

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

Minutes of the meeting held at 6.30 pm on 3 February 2021

Present:

Councillor Simon Fawthrop (Chairman)
Councillor Christopher Marlow (Vice-Chairman)
Councillors Gareth Allatt, Julian Benington,
David Cartwright QFSM, Mary Cooke, Ian Dunn,
Nicky Dykes, 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 Kira Gabbert, Executive Assistant for
Resources, Commissioning and Contracts Management
Councillor Colin Smith, Leader of the Council
Councillor Pauline Tunnicliffe

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

Apologies for lateness were received from Councillor Robert Evans and
Councillor Nicky Dykes.

88 DECLARATIONS OF INTEREST

There were no declarations of interest.

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

There were no questions.

**90 MINUTES OF THE EXECUTIVE, RESOURCES AND
CONTRACTS PDS COMMITTEE MEETING HELD ON 6
JANUARY 2021 (EXCLUDING EXEMPT ITEMS)**

The minutes of the Executive, Resources and Contracts PDS Committee
meeting held on 6 January 2021, were agreed and signed as a correct record.

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A Member sought clarification around whether the Committee had the power to take decisions concerning whether public oral questions should be permitted at meetings or whether the Committee was required to make a recommendation to Full Council. The Chairman noted that it had been clear from the discussion at the last meeting that the view of the Committee had been that public oral questions should be allowed.

The Legal Advisor to the Committee confirmed that the Executive had the power to take decisions relating to Executive meetings, Full Council had authority to take decisions for all other meetings. PDS Committees could make recommendations to Full Council concerning arrangements for public questions at meetings. It was agreed that the Legal Advisor would consider the issues further and provide a response following the meeting.

91 MATTERS OUTSTANDING AND WORK PROGRAMME

Report CSD21019

The report dealt with the Committee's business management including matters outstanding from previous meetings and the proposed work plan for the remainder of the year.

The Vice-Chairman noted that he was not aware that a letter had been sent to all Schools setting out the S.106 Funding available to them. The Committee requested that this be actioned by the Assistant Director for Planning as soon as possible, noting that it should remain on the Matters Outstanding report until the letter had been sent.

RESOLVED: That the report be noted and that the Matters Outstanding Report be updated as appropriate.

92 FORWARD PLAN OF KEY DECISIONS

The Committee noted the Forward Plan of Key Decisions covering the period February 2021 to May 2021.

93 RESOURCES, COMMISSIONING AND CONTRACTS MANAGEMENT PORTFOLIO - PRE-DECISION SCRUTINY

The Committee considered the following reports where the Resources, Contracts and Commissioning Portfolio Holder was recommended to take a decision.

**94 TREASURY MANAGEMENT - ANNUAL INVESTMENT
STRATEGY AND QUARTER 3 PERFORMANCE 2020/21
Report FSD21011**

This report summarised Treasury Management activity during the third quarter of 2020/21 and presented the Treasury Management Strategy and the Annual Investment Strategy for 2021/22, which were required by the CIPFA Code of Practice for Treasury Management in the Public Services to be approved by the Council. The report also included prudential indicators and the MRP (Minimum Revenue Provision) Policy Statement, both of which required the approval of Council. For clarification, the Council was required by statute to agree and publish prudential indicators, primarily to confirm that the Council's capital expenditure plans were affordable and sustainable. As Members were be aware, Bromley did not currently borrow to finance its capital expenditure and, as a result, many of the indicators did not have any real relevance for the Council. The 2020/21 strategy was agreed by Council in February 2020, and there was a change proposed to increase the limit invested with Housing Associations from £50m to £80m.

In response to a question, the Director of Finance explained that contributions for housing had been set aside in ear marked reserves if there was a requirement to make purchases during the year in terms of development and work that had already been undertaken. The housing fund, when it was set aside, was linked to the costs towards purchase and building costs. The key principle was that the Council did not want to overdraw and often it was a matter of a time issue of money coming in front Government and when it could be paid out if it took time to put in place grant conditions. The Chairman added that as a general rule any major purchases should be subject to scrutiny.

The Vice-Chairman highlighted the proposal to increase the ceiling on Housing Association investments from £50m to £80m which would generate a significant increase in returns for a low increase in risk. However, the Housing Association loans were not liquid investments and the Director of Finance provided reassurance that there were sufficient funds available to meet the commitment.

The Committee noted that where the Local Authority was fortunate was its access to temporary borrowing which the Director of Finance suggested was advantageous than penalties with withdrawing funds as this could cause reputational damage.

