

EXECUTIVE, RESOURCES AND CONTRACTS POLICY DEVELOPMENT AND SCRUTINY COMMITTEE

Minutes of the meeting held at 7.00 pm on 3 July 2023

Present:

Councillor Simon Fawthrop (Chairman)
Councillor Robert Evans (Vice-Chairman)
Councillors Jeremy Adams, Mark Brock, Kira Gabbert,
Alisa Igoe, Julie Ireland, Simon Jeal, David Jefferys,
Keith Onslow, Will Rowlands, Shaun Slator, Mark Smith
and Melanie Stevens

Also Present:

Councillor Christopher Marlow, Portfolio Holder for Resources,
Commissioning and Contracts Management

Councillor Michael Tickner

13 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies for absence were received from Councillors Cartwright, McGregor and Owen. Councillors Onslow, Igoe and Jefferys attended as their respective substitutes.

14 DECLARATIONS OF INTEREST

Councillors Gabbert and Ireland declared that, as hosts of Ukrainian families, they were in receipt of the Ukraine Fund.

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

No questions were received.

16 MINUTES OF THE EXECUTIVE, RESOURCES AND CONTRACTS PDS COMMITTEE MEETING HELD ON 15 MAY 2023 (EXCLUDING EXEMPT ITEMS)

The minutes of the Executive, Resources and Contracts PDS Committee meeting held on 15 May 2023 (excluding exempt information), were agreed and signed as a correct record.

**17 MATTERS OUTSTANDING AND WORK PROGRAMME
Report CSD23070**

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 Committee noted that the matter outstanding concerning Risk Management had now been closed. Follow up information had been provided and no further meetings had been arranged.

The Chairman reported that he had taken the decision to cancel the meeting that had been scheduled to take place on 7th August 2023.

RESOLVED: That

- 1. Progress on matters arising from previous meetings be noted; and**
- 2. The 2023/24 work programme be noted.**

18 FORWARD PLAN OF KEY DECISIONS

The Committee noted the Forward Plan of Key Decisions covering the period June 2023-September 2023.

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

The Portfolio Holder for Resources, Commissioning and Contracts Management, Councillor Christopher Marlow, attended the meeting to respond to questions from the Committee. Councillor Marlow had previously circulated a written update to the Committee outlining activity across the Portfolio. The Portfolio Holder then responded to questions, making the following comments:

- An update on Biggin Hill would be presented to the Committee in the Autumn and would be included on the next Forward Plan.
- Savings relating to temporary accommodation had been built into the budget. Borrowing from the Public Works Loan Board (PWLB) was a fairly rapid process.
- There was a need to look to diversify the relatively small business rates pool and this was a focus of the Economic Development Team, under the direction of the Portfolio Holder for Renewal, Recreation and Housing.
- Every property asset that the Council sought to sell carried a reserve price. Where the reserve price was not met the asset would not be sold. The Council was under no pressure to make rapid sales.
- The constitution of the Biggin Hill Airport Consultative Committee was currently being reviewed in its entirety and if changes were agreed

there would be three extra councillor representatives on the Committee.

The Committee thanked the Portfolio Holder for his update.

20 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.

A CONTRACT EXTENSION: MECHANICAL & ELECTRICAL REACTIVE REPAIRS AND MAINTENANCE

The current contract for Mechanical and Electrical Reactive Repairs and Maintenance commenced in October 2021 and was due to expire on 30 September 2023. The contract had a formal extension option of up to two years and authorisation to apply an extension of up to one year was requested. The estimated value of the proposed extension was £195k. The report also set out the broader procurement strategy for Facilities Management.

In response to a question regarding the timescales for updating the asset register, the Committee noted Officers expected the work to be completed in 3 to 4 months and work was currently ahead of schedule, however, some flexibility had been built into the timetable and an allowance had been made for slippage of timescales.

