



Finance and Resources Committee

Agenda

Part One

Council Chamber - Town Hall

Wednesday, 11 February 2015 at 7.00 pm

Membership (Quorum – 3)

Councillors

Cllrs Aspinell (Chair), Lloyd (Vice-Chair), Clark, Faragher, Hirst, Kendall, Le-Surf, Mrs McKinlay and Parker

Committee Co-ordinator: Jean Sharp (01277 312655)

Additional Information:

Substitutes

The names of substitutes shall be announced at the start of the meeting by the Chair and the substitution shall cease at the end of the meeting.

Substitutes for quasi judicial Committees must be drawn from members who have received training in quasi-judicial decision making. If a casual vacancy occurs on a quasi judicial Committee it will not be filled until the nominated member has been trained.

Rights to attend and speak

Any Member may attend any body to which Council Procedure Rules apply.

A Member who is not a member of the committee may speak at the meeting. The Member may speak at the Chair's discretion, it being the expectation that a member will be allowed to speak on a ward matter.

Point of Order/Personal explanation/Point of Information

8.3.14 Point of order

A member may raise a point of order at any time. The Chair will hear them immediately. A point of order may only relate to an alleged breach of these Procedure Rules or the law. The Member must indicate the rule or law and the way in which they consider it has been broken. The ruling of the Chair on the point of order will be final.

8.3.15 Personal explanation

A member may make a personal explanation at any time. A personal explanation must relate to some material part of an earlier speech by the member which may appear to have been misunderstood in the present debate, or outside of the meeting. The ruling of the Chair on the admissibility of a personal explanation will be final.

8.3.16 Point of Information or clarification

A point of information or clarification must relate to the matter being debated. If a Member wishes to raise a point of information, he/she must first seek the permission of the Chair. The Member must specify the nature of the information he/she wishes to provide and its importance to the current debate. If the Chair gives his/her permission, the Member will give the additional information succinctly. Points of Information or clarification should be used in exceptional circumstances and should not be used to interrupt other speakers or to make a further speech when he/she has already spoken during the debate. The ruling of the Chair on the admissibility of a point of information or clarification will be final.

Information for Members of the Public

Access to Information and Meetings

You have the right to attend all meetings of the Council and its Boards and Committees. You also have the right to see the agenda, which will be published no later than 5 working days before the meeting, and minutes once they are published. Dates of the meetings are available at www.brentwood.gov.uk or from Democratic Services (01277 312739).

Webcasts

All of the Council's meetings are webcast, except where it is necessary for the items of business to be considered in private session (please see below).

If you are seated in the public area of the Council Chamber, it is likely that your image will be captured by the recording cameras and this will result in your image becoming part of the broadcast. This may infringe your Human Rights and if you wish to avoid this, you can sit in the upper public gallery of the Council Chamber.

Private Sessions

Occasionally meetings will need to discuss some of its business in private. This can only happen on a limited range of issues, which are set by law. When a Board or Committee does so, you will be asked to leave the meeting.

Guidelines on filming, photography, recording and use of social media at council and committee meetings

The council welcomes the filming, photography, recording and use of social media at council and committee meetings as a means of reporting on its proceedings because it helps to make the council more transparent and accountable to its local communities.

Where members of the public use a laptop, tablet device, smart phone or similar devices to make recordings these devices must be set to 'silent' mode to avoid interrupting proceedings of the council or committee.

If you wish to record the proceedings of a meeting and have any special requirements or are intending to bring in large equipment then please contact the Communications Team before the meeting.

The use of flash photography or additional lighting may be allowed provided it has been discussed prior to the meeting and agreement reached to ensure that it will not disrupt proceedings.

The Chair of the meeting may terminate or suspend filming, photography, recording and use of social media if any of these activities, in their opinion, are disrupting proceedings at the meeting.

Access

There is wheelchair access to the Town Hall from the Main Entrance. There is an induction loop in the Council Chamber.

Evacuation Procedures

Evacuate the building using the nearest available exit and congregate at the assembly point in the North Front Car Park.

Part I

(During consideration of these items the meeting is likely to be open to the press and public)

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| 9 | Urgent Business An item of business may only be considered where the Chair is of the opinion that, by reason of special circumstances, which shall be specified in the Minutes, the item should be considered as a matter of urgency. | | |

A handwritten signature in black ink, appearing to read "J. Healy". The signature is written in a cursive, flowing style.

Acting Chief Executive

Town Hall
Brentwood, Essex
03.02.2015

Minutes

Finance and Resources Committee Wednesday, 14th January, 2015

Attendance

| | |
|-------------------------|--------------|
| Cllr Aspinell (Chair) | Cllr Hirst |
| Cllr Lloyd (Vice-Chair) | Cllr Kendall |
| Cllr Clark | Cllr Le-Surf |
| Cllr Faragher | Cllr Parker |

Substitute Present

Cllr Sleep

Also Present

Cllr Baker
Cllr Mrs Coe
Cllr Kerslake
Cllr Mrs Murphy
Cllr Quirk

Officers Present

| | |
|-------------------|--|
| Jo-Anne Ireland | Acting Chief Executive |
| Chris Potter | Monitoring Officer & Head of Support Service |
| Jean Sharp | Governance and Member Support Officer |
| Steve Summers | Head of Customer Services |
| Kim Anderson | Partnership, Leisure and Funding Manager |
| Ashley Culverwell | Head of Borough Health Safety and Localism |
| Gordon Glenday | Head of Planning & Development |
| Helen Gregory | Interim Head of Housing |
| Chris Leslie | Financial Services Manager |
| Roy Ormsby | Head of Street Scene |
| John Parling | Strategic Asset Manager |
| Philip Ruck | Contracts & Corporate Projects Manager |

380. Apologies for Absence

Apologies were received from Cllr Mrs McKinlay.

The Chair paid tribute to former BBC councillor Richard Harrison who had recently died and on behalf of the Committee extended condolences to Mr Harrison's family.

381. Minutes of the previous meeting

The minutes of the 29.10.14 Finance and Resources Committee meeting were RESOLVED to be a true record with the addition of Cllr Mynott's name to the list of Members also present.

382. In Kind Policy

Members were reminded that the Council's Funding Strategy was agreed at Strategy and Policy Board in November 2013. As part of the implementation of that Strategy officers were asked to develop an 'In Kind Policy' to ensure that future funding and support in this area had clear guidance and had a consistent, transparent and accountable approach to ensure that this supported the Council's priorities and ensured that the support was targeted to those most in need.

There were two key strands to the In Kind Policy: Printing and Parking Permits. Currently these arrangements were provided free to certain organisations, details of which were included in Appendix B of the agenda. Members were advised that the financial support given in relation to postal costs of the annual Fun Run would continue for 2015 and 2016 then assistance would be given to enable on-line enrolment to be undertaken.

Members noted that any lease arrangements that the Council had with Voluntary and Community Sector organisations would be covered in a separate Community Let Policy which would go before Asset and Enterprise Committee on 21 January 2015 for Members to consider. Room hire within the Town Hall would be covered in a separate report which would be reported to a future Asset and Enterprise Committee.

Cllr Lloyd MOVED and Cllr Aspinell SECONDED the recommendations in the report and following a full discussion it was RESOLVED that:

- 1. Members agree to the adoption of the In Kind Policy (Appendix A to the report).**
- 2. The following timelines should apply to the implementation of the In Kind Policy:**

2.1 The revised parking permits (one per person for Members, employees and Voluntary Sector organisations) will commence from April 2015.

2.2 Free parking permits will cease to be issued for Brentwood Library from April 2016 (to allow time for Essex County Council to adjust their budgets accordingly)

2.3 The community rates for printing to be implemented in April 2016 to allow organisations to allocate within their budgets.

(Cllr Kendall declared a non-pecuniary interest under the Council's Code of Conduct by virtue of being a trustee of Brentwood Community Transport, also being a member of the Chamber of Commerce.

Cllr Clark declared a non-pecuniary interest under the Council's Code of Conduct by virtue of being a trustee of Brentwood Citizen's Advice Bureau.

Cllr Mynott declared a non-pecuniary interest under the Council's code of Conduct by virtue of being a trustee of Brentwood Community Transport).

383. Customer Services Transformation - Customer Access Strategy

Members were reminded that the Customer Services Transformation Detailed Business Case setting the Council's approach to offer a modern, high quality and effective customer services was approved at the Strategy and Policy Board on the 20 November 2013.

The Business Case identified that the Council was offering very traditional and outdated methods for customers to access its services. The concept of the Customer Services Transformation was to move away from the traditional reception/telephone service offered by the Council to a new model that offered a wide range of modern and efficient access channels for customers.

In order to progress to the new model of customer services a Customer Access Strategy was required to set out the Council's approach to how it would deliver services to customers in the future. The key aim of the strategy was to improve customer experience and satisfaction and drive down costs through economies of scale and joined up processes.

The Customer Access Strategy provided the overarching framework for the channels (or methods) the Council would use to interact with customers to ensure the successful delivery of our services with the resources available.

The strategy set out the following strategic principles that would be focused upon as improvements were made to customers services:

- Be open to all
- Provide Choice
- Meet Needs
- Deliver First Time
- Provide Satisfaction

Members noted that key to the delivery of the Customer Access Strategy was the High Level Implementation Plan which contained a number of key actions. One of these was the development of a Channel Strategy which would identify the channels the Council would use to deliver services to and interact with its customers. A Channel Strategy would set out how the Council would meet the contact demands of its customers using the resources it had available and bearing in mind the needs of the customer.

In addition, the High Level Implementation Plan had an action to undertake investigations into a suitable Customer Relationship Management system (CRM) to ensure that an appropriate system was selected to meet business needs. Future work would also be required to provide end-to-end transactions that were fully integrated with the Council's back office systems and processes through the use of technology.

The High Level Implementation Plan also included the development of a Customer Portal which would provide residents' online access to manage their accounts/services with the Council.

The Draft Customer Access Strategy and High Level Implementation Plan were before Members.

Cllr Lloyd MOVED and Cllr Aspinell SECONDED and following a discussion it was RESOLVED that the Committee approve the Customer Access Strategy and High Level Implementation Plan.

384. Medium Term Financial Plan Update

Members were advised that the Medium Term Financial Plan (MTFP) set out the key financial management principles and budget assumptions. It was then used as the framework for the detailed budget setting process to ensure that the Council's resources were managed effectively in order to meet its

statutory responsibilities and deliver the priorities of the Council, over the medium term.

Cllr Lloyd MOVED and Cllr Aspinell SECONDED the recommendations in the report and Members gave their views on the key areas of the initial budget, ie

- (i) Proposed and Anticipated Savings**
- (ii) Proposed Budget Investment**
- (iii) Working Balance & Reserves**
- (iv) Council Tax**

During the debate Cllr Aspinell referred to paragraph 4.23 of the report which referenced the Council's ability to consider investment in property. In light of recent news he requested that Members support his proposal that officers contact Tesco in relation to their land which Hopefield Animal Sanctuary currently occupied to engage in discussion regarding the future of the Sanctuary and whether there was a possibility of acquiring, renting or leasing the land.

It was RESOLVED UNANIMOUSLY that:

- 1. The key areas of the initial budget should be considered by the Audit & Scrutiny Committee, with comments and feedback to be received by this Committee at its meeting on 11 February 2015.**
- 2. Officers be requested to engage in a dialogue with Tesco in relation to their land currently occupied by Hopefield Animal Sanctuary regarding the possibility of acquiring, renting or leasing the land to protect the Sanctuary.**

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11 February 2015

Finance and Resources Committee

Performance Indicators Third Quarter 2014/15

Report of: *Philip Ruck, Contract and Corporate Projects Manager*

Wards Affected: *All*

This report is: *Public*

1. Executive Summary

- 1.1 The report details the Operational Performance Indicators agreed for 2014/15 and gives performance detail for the third quarter of 2014/15.

2. Recommendation(s)

- 2.1 That the Committee notes the Operational Performance Indicators for 2014/15.**
- 2.2 That the Committee considers and notes the performance and contextual information against the Third Quarter Key Performance Indicators 2014/5.**

3. Introduction and Background

- 3.1 Members are reminded that the Corporate Leadership Board (CLB) met with a cross party group of O&S Members in January 2014 to discuss performance management.
- 3.2 It was agreed that key strategic performance indicators for 2014/15 would be reviewed focusing on monitoring the delivery of the Council's Corporate Plan and service plans. These are reviewed by CLB on a quarterly basis and reported to Members by exception.
- 3.3 The key Strategic indicators will be measured annually and will involve a customer satisfaction survey to gauge how residents and businesses rate the Council's performance.

