

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

Minutes of the meeting held at 6.30 pm on 1 July 2020

Present:

Councillor Simon Fawthrop (Chairman)
Councillor Christopher Marlow (Vice-Chairman)
Councillors Gareth Allatt, Julian Benington,
David Cartwright QFSM, Mary Cooke, Ian Dunn,
Robert Evans, Will Harmer, Russell Mellor,
Michael Rutherford, Michael Tickner, Stephen Wells and
Angela Wilkins

Also Present:

Councillor Graham Arthur, Portfolio Holder for Resources,
Commissioning and Contracts Management
Councillor Colin Smith, Leader of the Council

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

Apologies for absence were submitted by Councillor Nicky Dykes.

Councillor Russell Mellor submitted apologies for lateness.

13 DECLARATIONS OF INTEREST

There were no additional declarations of interest.

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

No questions were received.

**15 MINUTES OF THE EXECUTIVE, RESOURCES AND
CONTRACTS PDS COMMITTEE MEETINGS HELD ON 18 MAY
2020 AND 27 MAY 2020 (EXCLUDING EXEMPT ITEMS)**

The minutes of the meetings held on 18th May 2020 and 27th May 2020, were agreed and signed as a correct record.

16 FORWARD PLAN OF KEY DECISIONS

The Committee noted the Forward Plan of Key Decisions covering the period June 2020 to September 2020.

Members noted that final proposals for accommodation arrangements at the Civic Centre had been delayed and would be presented as soon as possible. It was agreed that if any proposals were developed before the end of July there should be a further meeting held in public to consider the proposals.

It was further noted that it was anticipated that a Full Council meeting would take place on 20th July 2020, and this was likely to be a virtual meeting.

17 PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS DUE TO BE CONSIDERED BY THE LEADER OF THE COUNCIL

The Committee considered the following Part 1 reports due to be considered by the Leader of the Council on or after 2nd July 2020.

(1) BUDGET MONITORING 2020/21 Report FSD20053

The report was split into two key elements. Firstly it provided the first budget monitoring position for 2020/21 based on expenditure and activity levels up to the end of May 2020, excluding the financial impact of COVID-19. The report also highlighted any significant variations which would impact on future years as well as any early warnings that could impact on the final year end position. Secondly the report identified latest indications of the financial impact of the COVID-19 situation which, at this stage, needed to be treated with some caution as a result of the ongoing uncertainty arising from moving out of lockdown to transition and ultimately the 'new normal'.

The Director of Finance reported that to date additional funding of £74.8m had been received from Government to support the local response to the COVID-19 pandemic. In addition separate support for business rates was being provided. Members noted that in reality, the full impact of the COVID-19 pandemic was not yet known. There were not just issues with the costs associated with the pandemic; the Council had also experienced a significant loss of income. At the moment the potential funding gap that had been identified stood at £27.9m.

In response to a question concerning recovery of business rates, the Director of Finance explained that the Council would always seek to recover outstanding monies however if there was an impact on the Council it would not be seen immediately but would be evident in 2 or 3 years.

The Director of Finance emphasised that as a Local Authority Bromley was in a strong position to manage the financial challenges due to previous prudent financial management. Members and Officers were lobbying hard on the issue of funding from Central Government to ensure that there was funding for

the full costs of the COVID response as these additional and unexpected costs should not fall to local tax payers.

RESOLVED: That the Leader be recommended to:

Financial Monitoring (excluding COVID-19 impact)

- (a) consider the latest financial position;**
- (b) note that a projected net overspend on services of £1,415k is forecast based on information as at May 2020.**
- (c) consider the comments from Chief Officers detailed in Appendix 2 of the report;**
- (d) note the carry forwards being requested for drawdown as detailed in section 3.3 of the report;**
- (e) note a projected reduction to the General Fund balance of £2,635k as detailed in section 3.4 of the report;**
- (f) note the full year cost pressures of £4.7m as detailed in section 3.5 of the report;**
- (g) agree to the release of £104k from the 2020/21 Central Contingency relating to rough sleepers initiative grant as detailed in para. 3.2.2 of the report;**
- (h) agree that a sum of £80k is set aside as an earmarked reserve from the 2020/21 Central Contingency relating to feasibility study costs surrounding the Walnuts development as detailed in para. 3.2.6 of the report;**
- (i) agree the drawdown of £385k from the Technology Fund Reserve to support the accelerated rollout of IT as detailed in para 3.10 of the report;**
- (j) identify any issues that should be referred to individual Portfolio Holders for further action.**

Estimated Financial Impact of COVID-19

- (k) consider the latest estimated financial impact of COVID-19 situation, detailed in Section 4 of the report, and note the ongoing financial uncertainty position relating to net costs and the current shortfall in Government funding;**
- (l) note that the estimated financial impact of the COVID-19 situation which needs to be treated with some caution at this stage because of the ongoing uncertainty arising from the**

impact moving out of 'lockdown' to transition and ultimately the 'new normal'.

