



# Minutes

## *FINANCE, PERFORMANCE AND RESOURCES SELECT COMMITTEE*

**MINUTES OF THE FINANCE, PERFORMANCE AND RESOURCES SELECT COMMITTEE  
HELD ON TUESDAY 13 SEPTEMBER 2016, IN MEZZANINE ROOM 2, COUNTY HALL,  
AYLESBURY, COMMENCING AT 10.00 AM AND CONCLUDING AT 12.36 PM.**

This meeting was webcast. To review the detailed discussions that took place please see the webcast which can be found at: <http://www.buckscc.public-i.tv/core/portal/home>  
The webcasts are retained on this website for 6 months. Recordings of any previous meetings beyond this can be requested (contact: [democracy@buckscc.gov.uk](mailto:democracy@buckscc.gov.uk))

### **MEMBERS PRESENT**

Mr W Chapple OBE (Chairman), Mr D Dhillon, Ms N Glover, Mr S Lambert, Mr D Martin and Mr A Stevens

### **OTHERS IN ATTENDANCE**

Mr R Ambrose, Mrs C Capjon, Mr J Noble, Ms G Quinton and Ms R Shimmin

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

There were no apologies for absence or changes in membership.

### **2 DECLARATIONS OF INTEREST**

There were no Declarations of Interest.

### **3 MINUTES**

The Chairman confirmed that a letter had been sent to the previous Chairman and that MTP actions would be implemented when appropriate to do so.

The Minutes of the meeting held on 28 June 2016 were confirmed as a correct record subject to the replacement of the word 'successful' with the word 'completed' on the fourth bullet point on page 9.

## **4 PUBLIC QUESTIONS**

There were no public questions.

## **5 CHAIRMAN'S REPORT**

The Chairman updated Members on the work of the Income Generation Inquiry, highlighting a special meeting of the Committee on 11<sup>th</sup> October at 2pm to discuss recommendations and agree the report.

## **6 CHIEF EXECUTIVE DISCUSSION**

Ms R Shimmin was welcomed to the meeting.

Ms Shimmin outlined her initial approach to the role of Chief Executive, highlighting in particular the importance of building relationships with Members, staff, local partners and at the regional and national level. Ms Shimmin explained that she would be focussing on gaining an understanding of the organisation's priorities and budget; the economic priorities for the County; and the key issues for services, the Council, partners and the County as a whole.

In discussion, Ms Shimmin made the following points:

- The importance of building relationships, providing a summary of meetings held/planned to date
- That the organisation recognised and was comfortable with the Member-led nature of the Council
- That given the work to date on Children's Services and the robust nature of the Ofsted regime, she would anticipate a minimum rating of Requires Improvement as an outcome of a future inspection
- That as the underpinning principles of Future Shape were sound, there was no intention for any programme of structural change although there would be further work around some aspects including Delivery Vehicles and income generation
- The Council faced significant financial challenges and that a new Budget Board was being established to provide a focussed forum on finances, including income generation
- The need to understand the prominence of Buckinghamshire for the Infrastructure Commission and the opportunities for local partners to work together to address holistically the County's long-term challenges
- The benefits of peer challenge in improving the organisation
- The need to accelerate the entrepreneurial approaches being developed in response to the Council's shrinking resource

Members commented on their confidence in the Council's senior management team; the potential opportunities arising from Aylesbury as a Garden Town; and raised a concern about the strength of the relationships between the hierarchy of officers particularly around the potential contribution of ideas from frontline staff to organisational improvement.

Ms Shimmin was thanked for her contribution.

## **7 BUDGET SCRUTINY 2016 - SIX-MONTH UPDATE REPORT**

Mr R Ambrose, Director of Assurance, was welcomed to the meeting.