4. Issue, Options and Analysis of Options

- 4.1 Performance data for the third quarter of 2014/15 is available at Appendix A.
- 4.2 Only exception reporting where indicators are not on target is provided below.
- 4.3 This report includes, for the first time, KPI's on the Website and the Contact Centre.

4.4 Strategic Indicators

- 4.4.1 The reductions achieved from efficiency reviews and management restructures will be assessed in later reports but are under constant review by senior officers. Officers have continued to target the reduction of back office costs and the provision of services by outside organisations.

4.5 Environment – Street Scene and Environment

- 4.5.1 As reported in previous quarters, an increase in fly-tipping has resulted in a higher level in residual waste in Quarter 3 against target.
- 4.5.2 This trend is also reflected in the amount of household waste sent by the authority for reuse, recycling, composting or anaerobic digestion, which has decreased.

4.6 Finance and Resources – Human Resources

- 4.6.1 Sickness levels are being reviewed on a regular basis. All managers and staff have been contacted to remind them of the Absence Policy. Whilst the number of sick days is a low proportion (2.2%) of FTE staff, management continue to note all sickness levels and ensure compliance with sickness policy. A key element of the review is monitoring of the data by service to see if this impacts performance levels. To date this has not been the case.

4.7 Finance and Resources – Contact Centre

- 4.7.1 No target has been set for calls received to the main Council telephone number but is presented so that the trend can be analysed.
- 4.7.2 There is no target for calls taken by the Contact Centre for those undertaken by the Contact Centre (currently Environmental Health, Housing Estates Management (from Sept 14), Licensing, Planning and

Building Control, and Street Scene). These are presented for analysis purposes.

- 4.7.3 The percentage of calls resolved by the Contact Centre for those services undertaken by the Contact Centre varies by service, with some outcomes falling short of target.

4.8 Housing and Health - Environmental Health

- 4.8.1 The indicator has fallen to slightly below target but is still within tolerance.

4.9 Housing and Health - Housing

- 4.9.1 KPI workshops with staff continue to be held to help improve performance of average re-let times.
- 4.9.2 There has been an increase in the number of people presenting as homeless during the winter months. The KPI workshop continues to identify new methods of improving our processes. The highest number of reasons been received, has been from people evicted from the private sector and parental evictions. Housing are planning to work with private landlords through the Essex Landlords Accreditation Scheme and considering mediation for families to help prevent eviction.

4.10 Planning and Development - Planning

- 4.10.1 The drops in performance are due to staff turnover.
- 4.10.2 Appeals allowed against the authority's decision to refuse planning permission for major applications could result in government control & intervention.

5. Reasons for Recommendation

- 5.1 That the Finance and Resources Committee review the 2014/15 Performance Indicators and the performance for the third quarter of 2014/15 as required by the Terms of Reference.

6. Consultation

- 6.1 The Finance and Resources Committee undertakes a quarterly review of performance indicators.

7. References to Corporate Plan

Performance Indicators should be appropriate to monitoring progress against the Corporate Plan

8. Implications

Financial Implications

Name & Title: Jo-Anne Ireland, Acting Chief Executive

Tel & Email: 01277 312712, jo-anne.ireland@brentwood.gov.uk

8.1 There are no direct financial implications arising from this report.

Legal Implications

Name & Title: Chris Potter, Monitoring Officer

Tel & Email: 01277 312774, christopher.potter@brentwood.gov.uk

8.2 There are no direct legal implications arising from this report.

9. Appendices to this report

- Appendix A – Performance Indicator Dashboard 2015

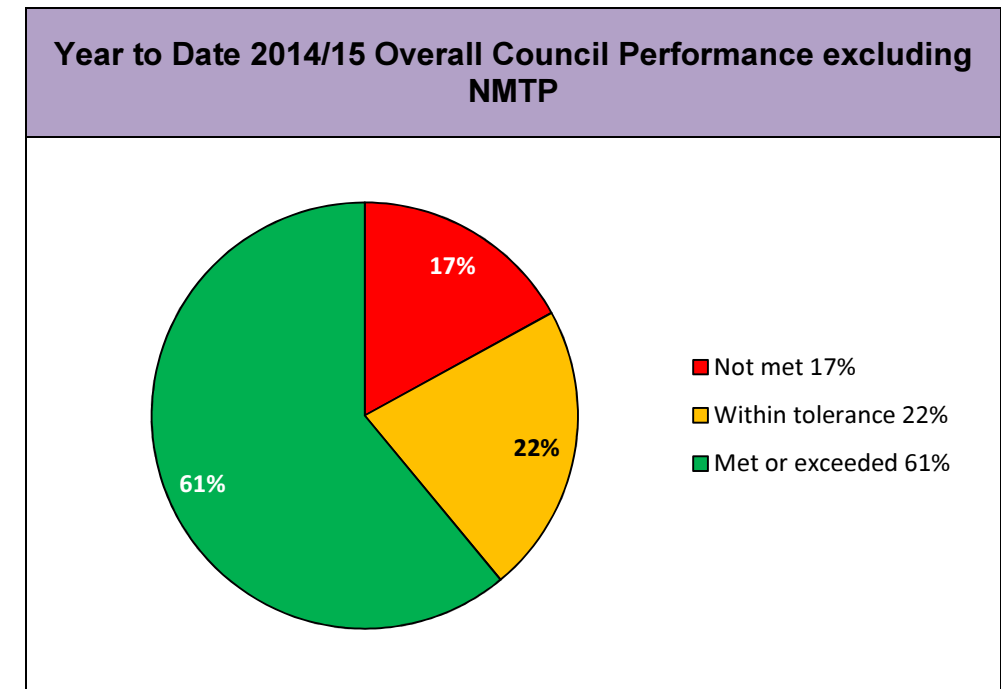
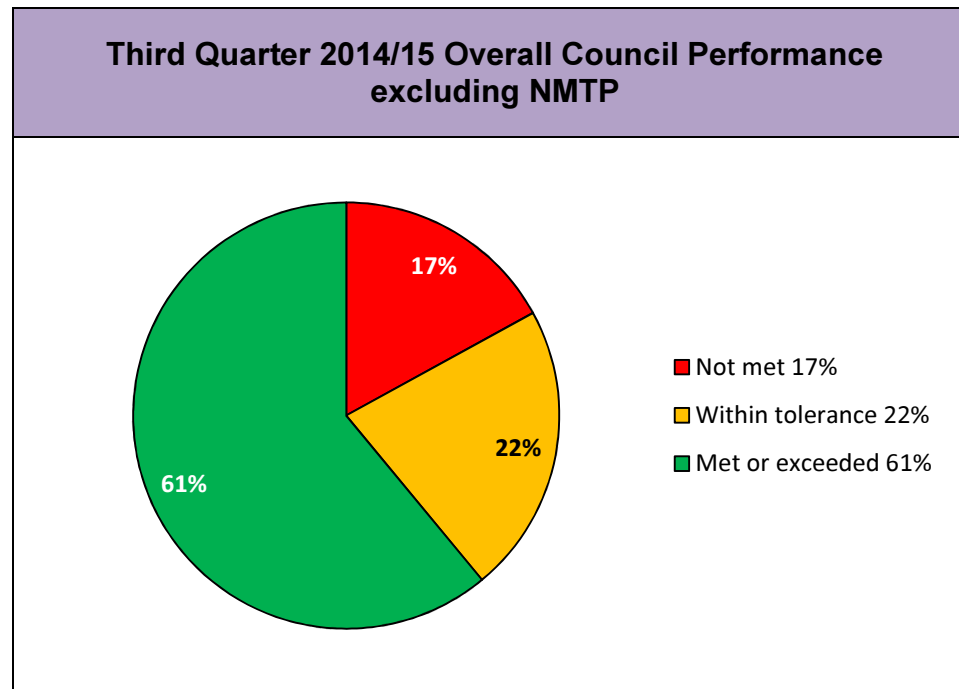
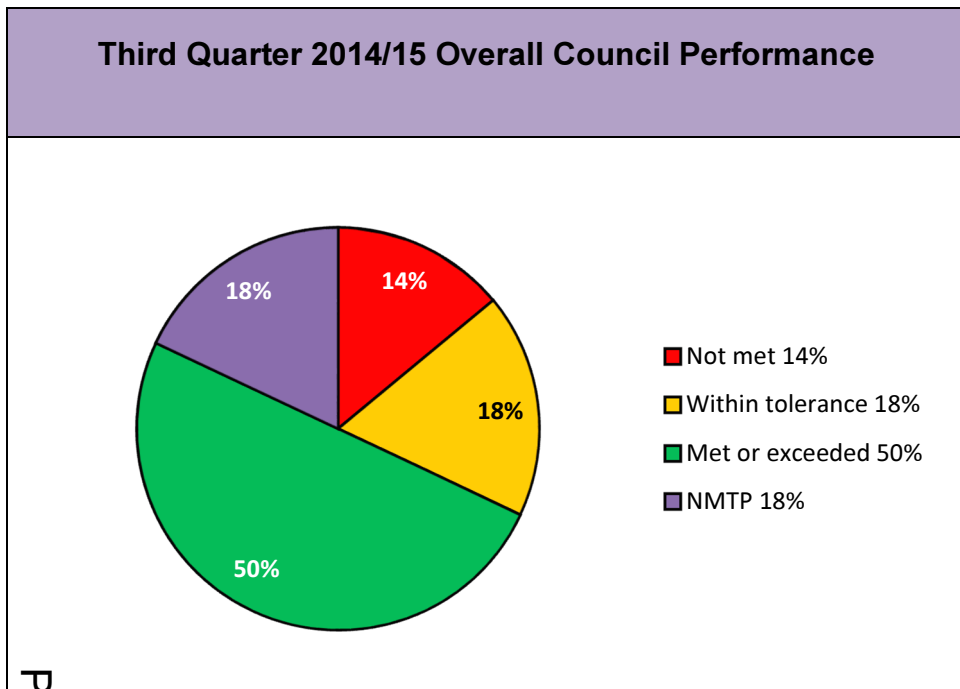
Report Author Contact Details:

Name: Philip Ruck

Telephone: 01277 312569

Email: philip.ruck@brentwood.gov.uk

Performance Dashboard - Third Quarter 2014/15



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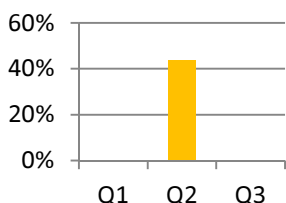
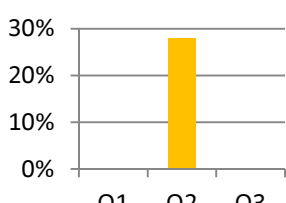
Third Quarter 2014/15 Performance by Department



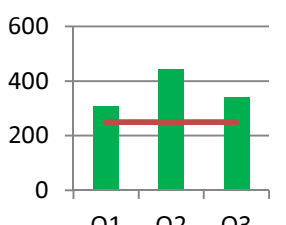


| Dept. | | | | | | | NMTP | | Total |
|-------------------------------|----------|-----------|----------|-----------|-----------|-----------|----------|-----------|-----------|
| | No | % | No | % | No | % | No | % | |
| Contact Centre | 1 | 33 | 2 | 67 | 0 | 0 | 0 | 0 | 3 |
| Corporate Plan | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 100 | 4 |
| Council Tax and NNDR | 0 | 0 | 0 | 0 | 2 | 100 | 0 | 0 | 2 |
| Environmental Health | 0 | 0 | 0 | 0 | 1 | 100 | 0 | 0 | 1 |
| Finance | 0 | 0 | 0 | 0 | 2 | 100 | 0 | 0 | 2 |
| Health and Wellbeing | 0 | 0 | 0 | 0 | 1 | 100 | 0 | 0 | 1 |
| Housing | 1 | 25 | 1 | 25 | 2 | 50 | 0 | 0 | 4 |
| Human Resources | 0 | 0 | 2 | 100 | 0 | 0 | 0 | 0 | 2 |
| ICT | 0 | 0 | 0 | 0 | 2 | 100 | 0 | 0 | 2 |
| Planning | 0 | 0 | 0 | 0 | 4 | 80 | 1 | 20 | 5 |
| Street Scene and Environment | 2 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Total | 4 | 14 | 5 | 18 | 14 | 50 | 5 | 18 | 28 |
| <i>Previous Quarter Total</i> | <i>5</i> | <i>22</i> | <i>7</i> | <i>30</i> | <i>8</i> | <i>35</i> | <i>3</i> | <i>13</i> | <i>23</i> |

Key

| | |
|------|--|
| | Current performance is below target by more than the specified target deviation. |
| | Current performance is below target but is within tolerance. |
| | Current target has been met or exceeded. |
| NMTP | Not measured this period. |
| KPI | Key Performance Indicator |
| | Performance for the quarter or year to date is improving (up) or deteriorating (down) compared to previous quarter or across the year. |
| | |

