



## Budget and Finance Overview and Scrutiny Committee

**Thursday 16 January 2014 at 7.00 pm**

Boardroom - Brent Civic Centre, Engineers Way,  
Wembley, HA9 0FJ

### Membership:

#### Members

Councillors:

Hopkins (Chair)  
Kataria (Vice-Chair)  
Brown  
S Choudhary  
HB Patel  
RS Patel  
Ketan Sheth  
Van Kalwala

#### first alternates

Councillors:

Ashraf  
Harrison  
Green  
Chohan  
BM Patel  
Long  
Jones  
Allie

#### second alternates

Councillors:

Clues  
Hector  
Lorber  
Moloney  
HM Patel  
Oladapo  
Gladbaum  
Daly

**For further information contact:** Lisa Weaver, Democratic Services Officer  
020 8937 1358, [lisa.weaver@brent.gov.uk](mailto:lisa.weaver@brent.gov.uk)

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**The press and public are welcome to attend this meeting**

# Agenda

Introductions, if appropriate.

Apologies for absence and clarification of alternate members

Item	Page
<b>1 Declarations of personal and prejudicial interests</b>	
Members are invited to declare at this stage of the meeting, any relevant financial or other interest in the items on this agenda.	
<b>2 Deputations (if any)</b>	
<b>3 Minutes of the previous meeting</b>	1 - 6
<b>4 Matters arising</b>	
<b>5 Results of the budget consultation</b>	
The committee will receive a presentation that will provide an overview of the results from the recent budget consultation process.	
<b>6 Budget update</b>	
The Operational Director of Finance will provide an update to the committee on issues relating to the development of the 2014/15 budget.	
<b>7 Discussion on the first interim report</b>	
Members to discuss and finalise the committees first interim report.	
<b>8 Work programme 2013/14</b>	7 - 12
The work programme is attached.	
<b>9 Any other urgent business</b>	
Notice of items to be raised under this heading must be given in writing to the Democratic Services Manager or his representative before the meeting in accordance with Standing Order 64.	

## 10 Date of Next Meeting

The next scheduled meeting of the Committee is on 4 February 2014.



- Please remember to **SWITCH OFF** your mobile phone during the meeting.
- The meeting room is accessible by lift and seats will be provided for members of the public.

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## **MINUTES OF THE BUDGET AND FINANCE OVERVIEW AND SCRUTINY COMMITTEE Monday 2 December 2013 at 7.00 pm**

PRESENT: Councillor Hopkins (Chair) and Councillors S Choudhary, HB Patel and Harrison

Also present: Councillors Aden and Chohan.

Apologies for absence were received from: Councillors Brown, RS Patel, Ketan Sheth and Van Kalwala

### **1. Declarations of personal and prejudicial interests**

None declared.

### **2. Minutes of the previous meeting held on 12 November 2013**

RESOLVED:-

that the minutes of the previous meeting held on 12 November 2013 be approved as an accurate record of the meeting.

### **3. Matters arising**

#### *Adult Social Care*

In reply to a query from a member, Elizabeth Jones (Interim Operational Director – Finance) advised that data in respect of the number of concessionary fare users was still being collated and would be provided to the committee once this had been completed.

#### *Budget update*

Mick Bowden (Operational Director, Finance) advised that contingency arrangements during an emergency at times when the control room was not open were being drafted and consulted upon and further information would be provided to members in due course.

In relation to business rate arrears, Mick Bowden informed members that an additional step had been included in the recovery process that would mean that a customer would receive a letter from the council advising that the case would be referred to the bailiffs if they did not contact the council to agree a repayment schedule.

#### 4. Children and Families budget presentation

Sara Williams (Interim Director of Children and Families) gave a presentation on the Children and Families budget. She began by informing members that from the total Children and Families budget of £87.7m, approximately half came from central funds, whilst the rest came from the Dedicated Schools Grant. Sara Williams referred to services run under Children and Families and advised that it employed 764 permanent staff, although a significant number were part time. There were also a number of vacancies, currently at 168, which were being filled by temporary staff until permanent appointments had been made. Sara Williams advised that a recruitment campaign was underway targeting those who may be interested in working in a challenging, but interesting environment such as Brent. Although there was a large number of graduate social workers in the employment market, the borough needed experienced social workers because of the nature of the environment. Agency staff were also being encouraged to become permanent staff but success in this area was limited. Sara Williams referred to the current financial position and explained that overspend forecast for 2013/14 was the worst case scenario and was mainly attributable to pressures from in year growth of school pupil numbers, which were greater than anticipated, and redundancy costs in the schools budget and Children's Placements budget. However, the overspend forecast for Children's Placements was much improved from previous years. Members then noted the breakdown of individual service spends and the predicted forecast variances, if any. Sara Williams then outlined the savings found to date for the years 2010/11, 2011/12, 2012/13 and 2013/14 respectively. With regard to unit cost trends in residential care, these continued to fall in 2013/14 as well as the number of looked after children (LAC) and the council was also working with the West London Alliance (WLA) to commission higher quality LAC places. Fostering placements costs for 2013/14 were due to remain the same as the previous year, despite higher placement numbers.