**(2) CAPITAL PROGRAMME MONITORING 2020/2021 (PART 1)
Report FSD20048**

The report summarised the current position on capital expenditure and receipts following the 1st quarter of 2020/21 and sought the Leader's approval to a revised Capital Programme.

RESOLVED: That the Leader be recommended to:

- (a) Note the report, including a total re-phasing of £19,436k from 2020/21 into future years, and agree a revised Capital Programme;**
- (b) Approve the following amendments to the Capital Programme:**
 - (i) Increase of £49.7k to the Devolved Formula Capital scheme,**
 - (ii) Increase of £375k to the Capital Maintenance Budget,**
 - (iii) Increase of £2,237k to the Basic Needs capital scheme,**
 - (iv) Increase of £276k for a BMX track at Hoblingwell Park,**
 - (v) Subject to the approval of funding detailed in the 2020/21 Financial Monitoring report elsewhere on this agenda, an increase of £385k to the IT Transformation capital scheme.**

(4) HOUSING REVENUE ACCOUNT

The supply of social/affordable housing could not keep pace with the level of housing need. The risk of insufficient housing and associated cost of temporary accommodation provision was one of the Council's major risks. Whilst the Council was engaged in a number of work streams to tackle homelessness at source the principle mitigation was to increase housing delivery. The report considered the option of re-opening a Housing Revenue Account (HRA) as an additional tool for the provision of affordable housing.

In response to a question the Director of Housing, Planning and Regeneration confirmed that there were three areas for future reports –

1. Reports arising from the programme for identifying sites and how they would come forward. It was anticipated that these reports would be presented to Members from late September/October onwards.

2. The Operational Business Plan. Again, it was anticipated that initial business plans would be presented to Members from late September onwards with further business plans feeding into the Annual Report.

3. Delivery and ownership. The HRA proposed ownership within a housing revenue account for the Council however there was not the internal expertise to support management and maintenance of units. Consequently a report detailing plans for the procurement of a partner for the basic management and maintenance of the units would be presented to Members from September.

In response to a further question the Director of Housing, Planning and Regeneration confirmed that at this stage the percentage of extra care housing had not been identified as this would form part of the business plan.

The Committee noted that whilst any proposals would include an element of temporary accommodation which would be exempt from Right to Buy, the majority of units would be eligible for the Right to Buy scheme.

The Vice Chairman highlighted that the opening/re-opening of the HRA would allow the Council to access Section 106 monies whereas the previous modular units had not.

RESOLVED: That the Leader be recommended to:

- (a) Approve and recommend to Full Council to approve the setting up of a Housing Revenue Account (HRA) for the provision of affordable housing.**
- (b) Note that future reports will be presented in relation to consideration of business cases for individual schemes, the development of a full HRA business plan and gateway report for the provision of management and maintenance services for any affordable housing units held in the HRA.**

**(5) RESOURCING THE COVID-19 RESPONSE CONTACT TRACING
Report LDCS10151**

Public Health in Bromley had new responsibilities in relation to the COVID-19 outbreak. As such, it was important that Elected Members were aware of these new responsibilities which included - Local outbreak management of COVID-19 in key or complex settings; Local area outreach and engagement with vulnerable, hard-to-reach or disconnected residents, groups and communities; Establishing regional or area networks to provide sharing of intelligence and mutual support if pressure on the national system; Specialist Public Health support to Bromley Council and key local partners.

This report set out how the Council would meet these new responsibilities albeit recognising that Officers were still awaiting further clarity from Central Government on a number of issues.

The Committee noted that the report had been circulated to the Adult Care and Health PDS Committee for comment.

The Director of Finance confirmed that there would be a further report back to Members in three months and by this time there would be a better understanding of the impact of COVID and any action required of the Local Authority. It was noted that the further guidance that was expected from Government would be critical moving forward.

The Chairman stressed the need for a system that would enable the Council to gather the information it needed to be able to quickly pin point where new cases emerged.

