

EXECUTIVE, RESOURCES AND CONTRACTS POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Minutes of the meeting held at 7.00 pm on 22 June 2022

Present:

Councillor Simon Fawthrop (Chairman)
Councillor Shaun Slator (Vice-Chairman)
Councillors Jeremy Adams, Mark Brock,
David Cartwright QFSM, Robert Evans, Kira Gabbert,
Julie Ireland, Simon Jeal, Jonathan Laidlaw,
Ruth McGregor, Tony Owen, Will Rowlands and
Mark Smith

Also Present:

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

11 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies for absence were received from Councillor Melanie Stevens.

12 DECLARATIONS OF INTEREST

There were no additional declarations of interest.

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

No questions were received.

14 MINUTES OF THE EXECUTIVE, RESOURCES AND CONTRACTS PDS COMMITTEE MEETING HELD ON 24 MAY 2022 (EXCLUDING EXEMPT ITEMS)

In considering the minutes, the Portfolio Holder requested that his attendance at the meeting held on 24 May 2022 be recorded.

In response to a question by a Member on Minute 7: Pre-Decision Scrutiny of Executive Reports, the Head of Compliance and Strategy confirmed that food vouchers issued via the Bromley Household Support Fund could be used in a broad range of large and small supermarkets. This did not include every food retailer in the Borough, but feedback received to date indicated that this had not caused a barrier to using the vouchers.

RESOLVED: That the minutes of the Executive, Resources and Contracts PDS Committee meeting held on 24 May 2022 (excluding

exempt information) be agreed and signed as a correct record, subject to the above amendment.

**15 MATTERS OUTSTANDING AND WORK PROGRAMME
Report CSD22072**

The report dealt with the Committee's business management including the proposed work plan for the 2022/23 municipal year.

In considering Minute 6: Forward Plan of Key Decisions, the Chairman observed that the work programmes of individual committees provided a good indication of items coming forward for consideration beyond the approximate 3-month period covered by the Forward Plan.

RESOLVED: That matters outstanding and the work programme be noted.

16 FORWARD PLAN OF KEY DECISIONS

The Forward Plan of Key Decisions presented key and private Executive decisions covering the period June 2022 to September 2022.

RESOLVED: That the Forward Plan of Key Decisions be noted.

**17 SCRUTINY OF THE PORTFOLIO HOLDER FOR RESOURCES,
COMMISSIONING AND CONTRACTS MANAGEMENT**

The Portfolio Holder provided an update on work underway across the Resources, Commissioning and Contracts Portfolio.

The Portfolio Holder was pleased to announce that the Local Authority's new website had recently been launched. A Member queried what work had been done to ensure the new website met all disability requirements, and the Portfolio Holder confirmed that the software included a range of accessibility measures and that further details of this would be provided to Committee Members following the meeting. Another Member raised an issue with the search function on the website and this would be taken back to the Bromley Knowledge team to resolve.

In considering financial matters, the Portfolio Holder advised that Liberata had agreed to increase its costs by inflation less 1.2 percentage points which was a non-contractual benefit. Similar work was being undertaken across other services and contracts where possible to help minimise the impact of inflationary pressures on the Local Authority. The Local Authority's accounts for 2016/17 and 2017/18 had recently been definitively signed off following the resolution of a complex objection for which legal advice had been sought. Members of the public were able to raise any issue with regard to the Local Authority's accounts during the audit process which precluded them from

definitively signed off until settled, and work was ongoing to settle any remaining issues on the accounts for subsequent years.

In response to a question from a Member on the Government-funded £150 council tax rebate, the Assistant Director of Exchequer Services explained that the majority of rebates had been issued but that the refund process was more complex for those who did not use Direct Debit as a spotlight check was required to compare bank details with the Council tax account. Full details on the progress in issuing the rebate would be provided to Members following the meeting. A Member queried whether an incentive scheme would increase the use of Direct Debit by those completing transactions with the Local Authority, and the Portfolio Holder confirmed that work was underway to explore how uptake of Direct Debit could be increased.

RESOLVED: That the update be noted.