RESOLVED: That the Portfolio Holder be recommended to

- a) note the report;**
- b) note the Treasury Management performance for the third quarter of 2020/21;**

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- c) **note the further advances to Project Beckenham Ltd extending the arrangement previously agreed by Members, as set out in Section 3.4.3;**
- d) **recommend that Council approves an increase in the limit to £80m for investments with Housing Associations, as set out in Section 3.5.5;**
- e) **recommend that Council agrees to adopt the Treasury Management Statement and the Annual Investment Strategy for 2021/22 (Appendix 4) including the prudential indicators (summarised on page 47) and the Minimum Revenue Provision (MRP) policy statement.**

**95 POLICY: PUBLIC PROCUREMENT UPDATE
Report CSD21022**

The report provided an update on recent public procurement policy developments and Members noted that a key message of the report was that recent changes in UK procurement policy built on the local rules already in place in Bromley.

In response to a question, the Assistant Director Governance and Contracts explained that all Local Authorities were subject to the Social Value Act 2012 and factors such as sustainability or supporting the local economy should be considered as part of any procurement process. . The optimum combination of price and quality was the key driver for any procurement process which allows Social Value considerations to be considered without undermining Value for Money. Members noted that any social value had to be tailored to the individual tender and would form part of the Gateway approach.

The Committee noted that all advertised tenders were published on the London Tenders Portal, which was free for any business to sign up to. It was agreed that details of the London Tenders Portal and the Local Procurement Rules would be circulated to all Members following the meeting. In addition, the Assistant Director agreed to investigate whether it would be possible to advertise tenders on the Council website, although it was noted that there would be a resource implication.

In concluding the discussion, the Chairman stressed that value for money should be a key indicator on the value derived from tenders.

RESOLVED: that the Portfolio Holder be recommended to note the report and endorse the proposed arrangements for response to the Green Paper: Transforming Public Procurement as set out in the report.

96 PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS

The Committee considered the following reports on the Part 1 agenda for the meeting of the Executive on 10 February 2021:

5 2021/22 COUNCIL TAX Report FSD21008

This report identified the final issues affecting the 2021/22 revenue budget and sought recommendations to the Council on the level of the Bromley element of the 2021/22 Council Tax and Adult Social Care precept. Confirmation of the final GLA precept would be reported to the Council meeting on 1 March 2021. The report also sought final approval of the 'schools budget'. The approach reflected in the report was for the Council to not only achieve a legal and financially balanced budget in 2021/22 but to have measures in place to deal with the medium term financial position (2022/23 to 2024/25). The Committee noted that with the Government reductions in funding since austerity measures began, the burden of financing increasing service demands fell primarily on the level of council tax and share of business rate income. The financial forecast assumed that the level of core grant funding would remain unchanged in future years.

Noting the 9.5% increase proposed by the GLA, a Member suggested that rather than raising the precept by this amount, the GLA should consider where savings could be made.

RESOLVED: That Executive be recommended to

- 1. Approve the schools budget of £79.506m which matches the estimated level of Dedicated Schools Grant (DSG), after academy recoupment;**
- 2. Approve the draft revenue budgets (as in Appendix 2) for 2021/22;**
- 3. Agrees that Chief Officers identify alternative savings/mitigation within their departmental budgets where it is not possible to realise any savings/mitigation reported to the previous meeting of the Executive held on 13th January 2021;**
- 4. Approve a contingency sum of £14,925k (see section 6);**
- 5. Approve the following provisions for levies for inclusion in the budget for 2021/22;**

	£'000
London Pension Fund Authority*	464
London Boroughs Grant Committee	247
Environment Agency (Flood defence etc.)	262

*

Lee Valley Regional Park *	321
Total	1,294
* Provisional estimate at this stage	

- 6. Note the latest position on the GLA precept, which will be finalised in the overall Council Tax figure to be reported to full Council;**
- 7. Consider the “Bromley element” of the Council Tax for 2021/22 to be recommended to the Council, including a general increase and the Adult Social Care Precept, having regard to possible ‘referendum’ issues;**
- 8. Approve the approach to reserves outlined by the Director of Finance;**
- 9. Note that any decision on final council tax levels will also require additional “technical” recommendations, to meet statutory requirements, which will be completed once the final outcome of levies are known at the full Council meeting (see 16.9);**
- 10. Agree that the Director of Finance be authorised to report any further changes directly to Council on 1st March 2021.**

**6 CAPITAL PROGRAMME MONITORING Q3 2020/21 AND CAPITAL STRATEGY 2021-25
Report FSD20099**

The report updated the Council’s Capital Strategy. It also summarised the current position on capital expenditure and receipts following the third quarter of 2020/21 and presented for approval the new capital schemes in the annual capital review process. The Executive was asked to consider the updated Capital Strategy and approve a revised Capital Programme.

