANAGEMENT - QUARTER 3 PERFORMANCE
2016/17**

Report FSD17018

Members noted treasury management activity during the third quarter of 2016/17.

Investments at 31st December 2016 totalled £304.5m (excluding the balance of the Heritable investment) and at 23rd January 2017 the balance of investments stood at £331.8m. There was no outstanding external borrowing.

In response to a question from the Vice-Chairman it was confirmed that the current balance of the Parallel Fund, (set up in 2014/15 to mitigate the potential revenue impact of future actuarial Pension Fund valuations) stood at £2.88k although a balance of £2.824k was expected for the Fund at year end.

RESOLVED that the Resources Portfolio Holder be requested to note the Treasury Management performance for the third quarter, 2016/17.

**b TREASURY MANAGEMENT - ANNUAL INVESTMENT
STRATEGY 2017/18**

Report FSD17019

Prior to submission to the Portfolio Holder and full Council, Members received the Treasury Management Strategy Statement and Annual Investment Strategy for 2017/18, required by the CIPFA Code of Practice for Treasury Management in Public Services (revised in 2009 and updated in 2011).

The report also included prudential indicators and the MRP (Minimum Revenue Provision) Policy Statement, both needing full Council approval. Statute required the prudential indicators to be agreed and published, primarily to confirm the Council's capital expenditure plans as affordable and sustainable. As L B Bromley does not borrow to finance its capital expenditure, many of the indicators do not have particular relevance for the Council. Prior to the meeting it had been necessary to update the indicators to reflect changes to the Capital Programme made as part of the third quarter monitoring 2016/17. Relevant updated tables included in the Treasury Management Strategy Statement 2017/18 were circulated to Members prior to the meeting and also tabled at the meeting.

RESOLVED that:

(1) the report be noted; and

(2) the Resources Portfolio Holder be asked to recommend to Council that the Treasury Management Statement and the Annual Investment Strategy for 2017/18 be adopted (Appendix 1 to Report FSD17019), including the prudential indicators (as tabled) and the Minimum Revenue Provision (MRP) policy statement.

418 BIGGIN HILL AIRPORT LIMITED (BHAL)- CONSENT TO CHARGING OF LEASE BY BHAL TO HSBC BANK PLC

Report DRR17/014

The Council as Landlord had been asked by BHAL Ltd to give consent to a charge being placed on the lease with the airport for the benefit of HSBC Bank Plc.

The decision was marked urgent as consent is required as soon as possible for the airport to charge the head lease in order to raise funds for estate improvements (substantially a proposed hotel and a new terminal hangar). The consent should not be unreasonably delayed or withheld. Without consent it was not possible for a proposed loan facility to be provided to the airport. The lease would form part of the security and it was necessary for the lender to enter into a direct covenant with the Council in relation to operation of the airport should the Council notify it of any intention to take action for a breach of the lease.

The charge would not affect the Council's Freehold reversion, and officers considered that there were no grounds on which the Council could reasonably refuse to allow BHAL to charge its lease.

Members sought further clarification on the implications of the charge. This included clarification on implications should BHAL default on their loan repayments. Information on the financial amount represented by the charge was also sought. However, the matter was a commercial one between BHAL and HSBC and any amount was not known to the Council. Were the airport to cease trading and/or default on their payments it was thought that the lease would revert back to the freeholder with the Council's position not jeopardised.

A Member suggested that the lease would effectively be used as collateral and should BHAL cease trading was concerned that a new leaseholder could be appointed to the airport site. A further Member sought clarification on what the security would be for HSBC should BHAL default on the lease and why the bank needed a charge. Before a decision is taken Members felt that further information/clarification was necessary on placing a charge against the lease and any implications for the Council. As such, Members agreed to note the report and to recommend that additional information outlined above be provided to the Portfolio Holder. Nevertheless, the Portfolio Holder was confident that the arrangement was in order but would confirm with Council lawyers prior to taking his decision.

RESOLVED that the report be noted and further information be provided to the Portfolio Holder as necessary before a decision is granted to grant Landlord's consent to allow BHAL to charge the Lease.