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

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

A TREASURY MANAGEMENT - ANNUAL REPORT 2021/22 Report FSD22037

The report presented the provisional final outturn for the Local Authority at both Portfolio and Council-wide level for the 2021/22 financial year, including a £290k increase in General Fund balances, subject to the recommendations in the report being agreed. The report also set out the potential implications of the Council's financial position for the 2022/23 financial year.

The Chairman welcomed the annual Treasury Management report which outlined £13M revenue that the Local Authority had generated via its investments in the 2021/22 financial year to be reinvested in service provision. It was noted that a number of the Local Authority's loans had recently or would shortly mature and, as interest rates were increasing, it was planned to reinvest these funds in short-term investments. Alternative investments were also used by the Local Authority including the CCLA Local Authority Property Fund, which was a successful low risk, long-term investment that generated significant capital. A Member underlined the need for the Local Authority to uphold environmental, social and governance standards in its treasury management and the Chairman confirmed that the Local Authority's investments were all made to banks or other parties based in the UK to which UK rules were applied and regulated by the Bank of England. The Chairman further noted that the Local Authority had a fiduciary duty to invest in funds with a reasonable rate of return. A Member welcomed a loan to Project Beckenham which was a very secure loan made in June 2017 at a good rate

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of interest and had supported the provision of temporary accommodation within the Borough.

In response to a question from a Member, the Director of Finance explained that from 2018/19, Local Authorities had been required to account for financial instruments in accordance with IFRS9 which required changes in the capital value of pooled fund investments to be recognised in revenue in-year. Regulations providing a statutory override to reverse the impact of IFRS9 on the Local Authority's General Fund were subsequently introduced in December 2018 and would expire in March 2023, after which it was intended for movements in value to be recognised in-year. In preparation for this change and due to the potentially volatile nature of these investments, interest/dividend earnings above 2.5% for 2018/19 and 2019/20 and above 2% for 2020/21 and 2021/22 had been set aside in an Income Equalisation earmarked reserve to protect the Local Authority against unexpected variations in the capital value of these investments and any timing issues as the statutory override ceased.

RESOLVED: That the Portfolio Holder be recommended to:

- **Note the Treasury Management Annual Report for the 2021/22 financial year;**
- **Approve the actual prudential indicators within the report; and,**
- **Note the publication of the revised Treasury Management and Prudential Codes, with formal adoption required in 2023/24.**

**B CONTRACT VARIATION FOR ORACLE FUSION IMPLEMENTATION
Report FSD22046**

The report requested a variation of up to £150k to the Namos contract be agreed for the implementation of Oracle Fusion for Finance and Procurement functions as detailed in paragraph 3.3.4 of Report FSD22046.

In response to a question from a Member, the Director of Finance advised that the agreed licenses for Oracle Fusion included the additional modules detailed in the report. Following the successful delivery of the core financial system it was planned to implement these modules to add additional functionality into the system. The Local Authority had secured a very advantageous price for its Oracle Fusion licenses and the Chairman thanked Bromley staff for their excellent work in implementing the new software effectively.

RESOLVED: That:

- **A post-completion review be presented to Members by the end of the 2022/23 financial year; and,**

- **The Portfolio Holder be recommended to agree a variation of up to £150k to the Namos contract for the implementation of Oracle Fusion for Finance and Procurement functions as detailed in paragraph 3.3.4 of Report FSD22046.**

19 PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS

The Committee considered the following reports on the Part 1 agenda for the meeting of the Executive on 29 June 2022.

(5) PROVISIONAL FINAL ACCOUNTS Report FSD22052

This report presented the provisional final outturn for the Local Authority at both Portfolio and Council-wide level for the 2021/22 financial year, including a £290k increase in General Fund balances, subject to the recommendations in the report being agreed. The report also set out the potential implications of the Council's financial position for the 2022/23 financial year.