In response to a question, the Director of Finance confirmed that in respect of the Civic Centre Improvement programme, the report was at this stage seeking to set aside money in the capital programme. The final report would set out the extent of capital expenditure required.

RESOLVED: That the Executive be recommended to

- 1. Note the report, including a total re-phasing of £3,764k from 2020/21 into future years, and agree a revised Capital Programme;**
- 2. Approve the following amendments to the Capital Programme:**
 - (i) Increase of £290k to the Disabled Facilities Grant**

3. Recommend to Council the inclusion of the new scheme proposals listed in Appendix C in the Capital Programme.

**16 BLENHEIM SHOPPING CENTRE - FREEHOLD DISPOSAL
Report CSD21023**

New River Retail ('NRR') had approached the Council to acquire the freehold so that they can develop above at Blenheim Shopping Centre, Penge, at which NRR own the long leasehold interest.

In opening the discussion, the Chairman suggested that the approach set out in the report appeared to be sensible.

The Committee noted that all three of the local ward councillors were opposed to the proposals with key concerns focusing on the loss of car parking which would have a significant impact on all of the businesses in the high street.

Members noted that the planning issues associated with the proposals had to remain entirely separate to the decision to sell, which was a commercial decision. It was further noted that in agreeing the sale price the Council had to satisfy Section 123 obligations and following advice from independent consultants, Officers were satisfied that best value had been secured.

The Chairman proposed that the Executive be recommended to agree to the sale of the freehold of the Blenheim Shopping Centre to NRR on the terms detailed in the accompanying Part 2 Report of the same title, noting the contents of this report specifically to the proposed Method of Assessment. The motion was seconded by Councillor Allatt, put to the Vote and CARRIED. (Councillors Dunn and Wilkins requested that their vote against the motion be recorded.)

RESOLVED: That the Executive be recommended to agree to the sale of the freehold of the Blenheim Shopping Centre to NRR on the terms detailed in the accompanying Part 2 Report of the same title, noting the contents of this report specifically to the proposed Method of Assessment.

97 SCRUTINY OF THE CHIEF EXECUTIVE

The Chief Executive, Mr Ade Adetosoye, attended the meeting to respond to questions from the Committee. A written update for the Committee had been circulated as part of the agenda papers and Members thanked the Chief Executive for the update commending him on the quality of the report and the information provided. Mr Adetosoye responded to questions, making the following comments –

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- The Council's Strategic Leadership Team had been reflecting on the key challenges arising from the Covid pandemic that had been faced by the Council. It had to be recognised that as a nation we were still in the middle of the pandemic and as such time had been set aside in the middle of March 2021 to enable a period of reflection. In terms of lessons learnt from the very early days of the pandemic, a key challenge that would be set for the senior leadership post pandemic was to reflect on what the Local Authority could do to recognise and better utilise the 4,500 residents who had volunteered to support and help the Council. Members noted the importance of recognising this key asset.
- The Chief Executive also highlighted the need going forward to continue to preserve the increased use of IT. Over the course of the last 12 months technology had played a key role in the uninterrupted delivery of services to residents. Members noted that the previous day the Chief Executive had hosted an "Ask the Chief Executive" webinar attended by over 300 members of staff. The value of this could not and should not be underestimated and needed to be harnessed going forward.
- Covid was a Public Health pandemic and Bromley was a Public Health Authority and as such had been doing all it could to support health partners in their response to the pandemic. The key role of the Local Authority was to amplify and support partners across the NHS. Supporting the national vaccination programme was one way the Local Authority could play its part in tackling the pandemic and consequently going forward the Great Hall at the Civic Centre would be used as a mass vaccination centre. The current delivery date for the Vaccination Centre was 1st March 2021, but this date would be brought forward if at all possible. The Vaccination Centre would be open 7 days a week from 8am to 8pm with 40 volunteers and 10 seconded staff supporting colleagues in the NHS to deliver the roll out of vaccinations.
- There was a legal requirement for the Local Authority to ensure its front-line health and social care staff were adequately protected. As part of this support was provided to priority front line staff to ensure that they were able to access a vaccination where appropriate.
- Over 90% of the 700 laptops from Central Government to support home learning had been distributed. Bromley had not seen some of the problems that had been reported in the national media and the Local Authority had been able to support its vulnerable children and young people. Members also noted that through colleagues in IT, it had also been possible to replace broken laptops.
- The Committee noted that all staff who left the Council were offered an exit interview with the Director of HR conducting the interviews for social workers who departed. The reasons for staff leaving were regularly reviewed and the Chief Executive confirmed to Members that there were no worrying trends.
- Members recognised the importance of the 2021 Census, future funding and how services were planned and configured depended on