419 SCRUTINY OF THE CHIEF EXECUTIVE

The Chief Executive addressed Members and received questions.

The position on Children's Services was now stabilising and Ofsted were due to visit again on 22nd and 23rd February 2017. Compared to Ofsted's visit last May, governance considerations were now in place although improved service and practice was taking a little longer. Caseloads were nevertheless reducing with good calibre staff being recruited. Tools for improved performance were in place and 150 laptops had been issued to social care staff. The Commissioner monitoring Children's Services in Bromley had been with the authority two to three days per month and would report to the Minister on 27th May 2017. There would also be a further Ofsted visit at that point. Ofsted was looking to see improvements delivered and the Commissioner was taking a wider review of the authority's ability to provide Children's Services. Staff skills were important as was a need for staff and partners to own children's services.

Following Ofsted's first monitoring visit of Children's Services, Ofsted considered there had been limited progress and the Council was demonstrating commitment. Improvements had been made too recently for outcomes to be properly assessed and more progress was needed (e.g. around partnerships and bringing the focus back to children); the pace was still slow with required changes needing to be considerably accelerated. Officers were driving for a positive outcome at the final inspection. The Council's leadership, management and governance would provide a platform to achieve the level of improvement needed. The Chief Executive was confident the Council would see a positive direction of travel; progress was being made at the front line and case levels were now reducing. Improvement was taking time but the Executive Director had a track record of achievement. The Executive Director was establishing his team and the focus was on improving outcomes for children.

On the Council's four year financial outlook, a budget gap remained for years three and four. Priorities for Building a Better Bromley had been signed-off with partners last November and collaborative working was important; in this regard measures were being taken forward to boost economic regeneration in areas such as Biggin Hill. The Council was also making good use of its assets and the partnership with Cushman and Wakefield would bear fruit in maximising property income. Further improvements were also being made to contract management across the Council.

The Chief Executive referred to progress on integrating health and social care and the challenges towards this. Reference was also made to the Transfer of Care Bureau, established to enable better co-operation between agencies for complex discharges from the Princess Royal University Hospital (PRUH).

Supporting a successful transfer of patients from the PRUH to the community each month, the arrangement provided a seamless approach enabling discharges and release of hospital beds. The Council's Social Services was recognised by the PRUH and Clinical Commissioning Group (CCG) as having a key input to the timely discharge of patients from hospital beds.

On public protection, the Metropolitan Police was looking to deliver policing in London via "super boroughs" headed by a Borough Commander. A Member expressed concern at the frequency of re-organisation within the Metropolitan Police; the Member also advocated appropriate training to ensure a reduction in the current level of re-offending. He also asked how economic development was now being led at officer level and, in the context of integrating health and social care, highlighted the approach taken at Salford.

The Council was investing in its partnership with Cushman and Wakefield with an even greater level of expertise now available to officers. At Director level, oversight was provided by the Executive Director of Environment and Community Services with support from the Head of Strategic Property. On the Salford model for integrating health and social care, discussions would be held with consultants - a number of places were now considering the approach. Training budgets would also be protected and the new Deputy Chief Executive and Executive Director of Education, Care and Health Services was keen to focus on training for social care staff. Wider reductions had stabilised and it was not intended to drive further cuts and efficiencies in social care; income for front line services would instead be sought from revenue generating projects.

For the Youth Offending Service (YOS), Ofsted inspectors had been on site week beginning 23rd January 2017 and a further inspection would begin on 6th February 2017, including inspection by partner inspectorates from Learning and Skills (Ofsted), Children's Social Care (Ofsted), Health (including substance misuse), the Care Quality Commission (CQC), and Police inspectorates. Some service improvements were being achieved although faster improvements were necessary.

In view of partnership working starting to bear fruit, a Member sought assurance on the continued engagement of partners. The Chief Executive referred to work by the Children's Service Improvement Governance Board whose membership included partners. The YOS Management Board also included partners who were contributing to improvements. Partner engagement was encouraged and there was now more challenge with partners when necessary. Building a Better Bromley was now about L B Bromley and its partners delivering the objectives; Children's Services was no longer considered L B Bromley Children Services but Children's Services in L B Bromley and partners could be expected to become even more involved in future.