Mr Ambrose presented the Six-month Update Report, highlighting:

- Rec 1: ongoing monitoring had been improved. A new section included a RAG (red, amber, green) rating around the delivery of savings/additional income across all four years of the budget. This would give early visibility of any issues and ensure that portfolios produced action plans to mitigate any areas of non-achievement/ forecast overspends.
- Rec 2: Equality Impact Assessments (EIAs) would be undertaken through an initial screening, with full EIAs completed for items over £100k, for those indicated through the screening and for some areas with cumulative effects
- Rec 4: Governance of Delivery Vehicles had been improved
- Rec 6: Agency costs were regularly monitored by the senior management team
- Rec 8: There had been a strong focus on developing staff, particularly middle managers
- Rec 10: The service was taking a risk-based approach which improved asset planning

In discussion, the following points were raised:

- There was no intention to instigate a budget freeze in 2016/17
- A checklist had been developed to improve the set-up of Delivery Vehicles and there was better collaboration with stakeholders
- There was now a better awareness of issues in relation to contract management and commercial approach
- Concerns around the service's overall approach to gully work in light of the Council's commercial approach; the lack of a plan for Aylesbury; and gullies flowing into water courses would be raised with the Cabinet Member and referred to the Transport, Environment & Communities (TEC) Select Committee

**ACTION: Chairman to write to the TEC Select Committee and Cabinet Member for Planning & Environment**

- Whether outsourcing the adoption service would deliver greater benefit to children
- Concerns regarding progress in relation the Educational Psychology Service and Youth Counselling recommendations would be referred to the Children's Social Care & Learning (CSC&L) Select Committee

**ACTION: Mr D Dhillon to raise as potential agenda items for a future CSC&L Select Committee**

- The issue of non-statutory provision of school transport for some children was being looked at

**ACTION: Chairman to apply RAG rating to the table after the meeting and circulate to all Members for comment**

## **8 Q1 PERFORMANCE REPORT**

Mr J Chilver, Cabinet Member for Resources, was welcomed to the meeting and introduced the report. Mr Ambrose informed Members that the Council was currently forecasting a slight underspend overall but with overspends in Children's Services, Education & Skills, and Health & Wellbeing portfolios.

In discussion, the following issues were noted:

- The number of Special Educational Needs statements had increased beyond forecasts

- Children's Social care costs related primarily to external placements costs
- The Head of Strategic Finance was working with the Children's Social Care & Learning business unit to improve understanding and culture and signs of improvement were being seen
- Financial Directors were responsible for Income Generation within Business Units
- Good practices established during the budget freeze in 2015/16 were prevailing
- The Orchard House project was on track to deliver by 2018 as planned and it was acknowledged that more narrative assurance would be helpful
- Although sufficient contingency had been made for 2016/17 in relation to the implementation of the National Living Wage (NLW), there would be ongoing pressures with the year-on-year increases in NLW
- There was a challenge in balancing spend on repairs and maintenance of existing estate, with funding prevention works and prioritisation of the programme involved consideration of non-financial benefits such as effect on staff
- The current overspend in relation to repairs and maintenance related primarily to unforeseen repairs and the improved service desk process and increased income from property aimed to maximise resource.

## **9 COMMITTEE WORK PROGRAMME**

The Committee was informed that the Green Park item would be considered at the November meeting in part due to enable feedback from the first ALF Shareholders Commissioning Group.

Mr Chilver assured the Committee that all requested officers would attend the meeting.

## **10 BUSINESS SERVICES PLUS BUSINESS PLAN**

Mrs G Quinton, Managing Director for the Council's Business Services Plus (BSP) Business Unit, and Mr J Noble, Commercial Director, were welcomed to the meeting.