Sara Williams then covered the maintained schools budget, which again had fallen in 2013/14 compared to the previous year. This was partly attributable to a reduction in maintained schools as some schools converted to academy status. The largest sector of the budget was for primary schools and pupil numbers determined the allocation from central Government. Sara Williams referred to the Government's recent announcement about free school lunches being provided to every child in Key Stage One at state-funded schools and expressed concerns that this would be under-funded.

Sara Williams then commented on future challenges for Children and Families. This included increasing numbers of children and high levels of need. Regulatory regimes also created pressures both in terms of running services and on budgets and this would be exacerbated by new regimes for children with disabilities and special educational needs (SEN). Funding to support education functions would also be reduced, whilst strong arguments needed to be provided to justify early intervention, such as troubled families and there was a need to put together sustainable plans.

During members' discussions, further details of the work of the School Improvement Services and how pupil numbers were calculated was requested, including whether this included children currently without a school place. In relation to academies, it was asked to what extent did the council have control over how they were staffed.

Information on future arrangements for SEN was requested and comparisons with boroughs of similar profile with regard to LAC was sought. In addition, it was asked whether the council continued to pay the costs of a LAC child when away from the borough.

In reply to the queries raised by members, Sara Williams explained that School Improvement Services was a small team that undertook monitoring of schools' performance and looked at data to identify any struggling schools and to consider what measures were needed to address this. She advised that the council's powers were limited concerning the staffing of academies, however every effort was made to ensure high standards. Sara Williams added that all with the exception of one primary school in Brent had experienced an improvement in their performance over the last year. Sara Williams advised that pupil numbers were based on the October 2013 pupil count and this would not be refreshed in January 2014, however even if a large number of pupils enrolled at schools during the school year, the council would still need to fund this and this would increase pressure on the budget. Members noted that every effort was made to place every child in school by October. Sara Williams confirmed that children without a school place were not included in the total pupil numbers.

Turning to SEN, Sara Williams advised that the council was looking at new ways of providing this service and it was not always in the pupil's best interest to be referred fully to the SEN service. Sara Williams advised that there were relatively few LAC children in Brent compared to boroughs with similar profiles, with others such as the London Borough of Ealing having far higher LAC numbers. However, she added that the most significant element was the practice used by each borough in how they managed LAC children and this helped make comparisons more useful. The committee heard that when a child moved to a different area, the host local authority would bear the costs, however the child's previous local authority, including both from children and families and housing would pass on the relevant information to ensure an appropriate level of safeguarding was provided. The Educational Welfare Group would also play a role in ensuring the child was given a school place.

The Chair commented that it was absurd and unfair that the council could not include children without a school place in the total pupil numbers and she also stated that despite the best efforts of local authorities, contact with LAC children and the appropriate supervision could sometimes be lost when they moved to another area.

## **5. Review of non-permanent staff arrangements**

Cara Davani (Operational Director, Human Resources) introduced the report and advised that there were three types of non-permanent staff employed by the council, these being agency staff, consultants and interim managers. Although agency staff constituted the largest number of non-permanent staff, they were not the largest spend. Amongst the non-permanent staff, there were a small number of casual workers, none of which were employed on a zero hours contract and they were free to accept or refuse any offer of work. These casual staff were paid through the council's payroll and they may also work for other organisations. Cara Davani drew members' attention to table one in the report and confirmed that the largest spend on non-permanent staff from the Reed Managed Services was in

Children and Young People. This was due to the costs involved in employing social workers, care assessors and a number of staff working in the John Billam Resource Centre. It was hoped that the number of agency staff working in Children and Families would fall in future. The committee heard that the main agency staff recruited in Regeneration and Growth were benefits assessors. Cara Davani then invited questions from members.

Members sought clarification that all staff were subject to the London Living Wage (LLW) and were agency staff more expensive to employ than permanent staff. It was queried what steps were being taken to retain social workers and had there been any case study undertaken as to what constituted a safe number of cases for social workers to handle. It was commented that it was not just the number of cases a social worker may have that could influence the ability to recruit and retain them, but also the cultural environment and the managerial practice of which they worked in. A member noted the downward trend in agency spend 2010-2013 as set out in table two in the report and asked how workloads were being managed in the context of this. The committee asked for further details regarding consultant costs for the large spend posts and another member enquired why there had needed to be a spend of £58K for a single consultant spend in Legal and Procurement. A member noted the relatively high costs in Human Resources (HR) for interims and consultants and another member felt that these costs were excessive in view that these were short term appointments. It was queried how the staff were selected for the interim and consultant positions in HR and was there any scope for shared services in relation to interim positions.