The Director of Finance introduced the report and advised that the inflated balances in earmarked reserves was due to the early receipt of Section 31 grant from government of £45,125k for business rate relief which would be fully utilised to fund costs accounted for in the 2022/23 financial year. The cost of children's social care, particularly at the higher end of need, was a current and growing pressure to the Local Authority culminating in an increase of circa £2M in costs in the last six months. There was a deficit of -£7,142k in Dedicated Schools Grant reserve which reflected the shortfall in funding Special Educational Needs and Disabilities education provision. The Local Authority was not permitted to meet any such shortfall via its General Fund and the Children, Education and Families PDS Committee would continue to closely monitor the deficit.

A Member queried an underspend in the public health budget during the 2021/22 financial year. The Director of Finance explained that to maximise its resources, the Local Authority had prioritised expenditure of COVID-19 funding over ringfenced public health funding and that this approach would be scrutinised by the Adult, Care and Health PDS Committee in considering the final outturn report 2021/22 at its meeting on 28 June 2022. Another Member noted a sizeable variation of £600k within the Legal Service and was advised that this was due to the high number and complexity of children and young people cases for which external counsel had to be retained in addition to the in-house work undertaken by the Legal Service. There were also cost implications flagged for the Planning, Litigation and Licensing Team which related to a number of planning inquiries held during the 2021/22 financial year. An underspend in the Democratic Services staffing budget for 2021/22 was due to vacant posts but the service was now fully staffed.

RESOLVED: That the Executive be recommended to:

- **Consider the provisional revenue and capital outturns for the 2021/22 financial year and the earmarked balances on the General Fund as at 31st March 2022;**
- **Consider the variations in 2021/22 impacting on the Council's 2022/23 financial position;**
- **Consider the comments from Chief Officers as detailed in Appendix 2 to Report FSD22052;**
- **Approve the requests for carry forwards totalling £465k (net) as detailed in Appendix 6 to Report FSD22052, subject to the funding being allocated to the Central Contingency in 2022/23 to be drawn down on the approval of the relevant Portfolio Holder;**
- **Agree the changes to the central contingency sum as detailed in Paragraph 3.5 of Report FSD22052; and,**
- **Agree that a sum of £814k be set aside as a contribution to the CSC/CCG earmarked reserve as detailed in Paragraph 3.8 of Report FSD22052.**

**(6) CAPITAL PROGRAMME OUTTURN 2021/22
Report FSD22057**

This report set out the final outturn on capital expenditure and receipts for the 2021/22 financial year. Capital expenditure during the year had been £19.3M compared to the final approved budget of £73.6M, resulting in a total net variation of Cr £54.3M. For funding purposes, £40.0M slippage had been assumed in the Quarter 3 2021/22 Capital Monitoring report, so there was an overall variation of Cr £14.3M in the use of capital receipts and external and revenue contributions.

In response to a question from a Member, the Director of Finance advised that there had been slippage of £9.5M on the Civic Centre Development Scheme but that it was anticipated the Scheme would be presented to Members for consideration during the 2022/23 municipal year.

RESOLVED: That the Executive be recommended to note Report FSD22057 detailing the capital outturn position for the 2021/22 financial year.

**(7) AUTHORISATION TO PROCEED TO CONTRACT: ENERGY CONTRACTS
Report HPR2022/031**

This report presented a review of the Local Authority's existing gas and electricity contracts and sought authorisation to award further contracts via a

flexible energy purchasing route for an additional period of three years using the United Learning Trust Framework following a mini-competition. The report also highlighted that, subject to Members' consideration, the budget for green-sourced gas and electricity supplies would need to increase to £5.12M due to increases in supply costs.

In response to a question from a Member, the Senior Energy and Sustainability Manager advised that the Local Authority would still benefit from any fall in energy prices should the proposed three-year contracts be awarded via the United Learning Trust Procurement Services framework. The Member was concerned at the uncertainty around energy usage and cost in the short to medium-term but this would be monitored by the Renewal, Recreation and Housing PDS Committee and also by the Executive, Resources and Contracts PDS Committee where it related to contracts. Another Member queried whether it was planned for the Local Authority to apply for funding from the Public Sector Decarbonisation Scheme and the Senior Energy and Sustainability Manager confirmed that an application had been made to fund a full review of the Local Authority's energy stock.