RESOLVED: That the Portfolio Holder be recommended to approve a one-year extension to the Mechanical & Electrical Reactive Repairs contract held with B&M McHugh at an estimated value of £195k (revised whole life value of £585k).

B TREASURY MANAGEMENT ANNUAL PERFORMANCE REPORT Report FSD23044

The report summarised treasury management activity during the fourth quarter of 2022/23 and included the Treasury Management Annual Report for 2022/23, which was required to be reported to Full Council. The report ensured that the Council was implementing best practice in accordance with the CIPFA Code of Practice for Treasury Management.

Investments as at 31 March 2023 totalled £344.0m and there was no outstanding external borrowing. For information and comparison, the balance of investments stood at £388.7m as at 31 December 2022 and £377.8m as at 31 March 2022.

In response to a question, the Director of Finance confirmed that a full comparison of the best available rates was undertaken, and funds could and would be moved to achieve the best rates.

In considering long-term investments, the Committee noted that risks were managed and advice from fund managers was considered. At the moment that advice was that if and when interest rates fell the capital value of some longer-term investments would improve.

In response to a question concerning Project Beckenham, the Committee noted that the loan to value (LTV) was less than 50% overall and the Council had a right to take over the asset if necessary.

The Committee noted that paragraph 3.13 of the report should have reflected that Members were expecting a report on the freedom house index and not investing only in countries that were listed as free in the index.

RESOLVED: That the Portfolio Holder be recommended to

- 1. Note the Treasury Management Annual Report for 2022/23**
- 2. Approve the actual prudential indicators within the report.**

21 PRE-DECISION SCRUTINY OF EXECUTIVE REPORTS

The Committee considered the following reports on the Part 1 agenda for the meeting of the Executive on 3 July 2023:

**(5) PROVISIONAL FINAL ACCOUNTS 2022/23
Report FSD23041**

The report considered the 2022/23 provisional outturn at portfolio level and Council wide as well as the potential implications for the Council's financial position in 2023/24. The purpose of the report was to give a broad overview of the financial outturn.

The 2022/23 provisional outturn provided for a zero increase in general fund balances, subject to the recommendations in this report being agreed.

More detailed reports would be submitted to individual PDS Committees. Details of the carry forward requests and a summary of the Council's capital programme were also considered in the report.

In response to a question concerning earmarked reserves, the Director of Finance confirmed that there remained risks around the capital programme and until these risks had been considered it was prudent to retain the earmarked reserves. The Committee noted that, in terms of the use of reserves, the Council was in a good position and was well placed to deal with the current financial climate, but challenges would continue, and careful thought would need to be given to the future use of reserves.

With respect to whether the Council would receive any increased income from interest on balances, the Director of Finance confirmed that whilst there had been gains from interest rates, inflation had also had an impact.

The Chairman proposed the following additional recommendation to the Executive:

That Directors ensure that all future growth/cost pressures, prior to being reported to members for consideration, include all mitigation options and savings relating to their respective service areas recognising that any such additional costs are currently unfunded given the Council's budget position.

The motion was seconded by Councillor Onslow, put to the vote and CARRIED.

RESOLVED: That Executive be recommended to

- 1. Note the provisional revenue and capital outturns for the 2022/23 financial year and the earmarked balances on the General Fund as at 31st March 2023;**
- 2. Note the variations in 2022/23 impacting on the Council's 2023/24 financial position;**
- 3. Note the comments from Chief Officers as detailed in Appendix 2 of the report;**
- 4. Approve the requests for carry forwards totalling £644k (net) as detailed in Appendix 6, subject to the funding being allocated to the Central Contingency in 2023/24 to be drawn down on the approval of the relevant Portfolio Holder;**
- 5. Agree the changes to the central contingency sum as detailed in para. 3.5 of the report;**
- 6. Set aside a sum of £149k as a contribution to the Loneliness Strategy earmarked reserve as detailed in para. 3.8.1 of the report;**
- 7. Recommend Council set aside a sum of £2,000k as a contribution to the Building Infrastructure earmarked reserve as detailed in para. 3.8.2 of the report;**