Members asked what processes had been undertaken to appoint Reed Managed Services as the agency worker provider and how long had they worked with the council. Reasons were sought as to why the number of consultants used had only reduced significantly in the last two years and were HR able to recruit permanent staff more quickly now. The question was posed as to whether the need for external staff was due to lack of capacity in some areas. In addition, did their appointment bring extra costs as they accumulated more employment rights the longer they remained, such as national insurance and pension costs and the total cost for all permanent staff. The committee also asked if Reed Managed Services helped the council to appoint permanent staff and what was the council's position in re-appointing staff as consultants who had been made redundant.

In reply to the issues raised, Cara Davani confirmed that all staff employed directly by the council were subject to LLW, however this was not the case for contractors, although they were encouraged to apply LLW for their staff. She advised that when all factors were taken into account, there was not a large difference in terms of costs between employing permanent staff and agency staff to fill the same post. However, it was the council's policy to reduce the number of agency staff and as a responsible employer, it was desirable to increase the proportion of permanent staff. Cara Davani added that realistically there would always be a need for some agency staff, particularly in areas such as social work. In order to attract and retain social workers, although a market supplement was offered, there were also other factors to make the employment offer more attractive, such as training and research had shown that such factors were just as important as salary. In addition, London Councils has asked that there not be excessive pay rises for social workers to prevent a 'bidding war' between London boroughs. Those with no London experience were also encouraged to apply as they may be attracted by the



challenges of being a social worker in Brent. Cara Davani advised that the comparatively large number of interims and consultants in Children and Families can also affect confidence in the department and efforts were being made to recruit permanently in such posts. Social worker caseloads in Brent were also not as high as was generally perceived and Cara Davani agreed to see if there were any case studies she could circulate to members concerning safe number of cases and what constituted a 'case.'

Cara Davani referred to table two in the report that demonstrated that the overall agency spend had fallen year on year between 2010-2013, although there had been a small rise in the last year due to LLW increasing the average hourly rate. With regard to some of the larger spends concerning interims and consultants, Cara Davani advised that the information in table three of the report provided estimated costs, as some managers had been recruiting staff directly and so it had been more difficult to capture all information on this. However, agency spend was comparatively low in relation to London boroughs overall, as outlined in section 3.16 of the report. She explained that the spend for one post in Legal and Procurement for interims and consultants was related to a specific short term piece of work concerning the procurement of the Public Real contract, and the number of posts in Finance related to the move to the Civic Centre and IT costs for new finance systems. Cara Davani advised that three of the interim and consultant posts in HR were leaving shortly and had been appointed to help with the council restructure. Members noted that a permanent appointment had now been made in respect of Head of Learning and Development, whilst the interim HR Contract Manager was leaving the council in the second week of December 2013. Cara Davani advised that one of the HR posts had been appointed prior to her arrival at the council, whilst the other three posts had been appointed through a tender process.

Cara Davani advised that non-permanent staff daily rates of pay were always higher than the same post with permanent staff, however non-permanent staff would not be paid where they had not worked that day and did not receive any holiday or sick pay. A number of initiatives were underway for tightening the recruitment of non-permanent staff and managers were responsible for the recruitment of interims and contractors and must demonstrate value for money in the business case for extending an existing assignment which needed to be signed off by the Service Director, the Operational Director of HR and Finance. The HR Contracts Manager would then ensure value for money is obtained when negotiating the contract for all non-permanent staff and this role was crucial. It also included ensuring that the relevant employment and Disclosure Barring Service (DBS) checks had been undertaken. Cara Davani advised that there was limited scope for shared services in respect of interims as their role were usually very specific, however the council did discuss with other London boroughs about the suitability of potential candidates and would duly take into consideration those with a proven track record and who came with any recommendations from other authorities.

Cara Davani advised that Reed Managed Services had been awarded the neutral vendor contract in August 2013 and they were the sole organisation responsible for recruitment of agency staff. She stated that it was unclear as to why there had been such a large number of contractors two years previously, however all senior manager were now signed up to the policy of significantly reducing the number of consultants. She advised that some posts, particularly in Children and Families,

statutorily needed to be filled and so this would sometimes require a non-permanent posting whilst a permanent appointment was sought. There also needed to be a Head of Learning and Development and this was why the post had been filled on an interim basis. In order to avoid rising costs for agency staff, these were generally appointed for a period of no longer than twelve weeks, whilst it was part of the contract with Reed Managed Services to assist in finding permanent staff. Cara Davani advised that there were specific rules with regard to re-appointing staff who had been made redundant on a consultancy basis, including a minimum period of twelve months between them being made redundant and returning to work for the council.

