

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

Minutes of the meeting held at 7.00 pm on 11 October 2018

**Present:**

Councillor Simon Fawthrop (Chairman)  
Councillors Yvonne Bear, Julian Benington,  
Nicholas Bennett J.P., Mike Botting, Mary Cooke,  
Ian Dunn, Robert Evans, Russell Mellor, Keith Onslow  
(Vice-Chairman), Chris Pierce and Pauline Tunncliffe

**Also Present:**

Councillor Graham Arthur and Councillor Colin Smith

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

Apologies for absence were received from Councillors Allatt, Rutherford, Cartwright and, Marlow. Councillors Mike Botting, Yvonne Bear, Chris Peirce and, Pauline Tunncliffe attended as their respective alternates. Councillors Harmer and Wells also submitted apologies.

**49 DECLARATIONS OF INTEREST**

Councillor Fawthrop declared an interest as an employee of British Telecom (BT).

Councillor Onslow declared an interest as a former employee of LB Greenwich and a current pensioner of Zurich Municipal.

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

No questions were received.

**51 MINUTES OF THE EXECUTIVE AND RESOURCES PDS  
COMMITTEE MEETING HELD ON 5th SEPTEMBER 2018  
(EXCLUDING EXEMPT ITEMS)**

The minutes of the meeting held on 5<sup>th</sup> September 2018, were agreed and signed as a correct record.

*11 October 2018*

**52            MATTERS ARISING AND WORK PROGRAMME  
                 Report CSD18141**

The Committee considered a report setting out matters arising from previous meetings and the Committee's work plan for 2018/19.

In relation to matters arising from previous meetings, the Committee requested that the Universal Credit contact details be recirculated to Members.

*Action Point 13: that the Universal Credit contact details be re-circulated.*

In relation to the Work Programme, the Committee agreed that in future all PDS Committees should scrutinise the Executive Assistants for their relevant portfolio. In the case of ERC PDS this would be the Executive Assistants supporting the Leader and the Portfolio Holder for Resources, Contracts and Commissioning.

The Committee also requested that a report outlining expenditure on consultants be presented to the February 2019 meeting.

**RESOLVED: That**

- 1. Progress on matters arising from previous meetings be noted; and**
- 2. The following items be added to the 2018/19 work programme:**
  - **Expenditure on Consultants (February 2019)**
  - **Scrutiny of Resources Contracts and Commissioning Executive Assistant**
  - **Scrutiny of Leader's Executive Assistant**
- 3. All PDS Committees be recommended to scrutinise the Executive Assistant relevant to its portfolio.**

**53            RISK MANAGEMENT  
                 FSD18077**

The Committee considered a report which provided Members with the Gross 'High' (Red) rated risks from the Chief Executive's, Commissioning and Finance department's risk register. There were currently no Gross 'High' (Red) rated risks on the Human Resources Risk Register.

In relation to the risks surrounding Telecommunications failure, the Chairman asked for information to be provided concerning when the ICT Disaster Recovery Plan would be completed.

In considering the risks around a possible data protection breach, the Chairman noted that the LBB Information Governance Board had formally accepted the Connecting for Health Information Governance Toolkit (CfH IGT)

as the basis of LBB's internal information governance program at their meeting in August 2012. The Chairman queried when this would next be reviewed.

The Committee agreed that a further update reporting progress should be presented to the November meeting. Members requested that a larger font was used in the Appendices and that they were printed in colour.

**RESOLVED: That the Risk Register exemption report be noted and a further update be reported to the November meeting.**

#### **54 FORWARD PLAN OF KEY DECISIONS**

The Committee noted the Forward Plan of Key Decisions covering the period October 2018 to January 2019.

Members noted that some reports that the Executive had been due to consider in October had, at the request of the Chairman of the Renewal, Recreation and Housing PDS Chairman, been pushed back to the November meeting to enable adequate scrutiny by the Renewal, Recreation and Housing PDS Committee.

The Chairman of the Education, Children and Families Select Committee noted that a number of reports concerning services for children were due to be considered by other PDS Committees. Councillor Bennett asked for the Committee Terms of Reference to be reviewed to enable the Select Committee to scrutinise decisions affecting services for children.

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

No questions were received.

#### **56 RESOURCES, COMMISSIONING & CONTRACT MANAGEMENT PORTFOLIO - PRE-DECISION SCRUTINY**

The Committee considered the following report(s) where the Resources Portfolio Holder was recommended to take a decision.

