

**SCRUTINY CO-ORDINATING
COMMITTEE AGENDA**



Friday 27th January 2006

at 3.30 p.m.

in Committee Room B

MEMBERS: SCRUTINY CO-ORDINATING COMMITTEE:

Councillors Cambridge, Clouth, Cook, Cranney, Flintoff, Hall, Hargreaves, James, Kaiser, Lilley, A Marshall, J Marshall, Preece, Richardson, Shaw and Wright.

Resident Representatives:

Evelyn Leck, Linda Shields and Joan Smith

1. **APOLOGIES FOR ABSENCE**

2. **TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS**

3. **MINUTES**

3.1 To confirm the minutes of the meeting held on 20th January 2006 (*to follow*)

4. **RESPONSES FROM THE COUNCIL, THE EXECUTIVE OR COMMITTEES OF THE COUNCIL TO REPORTS OF THE SCRUTINY COORDINATING COMMITTEE**

No Items

5. **CONSIDERATION OF REQUEST FOR SCRUTINY REVIEWS FROM COUNCIL, EXECUTIVE MEMBERS AND NON EXECUTIVE MEMBERS**

No Items

6. **FORWARD PLAN**

No Items

ADDITIONAL MEETING – PLEASE NOTE

7. CONSIDERATION OF PROGRESS REPORTS / BUDGET AND POLICY FRAMEWORK DOCUMENTS

7.1 Scrutiny Co-ordinating Committee's Draft Formal Response to the Budget Consultation: Draft Budget and Policy Framework Proposals 2006/07 to 2007/08:

- (a) Covering Report - *Scrutiny Manager*, and
- (b) Draft Formal Response – *Chair of the Scrutiny Co-ordinating Committee (to follow)*

8. CONSIDERATION OF FINANCIAL MONITORING/CORPORATE REPORTS

No Items

9. ITEMS FOR DISCUSSION

No Items

10. CALL-IN REQUESTS

11. ANY OTHER ITEMS WHICH THE CHAIRMAN CONSIDERS ARE URGENT

ITEMS FOR INFORMATION

- i) **Date of Next Meeting Friday 10th February 2006, commencing at 2.00 pm in Committee Room B**
- ii) **Revised Arrangements for Joint Cabinet/Scrutiny Event - Monday 13th February 2006, 6.00 pm to 7.30 pm in the Council Chamber**

SCRUTINY CO-ORDINATING COMMITTEE

MINUTES

20th January, 2006

Present:

Councillor Marjorie James (In the Chair)

Councillors: Rob Cook, Kevin Cranney, Bob Flintoff, Gerald Hall, Geoff Lilley, Ann Marshall, John Marshall, Arthur Preece and Carl Richardson

Resident
Reps. Evelyn Leck

Also
Present: Martin Baird, Audit Commission

Officers: Tony Brown, Chief Solicitor
Mike Ward, Chief Financial Officer
Charlotte Burnham, Scrutiny Manager
Joan Wilkins, Principal Democratic Services Officer

120. Apologies for Absence

Apologies for absence were received from Councillors John Cambridge, Pamela Hargreaves, Stan Kaiser and Jane Shaw. Joan Smith and Linda Shields.

121. Declarations of interest by members

None

122. Minutes

The minutes of the meetings held on 13th January 2005 were confirmed.

123. Audit Commission Inspection Report 2005/06 – Key Systems IT Controls *(Scrutiny Manager)*

The Scrutiny Manager welcomed Martin Baird, ICT Specialist, from the Audit Commission who went on to present an inspection report relating to the Authority's Key Systems IT Controls. A copy of the reports was circulated and attention drawn to the main conclusions reached.

Decision

The report was received.

124. Responses from the Council, the Executive to Committees of the Council to Reports of the Scrutiny Co-ordinating Committee

No Items

125. 'HR Strategy' – Scrutiny Topic Referral from Cabinet Member Portfolio Holder for Finance and Performance Management (*Scrutiny Manager*)

The Scrutiny Manager reported receipt of a referral from the Cabinet Portfolio Holder for Finance and Performance Management for scrutiny involvement in consideration of the proposed revisions to the Authority's current HR Strategy. Consideration of the referral was mandatory.

To assist in consideration of the proposed revisions the Finance and Performance Management Portfolio Holder requested that the Scrutiny Co-ordinating Committee establish a small Working Group, the findings of which were to be reported back to the Scrutiny Co-ordinating Committee. Nominations for the group were discussed and with no prescribed timescale it was agreed that the referral would be considered no later than 10 weeks after being agreed by this Committee.