Mrs Quinton introduced the report, highlighting progress made since the previous meeting:

- Business Services Plus (BSP) was doing business with over 250 other organisations including the London Boroughs of Hillingdon and Harrow and local schools and was receiving increasing expressions of interest
- The Business Unit had taken on the property service in April and had reduced the inherited forecast overspend to £250k
- Significant risks to the current budget include the need for additional funds to support ongoing asbestos and legionella survey work
- BSP had contributed to the Ofsted Improvement Plan work in the areas of recruitment & retention of social workers and IT tools available to the workforce. The 25% agency worker rate was high and work was taking place to reduce the proportion to bring this in line with regional comparators

## **11 EXCLUSION OF THE PRESS AND PUBLIC**

### **RESOLVED**

**That the press and public be excluded for the following item which is exempt by virtue of Paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information)**

## **12 BUSINESS SERVICES PLUS BUSINESS PLAN**

**13 DATE AND TIME OF NEXT MEETING**

A special meeting of the Committee will be held on 11 October 2016 at 2pm in Mezz 2.

The next ordinary meeting of the Committee will be on 1 November 2016 at 10am.

**CHAIRMAN**



**Budget Scrutiny Inquiry Progress Update on Recommendations**  
**Interim Progress Report (6 months on)**




**Select Committee Inquiry Report Completion Date:** February 2016

**Date of this update:** September 2016



**Lead Officer responsible for this response:** Richard Ambrose

**Cabinet Member that has signed-off this update:** Martin Tett


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Accepted Recommendations	Original Response and Actions	Progress Update	Committee Assessment of Progress (RAG status)
1. That the delivery of all the savings required in the Medium Term Financial Plan be robustly monitored. The savings delivery programme should be overseen corporately and include quarterly reports to the Finance, Performance and Resources Select Committee	Yes - In part  It is absolutely the intention of Cabinet that savings will be robustly monitored. Cabinet will continue to require quarterly reports on progress both on savings and on overall expenditure and achievement of KPIs. All reports to Cabinet are available to all members.	On-going – The MTP approved savings are being robustly monitored on a monthly basis and will be formally reported to Cabinet on a quarterly basis.	  The Committee is satisfied that a robust monitoring process, including oversight by a new Budget Board
2. That any new proposals for unidentified savings should ensure due process is followed, including Equality Impact Assessments and public consultation on specific proposals prior to a decision	Yes - In part  As detailed proposals for changes in service provision are developed, then the Council will undertake consultations as appropriate and prepare EIAs to inform its decision making and fully meet its statutory requirements.	No further updates. The importance of EIA's and consultation to meet our statutory duties are being highlighted as part of the upcoming MTP process	  The Committee was told that full EIAs are automatically undertaken for savings of £100k or more and are required for smaller amounts when there is a cumulative impact or where the screening tool indicates the need
3. That a review of the Future Shape Business Case, agreed by Cabinet in December 2014, is undertaken to assess whether the benefits originally envisaged have been achieved and lessons	Yes – already underway  The Cabinet have already identified this as a first priority for the newly appointed Chief Executive in 2016. The One Council Board has started the	On-going – The One Council Board has undertaken an initial analysis of the progress in delivering the benefits of the Future Shape business case, and identified areas of immediate focus. The new Chief Executive takes up post on 1 September and will be	  Work is ongoing