A Member was concerned that there appeared to be little information coming from the police; as such, the concern would be passed to the Borough Commander and taken to the Safer Bromley Partnership. The Member also

enquired about future operation of Bromley Town Centre Market. It was understood that, generally, traders were positive to the market being moved to a new town centre location, away from Market Square; although there would be fewer stalls, it was thought that the number of food stalls would increase.

On Governance matters, the Chief Executive's views were sought on the current Education Select Committee pilot. The Chief Executive suggested that looking at a single subject appeared to have been successful and PDS Committees need to be a little more focused on issues. This could involve individual PDS Committees focussing on specific issues or perhaps having one Select Committee to cover PDS work. The decision was one for Members. The Chairman suggested that Sub-Committees e.g. Contracts Sub-Committee also seemed to work well. There was opportunity for PDS to consider/discuss policy development in areas affecting Council business. A task and finish approach was advocated but it was necessary to have the best use of officer time. PDS reviews would need a sharpness and focus to drill down to key issues. The Vice-Chairman also highlighted an inquiry into Local Government Overview and Scrutiny by the House of Commons Communities and Local Government Select Committee.

On integrating health and social care, the Vice-Chairman also suggested looking at liabilities and contracts and not solely finances, suggesting that a number of contracts needed improvement. The Chief Executive referred to work of the Health and Wellbeing Board, and how to use funding to build objectives for the community. There was also potential for cost sharing; it is possible to work through contract issues with health partners if there is a good relationship in place e.g. health aspects of a child's placement. The Vice-Chairman suggested that the Salford model may provide solutions. It was highlighted that certain functions can be delegated to CCGs and CCGs also have powers to delegate to Local Authorities.

The predicted budget overspend for Adult Social Care was some £1.8m at previous budget monitoring stage but this was now down to £1.2m. The intention was to reduce the overspend to below £1m. Although it was not possible to reach zero overspend, better mechanisms were now in place to control expenditure.

Following a Member enquiry, an update was also provided on progress in clearing the former Waste4fuel site at Cornwall Drive, Orpington. The Council had received regular communication from the Environment Agency and the direction of travel in clearing the site was good. Some hazardous waste was possibly included and officers were in discussion with the Environment Agency.

420 PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS

The Committee looked at the following reports on the Part 1 agenda for the Executive's meeting on 8th February 2017.

(1) 2017/18 Council Tax

Report FSD17016

Final issues affecting the 2017/18 revenue budget were outlined in Report FSD17016 with recommendations sought to full Council on the level of the Bromley element of the 2017/18 Council Tax and Adult Social Care precept. The final GLA precept would be confirmed to the full Council meeting on 20th February 2017. Final approval of the “schools budget” was also sought.

The approach reflected in the report was for the Council to not only achieve a legal and financially balanced budget in 2017/18 but to have measures in place to deal with the medium term financial position (2018/19 to 2020/21).

Introducing the report, the Director of Finance referred *inter-alia* to the level of funding in the latest local government finance settlement. The Council continued to lobby Government on its low level of funding even though it maintained a low cost position. The Leader of the Council had recently discussed the matter with Gavin Barwell MP, Minister of State for Housing and Planning and Minister for London.

The Draft 2017/18 and future years financial forecast assumes a Bromley element council tax increase of 1.99% per annum and an increase for the adult social care precept of 2% (total of 3.99%). Subject to any further inflationary pressures being addressed and key costs pressures such as, for example, social care being contained, a balanced budget was expected for the next two years.

With a total allowable increase of 6% over the three year period 2017/18 to 2019/20, a 2% increase per annum was assumed in the forecast. The Government have not specified, at this stage, the additional conditions relating to the option of a front loaded 3% increase in 2017/18. The Chairman supported the approach assumed in the draft 2017/18 Budget on grounds of consistency and being able to plan ahead.