the numbers captured in the census therefore it was in the interests of the Local Authority to encourage local residents to engage with the Census process. In 2011, Bromley had achieved an excellent 95% response rate and planning had begun in order to deliver a similarly high response rate in 2021. However, there was a clear need to focus on the remaining 5%. The Council was working with the Office for National Statistics (ONS) and intensive communication campaigns were being developed. The need to utilise the connectivity of elected representatives was also recognised, especially in relation to engagement with those communities who were harder to reach. This year, the challenge from Central Government was to have 90% of the Census completed electronically and the Chief Executive confirmed that he was confident this target could be achieved.

- The Digital Roadmap would address the key challenge of how public services could be transformed within a digital space. An important part of this would be to identify the key investment drivers for delivering improved services to residents. The Chief Executive anticipated that colleagues would be in a position to present the Digital Strategy to Members by September 2021. The Chairman noted that there were a number of opportunities to utilise technology to harness public involvement in public services. One such area was easier access to Council meetings held in public – with the live streaming of meetings meaning that it was more convenient for members of the public to engagement with the Council decision making process. Members noted that data around the numbers viewing meetings was being collected and the Chairman suggested that it would be helpful for the Committee to have sight of the data.
- The Director of HR was the Council lead on equality, diversity and inclusivity supported by a number of colleagues across the Council including the Head of Performance Management and Business Support who lead on the interface with the voluntary sector. It was agreed that further information would be sent to the Committee following the meeting.
- A report had been commissioned on the future of Town Centres in the Borough with there being a clear role for the Local Authority to shape the Town Centre agenda. Along with key partners, such as the Business Improvement Districts (BIDS) and elected members representing town centre wards, it was hoped that plans could be developed to shape the future of town centres. Post-Covid, town centres would play a fundamental role in delivering the national recovery and a return to some form of normality. The Chairman also stressed the need to ensure that representations were made to Central Government around the proposals for permitted development rights in town centres. It was highlighted that the proposals could have unintended and lasting consequences.
- The Chief Executive sincerely hoped that the progress around addressing the issue of rough sleepers would continue post-Covid. One of the key issues was that of funding and since the start of the pandemic support from Central Government had increased. It was

hoped that funding would continue to enable the progress made to date to be maintained. Members noted the commitment to continue to provide alternative accommodation to rough sleepers whilst recognising that in some circumstances there was an element of individual choice.

The Chairman stressed the importance of everyone taking up the offer of a vaccine when it was made. It was not only in the interests of the individual to get vaccinated; it was in everyone's interests as vaccination was the only way in which the impact of Covid-19 could be addressed in the long-term.

The Committee thanked the Chief Executive for his informative and helpful update.

98 SCRUTINY OF THE RESOURCES, COMMISSIONING AND CONTRACT MANAGEMENT EXECUTIVE ASSISTANT

The Executive Assistant to the Resources, Commissioning and Contracts Management Portfolio, Councillor Kira Gabbert, attended the meeting to respond to questions from the Committee. The Members noted the updated that had been circulated prior to the meeting and Councillor Gabbert responded to questions, making the following comments:

The Committee noted that progress was being made with plans for the solar farm. Two models were being considered, one with battery storage and one without battery storage. The life of the solar farm equipment was 25-30 years and the payback time would be 16-17 years so the project would need to be approached with caution. In terms of cost, one option was costs just over £3m with the other option double that. The issue of the green belt was key and the project would be approached in stages. The Committee noted that a number of council's across the Country had been able to make a case for this form of development on the green belt, it was also important to remember that at the end of the project the solar farm could be dismantled and the land would remain intact. The Executive Assistant hoped to have a fully developed business model within the next few weeks. Any further progress would be dependent on the planning process. The Chairman highlighted the importance of site security and suggested that any costs associated with this should be included in calculations from the outset.

The Committee thanked the Executive Assistant for her update.