Minute Item 7



<p>learnt, as well as make recommendations on any changes to the approach needed</p>	<p>background work to underpin this review, which will be reported to Cabinet following the appointment and agreement of the new Chief Executive.</p>	<p>considering how to progress this work.</p>	
<p>4. That business cases for any new Alternative Delivery Vehicles are developed with full consideration to all the possible delivery models and that these include clear and consistent proposals for future governance arrangements so that Members can be assured that adequate controls and contract management are in place. A review of existing ADVs should be undertaken to ensure they are delivering against their business plan</p>	<p>Yes – already underway</p> <p>The Cabinet have already commissioned a review of the new Delivery Vehicles, with a focus on both delivery against the original business cases and lessons for the future including future governance arrangements</p>	<p>On-going – A review of ‘lessons learned’ from the current ADVs has been undertaken and, as a result, a protocol for the development of new ADVs has been developed, including guidance around governance arrangements.</p> <p>The business case of each individual ADV is currently being reviewed and recommendations will be presented to Cabinet later this year.</p>	<p style="text-align: center;"></p> <p style="text-align: center;">Work is ongoing</p>
<p>∞ 6. To undertake a review of the current levels of agency and interim/consultancy staff across the organisation to consider how to reduce unnecessary costs</p>	<p>Yes - already underway</p> <p>The use of agency and interim staff across the organisation is already subject to regular review. Bi-annual reports are presented to the One Council Board and to Cabinet Members to review agency usage across the organisation. As a consequence a number of actions have already been taken to reduce spend including a moratorium on the appointment of any new agency staff other than those required to cover critical posts, a review of all existing agency staff and termination of contracts where possible, a review of long-standing agency workers and development of strategies to replace with permanent staff where economically viable.</p>	<p>On-going - Monitoring reports are presented to the One Council Board and to Leaders Advisory Group on a bi-annual basis with more regular monitoring reports being discussed at Business Unit Boards. Each Business Unit has been tasked with closely monitoring and reducing agency spend.</p>	<p style="text-align: center;"></p> <p style="text-align: center;">The Committee is satisfied with the ongoing monitoring arrangements in place at strategic level.</p>







<p>7. To undertake a review of the Pertemps contract to ensure that this remains the most cost-efficient way of meeting the Council's needs</p>	<p>Yes – already underway</p> <p>There are a number of misunderstandings in the Budget Scrutiny Inquiry Report. In <b>para 25</b> the additional fees quoted are not representative of Pertemps charges. Pertemps do not operate charges of this nature. Outside the Pertemps contract, other agencies may charge between 20-30% of salary costs and may also have clauses to restrict us from being able to convert an agency worker to permanent without the payment of significant fees. However, we now require all new requests for agency workers to be commissioned via the Pertemps contract to avoid additional fees of this nature.</p> <p><b>In para 27</b> of the report, it suggests that the Pertemps contract limits our ability to be competitive. The Pertemps contract is a Master Vendor arrangement which means they act as the conduit to supply all BCC agency workers. We get the best rates if they can supply to us themselves, but where they cannot do this, they open up vacancies to other agencies that are signed up to their supply chain at centrally agreed rates, which are much more economical than those we would be able to obtain by approaching the agencies directly. We have clear SLAs to determine when they open up vacancies to the supply chain.</p> <p>We also benefit from rebates on the</p>	<p>Completed - The Pertemps Contract and performance are reviewed at scheduled contract Governance Meetings.</p> <p>The shared HR service with Harrow provides us with another opportunity to look at contractual arrangements with a view to determining the optimum operating model. A joint piece of work to look at future operating models has now been commissioned.</p>	 <p>The Committee is satisfied that the Pertemps contract is delivering significant benefits to the organisation and that work is already underway to enable full consideration of options prior to the contract end date in 2018</p>
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	<p>Pertemps contract. This year we are budgeting on income of around £140K.</p> <p>The Pertemps contract was renewed in April 2015 and has another 2 years to run plus an option to extend for another year if required. Operation of the contract is reviewed regularly via Operational Management meetings and via a Governance Board which includes the Cabinet Member for Finance and Resources.</p>		
<p>8. To undertake a specific project to identify skills gaps within the Business Units and to work across the organisation to upskill the existing staff and to recruit people with commercial skills to current vacancies</p>	<p>Yes – already underway</p> <p>The Future Shape Programme contained a programme work stream entitled People and Organisational Change. The purpose of this work stream was in part to identify and understand any skills gaps in the organisation that may impact on our ability to become a commercially minded organisation. As part of this work, commercial skills were identified as a key development need. A series of activities have been put in place to develop commercial skills including:</p> <ul style="list-style-type: none"> <li>- Workforce development plans for each Business Unit which identify skills gaps.</li> <li>- Commercial awareness training available to all employees including courses such as Commercial Instinct, Effective Bid Writing etc.</li> <li>- A robust training and development programme, which identified contract managers across the organisation on</li> </ul>	<p>On-going - Skills training is a constant feature of the learning and development programme. A number of mandatory training programmes have now been put in place supported by additional optional programmes. The Future Shape skills gaps continue to be our focus of activity in the training programmes offered to staff.</p>	<p style="text-align: center;"></p> <p style="text-align: center;">This work is ongoing</p>