RESOLVED: That the Executive be recommended to:

- **Approve the award of further contracts for the supply of electricity and gas via the United Learning Trust Procurement Services framework via a mini-competition for a contract duration of three years commencing October 2022;**
- **Approve an annual budget from October 2022 of £4,026k for the purchase of Renewable Energy Guarantees of Origin (REGO) backed electricity, an increased requirement of £1,888k on the existing budget. Members should note that the cost would be £3,965k for brown electricity, which would be a required budget increase of £1,827k.**
- **Approve an annual budget from October 2022 of £1,095k for the purchase of Renewable Gas Guarantees of Origin (RGGOs) backed gas, an increased requirement of £736k on the existing budget. Members should note that the cost would be £979k for brown gas, which would be a required budget increase of £620k;**
- **To agree a drawdown from the unallocated inflation provision in the 2022/23 Central Contingency of £1,312k for renewable energy, or £1,224k for brown energy, for the part-year increased cost in 2022/23, and to reflect the full year annual budget impact in the financial forecast;**
- **Note that the sums above are the indicative cost for the first year of the three-year contract. Energy market volatility is hard to predict and cost may go up in Years 2 and 3 or may fall;**

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- **Purchase REGO electricity and RGGO gas which will cost more than brown energy;**
- **Opt for flexible procurement energy contracts to purchase energy in tranches during the period of the contracts;**
- **Delegate authority to the Chief Officer to select suppliers based on quality and cost (management and delivery) criteria following the mini-competition. The cost criteria are the supplier management fees for servicing the account and delivering the flexible product mechanism. These elements are charged and added by the supplier to the cost of wholesale energy prices. The actual cost of energy shall be determined by the wholesale energy prices at the point of purchase plus the supplier's management and delivery fees and any other and any 'industry set' pass through network charges; and,**
- **Delegate authority to the Chief Officer to finalise the energy prices based on the quote at the point of the procurement.**

**(8) HOMES FOR UKRAINE
Report HPR2022/032**

This report presented an update on the Homes for Ukraine response by the Local Authority and outlined the approach going forward. This report was the first of a series of quarterly updates to monitor progress in this area.

In discussion, Members welcomed the report which demonstrated the excellent work of the Local Authority in supporting Ukrainian refugees and their sponsors, including the recent opening of the Ukrainian Hub. In response to a question from a Member, the Head of Compliance and Strategy explained that as additional funding had not yet been announced, the Local Authority was taking a cautious approach in using the initial 12-months of funding. Assessments were being undertaken in 160 Bromley households to ensure sufficient sponsors were in place to meet the level of need from incoming families, and modelling was also underway to identify the impact of these additional residents on local services. The Member highlighted the need to work with other local authorities to lobby for further Government funding. The Director of Finance advised that the Government was issuing national monitoring reports and these would form the basis of the case for additional funding. A separate Government grant was being provided to the Local Authority to fund additional education costs, and this would be allocated to Bromley schools and academies on the basis of need.

RESOLVED: That the Executive be recommended to:

- **Review and note the contents of this report in relation to the current activities under the Homes for Ukraine scheme;**

- **Approve the use of £1,171k funds to manage staffing and associated expenses with the ability to step up or reduce the number of staff according to the level of casework required; and,**
- **Agree that any other future changes in allocation or expenditure of funding are delegated to the Director of Housing, Planning & Regeneration and the Director of Finance in consultation with the Portfolio Holder for Resources, Commissioning and Contract Management.**

20 POLICY DEVELOPMENT AND OTHER ITEMS

A BENEFITS SERVICE MONITORING REPORT Report FSD22038

The report outlined the performance of the Benefits Service provided by Liberata between 1 December 2021 to 31 March 2022.

The Revenues and Benefits Manager introduced the report alongside Darren Keen and Melissa Vickers representing Liberata. With regard to a requirement within the Exchequer Services specification for the contractor to ensure that financial errors were found in fewer than 4% of the cases checked by the Authority's monitoring team, the Chairman noted that performance had been considerably higher and proposed a soft target of 3% be introduced which was supported by the Committee. A Member queried why the performance standard for processing both new Housing Benefit claims and changes to existing Housing Benefit claims was set at 100 days and was advised that this was for historic reasons and primarily related to delays in claimants providing necessary information. In light of the progress made by Liberata in this area, the Revenues and Benefits Manager agreed that in future, reporting would be undertaken on the basis of cases processed in excess of 80 days.