Decision

- i) That the mandatory need to undertake the referral from the Cabinet Portfolio Holder for Finance and Performance Management be noted.
- ii) That Councillor's James, A Marshal and J Marshall be appointed to serve on the Working Group.
- iii) That the findings of the Working Group be presented to the meeting of the Scrutiny Co-ordinating Committee on 24 February 2005, and thereon to the meeting of the Finance and Performance Management Portfolio on 6 March 2006.

126. Forward Plan (*Scrutiny Manager*)

No items.

127. Consideration of Progress Reports/Budget and Policy Framework Documents

No Items

128. Analysis of Agency and Consultants Expenditure 2005/06 (*Scrutiny Manager*)

Further to minute no. 97 of the meeting held on the 20th January 2006 the Chief Financial Officer outlined details of agency and consultant's costs for 2005/06.

Attention was drawn to the significant number of vacancies, particularly at senior level, experienced by the Council and the abnormally high turnover of staff at an 'operational level'. Agency staff and consultants were used to address the capacity issues arising from these changes and protect service delivery whilst avoiding long term commitments. A summary of where agency staff and consultants were used was outlined in the report together. Details were also provided of expenditure and the forecast outturn for 2005/06 on a department by department basis, with funding from departmental base budget salary savings, departmental base budget other savings, departmental reserves and grant funding.

During consideration of the information provided Members raised the following issues:-

i) **In relation to the Children's Services Department clarification was sought as to why £110,000 and £124,000 had been spent on the employment of consultant to cover for the posts of Assistant Director and Head of Resources and Finance Manager respectively.** The Chief Financial Officer highlighted that this was an area where there had been a significant number of vacancies and where it had been deemed crucial to cover these posts in preparation for transition to the new department. Funding for these consultants was approved through the Way Forward should reserves be insufficient.

ii) **How long are Agency staff taken on for before the decision is taken to appoint a permanent member of staff?** Members were advised that there was not time limit for the review of Agency staff appointments and that the decision was at the discretion of each department. It was clarified that Agency staff funding came from each Departments salary budgets and that managers were aware that the appointment of Agency staff was more expensive than permanent staff.

The Chief Financial Officer indicated that he could not recall any instance where a consultant had been employed for more than a year to cover a single piece of work. Where individuals had been with the authority for longer periods of time they had been taken on for one piece of work and when this was completed were then taken on for another separate piece of work or to cover another post. Attention was drawn to experience with the use of Agency staff in the Legal and Finance divisions where Agency staff were often used in circumstances where it was difficult to recruit, i.e. where there were shortages of particular skills, and where a specific time limited piece of work was needed. It was also highlighted that whilst the use of Agency Staff was not cheap it was cheaper than buying in services from a professional provider.

Members reiterated their concerns regarding the extended use of Agency staff and indicated that they would prefer the appointment of staff on proper employment contracts. This was cheaper than employing Agency staff when temporary contracts could be used. Concern was also expressed regarding the length of time an Agency staff member could be employed by the authority before he/she would gain employment rights with the authority. In response to a suggestion that there had been a recent change to employment law that gave Agency staff employment rights after one year the Chief Solicitor indicated that he would seek clarification on the situation.

iii) Attention was drawn to the public's concerns regarding the number of staff employed by the Council and clarification given that the figures provided did not include agency staff and consultants employed by the Council.

iv) In relation to the Adult and Community Services Department attention was drawn to the £104,600 spent to date on Agency staff as part of the Assessment and Care Management service. Member's felt that the details provided of the areas/tasks undertaken by Agency staff and Consultants was insufficient to enable proper scrutiny. Concern was expressed regarding the level of detail provided by some departments and further details requested.

v) Sure Start Central. Members queried if the SLA payments highlighted in the report were paid by the Council and claimed back or came from the Council's budget. It was confirmed that whilst Sure Start came under the PCT responsibility of being the accountable body sat with the Council who paid out the SLA payments and claimed them back from Central Government. Funding did not come from the Council budget.

vi) In relation to the Chief Executives Department attention was drawn to the £25,900 spent to date on Agency staff as part of the Accountancy service. Members were of the opinion that

the details provided of the areas/tasks undertaken by Agency staff and Consultants was insufficient to enable proper scrutiny. Concern was expressed regarding the level of detail provided by some departments and further details requested.