	<p>Contract Management skills. All contract managers of platinum and gold suppliers have been trained and included action learning sets</p> <ul style="list-style-type: none"> <li>- Supplier Management Group has been refreshed to focus on: Delivering collaborative work-streams identified in the Commercial Plan such as 'low cost / no cost' solutions, Platinum Plus supplier events and knowledge / skills sharing</li> </ul> <p>New job families and role profiles have been developed which include commercial acumen. Recruitment processes ensure that these competencies are identified and assessed in new recruits where appropriate.</p>		
<p>10. To undertake a detailed review of the gully cleaning programme with the objective of achieving greater efficiencies in the use of the plant and equipment</p>	<p>In part</p> <p>A detailed review of the gully cleaning operation was conducted in 2015, to improve plant utilisation. The review focused specifically on adopting a split shift approach, extending the gully cleaning operation from 6.00am until 10.00pm (depending on the time of year). This would require two specific crews per machine per shift.</p> <p>A number of concerns about the split shift approach were raised by the workforce – including increased driver / operative fatigue, highway safety during early morning and night operations, traffic management on primary routes,</p>	<p>On-going – Focusing on the risk based approach to gully emptying we have moved to a place where gullies are emptied once every 18 months rather than once a year. In general this has been achieved by emptying gullies on A and B roads and at known flood sites once a year and others are done less frequently based on data collected on the need for emptying last year. The only area where we are still working on an annual emptying cycle is Aylesbury as the data for this area was not as robust – this is being rectified as part of this years' programme. As we build up historical records of cleaning needs we would look to further stretch the average cleaning frequency over the next few years until we have optimised the frequency on an evidential risk based approach.</p>	<p style="text-align: center;"></p> <p>The Committee remains concerned about the approach being taken, particularly alignment with Future Shape principles, and will be asking the TEC Committee to do further work in this area</p>





	<p>customer dissatisfaction in residential areas for early morning and night/evening operation, and increased fleet maintenance and support (breakdown recovery). It was agreed these concerns would need to be addressed before this option can be implemented.</p> <p>The current focus of this service is based on an asset needs based approach (basically seeking to prioritise those gullies most likely to flood or have inherent problems). However the split shift approach will be revisited during 2016.</p>	<p>This year we currently have reduced the number of Gully Emptiers we are using from three to two.</p> <p>We also deploy, for problematic locations, a Supersucker to ensure we can achieve the best outcomes from the resources available and affordable.</p>	
11. To undertake an options appraisal to assess the cost/benefits of different delivery models for the Fostering and Adoption service, including exploring outsourcing	<p>Yes – already underway</p> <p>The Business Unit is currently undertaking an options appraisal to assess the most appropriate delivery model for the fostering service. In relation to the Adoption service, the Council has recently joined forces with a number of other Councils to form a Regional Adoption Agency led by Coram, in accordance with the Government's ambition for adoption services.</p>	<p>Completed.</p> <p>Options appraisal has been undertaken in May 2016. Decision made to tender for an improvement partner either from another Local Authority or an independent foster provider. Tender process has been completed and just awaiting issue to independent foster provider. The new provider will begin work from September 2016.</p>	 <p>The Committee is satisfied with the work undertaken by the Portfolio in this area</p>
12. To ensure a full public consultation in relation to Children's Centres on all the options for delivering the service in a different way prior to a key decision on any service change. To work in conjunction with Public Health to understand the full impact on the proposed service reduction	<p>In part</p> <p>The Business Unit will examine all options with regard to Children's Centres which still enable the necessary savings to be achieved. All options will be consulted upon as appropriate and in accordance with statutory requirements</p>	<p>On-going – Further updates to follow in the Autumn (2016)</p> <p>The Business Unit will examine all options with regard to Children's Centres which still enable the necessary savings to be achieved. All options will be consulted upon as appropriate and in accordance with statutory requirements</p>	 <p>The Committee is unable to assess progress at this stage</p>