The Leader stressed that this was an issue for Local Authorities across the country and was one of, if not the most, sensitive issue for Local Authorities. It was noted that the Portfolio Holder for Adult Care and Health, the Chairman of the Adult Care and Health PDS Committee and the Chairman of the Health and Wellbeing Board were all aware of and attentive to the issues.

RESOLVED: That the Leader be recommended to:

- (a) Note that this is the first assessment of the additional resources needed to execute this function and agree to delegate authority to the Director of Public Health, in consultation with the Portfolio Holder for Adult Care and Health and the Chairman of the Health and Wellbeing Board, to incur expenditure up to £100k from the ring fenced grant of circa £1.370m awarded to the Local Authority.**
 - (b) Note that under the Health and Social Care Act 2012, Directors of Public Health in local authorities have a duty to prepare for and lead the local authority public health response to incidents that present a threat to the public's health. This will include the Bromley Outbreak Control Plan and the local authority role in Test and Trace.**
 - (c) Request that this report is followed up with another report on Contact Tracing in three months.**
- (9) CONTRACT FOR THE PROVISION OF AGENCY WORKERS
(PART 1)**

The Council's current arrangement with Adecco for the supply of agency workers was due to expire on 21st April 2021. There was no provision in the contract for further extension. The report provided Members with an

overview of the future options that had been reviewed and the reasoning behind recommendations. The accompanying Part 2 report provided detail on the proposed award of contract.

RESOLVED: That the Leader be recommended to agree the award of contract via a compliant framework, as detailed in the accompanying Part 2 report, for the supply of agency staff.

(12) AUTHORISATION TO PROCEED TO PROCUREMENT: ENERGY SERVICES

(On the basis that the reason for the classification of the report as Part 2 (Exempt from Publication) could not be established, and following legal advice from the Head of Legal Services, the Committee took the decision to consider the report in Part 1 of the meeting)

The London Borough of Bromley (LBB) Electricity and Gas supply contracts were coming to an end on 30 September 2020. Energy supplies were currently procured via a broker – Laser. The current suppliers for LBB's electricity and gas, procured via the broker, were Npower and Total Gas respectively. The report sought approval from the Leader to proceed to procurement for energy supplies, via a mini competition from a compliant framework. The framework would be accessed, and the mini competition run on behalf of the Council, via direct award to the relevant broker for the framework. The proposed procurement route would provide LBB with the opportunity to compare tariffs from different energy suppliers and choose cost effective rates to reduce utility costs. It would also provide LBB with clearer information on energy usage and costs, enabling the Council to demonstrate and achieve transparency in energy and carbon reporting. Furthermore, it would provide LBB with access to key data needed to take corrective actions to reduce the Council's energy consumption and carbon.

Members suggested that two key performance indicators (KPIs) should be considered for inclusion in the contract were:

- If gas and/or electricity supplies at Council sites were to be cut off it needed to be re-established within 24 hours.
- A KPI around green energy to support the Council to reach its Net Zero Carbon target.

The Committee requested that the Energy Manager circulate to the Committee Key Performance Indicators (KPIs) prior to the Leader taking his decision.

RESOLVED: That the Leader be recommended to

- (a) Approve proceeding to procurement for supply of electricity and gas via a utility brokerage service with access to the Countess of Chester Hospital Commercial Procurement Services framework**

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(F021) for a contract duration of 5 years. The current annual energy consumption spend of LBB is approximately £2.6m giving an estimated 5-year contract value of £13m;

(b) Approve award of contract, via exemption from competitive tendering, to Inspired Energy for the provision of utility brokerage to LBB for a duration of 5 years, at a whole life value of £32,310 (annual value £6,462), enabling access to the F021 framework and for Inspired Energy to procure energy supplies from the framework via a mini-competition;

(c) Note that a separate report seeking authorisation to award a contract via the framework will be submitted in due course, following completion of the mini-competition process via the utility broker;

(d) Note that financial figures in this report are estimates and known conditions of LBB energy portfolio at the time of the report, seasonal variations in consumption and subject to suppliers' terms and conditions.

**18 BENEFITS SERVICE MONITORING REPORT AND COUNCIL TAX SUPPORT REDUCTION 2021/22
Report FSD20049**

The report provided information regarding the performance of the benefit services provided by Liberata during the period 1 October 2019 to 31 March 2020. A letter from Amanda Inwood-Field, Liberata's London Regional Contract Director, was attached as Appendix 1. This communication provided Liberata's perspective on performance, together with an update on initiatives to be introduced in the coming months.