Of the information provided Members expressed concern that the £41,000 spent to date on Agency staff as part of the Business Continuity service represented only one individual. The Chief Financial Officer indicated that the individual had been appointed on a three-month contract to deal with local authority preparedness and civil contingency issues and those individuals with skills in these areas were rare.

vii) **The secondment of staff.** Regarding the secondment of the Accountancy Team to support Children's Services the Chief Executives Department Members queried if it wouldn't have been better for Children's Services to fill their gap with Agency staff rather than massaging one departments budget with another. The Chief Financial Officer indicated that the expertise had been in existence to support Children's Services and that the post left vacant in the Accounts division had been of a lower grade which made it the more cost affective to fill the post in the Accounts division. With this in mind Member queried if the whole of the costs associated with this arrangement was borne by Children's Services and were advised that it be thought that the costs of the secondment had been borne by the Children's Services. Confirmation of this was sought and Officers asked to report back.

In relation to the secondment of staff concern was also expressed regarding the back filling of posts. Officers indicated that how posts were back filled depended on the particular case and in instances where a longer-term secondment was needed the post left vacant was usually filled with either a fixed term or permanent appointment. Clarification was sought as to what happened to the individuals returning from secondments when their posts had been back filled. Members were advised that in these instances when a secondment came to an end a post would be held vacant and if no vacancy was available the then departments would use reserves to fund the post until a vacant post became available.

Following consideration of the information provided Members felt that secondments and the use of Agency staff to back fill the posts left vacant was an issue that merited further scrutiny examination next year.

viii) **Members queried if Agency staff could change their contracts of employment with the Council to become short-term full time staff at any time.** It was confirmed that there was normally a contract between the Council and the Agency, such that a penalty payment would be required to release the employee. This

could amount to a payment of one and a half times the Agency's fee.

ix) **In relation to the Regeneration and Planning Department attention was drawn to the £5,600 spent to date on Administration.** Members queried why Agency staff was being used to cover the reception at Hanson House. Whilst officers could not explain this the requested information was to be obtained.

x) **In relation to the Children's Services Department attention was drawn to:**

- **The £107,500 of revenue managed under spend funding used to provide consultancy staff to aid with the Children and Young Persons Plan.** Members expressed concern that it was not possible from the information provided to ascertain Agency, and other costs, associated with the preparation of the plan. More detailed information was requested to allow affective scrutiny.
- **The £59,000 used to provide consultants on the provision of courses within the Raising Educational Achievement service.** Members expressed concern that a consultant was being used and Officers indicated that these concerns would be taken back to the department and indicated that a further breakdown of the resources spent would be provided.
- **The £3,900 used to provide Advisors within the Special Needs Service.** Members reiterated concerns regarding the level of detail provided and indicated that this was an issue, which needed to be raised with the Auditors.

xi) **Members indicated that they would have liked to see each of the Directors at the meeting to run through their department's report and where needed expand on the information provided.** The Chief Financial Officer highlighted that the production of the information presented today had not been easy within the tight time scale.

xii) **Whilst it was accepted that there had been significant changes to the Local Authority and the need for guidance from outside Members queried if the increased levels of Agency staff and consultants this year represented a 'blip'.** Officers indicated that costs this year represented the worst possible synario.

xiii) **In relation to the Chief Executives Department attention was drawn to the £6,800 spent to date on Agency staff and £22,600 spent on Job Evaluation.** Members queried why the spending on public relation was necessary when Hartbeat had been going for so long. Officers indicated that Consultants had been

used to assist in selling space in the magazine as the number of advertisers was dropping. Whilst Members noted this concern was expressed regarding the scale of the public relations operation in the Council and that the division was out of scale with the overall organisation. Concern was also expressed regarding the effectiveness of the division and the availability of additional funding for the division when indications were that there was no additional funding for additional staff to support the scrutiny function.