Mildred Phillips (Head of Transactional Services, Human Resources) added that Reed Managed Services offered favourable rates in comparison with the previous agency staff provider, whilst it was also felt that Reed Managed Services would be more robust in providing employment checks. Members heard that the council had seen how Reed Managed Services worked with LB Lewisham before deciding to award them the neutral vendor contract.

Mick Bowden agreed to provide information on the total permanent staff spend.

**6. Budget update**

Mick Bowden advised that there were few developments from the previous meeting whilst the Autumn Statement from the Government was awaited on 5 December and the Local Government Financial Settlement was expected in late December.

**7. Work programme 2013/14**

Members noted the committee's work programme for 2013/14. The Chair reminded members that the next meeting would consider the committee's first interim Budget report.

**8. Date of next meeting**

It was noted that the next meeting of the Budget and Finance Overview and Scrutiny Committee was scheduled to take place on Thursday, 16 January 2014 at 7.00 pm.

**9. Any other urgent business**

None.

The meeting closed at 8.40 pm

A HOPKINS  
Chair

**Budget & Finance Overview & Scrutiny Committee Work Programme 2013/14**  
**Chair Cllr Hopkins**

Date of Meeting	Purpose of Agenda item	Requested Information / Evidence	Invited witnesses	Notes
23 <sup>rd</sup> July 2013	<p>To receive the report on the Budget Strategy 2013/14 – 2015/16.</p> <p>WLWA – Financial management and procurement project</p> <p>Work Programme for 2013/14</p>	<ul style="list-style-type: none"> <li>• Work Programme discussion</li> </ul>	<p>Mick Bowden, Deputy Director of Finance</p> <p>Jim Brennan, Director WLWA</p> <p>Sue Harper, Director of Environment &amp; Neighbourhoods</p> <p>Councillor Marshari Lead Member for Environment and Neighbourhoods</p>	
11 <sup>th</sup> September 2013	Regeneration & Growth	<p>A presentation on;</p> <ul style="list-style-type: none"> <li>• The departments current budget position</li> <li>• Budget pressures, and Actions being taken to deal with</li> </ul>	Andy Donald, Director of Regeneration & Growth	

	Budget Update	<p>those issues</p> <ul style="list-style-type: none"> <li>• The Capital Programme</li> </ul> <p>To provide members with information regarding the current budget position.</p>	Mick Bowden, Deputy Director of Finance	
8 <sup>th</sup> October 2013	<p>Environment &amp; Neighbourhoods</p> <p>One Council Budget Saving</p>	<p>A presentation on;</p> <ul style="list-style-type: none"> <li>• The departments current budget position</li> <li>• Budget pressures, and Actions being taken to deal with those issues</li> </ul>	<p>Sue Harper, Director of Environment &amp; Neighbourhoods</p> <p>Irene Bremang</p>	

	Budget Update	To provide members with information regarding the current budget position	PMO Manager  Mick Bowden, Deputy Director of Finance	
12 <sup>th</sup> November 2013	Budget Update  Adult Social Care	First Reading Debate update – to include emerging finding from the budget consultation  A presentation on;  <ul style="list-style-type: none"> <li>• The departments current budget position</li> <li>• Budget pressures, and Actions being taken to deal with those issues</li> </ul>	Lead Member for Finance & Resources  Phil Porter acting Director Adult Social Care	
2nd December	Budget Update	To provide members with the latest budget information.	Mick Bowden	

2013	<p>Children and Families</p> <p>Report on the Review of Consultants, Interims and Temporary Labour</p>	<p>A presentation on;</p> <ul style="list-style-type: none"> <li>• The departments current budget position</li> <li>• Budget pressures, and Actions being taken to deal with those issues</li> </ul>	<p>Sara Williams, Acting Director Children &amp; Families</p> <p>Cara Davani, Operational Director, HR</p>	
15 <sup>th</sup> January 2014	<p>Results of Budget Consultation</p> <p>Budget Update</p> <p>To agree the Panel's first interim report</p>		<p>Cathy Tyson, Assistant Director of Policy</p> <p>Mick Bowden, Operational Director Finance</p>	
5 <sup>th</sup> February 2014	<p>To discuss and comment on the administration's draft budget.</p>	<p>All Members will be invited to attend this meeting</p> <ul style="list-style-type: none"> <li>• A presentation on the administration's draft budget from the lead member</li> <li>• To include a response to the recommendations contained in the first interim report</li> </ul>	<ul style="list-style-type: none"> <li>• Councillor R Moher</li> </ul>	

	To agree the Panel's second interim / final report.	<ul style="list-style-type: none"><li>• The aim of this report is to respond to and make recommendations about the administrations draft budget prior to the Executive</li></ul>		
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