In response to a question concerning how the £1,814,229 allocated to Bromley by the Government in response to COVID-19, to support "economically vulnerable people and households in [the] local area", had been distributed, the Assistant Director for Exchequer Services explained that the funding would be distributed to those already in receipt of Council Tax Support this year. The funding had been earmarked and the Council was awaiting a script from its Benefit Service software suppliers to enable the automatic distribution of the funding.

Members noted that the recovery of any overpayments required a lot of time and effort but that the Council was successful in terms of recovery of overpayments. It was noted that the COVID-19 pandemic had an impact on all elements of recovery.

The Committee requested that a short update on the impact of COVID-19 on the Benefits Service be provided at the September meeting.

Turing to the consultation on the Council Tax Support/Reduction Scheme the Committee agreed that the Portfolio Holder should be recommended to agree that Option 3 (the continuation of the scheme currently in place) should form the basis of the consultation for the 2021/2022 scheme.

RESOLVED: That

- 1. The report and letter provided by Liberata be noted;**
- 2. The Portfolio Holder be recommended to agree that a consultation exercise be held in August 2020 for the Authority's 2021/22 Council Tax Support/Reduction scheme based on the scheme being the same as currently in place (i.e. the maximum contribution of working age claimants remaining at 25% of a household's Council Tax liability).**

**19 REVENUES SERVICE MONITORING REPORT
Report FSD20050**

The report provided information regarding the performance of the Revenues Services provided by Liberata for the six months from 1 October 2019 to 31 March 2020. A letter from Amanda Inwood-Field, Liberata's London Regional Contract Director, provided an update on each individual service and was attached at Appendix 1 to the report with statistical data relating to the Revenues Service attached at Appendix 2.

The Committee noted that it has been a particularly difficult year in terms of recovery. The variance in the amount that was collectable compared to the amount collected could be attributed to the cancellation of the March court hearing date. This was compounded by the more sympathetic approach to recovery that had been required during the period of COVID-19 lockdown. Members were provided with assurances that there was an expectation that any outstanding monies would be recovered and collected.

RESOLVED: That the report be noted.

**20 EXCHEQUER SERVICE - CONTRACT PERFORMANCE
REPORT
Report FSD20051**

The report provided information regarding Liberata's performance in the provision of Exchequer Services for the period 1st April 2019 to 31st March 2020. A letter from Amanda Inwood-Field, Liberata's Contract Director, provided an update on each individual service and was attached at Appendix 1 to the report with statistical data relating to the services shown in subsequent appendices.

RESOLVED: That the report be noted.

**21 CUSTOMER SERVICES CONTRACT MONITORING REPORT
Report CSD20073**

The report provided information on the performance of the Customer Service Contract provided by Liberata for the period 1st December 2019 to 31st May 2020. A letter from Amanda Inwood-Field, Contract Director for Liberata, provided an update on each individual element and was attached at Appendix 1 to the report.

Members noted that the slight drop in performance in respect of answering calls in February 2020 arose from the high winds experienced in that month. As a result of the high winds there were a number of trees down across the Borough and this resulted in a larger volume of calls.

RESOLVED: That the report be noted.

**22 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**

23 EXEMPT MINUTES OF THE MEETING HELD ON 18 MAY 2020

The Part 2 (exempt) minutes of the meeting held on 18th May 2020 were agreed, and signed as a correct record.

**24 PRE-DECISION SCRUTINY OF EXEMPT EXECUTIVE
REPORTS DUE TO BE CONSIDERED BY THE LEADER OF
THE COUNCIL**

The Committee considered the following Part 2 (exempt) reports due to be considered by the Leader of the Council on or after 2nd July 2020.

(11) CONTRACT FOR THE PROVISION OF AGENCY WORKERS (PART 2)

The Committee considered and discussed the Part 2 information contained within the report and made recommendations to the Leader.

**(13) TRANSFORMING PROPERTY SERVICES
Report HPL2020/001**

The Committee considered and discussed the report and made recommendations to the Leader.

**(14) MANAGEMENT OF PROPERTY INVESTMENT PORTFOLIO
Report HPR2020/014**

The Committee considered and discussed the report and made recommendations to the Leader.

(15) CAPITAL PROGRAMME MONITORING 2020/21 - APPENDIX E (PART 2)

The Committee noted the Part 2 appendix.

The Meeting ended at 8.14 pm

Chairman