



# Minutes

## *FINANCE, PERFORMANCE AND RESOURCES SELECT COMMITTEE*

**MINUTES OF THE FINANCE, PERFORMANCE AND RESOURCES SELECT COMMITTEE  
HELD ON THURSDAY 5 DECEMBER 2013, IN MEZZANINE ROOM 2, COUNTY HALL,  
AYLESBURY, COMMENCING AT 10.03 AM AND CONCLUDING AT 11.59 AM.**

### **MEMBERS PRESENT**

Mr S Lambert, Mr D Martin, Mr B Roberts (Chairman), Mr D Shakespeare OBE, Mr A Stevens and Mr D Watson

### **OTHERS IN ATTENDANCE**

Mr R Ambrose, Mr A Brown, Mr P Hardy, Mrs K Jones (Secretary), Mr P Raimbach and Ms H Rands

### **1 APOLOGIES FOR ABSENCE/CHANGES IN MEMBERSHIP**

Apologies were received from Bill Chapple OBE and Trevor Egleton.

### **2 DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **3 MINUTES**

The minutes of the meeting held on 31 October 2013 were agreed as a correct record.

### **4 PUBLIC QUESTIONS**

There were no public questions.

### **5 CHAIRMAN'S REPORT**



INVESTOR IN PEOPLE



The Chairman reported that an informal transformation workshop would follow the meeting and focus on the role of elected members in the future. The s106 report presented to the October meeting was considered by the Environment Select Committee on 6 November and there will be a further update in the New Year. A s106 coordinator role will be created which will result in a more effective communication strategy. The budget papers had been released and would be available shortly for review.

## **6 CONSULTANT SPEND AND USE OF INTERIM STAFF**

The Chairman welcomed Richard Ambrose, Paul Raimbach and the Cabinet Member for Finance and Resources (the Cabinet Member) to the meeting. The Cabinet Member explained that he previously ran a consultancy company and that in his opinion the Council must be judicious when using consultants and must only do so when they add value. He explained that the services of consultants were purchased by Heads of Service.

Consultants were being used during the review of the Future Shape of the Council and also in property, transport and recruitment because the specialist skills required were not available in-house. Care was taken to ensure that interim managers were not overused and the Cabinet Member had been reassured by a recent example of when a service stopped using someone because they were no longer adding value.

Richard Ambrose reported that the reasons for using a consultant included the provision of specialist advice and they have specialist skills which was not always available in-house. Consultants help with innovation, provide best practice which can be used to help with capacity issues. Interim staff were generally used to cover posts when there was a struggle to recruit. It was noted that there can also be longer term interims to cover capacity issues and peaks and troughs in workloads for example because the skills are not required throughout the year. A review took place two years ago and identified the need for greater transparency and understanding and control of spend.

Members were advised that an e-form had been created which captured information including why consultants were used and the length of time and this gave more visibility. Work had been taking place on spend analysis and all interims were supposed to be hired through Pertemps. Spend on Pertemps had increased whilst that on other agencies had been reduced. In Phase One of Transformation there was a target to save £250k on consultants and interims and the aim was to receive a £150k rebate from Pertemps. The spend in the first six months of 2013/14 was down on 2012/13. Currently BCC was in Transformation Stage 2 and Pricewaterhouse Coopers were being used. Therefore during the second half of 2013/14 there had been considerable spend on consultants. It may be necessary to devolve more to business units on how to control spend.

Paul Raimbach explained that consultants were very difficult to interpret and difficult to define. ProClass was referred to in the report which classifies spend by supplier. The main contractors used by BCC include Serco which procures safety camera maintenance but their main area of business is in consultancy. Ringway Jacobs provides construction and business engineering. Approximately 1% of the total external expenditure is on consultants. There had been a reduction in the number of external suppliers as Pertemps had become the main supplier.

Members were invited to ask questions and the following points were raised:

- A Member asked if consultants were being used for the right reasons if they were used as agents for change and what happens when there was slippage.
- The Cabinet Member replied that this was the responsibility of the officers and that there was a culture which encourages a reporting structure. He would prefer for

responsibility to be devolved and to hold people to account. Richard Ambrose explained that an e-form was signed before an appointment was made and was reviewed by the Transformation Team which gave visibility and enabled checking if someone was not doing an assignment. An analysis of spend was prepared for COMT to provide visibility and awareness.