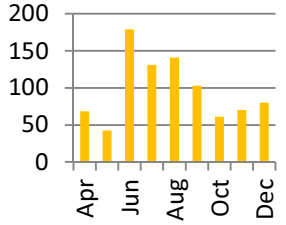
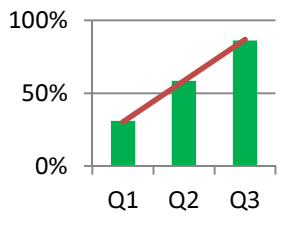
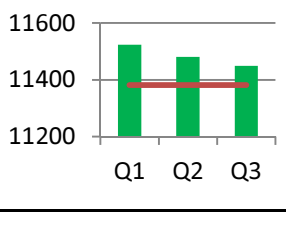
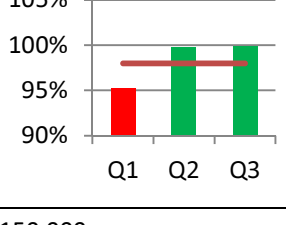
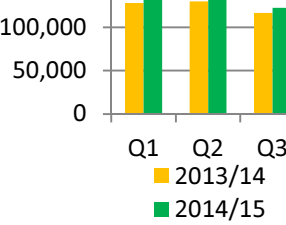
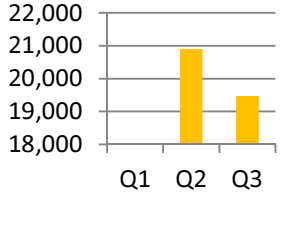
Appendix A

| Strategic Indicators | | | | | | | | | | | | |
|----------------------|---|---|---------------------------|-----------|-----------|----------|-----------------|--|----------------------|------------|-------------------|--|
| Dept. & PI code | Performance Indicator | Measure | 2014/15 Quarterly Results | | | | | | 2014/15 Year to Date | | | Commentary |
| | | | Q1 Result | Q2 Result | Q3 Result | Q Target | Q Status /Trend | Q Graphic | YTD Result | YTD Target | YTD Status /Trend | |
| Corporate Plan CP01 | Reduction in operating costs | Operating budget - annual | NMTP | NMTP | NMTP | TBC | NMTP | NMTP | NMTP | TBC | NMTP | The reductions achieved from efficiency reviews and management restructures will be assessed in later reports but are under constant review by senior officers. Officers have continued to target the reduction of back office costs and the provision of services by outside organisations. |
| Corporate Plan CP02 | Increase in customer satisfaction | 3 year customer satisfaction survey – annual sampling | NMTP | 44% | NMTP | TBC | NMTP |  | 44% | TBC | NMTP | No change from those results presented after Quarter 2. Information for Members to note only. Comparison is not made here to the most recent resident survey, the 2008 Place Survey, due to disparities in the survey sample size and the length of time between the two surveys. Further benchmarking is required before a target can be set. |
| Corporate Plan CP03 | Increase in customer view that the Council provides value for money | 3 year customer satisfaction survey – annual sampling | NMTP | 28% | NMTP | TBC | NMTP |  | 28% | TBC | NMTP | No change from those results presented after Quarter 2. Information for Members to note only. Comparison is not made here to the most recent resident survey, the 2008 Place Survey, due to disparities in the survey sample size and the length of time between the two surveys. Further benchmarking is required before a target can be set. |
| Corporate Plan CP04 | Increase in income and/or entrepreneurial activities | TBC | NMTP | NMTP | NMTP | TBC | NMTP | NMTP | NMTP | TBC | NMTP | Nothing to report in this period. |

| Operational Indicators - Community | | | | | | | | | | | | |
|------------------------------------|---|--|---------------------------|-----------|-----------|----------|--|---|----------------------|------------|--|---|
| Dept. & PI Code | Performance Indicator | Measure | 2014/15 Quarterly Results | | | | | | 2014/15 Year to Date | | | Commentary |
| | | | Q1 Result | Q2 Result | Q3 Result | Q Target | Q Status /Trend | Q Graphic | YTD Result | YTD Target | YTD Status /Trend | |
| Health and Well-being HW01 | Number of homes assisted to enable independent living | Adaptations and other works to assist vulnerable residents | 307 | 443 | 342 | 250 |   |  | 1092 | 750 |   | Due to the summer's good weather, an abnormally high number of gardening jobs were completed in the second quarter. This bolstered the performance of this indicator considerably. As anticipated, this performance reduced in the third quarter and is expected to reduce again over the remainder of the winter months. |


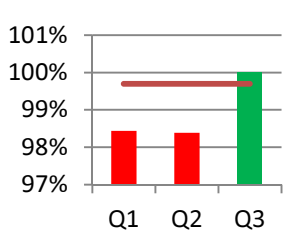


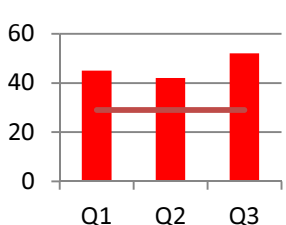

| Operational Indicators - Environment | | | | | | | | | | | | |
|--------------------------------------|--|---------------------------------|---------------------------|-----------|-----------|----------|-----------------|----------------------|------------|------------|------------|---|
| Dept. & PI Code | Performance Indicator | Measure | 2014/15 Quarterly Results | | | | | 2014/15 Year to Date | | | Commentary | |
| | | | Q1 Result | Q2 Result | Q3 Result | Q Target | Q Status /Trend | Q Graphic | YTD Result | YTD Target | | YTD Status /Trend |
| Street Scene and Environment E01 | Residual household waste per household | kg per household - Quarterly | 111.61kg | 112.45kg | 115.10kg | 109kg | | | 339.16kg | 218kg | | An increase in fly-tipping has resulted in a higher level (3%) in residual waste in Quarter 3 against target. |
| Street Scene and Environment E02 | Percentage of household waste arisings which have been sent by the authority for reuse, recycling, composting or anaerobic digestion | % of total arisings - Quarterly | 52.25% | 50.30% | 46.40% | 53% | | | 49.61% | 53.00% | | See E01 above. An increase in fly-tipping has led to a 5% decrease in recycling against the target for Quarter 3. |


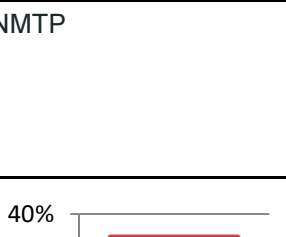

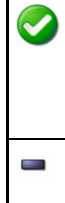
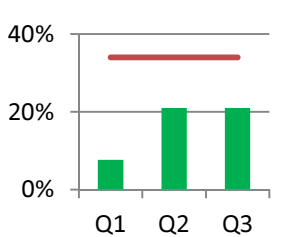

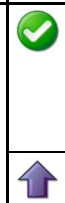
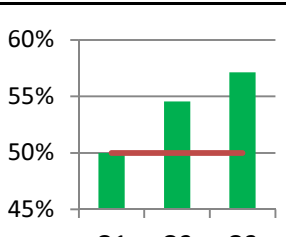

| Operational Indicators – Finance and Resources | | | | | | | | | | | | |
|--|---|---------|-----------------------------------|-----------------------------------|------------------------------------|---------------------------------|-----------------|----------------------|------------|---------------------------------|------------|--|
| Dept. & PI Code | Performance Indicator | Measure | 2014/15 Quarterly Results | | | | | 2014/15 Year to Date | | | Commentary | |
| | | | Q1 Result | Q2 Result | Q3 Result | Q Target | Q Status /Trend | Q Graphic | YTD Result | YTD Target | | YTD Status /Trend |
| Finance F01 | % of invoices to local suppliers within 20 days | Monthly | 93.39% | 93.99% | 94.97% | 95% | | | 94.11% | 95% | | Officers have added an extra column in the report circulated to all invoice authorisers, showing clearly the date invoices are due. Finance is proactive in progressing invoices for payment when the due date is approaching, and in resolving purchase order mismatches. This action has helped improve performance. |
| Finance F02 | % of invoices to all suppliers within 30 days | Monthly | 95.97% | 95.68% | 97.69% | 95% | | | 96.44% | 95% | | Officers have added an extra column in the report circulated to all invoice authorisers, showing clearly the date invoices are due. Finance is proactive in progressing invoices for payment when the due date is approaching, and in resolving purchase order mismatches. This action has helped improve performance. |
| Human Resources HR01 | Working days/shifts lost to short term sickness | Monthly | April 100.5 May 99 June 110 | July 113.5 Aug 147 Sept 132 | Oct 110 Nov 143 December 151 | No target. Trend to be analysed | | | 1106 | No target. Trend to be analysed | | Sickness levels are being reviewed on a regular basis. All managers and staff have been contacted to remind them of the Absence Policy. Whilst the number of sick days is a low proportion (2.2%) of FTE staff, management continue to note all sickness levels and ensure compliance with sickness policy. A key element of the review is monitoring of the data by service to see if this impacts performance levels. To date this has not been the case |



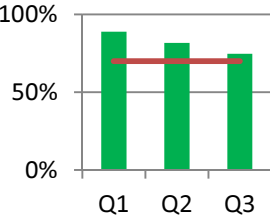




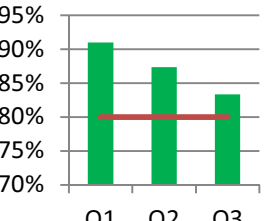


| Operational Indicators – Finance and Resources | | | | | | | | | | | | |
|--|--|-----------|------------------------------------|---------------------------------|----------------------------|------------------------------------|-----------------|---|-------------|------------------------------------|------------|---|
| Dept. & PI Code | Performance Indicator | Measure | 2014/15 Quarterly Results | | | | | 2014/15 Year to Date | | | Commentary | |
| | | | Q1 Result | Q2 Result | Q3 Result | Q Target | Q Status /Trend | Q Graphic | YTD Result | YTD Target | | YTD Status /Trend |
| Human Resources HR02 | Working days/shifts lost to long term sickness | Monthly | April 68.5 May 42.5 June 179 | July 131 Aug 141 Sept 103 | Oct 61 Nov 70 Dec 80 | No target. Trend to be analysed | ⚠️ ↑ |  | 876 | No target. Trend to be analysed | ⚠️ ↑ | Sickness levels are being reviewed on a regular basis. All managers and staff have been contacted to remind them of the Absence Policy. Whilst the number of sick days is a low proportion (1.76%) of FTE staff, management continue to note all sickness levels and ensure compliance with sickness policy. A key element of the review is monitoring of the data by service to see if this impacts performance levels. To date this has not been the case. |
| Council Tax/NNDR CT01 | Council Tax collection | Monthly | 31.8% | 58.47% | 86.29% | 98% annual | ✅ ↑ |  | 86.29% | 86.90% | ✅ ↑ | Collection of Council Tax remains behind target at 0.61% below the profiled collection figure for the end of Quarter 3 for the service. The reason for this is uncertain. In 2013/14 taxpayers were allowed to pay by 10 or 12 monthly instalments for the first time. At annual billing in 2013/14 10 months was still the default period. Since then new taxpayers have moved into the area and taken up the 12 month option. This would increase collection for February and March and potentially bring our collection figure for 2014/15 up to target. |
| Council Tax/NNDR CT02 | Business rates collection in line with or exceeding Government Assumptions | Quarterly | £11,524,000 | £11,481,000 | £11,449,000 | £11,381,000 | ✅ ↓ | Thousands  | £11,484,000 | £11,381,000 | ✅ ↓ | This represents potential additional income of £68,000 in excess to our original assumptions. The increased income reflects the current increase in the total rateable value for business in the Borough. |
| ICT ICT01 | Website uptime | Quarterly | 95.18% | 99.80% | 99.94% | 98% | ✅ ↑ |  | 98.31% | 98% | ✅ ↑ | Drops in website availability can be attributed to a number of factors, usually external, such as the power surge experienced in Q1. No major incidents have occurred since that time |
| ICT ICT02 | Website sessions | Quarterly | 140,420 | 132,454 | 122,643 | No target. Trend to be analysed | ✅ ↓ |  | 395,517 | No target. Trend to be analysed | ✅ ↓ | Website sessions are affected by seasonal variances, with the start of the financial year and the summer months providing more hits on average. This trend is reflected in previous years. Year to date comparison with the same period in 2013/14 shows an average 5.69% increase in sessions, with 9.76% in Q1, 2.09% in Q2 and 5.24% in Q3.1 |
| Contact Centre CC01 | Telephone calls received via auto attendant | Quarterly | NMTP | 20,904 | 19,469 | No target. Trend to be analysed | ⚠️ ↓ |  | 40,373 | No target. Trend to be analysed | ⚠️ ↓ | This figure depicts the number of calls received by the Contact Centre via the main Council telephone no. 01277 312500. We continue to monitor trends associated with these statistics. |