<p>13. That an options appraisal be carried out on the Educational Psychology Service to assess the best delivery model for this service to maximise the income generation potential</p>	<p>Yes</p> <p>The EPS is already successful at generating income to support the costs of the service. The Business Unit will explore a range of options in order to assess the opportunities for enhancing the income generation potential.</p>	<p>On-going.</p> <p>Educational Psychology service has generated approx. £44,300 through the recent buyback with schools. The demand for services from schools (non-statutory) has outstripped the current resource capability of the EP team. Steps are being taken to recruit staff in order to deliver EP services.</p> <p>Statutory work increased over past 2 years; in real terms being around 150% increase due to the SEND reforms. The result has been that EPS service has been pulled away from cost recovery work. Early prevention work could be provided but the work is being diverted to the statutory work. 2 FTEs short.</p>	 <p>The Committee would like to have had assurance that there was a clear vision for the future EP service, particularly considering the potential income generation opportunities for the organisation arising from the success of the service to date. The Committee will be asking the CSC&amp;L Select Committee to consider the subject in their future work programme</p>
<p>14. To review the charging policies for all Home to School transport users to ensure maximum income generation opportunities are explored. To undertake a timely public consultation on any proposed changes to the service</p>	<p>In part</p> <p>The Business Unit continues to keep the charging policies for home to school transport under review. Any changes will be consulted upon as appropriate and in accordance with statutory requirements</p>	<p>On-going.</p> <p>Detailed consultation has been undertaken with parents in accordance with statutory requirements and stakeholders and cabinet member is considering the responses and the implications of any changes to the charging model.</p>	 <p>This work is ongoing</p>
<p>15. To look at alternative ways of delivering the Youth Counselling Service without cutting the service completely (for example, reduce the number of paid staff and explore possibilities of joint funding the service with Oxford Health Trust)</p>	<p>Yes</p> <p>The Cabinet recognises the importance of the Youth Counselling Service and is committed to continuing its support for the service as far as possible, within the resources available. The Business Unit will explore all possible options to achieve this.</p>	<p>On-going.</p> <p>Further updates to follow in the Autumn (2016)</p>	 <p>Due to lack of information, the Committee is unable to assess progress. The Committee is referring the issue to the CSC&amp;L Select Committee for further investigation</p>

<p>16. To explore other ways to keep the Duke of Edinburgh Award programme running (for example, explore the idea of a private company/companies sponsoring the programme and target those who currently employ a number of apprentices)</p>	<p>Yes</p> <p>The Duke of Edinburgh Award programme is highly regarded across the County, providing valuable opportunities for young people to develop skills for life. The Business Unit will look at ways for private and voluntary sector organisations to provide ongoing support for the programme in Buckinghamshire.</p>	<p>On-going</p> <p>To continue the Duke of Edinburgh scheme Bucks Youth is working closely with schools to transfer the Duke Of Edinburgh licence to individual schools. A list of new licence holders will be provided at the next update.</p>	 <p>The Committee is satisfied with the work being undertaken to encourage schools to take on licences for the Duke of Edinburgh scheme</p>
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**Please note – Recommendations 5 and 9 were not agreed by Cabinet**

*RAG Status Guidance (For the Select Committee’s Assessment)*

	<p><i>Recommendation implemented to the satisfaction of the committee.</i></p>		<p><i>Committee have concerns the recommendation may not be fully delivered to its satisfaction</i></p>
	<p><i>Recommendation on track to be completed to the satisfaction of the committee.</i></p>		<p><i>Committee consider the recommendation to have not been delivered/implemented</i></p>