99 PROPERTY INVESTMENT UPDATE Report CSD21021A

The London Borough of Bromley investment portfolio comprised an investment fund totalling 21 assets with a total value of circa £73m which currently generated in the region of £5.3m pa. The purpose of the report was

to appraise Members of this Portfolio's performance within in the context of the national impacts on property currently being experienced as result of the Covid Pandemic together with other economic factors. In addition, the report provided details as to the governance around the management of the portfolio.

In opening the debate, the Chairman highlighted the value of the report as it enabled Members to understand the position of the Council's investment.

Prior to the meeting Officers had circulated further clarification as to what was meant by the term 'moral obligations as a public sector landlord' with the Head of Estates and Asset Management confirming that this has been interpreted to mean that the Council had the right to invest in any business which was able to legally operate within the UK. The Chairman indicated that his belief was that there should be a focus on a public interest test rather than a 'moral obligation' as a public interest test would be more objective.

The Committee had a lengthy debate around the issue with a number of Members expressing opposing views. Members suggested that the obligation of the Council as a public sector landlord went far beyond a public interest test and that the Local Authority did have responsibility in terms of its property ownership. However, the Vice-Chairman, in support of the position advanced by the Chairman, stressing the importance of considering the key purpose of the Council's property portfolio which was to maximise return in order to fund the services the Council provided to its residents. The property investment portfolio was primarily a financial arrangement.

In response to a question, the Head of Estates and Asset Management explained that rental yields had increased as a result of the fall in capital value. The Committee noted that statutory valuations were due to be completed by March 2021.

Members noted that the procurement process for a professional investment provider was underway and once the process had been completed the process of 6-month rolling reviews would commence. The Strategic Plan would be developed after the initial review had been completed.

The Portfolio Holder for Resources, Commissioning and Contracts Management suggested that it would be helpful to establish how the Property Investment Advisory Board will feed into the existing decision making processes to ensure that work was not duplicated and that the best use was made of officer time. The Committee asked that the Property Division work with the Portfolio Holder to identify the best approach going forward.

The Committee noted that the income reflected in the report focused on specific properties and was not reflective of all the Council's investment properties. It was suggested that that a further update on this, and any further reductions in rent, be provided to Members following the meeting.

A Member stressed that overall, the Council's property investment programme had been 'outstandingly successful' and had delivered exactly what it was required to deliver. However, in recent years there had been a downturn in the retail sector and it was now important to identify alternative revenue streams for the Council, particularly in respect of an industrial strategy. In response the Director of Finance explained that going forward the priority for the investment fund and the growth fund would be for housing and economic recovery. In terms of the property portfolio, it would be prudent to undertake a review of the portfolio in order to identify whether there were any opportunities to add value and as such whether any changes were required.

RESOLVED: That the report and the comments made by the Committee be noted.

**100 CONTRACTS REGISTER AND CONTRACTS DATABASE
UPDATE
Report 210001**

The report presented February 2021's Corporate Contracts Register for consideration. The Committee noted the Part 2 (exempt from publication) commentary.

Members congratulated the Assistant Director for Governance & Contracts on the exceptional quality of the report which clearly set out the key points.

In response to a question, the Assistant Director confirmed that the Procurement Board reviewed the timetable for every significant contract in order to ensure that decisions were able to be taken in a timely manner. Last year, early action was taken where a procurement exercise would normally be commencing and it was felt that there was evidence that it could be disrupted due to the capacity of either staff or the provider market and their ability to respond, early alternative procurement action was taken to extend contracts beyond term as appropriate. The situation was ongoing, and Officers were in the process of revisiting every contract to identify whether further adjustments were made whilst being mindful for future capacity issues to ensure that a bottleneck was not created in the future.

The Committee endorsed the proposed changes to the contracts register to make the register more meaningful to the audience.

RESOLVED: That

- 1. The Contracts Register be noted, and**
- 2. The recommendations for changes to the format of the report be endorsed.**

**101 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**

**102 PRE-DECISION SCRUTINY OF EXEMPT EXECUTIVE
REPORTS (IF ANY)**

The Committee considered the following reports on the Part 2 agenda for the meeting of the Executive on 10 February 2021:

**24 BLENHEIM SHOPPING CENTRE - FREEHOLD DISPOSAL
Report CSD21023**

The Committee noted the report and supported the recommendations.

**25 CAPITAL PROGRAMME MONITORING Q3 2020/21 AND CAPITAL STRATEGY
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The Committee noted the Part 2 appendix.

103 PART 2 PROPERTY INVESTMENT UPDATE

The Committee noted the part 2 (exempt from publication) information presented in the report.

The Meeting ended at 9.02 pm

Chairman