| Operational Indicators – Finance and Resources | | | | | | | | | | | | |
|--|---|-----------|---------------------------|-----------|-----------|---------------------------------|-----------------|----------------------|------------|---------------------------------|------------|---|
| Dept. & PI Code | Performance Indicator | Measure | 2014/15 Quarterly Results | | | | | 2014/15 Year to Date | | | Commentary | |
| | | | Q1 Result | Q2 Result | Q3 Result | Q Target | Q Status /Trend | Q Graphic | YTD Result | YTD Target | | YTD Status /Trend |
| Contact Centre CC02 | Telephone calls taken by the Contact Centre for those services undertaken by the Contact Centre | Quarterly | NMTP | 9,772 | 9,665 | No target. Trend to be analysed | | | 19,428 | No target. Trend to be analysed | | This figure depicts the number of calls received via the main Council telephone no. 01277 312500 and that have selected the applicable service from the options provided in the auto attendant. It does not include calls that have selected option '0'. The services currently undertaken by the Contact Centre are Environmental Health, Housing Estates Management (from Sept 14), Licensing, Planning and Building Control, and Street Scene. |
| Contact Centre CC03 | % of telephone calls resolved for those services undertaken by the Contact Centre | Quarterly | NMTP | 65.66% | 69.84% | 80% | | | 67.75% | 80% | | As above. The individual outcomes per service for December range from 49% - 89%. |

| Operational Indicators – Housing and Health | | | | | | | | | | | | |
|---|--|--|---------------------------|-----------|------------|----------------------|-----------------|----------------------|------------|----------------------|------------|--|
| Dept. & PI Code | Performance Indicator | Measure | 2014/15 Quarterly Results | | | | | 2014/15 Year to Date | | | Commentary | |
| | | | Q1 Result | Q2 Result | Q3 Result | Q Target | Q Status /Trend | Q Graphic | YTD Result | YTD Target | | YTD Status /Trend |
| Environmental Health EH01 | Food safety/hygiene standards in food premises | % of broadly compliant food premises - Quarterly | 98.27% | 97.10% | 96.55% | 97% | | | 97.31% | 97% | | This small fluctuation in the percentage of compliant premises is within tolerance. Please note slight change in Q1 and Q2 results from those previously published. This is due to a change in calculation method. |
| Housing H01 | Average re-let times for Local Authority Housing | Monthly | 32.67 days | 28 days | 26.89 days | Top Quartile 22 days | | | 26.89 days | Top Quartile 22 days | | The KPI workshop has been working hard to improve performance. We are pleased to report continuing improvement of this KPI; a reduction of 7.59 days in the average re-let time year to date. |
| Housing H02 | % rent arrears of current tenants as a proportion of the authority's rent roll | Monthly | 1.63% | 1.65% | 1.68% | Top Quartile 1.95% | | | 1.65% | Top Quartile 1.95% | | We are pleased to report this KPI continues to achieve top quartile performance. The KPI workshop is reviewing the income management service to ensure complies with best practice and to help provide our tenants with information on preparing for universal credit. |

| Operational Indicators – Housing and Health | | | | | | | | | | | | |
|---|--|-----------|---------------------------|-----------|-----------|---------------------|---|---|----------------------|---------------------|---|--|
| Dept. & PI Code | Performance Indicator | Measure | 2014/15 Quarterly Results | | | | | | 2014/15 Year to Date | | | Commentary |
| | | | Q1 Result | Q2 Result | Q3 Result | Q Target | Q Status /Trend | Q Graphic | YTD Result | YTD Target | YTD Status/ Trend | |
| Housing H03 | % rent collection | Quarterly | 98.44% | 98.39% | 100% | Top Quartile 99.70% |  |  | 98.94% | Top Quartile 99.70% |  | Following a meeting with House Mark; Housing were informed the formula used to calculate this KPI had been incorrect. Housing are pleased to advise they are achieving top quartile performance report since calculating the KPI with the new formula. |
| Housing H04 | Number of households living in temporary accommodation | Monthly | 45 | 42 | 52 | 29 |  |  | 46.33 | 29 |  | Housing has seen an increase in the number of people presenting as homeless during the winter months. The KPI workshop continues to identify new methods of improving our processes. The highest number of reasons been received, has been from people evicted from the private sector and parental evictions. Housing are planning to work with private landlords through the Essex Landlords Accreditation Scheme and considering mediation for families to help prevent eviction. |

| Operational Indicators – Planning and Development | | | | | | | | | | | | |
|---|---|-----------|---------------------------|-----------|-----------|----------|---|---|----------------------|------------|---|---|
| Dept. & PI Code | Performance Indicator | Measure | 2014/15 Quarterly Results | | | | | | 2014/15 Year to Date | | | Commentary |
| | | | Q1 Result | Q2 Result | Q3 Result | Q Target | Q Status /Trend | Q Graphic | YTD Result | YTD Target | YTD Status/ Trend | |
| Planning P01 | Number of new homes approved to be built in the Borough | Annual | NMTP | NMTP | NMTP | TBC |  |  | NMTP | TBC |  | NMTP |
| Planning P02 | % of appeals allowed against the authority's decision to refuse planning applications | Quarterly | 7.69% | 21% | 21% | 34% |  |  | 16.56% | 34% |  | Major applications in this category could result in government control & intervention which would impact future performance levels. |
| Planning P03 | Processing of planning applications as measured against targets for 'Major' application types | Quarterly | 50% | 54.55% | 57.14% | 50% |  |  | 54% | 50% |  | Exceeding target due to the lower level of complexity of the applications processed. |

| Operational Indicators – Planning and Development | | | | | | | | | | | | |
|---|---|-----------|---------------------------|-----------|-----------|----------|--|---|----------------------|------------|--|---|
| Dept. & PI Code | Performance Indicator | Measure | 2014/15 Quarterly Results | | | | | | 2014/15 Year to Date | | | Commentary |
| | | | Q1 Result | Q2 Result | Q3 Result | Q Target | Q Status /Trend | Q Graphic | YTD Result | YTD Target | YTD Status /Trend | |
| Planning P04 | Processing of planning applications as measured against targets for 'Minor' application types | Quarterly | 89% | 81.72% | 74.65% | 70% |   |  | 82% | 70% |   | As seen in Q2, Q3 has seen drop in performance due to staff turnover. |
| Planning P05 | Processing of planning applications as measured against targets for 'Other' application types | Quarterly | 91% | 87.35% | 83.33% | 80% |   |  | 87% | 80% |   | As seen in Q2, Q3 has seen drop in performance due to staff turnover. |

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11 February 2015

Finance and Resources Committee

Medium Term Financial Plan Update

Report of: *Jo-Anne Ireland, Acting Chief Executive*

Wards Affected: *None*

This report is: *Public*

1. Executive Summary

- 1.1 The Medium Term Financial Plan (MTFP) sets out the key financial management principles and budget assumptions. It is then used as the framework for the detailed budget setting process to ensure that the Council's resources are managed effectively in order to meet its statutory responsibilities and deliver the priorities of the Council, over the medium term.
- 1.2 This report updates the MTFP following the report to this Committee on 14 January 2015, and also considers the feedback from the Audit & Scrutiny Committee held on 27 January 2015.

2. Recommendation(s)

- 2.1 **That Members note the updated position of the MTFP.**
- 2.2 **That an outline Strategy is prepared to support final budget proposals to Council, which provides information on how the funding gaps will be addressed.**
- 2.3 **That Finance and Resources support the proposal from Audit & Scrutiny for them to commence their Budget Review work in September to include a service review of existing budgets.**
- 2.4 **That Members consider the financial position of the Council when proposing a level of Council Tax for 2015/16.**

3. Introduction and Background

- 3.1 At its meeting on 14 January 2015, this Committee received information on initial funding and proposals for the MTFP. In accordance with the Budget and Policy Framework, these initial proposals were presented to Audit & Scrutiny for their consideration. This report will now consider and respond to the feedback from Audit & Scrutiny.
- 3.2 The report also updates the figures for changes made since January. These changes are a direct result of the on-going work by the Finance Team to review and refine the MTFP figures.

4. Issue, Options and Analysis of Options

- 4.1 Attached at Appendix A is a copy of the report from Audit & Scrutiny Committee outlining their feedback on the initial proposals.
- 4.2 Following a review of the points raised, this Committee is requested to note the following additional information/recommendations:

| Area | Description | Audit & Scrutiny Feedback | Finance & Resources Response |
|-----------------|---|---|---|
| Proposed Saving | Street Services – Reduction in Fuel Prices | Are future years' savings sustainable if this contract is not locked. | Volatility of the market means that this saving may not be sustainable. It is therefore proposed to adjust the MTFP to show this as a one year (2015/16) saving only. |
| Proposed Saving | Car Parks – Increased income from Lease Arrangement | Impact of any future development proposals may impact on these savings. | Noted – and this will be considered as part of any future business cases in this area. |
| Proposed Saving | Customer Services Transformation | More detailed financial targets requested to ensure delivery of savings could be monitored. | The savings for 2015/16 can be profiled as follows: Qtr 1 £20,000 Qtr 2 £40,000 Qtr 3 £70,000 Qtr 4 £100,000 (figures shown are cumulative). |

| Area | Description | Audit & Scrutiny Feedback | Finance & Resources Response |
|---------------------|-------------------|--|---|
| Proposed Saving | Lease Reviews | Question if any additional information was available to inform future year savings (which appear low). | This is an initial estimate as there is still work to be undertaken on a number of outstanding rent reviews/lease renewals. This figure is considered achievable although it is anticipated it may increase once the review work is complete. |
| Proposed Investment | Apprenticeships | Business case and clear resource requirement must be identified prior to appointment. Concerns raised re future employment opportunities and therefore recommended that a future review of this requirement is undertaken. | Noted. Any appointment must link to the overall efficiency reviews undertaken across all services. |
| Proposed Investment | Additional Events | Would like clarification on the specific events on offer before a final budget allocation is made. Evaluation of events will be key to future years funding support. | Additional events identified so far are: <ul style="list-style-type: none"> • Continuation of Lighting Up Shenfield (£5,500) • Royal Anglian March (£3,500) • Other events (to be confirmed) e.g. Heritage and Cultural Festival (£6,000). |

| Area | Description | Audit & Scrutiny Feedback | Finance & Resources Response |
|-------------------------------|------------------------------------|---|--|
| Proposed Investment | Election Marketing | Clarification which year this will target to ensure maximum impact and benefit to the Council. | This is planned expenditure for the May 2015 Elections. |
| Proposed Investment (CAPITAL) | Vehicle Replacement Programme | Detailed schedule to support the figures requested. | This is linked to the outcome(s) of the Waste Strategy as it will very much depend on how the service is delivered in the future. |
| Proposed Investment (CAPITAL) | Car Park Refurbishment and Upgrade | Accepted that this is part of a 2014/15 scheme – requested final cost estimates. | £115k was spent in 2014/15 on Barriers and Pay Stations. A further £15k has been allocated in 2015/16 for general upgrades including re-lining. |
| Proposed Investment (CAPITAL) | Home Repair Assistance Grants | Would request to see previous year spend patterns to verify this value. | 2011/12 £20,595 2012/13 £37,953 2013/14 £7,760 2014/15 £9,780 (Est) It is therefore proposed to reduce this investment to £30,000 per annum. |
| Proposed Investment (CAPITAL) | Play Area Refurbishments | Work Programme requested to support the budget. Section 106 monies and locations should also be considered. | This is linked to the outcome(s) of a Leisure and Recreation Strategy which will inform future year budget requirements. This current budget reflects the minimum value needed to maintain our current facilities. |

| Area | Description | Audit & Scrutiny Feedback | Finance & Resources Response |
|-------------------------------|--|--|--|
| Proposed Investment (CAPITAL) | Structural and Safety Works at the Multi Storey Car Park | Profile essential works and spend. Development study is essential prior to any large investment. | Works are profiled to ensure continued structural integrity of the building and to address health and safety issues. |
| Proposed Investment (CAPITAL) | ICT Strategy | More information needed and must be linked to the spend profile of the £500,000 budget within the Town Hall Project. | Works will include: <ul style="list-style-type: none"> • Software upgrade • Introduction of mobile devices • Server and hardware replacements • Update of Storage Area Network • Network/Cabling refresh • Update Disaster Recovery equipment. |