In relation to Job Evaluation costs it was indicated that the resources were not being used to pay Veredus, it was being used to fund Single Status work. Members noted this and expressed concern that Veredus, and other Consultants appeared to have not been included in the figures/information provided. This was to be flagged up with the relevant officers.

xiv) **In relation to the Neighbourhood Services Department attention was drawn to the £23,000 spent to date on cover Health Inspectors posts within the Consumer service.** Members queried if the target required for receipt of additional funding had been reached and were advised that it depended upon whether targets were in the LPSA. Members felt that they could not evaluate value for money without this information and the Chief Financial Officer indicated that he would raise this with the relevant departments.

xv) **In relation to New Deal for Communities attention was drawn to the £12,200 spent to date on professional advice.** Members indicated again that insufficient information had been provided to enable them to scrutinise this area properly and requested that a further breakdown be provided.

xvi) **In relation to the Regeneration and Planning Department attention was drawn to the £17,200 spent to date within the Economic Development service and the £97,000 spent to date within the Neighbourhood Renewal Fund.** Members indicated again that insufficient information had been provided to enable them to scrutinise this area properly and requested that a further breakdown be provided.

Following consideration of the information provided and the views expressed by Members during the course of discussions on the matter at previous meeting the views detailed below were approved for inclusion in the Committees final report to Cabinet. It was also agreed that additional information as outlined below would be circulated for Members under separate cover.

Decision

- i) That whilst Members were of the view that it was inappropriate for them to make recommendations at this stage of the budget process the following observations/comments should be taken into consideration by Cabinet and Council thereafter:
 - a) That the delivery of services to the public, in particular vulnerable groups, must be of the utmost importance when finalising the Budget and Policy Framework Proposals for 2006/7 to 2007/8.
 - b) That there should be sufficient provision with the Budget and Policy Framework for 2006/7 to 2007/8 to protect frontline services such as Libraries and Community Centre.
 - c) That the Authority's Overview and Scrutiny Function be adequately resourced in relation to a dedicated budget and additional scrutiny support officer.
 - d) That every effort be made to protect the proposed reduction to the Community Pool Budgetary allocation, given the very nature of its work.
 - e) That the use of Gershon efficiency savings should continue.
 - f) That there was a need for the Authority to pro-actively manage the exit strategies/mainstreaming of grant funded staffing positions.
 - g) That the work of the Vacancy Monitoring Panel should continue to scrutinise the need to fill vacant post as and when they arise.
 - h) That every effort should be made to fill job vacancy's internally.
 - i) That the use of consultants and agency workers across the Authority is far greater than realised, with some individuals being employed on a temporary basis for in excess of 2 years. Concerns were expressed that these individuals may have the potential to gain employment rights despite the fact that they are supplied via an agency and that this issue should be further explored by the Authority in light of the potential changes to legislation; and
 - j) That it was the role of Council to set the Authority's Budget and Policy Framework for 2006/07 to 2007/08 in consultation with the Cabinet and the Scrutiny Co-ordinating Committee

- ii) That the following additional information be circulated to Members under separate cover by the Chief Financial Officer:
 - a) Greater detail of the areas/tasks undertaken by Agency staff and Consultants and the duration of their appointment, as outlined in sections (iv), (vi) above.
 - b) More detailed clarification of:
 - The issue of employee rights in relation to Agency staff, as outlined in section (ii) above.
 - Whether the whole of the costs associated with this arrangement for the secondment of Accountancy staff to the Children's Services were borne by the Children's Services Department, as outlined in section (vii) above.
 - Why Agency staff were being used to cover the reception at Hanson House, as outlined in section (ix) above.
 - The costs of Agency staff, and other costs, associated with the preparation of the Children and Young Persons Plan, as outlined in section (x) above.
 - The resources used to provide consultants on the provision of courses within the Raising Educational Achievement service, as outlined in section (x) above.
 - The professional advice used in relation to New Deal for Communities, as outlined in section (xv) above.
 - The resources used within the Economic Development service and Neighbourhood Renewal Fund, as outlined in section (xvi) above.
- iii) That following consideration of the information provided Members felt that secondments and the use of Agency staff to back fill the posts left vacant was an issue that merited inclusion in the scrutiny timetable for next year.

129. Call-In Requests

No Items

MARJORIE JAMES

CHAIRMAN

SCRUTINY CO-ORDINATING COMMITTEE

27 January 2006



Report of: Scrutiny Manager

Subject: Covering Report – Scrutiny Co-ordinating Committee’s Draft Formal Response to the Budget Consultation: Draft Budget and Policy Framework Proposals 2006/07 to 2007/08

1. PURPOSE OF THE REPORT

1.1 To outline to Members of the Scrutiny Co-ordinating Committee that consideration will be given to this Committee’s Draft Formal Response to the Budget Consultation Proposals for 2006/07 to 2007/08 during this meeting.