##### **a INSURANCE FUND - ANNUAL REPORT 2017/18 Report FSD18076**

Following the conclusion of the 2017/18 Audit of Accounts, the Committee considered a report advising Members of the position of the Insurance fund as at 31<sup>st</sup> March 2018 and presenting statistics relating to insurance claims for the last two years. In 2017/18, the total Fund value increased slightly from £3.4m to £3.7m. A mid-year review of the Fund had also been carried out

*11 October 2018*

and, at this stage, it was estimated that the final fund value as at 31<sup>st</sup> March 2019 was likely to remain approximately the same.

**RESOLVED: That the Portfolio Holder be recommended to note the report.**

**57 CONTRACT MONITORING: TOTAL FACILITIES MANAGEMENT (AMEY)  
Report DRR 18/044**

The Committee considered a report providing information on the performance of the Total Facilities Management (TFM) Contract provided by Amey Community Limited and their sub-contractor Cushman and Wakefield for the period 1<sup>st</sup> August 2017 to 31<sup>st</sup> August 2018. A report from the Amey Account Manager provided his update on each of the individual performance elements of the contract and was attached at Appendix 1 to the report.

Darren Nolan and Mark Billington of Amey attended the meeting to respond to questions. Members noted that the contract had now been in place for some time and questioned whether Amey had experienced any surprises in delivering the contract. In response Mr Nolan confirmed that there had been no surprises. Amey had been clear in terms of what they were taking on and had been aware of the age of the stock. Fire Risk Assessments had not originally been part of the contract but these had recently been undertaken. One of the nice surprises had been some of the new projects that Amey had taken on. In response to a question from the Vice-Chairman, the Head of Asset and Investment Management confirmed that the outcome of the Fire Risk Assessments had been shared with the Council's insurance advisors and would be reported back to the Council's Risk Management Group.

In response to a question, Mr Nolan confirmed that approximately 50% of the increase in maintenance requests resulted from proactive action from Amey in terms of self-reporting tasks. The other 50% was due to more widely known issues relating to the age of the stock. In relation to the hard and soft KPIs, Mr Nolan confirmed that the difference in the performance correlated with a difference in the volume of tasks associated with the KPIs.

In response to a question, Mr Nolan confirmed that Amey did experience challenges in retaining certain staff such as cleaning staff. Amey operated reward and recognition schemes but often if staff could move elsewhere for higher remuneration they would.

In response to a question from the Vice-Chairman, Mr Nolan confirmed that there had been no planned testing of the businesses continuity plans but there had been two unplanned power outages which had invoked the business continuity plans. The Vice-Chairman stressed the importance of testing businesses continuity plans.

Members discussed the timescales included within the Service Level Agreement and how priorities were assigned to individual tasks. The

Chairman suggested that where a specific task did not naturally fit into the established categories it should automatically be assigned Priority One.

The Chairman thanked Amey for the work that had been undertaken around asbestos and water hygiene which had led to significant improvements. It was however noted that there were a number of maintenance issues that still required attention such as broken toilet seats within the St Blaise building, broken lights, and incorrect clocks. Mr Nolan reported that Amey were currently costing improvements to public areas and this included the installation of LED lighting.

The Committee discussed the recent incident concerning the Member of the public who had brandished a meat cleaver outside of the front entrance to the Civic Centre. Mr Nolan explained the circumstances of the incident and that a member of LBB staff had noticed and reported the individual. The gentlemen had been guided off site by security staff and CCTV images of the gentleman had been circulated amongst key staff to increase awareness. Stressing that the safety of Council staff on site was paramount, Members queried whether any follow up action such as a criminal conviction or an exclusion order had been sought in order to protect staff. The Chief Executive confirmed that further enquires would be made to the Police and Health Services in terms of follow up action. The Committee thanked the security staff for their professional and sensitive handling of the situation.

The Chairman circulated the confidential (exempt from publication) minutes of the Service Board. The Committee requested that the minutes be included as an appendix in future reports.