4.3 In addition to the changes identified above, the following have also been identified as part of the on-going work on the budget preparation:

| | 2015/16 £ | 2016/17 £ | 2017/18 £ | Comments |
|---|--------------|--------------|--------------|--|
| Reverse fuel savings | - | 75,000 | 75,000 | Following Audit & Scrutiny feedback – this saving for future years has been removed. |
| Revenue & Benefits Shared Services | 146,000 | (55,000) | (55,000) | Invest to Save Scheme – covered elsewhere on this Agenda. |
| Shenfield Free Parking during Crossrail Construction | 78,000 | 78,000 | - | This previously approved item was removed from the MTFP in error. |
| Increase in Capital Financing and Minimum Revenue Provision (MRP) | - | 100,000 | 100,000 | Adjusted figures due to accounting changes between HRA and General Fund. |
| Establishment Changes | 87,973 | (84,909) | (64,234) | One off costs for Finance Staff and other increments/pay awards. |

| | | | | |
|---------------------------------|---------------|------------------|------------------|---|
| Business Rates Retention Scheme | (248,720) | (236,170) | (236,170) | Increased income following submission of NNDR1 form to Central Government |
| TOTAL MOVEMENT | 63,253 | (123,079) | (180,404) | |

Summary

4.4 The table below shows the impact of the new information on the overall funding position:-

Figures as at 14 January 2015:

| | 2014/15 £ | 2015/16 £ | 2016/17 £ | 2017/18 £ |
|------------------------------------|------------------|-------------------|-------------------|-------------------|
| Total Net Forecast Spend | 9,997,927 | 10,092,549 | 10,899,087 | 11,082,531 |
| Total Funding | (9,980,570) | (9,306,263) | (9,665,966) | (9,436,121) |
| Funding Gap / (Surplus) | 17,357 | 786,286 | 1,233,121 | 1,646,410 |
| Anticipated Savings | - | (210,000) | (360,000) | (410,000) |
| Proposed Developments | - | 163,850 | 83,750 | 83,750 |
| Net Funding Gap / (Surplus) | 17,357 | 740,136 | 956,871 | 1,320,160 |
| Working Balance b fwd | 4,511,000 | 3,293,643 | 2,553,507 | 1,596,636 |
| Funding Gap | 17,357 | 740,136 | 956,871 | 1,320,160 |
| Earmarked for WHW | 1,200,000 | - | - | - |
| Working Balance c fwd | 3,293,643 | 2,553,507 | 1,596,636 | 276,476 |

Figures as at 11 February 2015:

| | 2014/15 £ | 2015/16 £ | 2016/17 £ | 2017/18 £ |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Total Net Forecast Spend | 9,997,927 | 10,617,493 | 11,092,046 | 11,218,160 |
| Total Funding | (9,980,570) | (9,767,954) | (9,982,004) | (9,752,154) |
| Funding Gap / (Surplus) | 17,357 | 849,539 | 1,110,042 | 1,466,006 |
| Anticipated Savings | - | (210,000) | (360,000) | (410,000) |
| Proposed Developments | - | 163,850 | 83,750 | 83,750 |
| Net Funding Gap / (Surplus) | 17,357 | 803,389 | 833,792 | 1,139,756 |
| Working Balance bfwd | 4,511,000 | 3,293,643 | 2,490,254 | 1,656,462 |
| Funding Gap | 17,357 | 803,389 | 833,792 | 1,139,756 |
| Earmarked for WHW | 1,200,000 | - | - | - |
| Working Balance cfwd | 3,293,643 | 2,490,254 | 1,656,462 | 516,706 |

- 4.5 The revised table above confirms that from 2015/16 onwards a budget gap begins to emerge as the Government Grant reductions continue. This gap could be widened further subject to the proposals emerging from the results of the General Election.

Next Steps

- 4.6 Following consideration of the information contained in this report, Members will need to finalise their proposals for the Budget and 2015/16 Council Tax. This will be presented to the dedicated Council meeting to be held on 4 March 2015.
- 4.7 The key areas that are currently under consideration are as follows:
- Department Service Reviews:
 - Alternative service delivery options
 - Fees and Charges
 - Income generation opportunities
 - Development of new strategies:
 - Property Acquisitions
 - Leisure and Recreation
 - Waste
 - Parking

- Governance Arrangements:
 - Review of current Committee arrangements

4.8 Whilst the Council will continue with its efforts to identify and secure additional income from which to support services, it is clear that the Council must also focus on managing expenditure levels and securing efficiencies.

4.9 In reaching a decision regarding the appropriate level of Council Tax for 2015/16, Members must also give consideration to the Council's financial position.

5. Reasons for Recommendation

5.1 Effective financial management underpins all of the priorities for the Council.

6. Implications

Financial Implications

Name & Title: Jo-Anne Ireland, Acting Chief Executive

Tel & Email 01277 312712 / jo-anne.ireland@brentwood.gov.uk

6.1 The financial implications are set out in the report.

Legal Implications

Name & Title: Chris Potter, Monitoring Officer

Tel & Email 01277 312860 / christopher.potter@brentwood.gov.uk

6.2 There are no direct legal implications arising from this report.

7. Appendices to this report

A – Audit & Scrutiny Budget Feedback

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27 January 2015

Audit and Scrutiny Committee

Budget Scrutiny Feedback

Report of: Jo-Anne Ireland, Acting Chief Executive

Wards Affected: None

This report is: Public

1. Executive Summary

- 1.1 Effective scrutiny can add considerable value to how the Council makes decisions on the allocation of resources. This has become increasingly important as the Council continues to set budgets against a background of tough economic conditions and severe funding cuts from Central Government. The medium term financial planning process will need to address these continued financial challenges and develop a strategic approach to address funding gaps.

2. Recommendations

- 2.1 **That the feedback on the Proposed and Anticipated Savings outlined in para 4.4 is agreed and submitted to Finance and Resources Committee.**
- 2.2 **That the Finance and Resources Committee are requested to provide further information within their future reports on how the funding gaps will be addressed.**
- 2.3 **That the feedback on the Proposed Budget Investments outlined in paras 4.6 and 4.7 is agreed and submitted to Finance and Resources Committee.**
- 2.4 **That the Budget Scrutiny work should commence in September in future years and start with a service review of existing budgets.**
- 2.5 **That the proposed working balance level of £2.1m - £2.2m is supported.**
- 2.6 **That the Council Tax Financial Modelling is presented to the Finance and Resources Committee for consideration.**

3. Introduction and Background

3.1 At the meeting on 26 November 2014, it was agreed that a Task and Finish Group be created to deal with the 4 main areas of the budget:

| Work Area | Expected Outcome |
|--|--|
| 1) Review Savings Proposals | <ul style="list-style-type: none">• Evaluate the impact of any savings proposed• Test if the anticipated savings are realistic and achievable |
| 2) Review Budget Growth Proposals | <ul style="list-style-type: none">• Evaluate the impact of any new investment proposals• Confirm that robust business plans are in place for new initiatives (and test the assumptions within them) |
| 3) Review the working balance and reserve levels | <ul style="list-style-type: none">• Review the risk assessments undertaken to inform the levels• Test the levels through benchmarking data with similar authorities |
| 4) Review the Council Tax proposals | <ul style="list-style-type: none">• Evaluate the financial impact of the proposal |

3.2 This report considers the initial assumptions and proposals put forward by the Finance and Resources Committee and provides feedback on those proposals. The role of the Audit & Scrutiny Committee is not to review every single figure, but to test the choices made regarding resource allocation and how well resources are being used to deliver policy objectives¹.

3.3 The Finance and Resource Committee will then finalise its proposals for submission by way of recommendation to the Council taking into account the comments from the Audit and Scrutiny Committee. The report to Council must show the Finance and Resource Committee response to these comments.

¹ The current Corporate Plan covers the period 2013 – 2016.

4. Issue, Options and Analysis of Options

4.1 In accordance with the agreed recommendation from November, a Task and Finish Group was formed of the following Members:

- Cllr Gareth Barrett
- Cllr John Kerslake
- Cllr Phil Mynott
- Cllr Noelle Hones

4.2 The Group met on 3 occasions to consider the 4 main areas of:

- I. Proposed and Anticipated Savings
- II. Proposed Budget Investment
- III. Working Balance and Reserves
- IV. Council Tax

4.3 The Finance and Resources Committee presented their initial budget assumptions and proposals to its meeting on 14 January 2015. A copy of the full report can be found at Appendix A.

4.4 *Proposed and Anticipated Savings*

The Group considered the following proposals from Finance and Resources Committee:

| | 2015/16 £ | 2016/17 £ | 2017/18 £ | Comments |
|---|----------------|----------------|----------------|---|
| Recycling – Introduction of Textiles Service | 20,440 | 20,440 | 20,440 | Previous Committee decision. |
| Open Spaces – Crazy Golf Income from August 2015 | 13,000 | 25,000 | 25,000 | Contractual Income. |
| Street Services – Reduction in Fuel Prices | 75,000 | 75,000 | 75,000 | Are future year's savings sustainable if this contract is not locked. |
| Car Parks – increased income from Lease arrangement | 120,000 | 120,000 | 120,000 | Impact of any future development proposals may impact on these savings. |
| Housing - Service/Budget Review | 22,000 | 22,000 | 22,000 | Agreed. |
| Assets – Anticipated Income from Old House | - | - | 64,000 | Previous Committee decision. |
| Assets – Anticipated Income from Warley TC | - | - | 42,240 | Previous Committee decision. |
| TOTAL | 250,440 | 262,440 | 368,680 | |

| | 2015/16 £ | 2016/17 £ | 2017/18 £ | Comments |
|----------------------------------|----------------|----------------|----------------|--|
| Senior Management Restructure | 100,000 | 200,000 | 200,000 | Noted that there were some risks to the restructure but that the step change approach was valid. |
| Customer Services Transformation | 100,000 | 150,000 | 200,000 | More detailed financial targets requested to ensure delivery of savings could be monitored. |
| Lease Reviews | 10,000 | 10,000 | 10,000 | Question if any additional information was available to inform future year savings (which appear low). |
| TOTAL | 210,000 | 360,000 | 410,000 | |

4.5 In summary, the Group recognised that there was a lot of uncertainty surrounding the outcome of the General Election. As a consequence, this places a huge amount of uncertainty both on future funding levels and also the funding gaps. However, the Group were concerned that the information received to date did not address the £3m funding gap and would therefore hope to see further detail on this in future reports.

4.6 ***Proposed Budget Investment***

The Group considered the following REVENUE proposals from Finance and Resources Committee:

| Description | 2015/16 Cost £ | Future Cost £ | Comments |
|--|----------------------|---------------------|--|
| Borough Bulletin – 2 editions per year | 2,500 | 2,500 | Agreed that this should be the maximum spend, with any publication being linked to consultation documents in order to maximize the benefit and also share the costs. |
| Essex Devolution Strategy | 5,000 | - | Agreed as a prudent investment in order to try and identify Essex wide opportunities. |
| Apprenticeships | 62,250 | 62,250 | Business case and clear resource requirement must be identified prior to appointment. Concerns raised re future employment opportunities and therefore recommended that a future review of this requirement is undertaken. |

| | | | |
|---|----------------|---------------|--|
| Local Development Plan – additional costs | 50,000 | - | Agreed. |
| Renaissance Group Grant | 20,000 | - | Agreed for one year only due to financial uncertainty post General Election. |
| Additional Events | 15,000 | 15,000 | Would like clarification on the specific events on offer before a final budget allocation is made. Evaluation of events will be key to future years funding support. |
| Election Marketing | 5,100 | - | Clarification on which year this will target to ensure maximum impact and benefit to the Council. |
| Lone Worker Devices | 4,000 | 4,000 | Agreed – essential contract. |
| TOTAL | 163,850 | 83,750 | |

4.7 The Group also considered the following CAPITAL proposals from Finance and Resources Committee:

| | 2015/16 £ | 2016/17 £ | 2017/18 £ | Comments |
|----------------------------------|--------------|--------------|--------------|---|
| Existing Schemes: | | | | |
| Vehicle Replacement Programme | 200,000 | 150,000 | 150,000 | Detailed schedule to support the figures requested. |
| Car Park Refurbishment & Upgrade | 15,000 | - | - | Accepted that this is part of a 2014/15 scheme – requested final costs estimates. |
| Home Repair Assistance Grants | 50,000 | 50,000 | 50,000 | Would request to see previous year spend patterns to verify this value. |
| Disabled Facilities Grants | 280,000 | 280,000 | 280,000 | This attracts external funding. |
| CCTV System Upgrade | 5,000 | 5,000 | - | Agreed – small investment for a valuable service. |
| Play Area Refurbishments | 100,000 | 100,000 | 100,000 | Work programme requested to support the budget. Section 106 monies and locations should also be considered. |

| | | | | |
|---|------------------|----------------|----------------|--|
| Town Hall Remodelling | 2,780,890 | - | - | Previous committee decision. Would like to see the ICT element shown separately. |
| TOTAL | 3,430,890 | 585,000 | 580,000 | |
| New Schemes: | | | | |
| Brentwood Leisure Centre – filter refurbishment, boilers and air handling | 88,280 | - | - | Essential works identified through Inspection Report. |
| Improvements at Brentwood and Shenfield stations | - | 200,000 | - | Pump priming funds for SELEP bid. |
| Structural and Safety Works at the Multi Storey Car Park | 375,050 | 663,950 | - | Profile essential works and spend. Development study outcome is essential prior to any large investment. |
| Old House Redevelopment | 1,080,000 | - | - | Previous Committee decision. |
| ICT Strategy | 100,000 | 100,000 | 100,000 | More information needed – and must be linked to the spend profile of the £500,000 budget within the Town Hall Project. |
| Replacement of Folding Machine | 2,000 | - | * | Agreed. |
| TOTAL | 1,645,330 | 963,950 | 100,000 | |

4.8 The Group raised concerns that their work had focussed on proposed changes and did not provide an opportunity to challenge existing spend levels in order to scrutinise value for money. The Group would therefore like to recommend that in future years their work commences in September with a review of each service area. The Group also commented in general that any spending commitments beyond 2015/16 should be conditional on an evaluation of any lessons learned/project success and delivery of value for money.