2. BACKGROUND INFORMATION

2.1 Members will recall that at meetings of this Committee held on 21 October 2005, 25 November 2005, 20 December 2005, 13 January 2006 and 20 January 2006, consideration has been given to the budget consultation exercise currently being undertaken for the Budget and Policy Framework 2006/07 to 2007/08.

2.2 Having considered various sources of information during this consultation process, Members of this Committee are now required to submit their formal response to the Cabinet on 10 February 2006.

2.3 Given the agenda and papers for this meeting of this Committee were despatched prior to the last evidence gathering session on 20 January 2006, the draft formal response of this Committee has been marked ‘to follow’ on this agenda, although despatched in advance of this meeting under separate cover for Members consideration during this meeting.

3. RECOMMENDATION

3.1 That Members of the Scrutiny Co-ordinating Committee consider their Draft Formal Response (agenda item 7.1 (b) refers) as part of the budget consultation process, for submission to the Cabinet at their meeting on 10 February 2006.

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BACKGROUND PAPERS

No background papers were used in the preparation of this report.

SCRUTINY CO-ORDINATING COMMITTEE

27 January 2006



Report of: Scrutiny Co-ordinating Committee

Subject: Scrutiny Co-ordinating Committee's Draft Formal Response to the Budget Consultation: Draft Budget and Policy Framework Proposals 2006/07 to 2007/08

1. PURPOSE OF THE REPORT

1.1 To inform the Cabinet of the Scrutiny Co-ordinating Committee's formal response to the Draft Budget and Policy Framework Proposals for 2006/07 to 2007/08, as part of the Authority's budget consultation process.

2. BACKGROUND INFORMATION

2.1 Members of the Scrutiny Co-ordinating Committee have met formally between 21 October 2005 to 27 January 2006, to enable consideration to be given to the budget consultation exercise currently being undertaken for the Budget and Policy Framework for 2006/07 to 2007/08.

2.2 Having considered various sources of information throughout this process, Members of the Scrutiny Co-ordinating Committee agreed to submit their formal response to the Cabinet at this meeting.

3. FORMAL RESPONSE OF THE SCRUTINY CO-ORDINATING COMMITTEE TO THE CABINET

3.1 Whilst Members of the Scrutiny Co-ordinating Committee agreed that it would be inappropriate for them at this stage of the budget setting process to make recommendations with regard to service reductions to the Cabinet, the Scrutiny Co-ordinating Committee does accept that it is an appropriate use of the Committee's expertise that they should advise the Cabinet on those areas of service that the public would expect to be protected. The following observations/comments should be taken into account by the Cabinet and Council thereafter:-

- (a) That the delivery of services to the public, in particular vulnerable groups, must be of the utmost importance when finalising the Budget and Policy Framework Proposals for 2006/07 to 2007/08;
- (b) That there should be sufficient provision with the Budget and Policy Framework for 2006/07 to 2007/08 to protect frontline services including Libraries and Community Centres;
- (c) That the Authority's Overview and Scrutiny Function be adequately resourced in relation to a dedicated budget and additional scrutiny officer support;
- (d) That every effort must be made to protect the proposed reduction to the Community Pool budgetary allocation, given the very nature of its work;
- (e) That the use of Gershon efficiency savings should continue;
- (f) That there is a need for the Authority to pro-actively manage the exit strategies of grant funded staffing positions;
- (g) That the work of the Vacancy Monitoring Panel should continue to scrutinise the need to fill vacant posts as and when they arise;
- (h) That every effort should be made to fill job vacancies internally;
- (i) That the use of consultants and agency workers across the Authority is far greater than realised, with some individuals being employed on a temporary basis for in excess of 2 years. Concerns were expressed that these individuals may have the potential to gain employment rights despite the fact that they are supplied via an agency and that this issue should be further explored by the Authority in light of the potential changes to legislation; and
- (j) That it is the role of Council to set the Authority's Budget and Policy Framework for 2006/07 to 2007/08 in consultation with the Cabinet and the Scrutiny Co-ordinating Committee

4. RECOMMENDATION

- 4.1 That the Cabinet receives the formal response of the Scrutiny Co-ordinating Committee as part of the budget consultation process and provides comments where felt appropriate.

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BACKGROUND PAPERS

That the following background papers were used in the preparation of this report:-

- (i) Minutes of the Scrutiny Co-ordinating Committee held on 21 October 2005, 25 November 2005, 20 December 2005, 13 January 2006, 20 January 2006 and 27 January 2006.