8. **Set aside a sum of £675k as a contribution to the Capital Fund earmarked reserve as detailed in para. 3.8.3 of the report;**
9. **Set aside a sum of £400k as a contribution to the Arboricultural Backlog Fund earmarked reserve as detailed in para. 3.8.4 of the report;**
10. **Note the utilisation of the Growth Fund as detailed in para 3.9 of the report; and**
11. **Agree the redesignation of various earmarked reserves for utilisation for capital financing as detailed in para 3.6.3 of the report.**
12. **Directors ensure that all future growth/cost pressures, prior to being reported to members for consideration, include all mitigation options and savings relating to their respective service areas recognising that any such additional costs are currently unfunded given the Council's budget position.**

**(6) CAPITAL PROGRAMME OUTTURN 2022/23
Report FSD23043**

The report set out the final outturn on capital expenditure and receipts for 2022/23. Capital expenditure in the year was £21.0m, compared to the final approved budget of £120.8m, resulting in a total net variation of Cr £99.8m. For funding purposes, £50.0m slippage was assumed in the quarter 3 capital monitoring report, so there was an overall variation of Cr £49.8m in the use of capital receipts and external and revenue contributions.

RESOLVED: That Executive be recommended to

1. **Note The capital outturn position for 2022/23; and**
2. **Note that the revenue outturn report elsewhere on the agenda requests the redesignation of various earmarked reserves which have been assumed in the capital programme financing.**

**(7) APPOINTMENT OF ASCOT SERVICES TO RUN THE
FACILITIES MANAGEMENT AT CHURCHILL COURT**

The report (and the accompanying Part 2 report) provided Members with a recommendation to make a direct award via exemption to competitive tendering to Ascot Services to run the Facilities Management at Churchill Court for an interim contract of up to two years. The proposed direct award was to ensure necessary service provision was in place from the point of exchange and completion for Churchill Court, noting that a full and compliant

procurement process for the longer-term service requirements would commence and be completed as soon as reasonably possible.

In response to a question, the Head of Facilities Management confirmed that whilst no specific market testing had been completed, a comparison of costs had been undertaken. It was also noted that Direct Line had also carried out a competitive tender prior to appointing Ascot Services.

RESOLVED: That Executive be recommended to

- 1. Note the report.**
- 2. Approve a direct award via exemption to competitive tendering to Ascot FM for the services detailed in this report for a period of up to two years from 28 July 2023 at an upper estimate of £1.562M per annum (whole life upper estimate of £3.125M).**
- 3. Delegate authority to the Director of Housing, Planning, Property and Regeneration to conclude negotiations with Ascot Services to determine the scope and estimated contract value for this interim contract award and, if needed, to vary the scope of the services as the Council relocates from the Civic Centre to Churchill Court over the period of the contract term – noting the capped FM cost at paragraph 2.2 of the report.**
- 4. Delegate authority to the Assistant Director of Legal Services to finalise and engross the contract as negotiated at paragraph 2.3 of the report.**
- 5. Note that, during the term of the interim contract, a full and compliant procurement process for the Facilities Management requirement will be undertaken as soon as reasonably possible for a new contract to commence within the interim period if possible (and no later than 28 July 2025). This will be subject to formal Member decision on the procurement strategy in due course.**

(8) IT MANAGED SERVICE CONTRACT AWARD

This report accompanies a Part 2 report also being considered on this agenda which recommends that the Council awards a contract for the provision of IT Services.

Members also noted that this contract was one of a number of contracts in place relating to IT services for the Council.

The Committee requested that Members be provided with details of the KPIs for the contract following the meeting. Members also requested that details of KPIs be included in any future contract award presented to Committees along with details for previous KPIs for context.