4.9 **Working Balance and Reserves**

As part of the budget approved in March 2014, a minimum General Fund Working Balance of £2.5m was agreed. The Group was presented with a Risk Assessment of the potential Reserves level for 2015/16 by the Section 151 Officer. The assessment highlighted that a minimum working balance level of £2.1m – £2.2m was recommended.

- 4.10 The Group requested that higher weighting be placed on the Risk Assessment for potential non-delivery of anticipated savings and further external funding reductions. A revised Risk Assessment then placed the minimum working balance level at just over £2.2m. A copy of the Risk Assessments is attached as Appendix B.
- 4.11 The Group were also provided with comparative data from other Essex Authorities on Working Balance and Earmarked Reserve Levels and this information is attached as Appendix C to this report. The table identifies that even taking into consideration the £1.2m earmarked for William Hunter Way, the Council still maintains a health Working Balance (GF Reserve) when compared to neighbouring Authorities.
- 4.12 The feedback from the Group was that given the level of uncertainty around the future Government Grants and New Homes Bonus Grant Allocations post the General Election that it would be irresponsible to operate a working balance below the £2.1m - £2.2m identified through the Risk Assessment.
- 4.11 **Council Tax**
The Group received data on a range of options including:
- Council Tax Freeze
 - 1% Reduction
 - 1.5% Reduction
 - 2% Reduction
 - 1% Increase
 - 1.5% Increase
 - 2% Increase
- 4.12 The Group recognises that in light of the recent announcement that a limit of 2% on Council Tax will remain in force for 2015/16 and therefore in reality any increase would be limited to 1.99% in order to avoid the costs of a Local Referendum.
- 4.13 The Group also challenged the assumption of an annual increase of 0.5% on the Council Taxbase. Average data for the last 7 years was inconclusive on this point, and the introduction of Localised Council Tax during 2013/14 highlights a reduced Taxbase due to the methodology of the Scheme. It was therefore agreed that the assumption was reasonable.
- 4.13 Attached at Appendix D is the financial modelling of a Year 1 decision followed by a 2 year Council Tax freeze. In view of the General Elections, there is some degree of uncertainty surrounding referendum limits which

would impact on the Council's ability to raise Council Tax in future years. However, in view of the current funding gaps, it was agreed that this model was the most appropriate to consider at this time.

5. Reasons for Recommendation

- 5.1 Effective financial management underpins all of the priorities for the Council.

6. Implications

Financial Implications

Name & Title: Jo-Anne Ireland, Acting Chief Executive

Tel & Email 01277 312712 / jo-anne.ireland@brentwood.gov.uk

- 6.1 There are no direct financial implications arising from this report.

Legal Implications

Name & Title: Chris Potter, Monitoring Officer

Tel & Email 01277 312860 / christopher.potter@brentwood.gov.uk

- 6.2 There are no direct legal implications arising from this report.

7. Appendices to this report

Appendix A – 14 January 2015 Finance and Resources Committee –
Medium Term Financial Plan Update.

Appendix B – Risk Assessments

Appendix C – Comparative Data on Reserve Levels

Appendix D – Council Tax Financial Model

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11 February 2015

Finance and Resource Committee

Rent Setting and Service Charges

Report of: *Helen Gregory, Head of Housing Services*

Wards Affected: *All*

This report is: *Public*

1. Executive Summary

- 1.1 This report considers the proposed new rent levels for 2015/16, together with the service charge proposals for tenants and leaseholders.
- 1.2 The report includes the consideration of the Housing and Health Committee with regards to the proposed rent levels for 2015/16, and seeks the recommendations of the Finance and Resource Committee to Ordinary Council on 4th March 2015.

2. Recommendation(s)

- 2.1 **Members agree to increase Rent to CPI plus 1% from April 2015.**
- 2.2 **Members agree to freeze the proposed Service Charges for 2015/16 for tenants, however any decrease to service charges, will be passed onto the tenant.**
- 2.3 **Members agree that Leaseholder Service Charges be calculated in line with the current reconciliation policy.**
- 2.4 **Members agree to applying the formula rent to all new tenancies from April 2015/16**

3. Introduction and Background

- 3.1 The method of setting rents has changed. The government has produced Guidance on Rents for Social Housing May 2014 [Guidance on Rents for Social Housing](#).
- 3.2 From April 2015, the guidance regarding rent increases has changed and it now recommends the use of CPI plus 1% for all properties; based on September CPI this would equate to a rent increase of 2.2% for 2015/16.
- 3.3 For background the recent average rent increases have been:
- 2013/14 3.99%
 - 2014/15 5.90%

4. Issue, Options and Analysis of Options

- 4.1 This is a change from the existing rent setting policy of using Retail Price Index (RPI) plus 0.5% plus £2 to move to convergence to a target rent.
- 4.2 Target rents are calculated using a pre-set formula which incorporates local housing values, local earnings of residents' average rents and the number of bedrooms to each property.
- 4.3 Landlords are encouraged to re-let vacant properties at the target rent. Landlords have the added option of being able to charge a 5% margin (10% for sheltered housing) above formula rent and remain within the guidelines – but only on new tenancies.
- 4.4 The average rent increase using CPI plus 1% will be 2.2% - this will mean an average rent increase of £2.01 per week per resident. As a comparison if RPI were still being used the average increase would £4.02 per week per resident.
- 4.5 Having modelled a Rent Freeze for 2015/16 early indications are that this will create a deficit in the HRA for 2015/16 of a revised figure of £194,310. If we follow the recommended 2.2% increase then the HRA indicates a potential surplus of £89,770.
- 4.6 The table below shows the annual income to the HRA based on the different increases, it also shows the difference between the proposed increased and the government guidance of 2.2%:

| | RPI (2.8%) £ | CPI (2.2%) £ | 0% £ | 2% £ |
|------------------------|-------------------------|-------------------------|-----------------|-----------------|
| Annual Income | (12,397,900) | (12,227,860) | (11,964,640) | (12,203,930) |
| Difference (Gain)/Loss | (170,040) | 0 | 263,220 | 23,930 |

4.7 Taking account the above annual income, the proposed (Surplus)/Deficit for the HRA's MTFP are:

| | 2015/16 £ | 2016/17 £ | 2017/18 £ |
|------------|----------------------|----------------------|----------------------|
| RPI (2.8%) | (242,970) | (55,160) | (300,800) |
| CPI (2.2%) | (89,770) | (48,950) | (113,880) |
| 0% | 194,310 | 242,860 | 185,830 |
| 2% | (65,840) | (24,370) | (88,630) |

4.8 Therefore, a rent freeze would result in the HRA making a deficit in 2015/16 onwards and therefore, the current proposed capital programme would have to be revisited. This deficit would also mean the council would not meet its commitment to repay back the self financing debt it borrowed in 2012/13.

4.9 A 2% increase would bring the HRA into a surplus in 2015/16 and the council would meet its commitment to repay the first loan due for the self financing settlement and the proposed capital program can be funded. However, the 2% increase does mean that the surplus for the HRA in 2016/17 is rather volatile as it is so low.

4.10 Historically, the Council has increased tenant service charges through a "rolling reconciliation" The HRA budget setting for 2012/13 by the Special Policy Committee in February 2012 [Minute 492 refers] implemented a new policy of service charge de-pooling approved by the former Environment Health and Housing Board in November 2011 [Minute 336 refers]. Typically, the tenant service charge setting formula includes a "rolling reconciliation" of estimated service chargeable expenditure with actual expenditure of the previous year. This method is similar to the method used to calculate Leaseholder Service Charges.

4.11 It has been proposed, for 2015/16 that the tenant service charges will not be increased; however the "rolling reconciliation" has been completed. Where there are service charges that have decreased, this decrease will be passed onto the tenant.

4.12 The reason behind the proposed freeze to any increase to service charges follows the recommendation that a further report be presented to the Committee providing details of the outcome of a planned review of the current service charges, which will then inform the 2016/17 charging levels for tenants.

- 4.13 Leaseholder service charges are levied by the Council, to recover the costs the Council incurs in providing services to a dwelling. The way in which the service charge is organised is set out in the tenant's lease or tenancy agreement. Therefore, as the service charges are stipulated in the leaseholder legal agreements the Council is remaining to calculate the charges based on the current policy and not freezing any increases.

5. Reasons for Recommendation

- 5.1 The first recommendation will be to follow the guideline 2.2% increase. Rent increases are necessary in order to keep pace with maintenance and major improvements to our housing stock. More importantly the HRA has a £64m debt and we must ensure we have sufficient funds set aside each year to repay this debt.
- 5.2 The next recommendation will be to agree the freeze on any tenant service charge increase, but to ensure leaseholder service charges are calculated accordingly to the legal arrangements.
- 5.3 The following assumptions have been taken into account when considering the Rent Setting and Service Charge income for 2015/16:
- The financial viability of the HRA business plan
 - Delivering a repairs capital programme of £3m for 2015/16
 - Budget provision for repayment of HRA self financing £1.5 m
 - Development fund for new homes £500k
 - No allowance has been made for growth bids
 - Affordability for tenants

6. Consultation

- 6.1 A meeting was held with Tenants Talk back group on the 25 November 2014 to discuss the proposed rent setting for 2015/16. In principle Tenants Talkback group agreed to rent setting at CPI plus 1% as the tenants recognized the need to continue to invest in the homes and services.
- 6.2 In addition there was an acknowledgement that the CPI increase was a slight reduction compared to RPI formula previously used to set rents.
- 6.3 This reduction is timely; at a time when Tenants are concerned about affordability issues with the on set of Universal credit in 2015/16.
- 6.4 Tenants feedback on the Council's ability to charge higher rent to households earning £60k and above were mixed:

- A good idea – but what if a tenants circumstances changed i.e. they lost their job? What would happen then?
- How will the Council identify tenants who are earning the higher incomes? Will the costs outweigh the benefits?

7. Reference to Corporate Plan

- 7.1 The Council has a legal obligation to produce a balance HRA budget and to set the Housing Rent levels for 2015/16.

8. Financial Implications

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- 8.1 The impact of the changes to the rent levels are outlined in the report. The recommendation of a 2.2% increase will provide an anticipated surplus on the account for 2015/16.

9.0 Legal Implications

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- 9.1 None

10. Appendices to this report

None

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11 February 2015

Finance and Resources Committee

Meeting the Public Sector Equality Duty

Report of: *Ashley Culverwell, Head of Borough Health, Safety and Localism*

Wards Affected: *All Brentwood Borough Wards*

This report is: *Public report*

1. Executive Summary

- 1.1 A report was presented to Overview and Scrutiny Committee on 29 February 2012 which set out the new Equality Act 2010 and the implications for Brentwood Borough Council. Brentwood Borough Council has a duty to comply with the Equality Act 2010 as part of the Public Sector Duty. The report before Members provides an update on this previous report about how the Council is currently complying with the Equality Act (Appendix A) and also sets out how Brentwood Borough Council will look to meet its Equality Objectives as set out in Appendix B of this report.

2. Recommendations

That Members agree to:

2.1 Note the updated report on how the Council is currently complying with the Equality Act in Appendix A.

2.2. Officers developing an action plan by April 2015 to ensure the Council meets its Public Sector Equality and Diversity Objectives in Appendix B.

3. Introduction and Background

- 3.1. A previous report that went to Overview and Scrutiny Committee on 29 February 2012 which set out how new Equality Act 2010 replaced the previous anti-discrimination laws with a single Act. It simplified the law, removing inconsistencies and making it easier for people to understand and comply with. It strengthened the law in important ways, to help tackle discrimination and inequality. The majority of the Act came into force on 1

October 2010. The key remaining issue of the Act was the public sector Equality Duty which came into force on 5 April 2011.