- Is there a record of all the skills being utilised and what happens next.
- No one had done this to date and the consultants had done a similar exercise in other authorities. The Transformation Manager had the responsibility of ensuring that the consultants were adding value. The Cabinet Member explained that officers had been seconded to the Transformation team.
- With reference to the judicious use of consultants a Member referred to the example of when one consultant ceased to add value the contract was terminated. He acknowledged that consultants have two skills because they can do the work and dovetail the current assignment. The Member noted that the average assignment was 60 weeks and he asked if there was a regular review process in place to ensure that the consultants do not get lost in the system and become members of staff when their current assignment is completed.
- The Cabinet Member acknowledged and cautioned the use of interim staff. He explained that the judicious processes should include holding people should be held to account for output and results.
- The Cabinet Member confirmed that he was happy that the outcomes were being managed and agreed that processes need to become more devolved.
- Paul Raimbach explained that all interims should go through Pertemps which provided greater transparency of the consultants being used as interims rather than when hired through various agencies. A more corporate record was available of who is employed where and how long they had been in place. There was now greater awareness of interims although it was acknowledged that some had been in posts for a long time.
- A Member asked if there were any records kept of hiring ex-BCC staff as consultants. Paul Raimbach replied that records were not kept but names can be recognised on the Pertemps lists and it was not possible to prevent people signing up with an agency.
- The Member asked if information was available on the reasons for people leaving for example retirement and taking up part time work with a sub-contractor or voluntary resignation and starting work with Pertemps in order to do the same job for more money.
- HR would be able to provide the information requested.
- The Cabinet Member recognised that there was a need for sufficient safeguards to be in place to guard against people returning to a former job as a consultant.
- Richard Ambrose explained that there was a policy that if someone leaves they should not return within 6 months.
- The Cabinet Member confirmed that this needed to be enforced rigidly and the Chairman asked for a report to be prepared for the Committee on staff returning to work within 6 months of leaving.
- A Member asked for an explanation of the savings targets. Richard Ambrose replied that savings of £150k had been achieved and that because more interims had been employed more rebate was secured. It was envisaged that expenditure on consultants has been reduced in 2013/14. It was noted that many consultants were funded through vacant posts.
- In response to a question it was noted that the higher expenditure on consultants in 2012/13 was attributed to the Transformation First Phase and the Energy from Waste project.
- A Member expressed concern about how staff can be dis-incentivised when colleagues leave with a healthy redundancy or retirement package and return on an inflated salary. In addition to the impact on staff there was also the huge reputational risk and he Member suggested that the process should be managed effectively. The Cabinet Member agreed with this and stressed the importance of operating the six month rule referred to earlier.
- In response to a question Members were advised that the average day cost from Pertemps was £330 per day. The Member asked what was the maximum daily rate paid

and he asked if the officers were satisfied that the rate charged by Pertemps was reasonable and how this was measured. In addition further information was requested on how the rebate was calculated.

- Paul Raimbach replied that he did not have the actual figures but was aware that over £2,000 was the highest rate paid but was unclear of the period of time for which it related. A Member asked for information about what work was being undertaken at a cost of over £2,000 per day. Paul Raimbach replied specialist financial commercial advice on Energy from Waste for short periods of time such as supporting Board meetings. The Chairman asked if the fee paid could be confirmed.
- A Member asked if the approval of interims and consultants was done centrally and not devolved and the use of e-forms was done centrally and rigorously in order to have consistency.
- The Cabinet Member did not share this view but he considered that if someone was given a budget they should be expected to produce outputs and that if they were constrained in getting the right people because of a series of rules this was counterproductive. The key was ensuring that the balance was correct.
- Paul Raimbach welcomed more centralised control but explained that as the Future Shape developed the restrictions would have to be lifted to enable the organisation to move forward.
- Richard Ambrose explained that following a previous review a decision was taken not to centralise services but to allow services to manage their own budgets but the Future Shape was moving to have less control in the future.
- The Cabinet Member noted that the proposal was being made on 1% of spend. Richard Ambrose suggested that the aim was to make the process not overly bureaucratic.
- The Member suggested that a maximum figure could be delegated to services. The Cabinet Member replied that the Council like the public sector was also an organisation in crisis where pay rises had not been received and that it was dealing with the situation in the best way it could.
- A Member asked how BCC could ensure that the rates charged by Pertemps were reasonable and how the rebate was calculated and arrived at.
- Paul Raimbach considered that the highest interim day rate was in the range of £500 or £600 and he agreed to confirm this point. Members asked for clarification of both the interim and consultants' daily rate.
- Paul Raimbach explained that when tendering the contract the national framework was used and it was expected that the rates would fall even though they were competitive and none of them did which confirms that the rate was relatively low. The rates were lower than with the previous contract which suggests that the Pertemps rates were reasonable. The rebate was based on the average of the previous contract and the new contract and the difference was paid as a rebate.
- During a discussion on the savings Paul Raimbach explained that they can be captured from the supplier. He added that the rebate was inflated to pay the Council a rebate. It was suggested that this was a device to capture the savings rather than return them to the individual service area. This was confirmed.
- In response to a question it was noted that the margin from Pertemps was a flat rate of £3 per hour.
- It was noted that in the Future Shape consultation the consultant spend was relatively low as a proportion of quantum and a Member asked if this could increase as more organisational changes take place. Richard Ambrose confirmed that in the short term as the organisation becomes more commercial consultant spend could increase. He added that a programme was in place on development of staff either through recruitment or by developing staff already in post. It was recognised that consultants may be used as a short term measure but will be used less in the long term after recruitment or training.
- The Chairman thanked the Cabinet Member and the officers for the presentation.