RESOLVED: That Executive be recommended to

- 1. Award the IT Services Contract as detailed in the accompanying Part 2 report for a contract period of five years to begin on 16th December 2023, with the option to extend for a further five years and including the optional service as noted in Part 2 of this report.**
- 2. Delegate to the Director of Corporate Services and Governance in consultation with the Portfolio Holder for Resources, Commissioning and Contract Management, the authorisation to extend this contract for the period, and on the basis, of the recommendation at 2.1 in this report.**
- 3. Delegate authority to the Director of Corporate Services and Governance to take decisions necessary to enable the implementation of the contract with the recommended bidder and to conclude all necessary contractual documentation.**
- 4. Note that the procurement process and associated activities have been undertaken with due regard to and compliance with necessary regulation, rules and guidelines and with the participation of all required internal services and functions. A summary of the process and activities is provided in this report.**

22 POLICY DEVELOPMENT AND OTHER ITEMS

**A REVENUES SERVICE MONITORING REPORT
Report FSD23036**

The report provided information regarding the performance of the Revenues Services provided by Liberata for the period 1 December 2022 to 31 March 2023. A letter from Bola Odunsi, Liberata's Regional Director (London and the Southeast), provided an update on each of the individual services and is attached at Appendix 1 with statistical data relating to the Revenues Service attached at Appendix 2.

The Chairman welcomed representatives from Liberata to the meeting, in particular welcoming Mr Bola Odunsi, Liberata's Regional Director (London and the Southeast).

In response to a question, the Benefits Manager confirmed that there had been no significant fall in the number of empty homes being charged the empty homes premium.

In response to a further question, the Benefits Manager confirmed that it was still too early to say whether there would be a beneficial impact on collection of business rates. The Committee noted that collection rates had improved as courts had resumed hearings and it was now possible for the Council to recover unpaid rates. It was noted that historically the Council had not had to

take recovery action however, due to the current climate the Local Authority was experiencing issues that it had not experienced before.

RESOLVED: That the report be noted.

**B BENEFITS SERVICE MONITORING REPORT
Report FSD23037**

The report provided information regarding Liberata's performance in the provision of Exchequer Services for the period 1st April 2022 to 31st March 2023.

A letter from Bola Odunsi, Liberata's Regional Contract Director, provided an update on each individual service and was attached at Appendix 1 of the report with statistical data relating to the services shown in subsequent appendices.

RESOLVED: That the report be noted.

**C EXCHEQUER SERVICE - CONTRACT PERFORMANCE REPORT
Report FSD23037**

The report provided information regarding Liberata's performance in the provision of Exchequer Services for the period 1st April 2022 to 31st March 2023.

A letter from Bola Odunsi, Liberata's Regional Contract Director, provided an update on each individual service and was attached at Appendix 1 of the report with statistical data relating to the services shown in subsequent appendices.

RESOLVED: That the report be noted.

**D CUSTOMER SERVICES CONTRACT MONITORING REPORT
Report CSD23067**

The report provided information on the performance of the Customer Service Contract provided by Liberata for the period 1st November 2022 to 30th April 2023.

A letter from Bola Odunsi Regional Director (London & The Southeast) for Liberata, provides his update on each individual element and was attached at Appendix 1 of the report.

Members welcomed the improvement in the performance of the out-of-hours service. In response to a question, the Committee received assurances that resources would be deployed to ensure that targets continued to be met.

The Committee requested that information on the number of applications for Blue Badges that were rejected be provided following the meeting.

RESOLVED: That the report be noted.

23 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**

24 PRE-DECISION SCRUTINY OF EXEMPT EXECUTIVE REPORTS

The Committee considered the following reports on the Part 2 agenda for the meeting of the Executive on 5 July 2023:

20 PART 2: APPOINTMENT OF ASCOT SERVICES TO RUN THE FACILITIES MANAGEMENT AT CHURCHILL COURT

That the Executive be recommended to consider the report and agreed the recommendations.

21 PART 2: IT MANAGED SERVICE CONTRACT AWARD

That the Executive be recommended to consider the report and agreed the recommendations.

The Meeting ended at 8.40 pm

Chairman