- 3.2.** The aim of the Equality Duty is to embed equality considerations into the day to day work of public authorities, so that they tackle discrimination and inequality and contribute to making society fairer.
- 3.3.** The Equality Duty consists of a **general duty**, with three main aims (set out in section 149 of the Equality Act 2010); and **specific duties** (set out in secondary legislation to accompany the Equality Act 2010). The specific duties are designed to help public bodies meet the general duty.
- 3.4.** The Equality Duty replaces the three public sector equality duties - for disability, race, and gender. The Equality Duty covers the following protected characteristics:
- age
 - disability
 - gender reassignment
 - marriage and civil partnership (but only in respect of eliminating unlawful discrimination)
 - pregnancy and maternity
 - race – this includes ethnic or national origins, colour or nationality
 - religion or belief – this includes lack of belief
 - sex
 - sexual orientation.
- 3.5** The general duty has three aims; it requires public bodies to have due regard to the need to:
- **eliminate unlawful discrimination**, harassment and victimisation and other conduct prohibited by the Equality Act 2010;
 - **advance equality of opportunity** between people from different groups; and
 - **foster good relations** between people from different groups
- 3.6** The specific duties that came into force on 10 September 2011, required public bodies to:
- publish information to show their compliance with the Equality Duty, at least annually; and
 - publish their equality objectives, at least every four years.
- 3.7** All information must be published in a way which makes it easy for people to access..
- 3.8** It requires public bodies to set specific measurable equality objectives and to publish relevant evidence of compliance with the Equality Duty. This

means that the information they publish must show that they consciously thought about the three aims of the Equality Duty as part of the process of decision making. The information published must include:

- information relating to employees who share protected characteristics (for public bodies with 150 or more employees); and
- Information relating to people who are affected by the public body's policies and practices who share protected characteristics

3.9 Information must be published annually. It is up to each public body to decide for itself what information it publishes to show its compliance with the Equality Duty. Most public bodies, look at what is published already, and consider whether this gives a reasonable picture of progress on equality issues affecting its employees and service users. Information about employees could include:

- the make-up of the overall workforce;
- the gender pay gap and pay equality issues more generally for the public body;
- recruitment and retention rates for staff with different protected characteristics;
- applications for flexible working and their outcomes for different protected characteristics;
- applications for learning and development opportunities and their outcomes for staff with different protected characteristics;
- grievances and disciplinary issues for staff with different protected characteristics

3.10 Published information could also include details of policies and programmes that have been put in place to address equality concerns within the workforce, and information from staff surveys

3.11 Information about policies and services could include:

- the number of people with different protected characteristics who access and use services in different ways;
- customer satisfaction levels and informal feedback from service users with different protected characteristics and results of consultations;
- Complaints about discrimination and complaints from people with different protected characteristics;
- Service outcomes for people with different protected characteristics

3.12 Equality objectives

3.13 Public bodies must publish equality objectives that will help them further the aims of the general duty. These must be based on published equality evidence and analysis, and they must be specific and measurable. Public bodies must also publish how they will measure progress towards the

equality objectives. These objectives should further the three aims of the Equality Duty and be published at least every four years.

4 Issue, Options and Analysis of Options

4.1 In setting the objectives, the following have been taken into account:

- What evidence it could use to inform the objectives, from both internal and external sources;
- What type of equality issues are raised by its staff and customers
- Where evidence indicates that equality performance is poor;
- What objectives could be set the organisation to perform better on equality issues in key areas;
- Whether there is scope to benchmark equality information and objectives against similar public bodies;
- The people the organisations it would be useful to talk to in the process of setting the objectives;
- Whether to set short term, medium term or long term objectives in different areas;
- How Progress against the objectives will be measured

4.2 When publishing information, public bodies need to make sure that it is accessible and useful. In particular it should be easily found; published as quickly as possible after the collection; be detailed as possible; and be freely available for reuse by the public.

4.3 The information can be published as part of a business plan rather than a separate document.

4.4 The Equality and Diversity Action Plan that will ensure that the requirements for the Council to comply with the Public Sector Equality Duty, is currently be reviewed under the Equality and Diversity Objectives set out in Appendix B. It is anticipated that this Action Plan will be completed by April 2015.

5 Reasons for Recommendation

The Council has a legal duty to publish its Equality Objectives and also to publish information on how it is complying with the Public Sector Equality Duty.

6 References to Council Priorities

The Public Sector Equality Duty sits across a number of Council priorities, but in particular – Modern Council- meeting 80% of the needs of our customers.

7 Implications

Financial Implications

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The Partnership, Leisure and Funding Manager is the named lead officer for Equality and Diversity in the organisation, and is resourced through existing budgets.

Legal Implications

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The Council has a duty to comply with the Equality Act 2010 (see Equality and Diversity implications, section 7) The Equality and Human Rights Commission is responsible for assessing compliance with the specific duties, and for their enforcement, As with the Equality Duty, it has powers to issue a compliance notice to a public body that it believes has failed to comply with the specific duties, and can apply to the courts for an order requiring compliance.

Unlike the Equality Duty, the specific duties cannot be enforced by judicial review.

Equality and Diversity implications – The Equality and Diversity Implications are set out in the report.

8 Appendices

Appendix A –How Brentwood Borough Council is meeting the Public Sector Equality Duty

Appendix B - Equality and Diversity Objectives

9 Background documents

9.1 Equality Act 2010

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Brentwood's Equality and Diversity Journey and Public Sector Equality Duty

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Introduction

Both as an employer and a provider of services, Brentwood Borough Council is committed to celebrating diversity and promoting equality of opportunity for all. The Council's Corporate Plan 2012-15 demonstrates our ongoing commitment to put customers at the heart of our work, embrace equality and diversity, and strengthen social inclusion across the borough.

This document provides an overview of what the Council has achieved over the past few years and is used to demonstrate our arrangements to meet the requirements of the Public Sector Equality Duty. It covers projects, activities and achievements across the Council's services and is grouped according to protected characteristics covered under the Equality Act 2010.

Equality Act 2010

The Equality Act 2010 brings together for the first time all the legal requirements for the private, public and voluntary sectors, making existing equality laws simpler, more effective and easier to understand. The Public Sector Equality Duty became law in April 2011 and it is made up of a general equality duty, which is supported by specific duties.

Equality Duty

The general equality duty requires public authorities to have a 'due regard' to the following three aims when delivering services and making decisions:

- **eliminate unlawful discrimination, harassment, victimisation** and any other conduct prohibited by the Equality Act 2010;
- **advance equality of opportunity** between people who share a relevant protected characteristic and those who do not share it; and
- **foster good relations** between persons who share a relevant protected characteristic and persons who do not share it

Specific duties are intended to help performance on the general equality duty. There are two requirements placed on public bodies:

- to **publish information** to demonstrate compliance with the general equality duty that covers employees and people affected by policies and practices on an annual basis
- publish **Equality Objectives**

Published information relates to protected characteristics, which have been extended under the Equality Act to cover:

- age
- disability
- sex
- gender reassignment
- pregnancy and maternity
- race-this includes ethnic or national origins, colour or nationality
- religion or belief- this includes lack of belief
- sexual orientation

- marriage and civil partnership (only for the requirement to have due regard to the need to eliminate discrimination)

In addition Brentwood Borough Council also looks at the impact of rural isolation and financial disadvantage within the borough when it comes to providing services.

Equality and Diversity arrangements at Brentwood Borough Council

Brentwood Borough Council anticipates meeting with the Equality Act 2010 by showing best practice to ensure equality of service delivery for all members of the community; and an inclusive, discrimination-free work environment for our staff.

Equality Impact Assessments

When services are changing their service delivery it is best practice to complete an Equality Impact Assessment, so that our services are constantly reviewed to ensure that they do not disadvantage any of the groups mentioned above who have protected characteristics, and identify any possible impacts if services are changed or withdrawn.

Brentwood Borough Council's arrangements:

Brentwood Borough Council has a lead officer for Equality and Diversity to progress in Equality and Diversity in the organisation.

Regular review and reinforcement of the effectiveness of our E&D duties through:

- o Equality Impact Assessments and reviews of services – on going
- o Corporate Plan and Service Plans
- o Provision of training, guidance and examples of good practice to staff
- o Updated Internet and Intranet pages for customers and staff
- o Routine monitoring and data analysis of customers
- o Consultation and engagement activities
- o Joint working with local community groups and partner organisations

Over the years we have implemented a number of policies, such as:

- Equality and Diversity Strategy
- Comprehensive Equality and Diversity Policy
- Disability Equality Scheme
- Race Equality Scheme
- Gender Equality Scheme
- Safeguarding Policy

The equality schemes have been replaced in April 2012 with Equality Objectives under the new Public Sector Equality Duty.

Understanding who our customers are

Understanding who our customers are is crucial to Brentwood Borough Council to ensure that we offer responsive services that meet the needs and priorities of our residents.

The Council use nationally and locally collated data specific to Brentwood, such as:

- [Census 2001](#)
- [Essex Trends 2011](#)
- [Brentwood Area Profiles](#)
- [Neighbourhood Statistics from the Office for National Statistics](#)
- [Health Profile](#)
- [Joint Strategic Needs Assessment](#)
- [Essex Insight](#)

Customer satisfaction

The Council has carried out a number of regular Residents' Surveys, sent to a random sample of residents, and followed by an analysis of the responses, subsequently used to influence local decision-making.

Carrying out the Place Survey was a statutory requirement for all local Councils until 2010/11. The questions enquired about all aspects of life, such as perceptions of crime and satisfaction with Brentwood as a place to live, the Borough's parks and open spaces, theatres and sports and leisure facilities. Demographic questions captured gender, age and ethnicity of residents.

Equality and Diversity

The Council's website has an Equality And Diversity page which set out the details of the Equality Act and the Public Sector Equality Duty.

Monitoring of service users

When designing questions, services are encouraged to use a [corporate monitoring template](#), which includes questions covering all of the protected characteristics. These can be adjusted depending on the type and purpose of the questionnaire to ensure that only relevant data is collected.

Consultations

Most consultation exercises ask for optional E&D information and these are also included within feedback forms distributed after events to find out how we can further improve them.

Comment, Compliments and Complaints

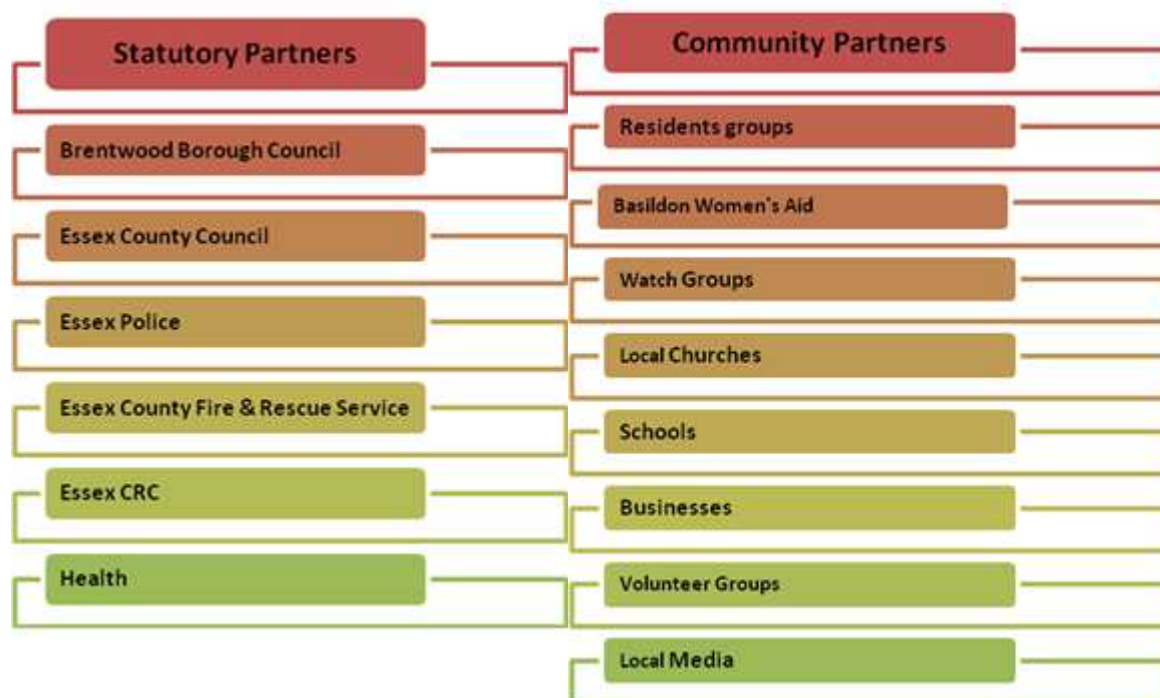
The Council uses a corporate [Comment, Compliments and Complaints](#) scheme to record customer feedback through an online [Feedback Form](#) and hard copies of this form are available from all receptions. The online forms ask for optional equality information relating to all protected characteristics, whilst hard copies ask for gender, age, disability and racial/cultural origin. However, many customers choose to either phone or email us with their feedback and this makes it difficult to ask for equality information. We receive some information via the follow up complaints form, but it is also optional at this stage.