The recent announcement by Surrey County Council to hold a referendum on a 15% Council Tax rise reflected concern for a reduced level of grant against significant social care cost pressures. However, such a course was not considered appropriate for L B Bromley. Referendum costs were high and the amount could be used to fund services. Within the public sector local government appeared to be a lower funding priority, although revenue from the New Homes Bonus had particularly benefitted District Councils (without Social Care and Education costs). There was a view across local government that current pressures needed to be recognised.

A Member explored the significance and definition of earmarked reserves seeking clarification on their levels and the level of total reserves. Legislation identifies the reporting and treatment of general and earmarked reserves and they are measures used by central government and the National Audit Office in considering the revenue reserves available to a Council. It was not possible to use capital reserves for revenue purposes and some of the revenue

reserves are not within the council's direct control. On any scope to capitalise further reserves, it was confirmed that transformation costs could now be capitalised.

In concluding debate, Members encouraged the Executive to support the recommendations in Report FSD17016 for onward referral to full Council.

RESOLVED that the recommendations to the Executive be supported.

(2) Capital Programme Monitoring Q3 2016/17 and Annual Capital Review 2017 – 2021

Report FSD17020

Members noted the current position on capital expenditure and receipts following the third quarter 2016/17. Recommendations in the report, including those to Council, were also noted.

RESOLVED that the recommendations be noted.

421 HR INFORMATION

Report CEO1628

At the Chairman's request, summary details were provided of officer sickness levels and the Council's HR staffing capacity during the past five years.

On supplementary information circulated prior to the meeting and tabled (long term sickness by Council Department/ Division with working days lost, average FTE per division, and average working days lost per FTE) further information would be provided on the number of officers represented by the data. To help reduce long term sickness, the Council had a duty of care with measures taken to try and prevent staff sickness in the first instance. Should a trigger point of sick leave be reached, Members were advised of procedures taken (by management and HR) to assist a return to work as soon as possible. Should there be no return to work, ill health retirement or dismissal on capability grounds would be options; L B Bromley had yet to lose a sickness related dismissal at tribunal.

The range of average working days lost per FTE by division (from 0.6 to 6.1) could be attributed to the type of job undertaken. Age profile in a service area could also be relevant e.g. libraries and recorded sickness could be a function of how robustly a manager dealt with sick absence.

As a family friendly authority, it was possible for compassionate leave to be granted in appropriate circumstances, with paid leave provided in a limited number of cases. Taking sick leave in such circumstances was unnecessary and a Member suggested highlighting this for staff. The Portfolio Holder for Resources also referred to a presentation on health at work at a Departmental Representatives meeting. The Departmental Representatives Forum complemented work of the Trade Union side in representing staff interests

and included attendance by the Leader of the Council, the Resources Portfolio Holder, the Chief Executive and Director of HR.

It was also necessary to distinguish between staff taking genuine sick leave and sick leave for other reasons. If staff were found to be abusing the system disciplinary action could follow. A Member praised work by the Director of HR, having led on transformational changes including locally negotiated terms and conditions, Single Status, and a fundamental review of staff representatives.

RESOLVED that the report be noted.

422 WORK PROGRAMME

Report CSD17001

Members noted the Committee's remaining Working Programme for 2016/17.

RESOLVED that the Committee's Work Programme be noted.

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

424 PRE-DECISION SCRUTINY OF EXEMPT RESOURCES PORTFOLIO HOLDER REPORTS

a FRAMEWORK AGREEMENT: CROWN COMMERCIAL SERVICES (CCS) AND ROYAL MAIL SCHEDULE 4 - AS AGREED BY ROYAL MAIL AND LONDON BOROUGH POSTAL BOARD

Members considered a proposed decision related to the future delivery of mail services.

425 PRE-DECISION SCRUTINY OF EXEMPT EXECUTIVE REPORTS

Members considered certain reports on the Part 2 agenda for the Executive's meeting on 8th February 2017.

The Meeting ended at 9.55 pm

Chairman