- The Cabinet Member welcomed the opportunity to provide a clearer account and suggested that the information be published rather than produced in response to Freedom of Information requests.
- It was also requested that an update be provided on a 6 months or annual basis.

## **7 LOCAL EMERGENCY SUPPORT**

The Chairman welcomed Halinka Rands who joined the Cabinet Member and Richard Ambrose to present the report on Local Emergency Support. The Cabinet Member reported that there were three references to Local Emergency Support at the last Council meeting and he welcomed the opportunity to present the report.

Richard Ambrose explained that the purpose of the presentation was to explain what was being done since Local Emergency Support transferred from the Department of Work and Pensions in April 2013 and to seek the views of the Committee on potential changes. The current policy was approved in March 2013 by the former Cabinet Member approved the decision when there were real concerns that there was insufficient funding to meet the demands. The focus was to support those in crisis with the longer term aim of preventing people from getting into crisis in the first place.

It was established as time progressed that the demand was not as high as had been expected. Strategies were put in place to limit cash payments and sign posts people to food banks. Work was also taking place with partner organisations including the District Council and Housing Association who deal with homelessness and rent payments in order to link these partners and provide a whole scheme approach. Currently about 10% of the funding received has been spent and there may be an opportunity to re-look at the policy and think about making changes to the policy to help people from getting into these positions in the first place. The funding was only guaranteed for 2 years was not ring-fenced and approaches had been made to organisations to see how they can be helped initially as a one-off. The aim was to raise the profile to ensure that people were aware of the service.

Halinka Rands explained that the Welfare Reform Act abolished the Crisis Loans and Community Care Grant that the Department of Work and Pensions was responsible for previously and the current Local Emergency Plan was formed based on a blank sheet of paper. Meetings took place with other Local Authorities and there was concern that there was insufficient money available to meet the need because the data provided had not been regionalised. The aim was to treat people as individuals and understand why they were making approaches for help. Consultations took place with Children's and Adult Services when devising the policy and the aim was to complement the schemes they were already using and also provide help out of hours.

The scheme went live on 1 April and meetings took place with local organisations to ascertain what they were doing and meetings took place with local food banks, and organisations that recycle furniture and provide budgeting. The policy appeared to be working and the aim was to further promote the scheme and work more closely with the partners. The plan was to work with asylum seekers (although there have been few requests received) and it was noted that there was a statutory responsibility to help children and families under s17.

The aim was not to provide cash but to offer solutions. A few people phoned and shouted expecting money and the aim was to try to understand why they had got into a situation if they hadn't met the conditions of the claim and establish if the claim was not met. The main reason for claims were issues with paying food and utilities and officers wanted to ensure that they gave maximum help and encourage people to help themselves. The aim was to offer a solution rather than short term help.

Members were invited to ask questions and the following points were raised:

- The Government was clear that the scheme was to meet local needs and a Member asked how successful the officers had been in meeting those needs compared to partner organisations.
- Richard Ambrose replied that consideration was given to joining with Oxfordshire who were outsourcing the service. The conclusion was that in the first year there was a need to understand the scheme. The scheme was only for 2 years and it was necessary to join up with partners and analyse the data. Funding was available for up to three posts and which is equivalent to less than one post per district. This will be revisited after two years when the position is clarified.
- Halinka Rands explained that when engaging with the districts the aim was to establish a vision and find a solution and not just provide money. It was also noted that many organisations don't have administrative support and that the aim was to provide support to them.
- Training was being provided with the CAB to help people with budgeting and regular meetings take place with the Work and Pensions Team to monitor progress.
- The Member asked if the approach has made it a more effective system and there is more knowledge available about how it would work.
- This was considered to be the case and it was noted that with the resources available a very good approach had been achieved which resulted in very good benefits. Work had taken place on trying to raise the profile of the Scheme and progress was being made on getting links with the District. It had been established that more money was available than originally considered although there had not been significant demands and it was necessary to use it sensibly.
- The Cabinet Member asked if there were areas of unmet need that had not been addressed.
- The Member explained that he was aware of families in crisis who considered that they had nowhere to go and were lost in the system. He suggested that Members required more information on the service being offered.
- The Cabinet Member hoped that those in need should benefit from the scheme.
- A Member noted that this was a new policy which was being developed and he noted that less than 10% of the allocated budget had been spent in 7 months of the current financial year. He asked if the spend had been overestimated on the basis of figures suggested by the DWP or was there another reason and are there people who BCC is failing to meet their needs.
- Halinka Rands replied that there had been an analysis of claims and that it was necessary to establish if a claim was correct and if claims were being made for the correct DWP benefits. Signposting had taken place because not everyone required a cash reward as often they just required help or food until they receive their next benefit.
- It was considered that BCC was managing contracts well. A Member asked what will happen if money is unspent and he cautioned that there was a danger that it may be taken away if it is unspent.
- Richard Ambrose replied that a different approach was being used than the DWP who gave cash payments and recovered through benefits. A more local approach was now taking place which did not ring fence the money which could be spent elsewhere. There was concern that if the money was not spent it may be withdrawn and it was suggested that unspent money be used on improving the infrastructure needed to build up other community organisations which may reduce demand in the future.
- It was suggested that there was a need to signpost food banks in order to meet the increase in demand. This was agreed and it was noted that food banks provided long life food items and that vouchers could be provided for perishable items.
- A Member noted that in parts of rural Buckinghamshire gas was not available and that it is necessary to purchase oil. This was purchased from small companies that do not

have social tariff. Some of these customers live on £65 per week and cannot afford to save £800 for oil and cannot purchase small quantities of oil for approximately £20.

- Halinka Rands replied that alternative forms of electricity had been considered but there was a question as to whether or not that was practical and sensible. It was noted that feedback on issues was often provided by delivery drivers and the aim was to try and help individuals when they present themselves.
- The Chairman asked about the process for monitoring clients.
- Halinka Rands explained that telephone support was provided and that referrals are sometimes made to services available in the authority.
- A Member asked why work was not taking place in partnership with the Post Office or the District Councils to look at a scheme where rent can be provided in advance in order to try to provide support.
- Halinka Rands replied that the demand for rent in advance is not exceeding the funds available. The aim is to signpost where funding is available.
- Richard Ambrose added that through discretionary housing payments money had been given to the District to assist with payments for rent in advance. It was noted that AVDC did not approve payments for the first 12 weeks because there was a requirement to prove that there was a genuine need. Applications can also be made to Youth in Crisis.
- A Member noted that 30% of claims were from Aylesbury and he noted that they were not split by ethnicity and he suggested that there may be a language or cultural barrier relating to asking for help. He suggested that it may be useful if information was available on the numbers accessing the facility. The Member also asked if there were sufficient staff to manage the scheme in place and if there was a requirement for more in order to manage the service.
- Halinka Rands replied that records were not kept of ethnicity and reported that 1,100 claims had been received. Currently the existing staff respond to claims within 24 hours and was sufficient to meet the demand although there would not be sufficient staff if the demand doubled.
- The Cabinet Member recognised that goals were changing and the Council must be careful not to exceed the role.
- It was suggested that in future there was a need to review how the service was provided and how it will be aligned with universal credit. He asked if there was any feedback from the clients.
- Richard Ambrose replied that the first full year needs to be completed and that in year 2 there will be a greater understanding of the issues and continue to make the partnerships work and it will be possible to look at the longer term strategy and establish greater clarity on funding for the future. He suggested that it would be useful if an update be provided in 6 months' time. This was welcomed.
- Halinka Rands replied that a written response had been provided from clients thanking for the officers for their support which had changed their lives. Universal credit will be a monthly benefit.
- A Member asked how the scheme should be publicised to ensure that claims were made especially given that substantial reserves exist.
- The Cabinet Member acknowledged that it was necessary to establish that there weren't areas where need was not being met and it was agreed that it was important to publicise in order for people to make use of the scheme.
- A Member explained that he did not entirely support resolution 2 because if an asylum seeker was seeking asylum they had different needs to other individuals. It was noted that whilst seeking asylum people were treated the same as other residents. This was noted.
- The Cabinet Member proposed circulating the amendments to Members.
- The Chairman invited the officers to provide an update in 6 months.
- Richard Ambrose suggested that it may be necessary to approve interim changes before consulting with the members for the 2014/15 policy. This was agreed.

## **8 COMMITTEE WORK PROGRAMME**

The Committee Work Programme was noted.

## **9 PAPERS FOR INFORMATION**

The Papers for Information were noted. In response to a question it was noted that the Terms of Reference of The Business Investment Group had been substantially redrawn in the last 3 months.

## **10 DATE AND TIME OF NEXT MEETING**

25 February 2014 at 10am.

**CHAIRMAN**