In response to a question from a Member about Universal Credit, the Revenues and Benefits Manager confirmed that the reduction of households in Bromley claiming Universal Credit during the period under consideration was due to increasing levels of employment. The Member expressed concern that plans to introduce a new housing element of Pension Credit to replace pensioner Housing Benefit from 2025 could create delays in payment. The Revenues and Benefits Manager advised that the planned migration was being led by the Department for Work and Pensions and that it was likely that the new arrangements would initially be brought in for new claimants with existing claimants migrated as their circumstances changed. The Member raised a further query on the arrangements for payment of Housing Benefit for claimants moving between Housing Associations and the Revenues and Benefits Manager explained that such cases were unlikely to show in the statistics but could be investigated on an individual basis as they arose.

RESOLVED: That:

- **The information contained within Report FSD22038 and the letter provided by Liberata detailed in Appendix 1 be noted; and,**
- **A soft target of 80 days be introduced for processing new Housing Benefit claims and changes to existing Housing Benefit claims.**

**B CUSTOMER SERVICES CONTRACT MONITORING REPORT
Report CSD22062**

The report outlined the performance of the Customer Services Contract provided by Liberata between 1 December 2021 to 30 April 2022.

The Assistant Director of Customer Services introduced the report alongside Sarah Lyons representing Liberata. In response to a question from a Member, it was confirmed that regular reviews identified MyBromley accounts that had not been accessed for two years and if account owners did not respond to an initial e-mail or two subsequent reminders, their accounts were closed. Another Member raised a query around the Customer Contact Centre, and it was explained that the monthly service level target of answering 50% of calls within 60 seconds had been met for all months and that the given wait time for calls to be answered had been averaged across all calls received during the period. Overall, customer satisfaction remained high at 90% or above during the six-month period and it was planned to use web chat functionality to increase the number of users completing customer satisfaction surveys in future.

RESOLVED: That the information contained within Report CSD22062 and the letter provided by Liberata detailed in Appendix 1 be noted.

**C EXCHEQUER SERVICE - CONTRACT PERFORMANCE
Report FSD22040**

The report outlined the performance of the Exchequer Services Contract provided by Liberata between 1 April 2021 to 31 March 2022.

The Assistant Director of Exchequer Services introduced the report alongside Laura Morris and Elaine Ledingham representing Liberata. A Member queried whether the economic climate had impacted collection rates and was advised that collection rates remained steady. The Exchequer Service provided support to individuals who reported experiencing financial issues including agreeing payment plans and making referrals to local support organisations such as Citizens Advice. In response to a question, the Assistant Director of Exchequer Services confirmed that Liberata's staff volunteer programme was still in place with some staff currently volunteering at Age Concern.

RESOLVED: That the information contained within Report FSD22040 and the action taken to address any performance issues be noted.

**D REVENUES MONITORING REPORT
Report FSD22039**

The report outlined the performance of the Revenues Services provided by Liberata between 1 December 2021 to 31 March 2022.

The Revenues and Benefits Manager introduced the report alongside Darren Keen and Tracey Hollidge representing Liberata. The Committee discussed the Empty Homes Premium which had been launched on 1 April 2022 and applied a premium to owners whose houses had been empty for two years or more. This charge was currently levied to approximately 300 houses in Bromley and a report would be presented to the Council's Executive at its meeting on 3 August 2022 proposing that from 1 April 2023, the Premium be increased to 100% on properties empty over 2 years, 200% after 5 years and 300% after 10 years. This initiative would be complemented by a Negative Homes Review to be undertaken in Summer 2022 and Committee Members were asked to flag any empty properties in their ward.

RESOLVED: That the information contained within Report FSD22039 and the letter provided by Liberata detailed in Appendices 1 and 2 be noted.

21 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**

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

There were no reports for the Committee's consideration on the Part 2 agenda for the meeting of the Executive on 29 June 2022.

The Meeting ended at 8.53 pm

Chairman