## **58 SCRUTINY OF THE CHIEF EXECUTIVE**

The Chief Executive, Mr Doug Patterson, attended the meeting to respond to questions from the Committee. Mr Patterson gave a brief introduction highlighting the following issues –

- Consideration had been given to succession planning. The Chief Executive was confident that following his departure at the end of the year the organisation would be secure in the short-term whilst Members took decisions regarding the future Council and management structure. Directors were conscious of the need to develop heads of service and the risks around succession planning were understood and managed.
- Financial challenges continued. The budget setting process was starting and there was a great deal of work to do around addressing future budget deficits.
- Although not confirmed, a further Ofsted inspection of Children's Services was anticipated in November.
- The Waste Contract was near completion and management processes were now settled.

*11 October 2018*

- Issues around Adult Social Care and the further integration with Health Services would need to be monitored.
- The Local Authority would be subject to a Boundary Review in June 2019.
- In relation to Emergency Planning, London boroughs would be expected to meet enhanced standards which had recently been rolled out.
- The Diocese had requested loan of the Lead Cistern which was currently located outside the Well Bar. It was believed that the Cistern dated back to 1792 and Bishop Thomas.

Mr Patterson then responded to questions, making the following comments –

- Emergency planning was stabilising. Although both current members of staff would be leaving, planning for recruitment was taking place and options for ensuring a robust service, such as linking with other Boroughs, were under consideration.
- The Council's Building Control Service would be joining with LB Bexley in due course. It was hoped that this would address some of the recent issues with the Service.
- In the short to medium term the Council would not have to consider radically redesigning its services. Finances had been reviewed and Officers had been looking at what was required in terms of transformation projects. Reports would be provided to Members in due course. £80m-£90m had been taken out of the Council's budget to date and there were now very few savings left to make. There was a fundamental requirement to look after children, provide services for the elderly, and protect the environment. The Chief Executive stated that he did not have the answers as to how these services could continue to be delivered with the ongoing pressure on local government budgets. Small savings could be made through changes to ICT, relocation of the Council Officers and the paperless agenda but it was unlikely these would go a long way to addressing future budget deficits.
- In recent years the Local Authority had developed a good relationship with local health services. However, the NHS was pursuing a structure that was based on regions and this caused concern in terms of how some of the future challenges could be addressed locally with the move away from localisation. The Chief Executive stated that he fundamentally believed that the NHS should be democratically accountable in a similar way to Local Government.

Noting that this was the last meeting that the Chief Executive was due to attend before his departure at the end of the year, the Chairman, on behalf of the Committee, thanked the Chief Executive for his service to both the Committee and the Borough and wished him well for the future.

**59 COST OF AGENCY STAFF  
Report FSD18066**

The Committee considered a report on the use of agency staff across the Council and in particular spend on senior appointments (the 25 highest paid agency workers). The information provided took account of the Council's duty of care and the requirements of the DPA/GDPR Regulations 2018.

Members discussed whether there was a need to keep the appendix to the report in Part 2 of the agenda (exempt from publication). The Director of HR advised that there was a high level of detail provided in the appendix and the Director of Corporate Services had provided legal advice to the effect that the information should be considered in Part 2 as disclosure of the information could expose the Council to the risk of breaching its obligations under the General Data Protection Regulations 2018 (GDPR). The Director of HR reminded the Committee that GDPR had to be read alongside the Local Government (Transparency Requirements) (England) Regulations 2015 and as such an exemption in law allowed the Council to disclose the remuneration of Chief Officers.

In response to issues concerning questions that had been asked and answered in Part 1 at Full Council regarding more granular information surrounding care managers, the Director of HR explained that the pool of care managers across the Council was very wide and it was therefore difficult to identify individuals from the information that had been provided. As a result of this the Council had not been at risk of breaching its duties under GDPR.

On the basis of the advice that had been received the Committee resolved to keep the Appendix to the report in Part 2 (exempt from publication).

In response to a question concerning whether the arrangements for recruiting newly qualified social workers could be rolled out in other areas of the Council, the Director of HR confirmed that this was part of the recruitment strategy. By introducing a career pathway and recruiting staff early in their careers it was hoped that there was a greater chance of retaining staff. It had been a rigorous recruitment exercise for the newly qualified social workers. One of the key challenges for the Local Authority was retaining experienced social workers. It was clear that in the future the Council would need to grow its own staff. This approach had been adopted in the past for areas where it was difficult to recruit such as accountancy and a similar approach was now being adopted in Planning.

In response to a question surrounding why the Council did not match the levels of remuneration paid by agencies the Director of HR highlighted that the cost of equalising upwards would be phenomenal. The use of agency staff, who came at a higher costs, was meant to be a short-term fix whilst recruitment processes for permanent staff were ongoing.

*11 October 2018*

Turning to the issue of the length of time agency staff were retained, the Director of HR confirmed that staff were usually in post for up to six months although there were exceptions to this. Usually agency staff in senior positions were brought in for a specific project or purpose and the agency contract could be reviewed once the purpose or project came to an end. In terms of accountability, the Director of HR confirmed that measures had been put in place to protect the Council; staff were required to declare any conflict of interest and in certain cases there were notice periods. The Deputy Chief Executive and Executive Director ECHS was currently leading on work around the budget pressures facing the Council and understood the need to recruit and retain permanent staff.

A Member requested that following the meeting the Committee be provided with a breakdown of the costs of agency staff including the money paid directly to an individual and that paid in agency costs.

*Action Point 14: That the Committee be provided with a breakdown of the costs of agency staff including the money paid directly to an individual and that paid in agency costs.*

In relation to a question from the Chairman surrounding whether the Council was too blinkered in terms of the teams that managers oversaw, the Chief Executive stressed the importance of learning from past mistakes and ensuring that there was the right level of experienced management oversight. The Director of HR also reported that 'social worker' was a legal term and that the Council had a responsibility to ensure that managers had appropriate qualifications.

The Director of HR reported that once the final Ofsted Inspection had taken place the Local Authority would seek to permanently recruit to the post of Director of Children's Social Care.

The Committee noted that targets had been set for the recruitment of permanent staff within Children's Social Care. Ultimately the Local Authority was aiming for 90% of its working force being permanent. The target for the end of 2018 was 89% and at the end of September 83% of the work force was permanent. This figure had reduced slightly in October but efforts continued to encourage more staff to join the permanent work force. Members noted that at the time of the last Ofsted inspection only 40% of the work force had been permanent and this demonstrated the excellent progress that had been made. The Children's Service Improvement Governance Board received monthly updates on recruitment and retention in Children's Social Care. The Chairman of the Education, Children and Families Select Committee who also sat on the Children's Service Improvement Governance Board highlighted that the Board discussed and monitored the balance of agency and permanent staff across Children's Social Care at every meeting.

**RESOLVED that the report be noted.**

**60            CONTRACTS REGISTER AND CONTRACTS DATABASE  
UPDATE  
Report ES18066**

The Committee considered a report presenting an extract from September 2018's Contracts Register for detailed scrutiny based on data as at 24<sup>th</sup> August 2018. The contracts Register contained in 'Part 2' of the agenda included a commentary on each contract providing information concerning any issues or developments.

In considering the flagged contract (Microsoft Enterprise Agreement), the Committee noted that this contract had been flagged as a result of the tight timescales that were now involved and the work that was ongoing. Members noted that the Head of ICT was in discussions with Microsoft and that there were significant costs implications associated with the requirement for individual licenses. Noting that Microsoft controlled approximately 90% of the market Members expressed concerns surrounding that fact that the Local Authority was required to strictly control its costs and had seen a dramatic fall in its budgets whilst Microsoft were inflating costs. It was suggested that an approach should be made to the Monopolies and Mergers Commission to highlight the potential abuse of this dominant market position.

Noting that the Committee had been provided with a register detailing the individual contracts relevant to the remit of the Committee a Member stressed the importance of not duplicating the work of the Contracts and Commissioning Sub-Committee. The Director of Commissioning confirmed that the Sub-Committee took a more strategic approach to contract monitoring.

The Committee noted the significant improvements that had been made in relation to a reduced number of flagged contracts since the introduction of the Contracts Database.

**RESOLVED: That:**

- 1. Officers investigate the possibility of referring Microsoft to the Monopolies and Mergers Commission; and**
- 2. A further report on the IT Strategy be presented to the Executive, Resources and Contracts PDS Committee in November 2018.**

**61            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**

*11 October 2018*

**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**

**62 EXEMPT MINUTES OF THE MEETING HELD ON 5th  
SEPTEMBER 2018**

The Part 2 (exempt) minutes of the meeting held on 5<sup>th</sup> September 2018 were agreed, and signed as a correct record.

**63 COST OF AGENCY STAFF APPENDIX**

The Committee noted the Part 2 appendix.

**64 CONTRACTS REGISTER AND CONTRACTS DATABASE  
EXEMPT UPDATE**

The Committee noted the Part 2 commentary on the Contracts Register.

The Meeting ended at 9.16 pm

Chairman