Supporting Our Local Community

The Council aims to create an environment of mutual respect and promote equality of opportunity regardless of age, family responsibility, marital status, race, ethnicity, nationality, gender identity, sexual orientation, gender, disability, religion or belief. A range of our activities are outlined in the sections below.

Safer Brentwood Community Safety Partnership

Safer Brentwood Community Safety Partnership is the local statutory Community Safety Partnership (CSP) for Brentwood. The purpose of the Partnership is to provide a strategic and co-operative approach to addressing local crime & disorder between agencies and the communities within the Borough. The partnership is made up of both Statutory and Community organisations including:



To ensure that the partnership is proactive and well informed they carry out an annual Strategic Intelligence Assessment in order to review existing priorities and identify any new or emerging priorities that the partnership should focus on. For the current year their priorities are:

- Burglary & vehicle crime
- Domestic abuse
- Anti-Social Behaviour

Equality and Diversity for All

Mental Health

The Fitness In Mind™ model is initially targeted at those with lived experience of mental ill health – including those with pan disabilities or long-term illness who experience mental distress as a direct result of their disability. However, we all have mental health and the Fitness In Mind™ model includes a pathway to inclusive physical activities to boost confidence and self-esteem for anyone facing psychological barriers into daily activities including sports.

The model represents a holistic approach to health, fitness and wellbeing for the whole community. From the initial stages of contacting someone about joining a sports centre or sports club, to walking into the first session, to meeting new people, and encouraging exiting of the programme into existing pathways – each step will be supported by trained mental health peer support workers with lived experience. Participants will also be encouraged to support each other and enlarge the peer support network available in the local community. The Brentwood Leisure Centre have extended the program and is free to over 16's.

Mental Health Challenge

Last summer, all 37 Councillors at Brentwood Borough Council became Mental Health Champions as they signed up to undertake the national Mental Health Challenge. From February, the Council will be launching a referral service for residents who are having difficulty paying their council tax. This means that where appropriate they will be supported by key organisations, including MIND, Synergy, Job Centre Plus, Citizens' Advice Bureau, Department for Work and Pensions and Family Mosaic.

Also, the Council is working with other authorities across Essex to ensure that residents are getting the right housing support and has recently signed up to an Essex-wide housing brokerage scheme which means individuals who may have mental ill-health are given help to find independent or supported accommodation.

The Council is proud that our Councillors and staff are supporting Time To Talk Day on Thursday 5 February, which is a national campaign that aims to break the silence and stigma of mental health by encouraging people to spend 5 minutes that day having a conversation about mental health.

Brentwood Community Fund

Brentwood Community Fund was set up to give Brentwood's communities the opportunity to promote local initiatives to improve the quality of life of people living in the local area. Grants of up to £3,500 are available to individuals or community or voluntary organisations, residents/tenant associations etc. Groups do not need to be formally constituted.

Events

Brentwood Borough Council organises a number of events every year in Brentwood which involves voluntary and community organisations, local businesses and volunteers which celebrate Brentwood such as Strawberry Fair and Lighting Up Brentwood. Accessibility Training has been undertaken to ensure that all council organised events are as accessible as possible.

Committee Reports

All Council Committee reports include a section which officers need to complete in relation their report and the impact on Equality.

Fitness for Health

The scheme has been running for a number of years with The Brentwood Leisure Trust and number of GPs. The participants need a referral from their GP to attend a 12 week exercise programme monitored and evaluated by highly trained staff.

Cardiac Rehabilitation

This Phase 4 class runs in conjunction with Phase 3 at many local hospitals. Basildon, Queens and Broomfield Hospitals refer participants following heart attacks and bypass surgery to attend a 12 week monitored gym based programme at The Brentwood Leisure Centre.

Equality for Age

Opportunities for older residents

An Older People Day information event was organised by the Community Safety Partnership in October 2014 at the Hutton Community Centre in Hutton, which provided advice, support and signposted of local services with a number of stands from various partner agencies.

Keep Safe Scheme

Keep Safe is a free scheme to help vulnerable people feel safer when they are out in towns across Essex - and in Brentwood we are the first Borough to extend the scheme to elderly, learning difficulties and mental ill health. Venues will display the Keep Safe sticker and will offer the use of a telephone or will make a phone call for members of the scheme if they are in need. For example, if they lose their keys, telephone or wallet, or they are distressed in any way. Members join the scheme and are given both a card and key ring that have the phone numbers of their contacts to call for help. We provide details about the venues supporting the scheme, which include shops, supermarkets and public places that will be a safe destination to go to.

Door Chain Project

Safer Brentwood and Brentwood Borough Council, with the help of MenShed, a local volunteer group, launched a new project aimed at elderly and vulnerable residents. The partnership received funding from the Police & Crime Commissioner to install door chains into homes for **FREE**. The primary aim of the project is to make the most vulnerable residents of Brentwood feel safer in their homes.

The Door Chain Project has been very popular with residents. There have been 39 applications, of which there have been 28 door chains fitted to date. The feedback received has been extremely positive with most residents thanking us for making them feel safer in their homes.

Senior Safety Day This was the second event funded by Brentwood Borough Council and supported by the partnership. The aim is to provide crime and safety awareness to the elderly

and vulnerable residents of the borough including fraud, fire safety and burglary. It was well attended with over 70 guests including the Mayor and High Sherriff.

The Council was incredibly lucky to have to the support of 25 volunteers from St Martins 6th form who help throughout the day from making tea, performing and helping the guest enjoy the day.

Community Safety Questionnaire

Encouraging residents to have their say. Following initial analysis of the 150 received so far:

72% said that acquisitive crime was either not a very big problem or not a problem at all.

74% felt that anti-social behaviour was not a problem in the borough.

90% of the responses believe that domestic abuse is not an issue.

The Young at Heart Club

Young at Heart is a weekly over 60's social and exercise club which has been supported by Brentwood Borough Council. The project encourages health and wellbeing and promotes social inclusion and lesson feelings of isolation.

Brentwood Centre Tea Dances

The Brentwood Leisure Centre have successfully delivered a Tea dance for over 50's and will continue to run these events on monthly basis.

Brentwood Community Transport

Brentwood Borough Council in partnership with Essex County Council provide the majority of funding for Brentwood Community Transport which operates a number of schemes to assist Brentwood residents.

Health Trax Walking Scheme

Brentwood's Healthy walking scheme Health Trax is a **free** health walk programme that has been running for over 10 years. The scheme is run by volunteer walk leaders supported by Brentwood Borough Council and Macmillan Cancer Research and The Ramblers. Health Trax provides safe walking routes around local parks and countryside led by trained volunteers.

Older People's Activity Sessions

Brentwood Leisure Trust runs two levels of activities aimed at the over 65s. Level 1 aimed at over 65s walking with one stick who want to improve their strength, mobility, balance and be part of a group. Referral may be necessary from a GP. Level 2 aimed at over 65s who walk independently and can get up from the floor unaided. The class focuses on balance, strength, mobility and fun, a great way to meet new people.

Brentwood Borough Council has a number of Sheltered Housing schemes with on site wardens to assist the residents

Alarms for the elderly or the disabled

For the elderly and vulnerable, a 24 hour emergency contact line is available, enabling a person to live independently knowing that help is on hand. A Lifeline Alarm is available in the event of

an emergency, such as a fall or finding an intruder. The touch of a button or pull of a cord connects to an emergency communications centre where the call for help is immediately dealt with. The scheme is available to frail or disabled residents of any age who are living alone, or who are living with someone unable to summon help.

Affordable Warmth

Grants are available for vulnerable households, including the elderly and those on qualifying benefits, for the provision of thermal insulation and first time central heating. The scheme that we refer people to currently is supplied by Aran Services who offer free wall and loft insulation. Disabled facilities grants are available for home adaptations, for those who meet eligibility criteria. These schemes are highlighted on our web page www.brentwood.gov.uk/healthierbrentwood

Revenues and Benefits

Benefit services across the Country have promoted Council Tax Benefit to pension age cases, by sharing data with the pension service and targeting them to claim council tax and housing benefit where no claim existed. This has significantly increased the proportion of pension age benefit awards we are currently paying.

Brentwood Borough Council employs a visiting officer for vulnerable claimants, including pension age and vulnerable claimants such as the disabled. Pension Age benefit regulations allow for pensioners to report their changes in circumstances only once – to the Pension Service and they then liaise with us.

All staff have been given training on identifying people who may become likely to be a victim of loan sharks.

A food-bank has been established in Brentwood and where the Revenues and Benefits department and the Housing department can identify if residents are in deep hardship and refer the customer on to this service.

Assisted Kerbside collections

Assisted collections for waste and recycling are currently being delivered to a total of 276 properties. This includes properties that receive help with their Residual Waste and that receive help with the collection of their recycling materials. Some residents receive assistance with both types of collections and some with either one or other. The criterion for these collections is that the residents are either elderly or disabled and are unable to move bins or materials to the boundary of their property unaided.

Opportunities for younger residents

Firebreak The partnership continues to support the project aimed at young people which is delivered by Essex County Fire & Rescue Services. Along with the Council the partnership have assisted in securing three courses this year which have been run from Ingatestone Fire Station for the first time this year.

Prison Me No Way Prison Me No Way is a project aimed at raising awareness amongst young people about the causes, consequences, impact and penalties of crime. It also encourages young people to stay safe, aspire and become good citizens.

With funding from the Council two schools benefited from the project. The Mayor attended the opening at Shenfield High School and the overall event was well received. The schools would like another 2 Prison Me No Way next year

Brentwood Youth Council is part of a number of youth councils across Essex who look at the priorities and issues for young people. They in turn feed into the Young Essex Assembly.

Brentwood Skate Park Association has been set up in conjunction with Brentwood Youth Council and Brentwood Borough Council to progress the re-development of the skate park in King George's Playing Fields

Youth Services Provision at the Hermit provides a number of activities such as live music on a Friday night, Endeavour Club for those with special needs and Duke of Edinburgh Awards Scheme.

Brentwood Art Trail The art trail in 2015 will involve a schools exhibition for both primary and secondary schools

A number of free **Family Fun Days** will be offered to residents across the borough during the school holidays, to encourage use of outside space in Brentwood, give families something to do and sign post families to groups and clubs within Brentwood.

Equality for Disability

Meeting with the requirements the Equality Duty means that some people may be treated more favourably, as far as this is allowed by discrimination law. The Equality Duty recognises that needs of disabled people may be different from those of non-disabled people; and the Council takes that into account when making decisions about policies or services, e.g. by making reasonable adjustments.

Disabled Facility Grants

The Council provides Disabled Facility Grants. These are means-tested grants available for up to 100% of the cost of adapting one's home to meet the needs of a disabled occupant. The common types of works undertaken include ramps, level access showers, stairlifts etc.

Accessibility

The Council's website has been designed to be accessible and has a number of facilities that make it easier to use, such as: changing the text size and display, readspeaker and access keys. If requested, large print version can be supplied for any documents and event

Brentwood Access Group

The Council voted to list the blue badge holders car park as an Asset of Community Value when the Access Group nominated it for listing.

Wheelchair focused sports

Brentwood Leisure Centre are in the process of purchasing 10 basketball wheelchairs and 10 dance wheelchair, to start wheelchair dance project along with working with wheelchair basketball groups.

The chairs will be available for anyone to use with our 'Do it in a chair' promotion. People can just use the chairs to partake in their regular exercise programme, to help with upper body strength.

Recoil Trampoline Club

Brentwood Borough Council has worked closely with Brentwood Recoil Trampoline Club to assist them in getting new facilities at Keys Hall. The club provides therapeutic trampolining with Occupational Therapists for all ages who have a disability.

Papworth Trust – co located at the Town Hall and run gardening schemes, handyman schemes for the elderly of those with special needs

Home Improvement Agency Draft Equality and Diversity Objectives

A home improvement agency has been established in partnership with Papworth Trust. The service assist elderly and/or disabled home owners to improve, repair or adapt their houses. The main assistance available is through means tested grants, a gardening service for those on benefits or low income and small repairs scheme.

High Street Toilets

The toilets in the High Street in Brentwood have been refurbishment to become a Changing places facility and is intended for disabled people who require assistance to use the toilet.

Events

When events are organised by the Council, consideration is given to the provision of: accessible toilets, nursing tent for family events such as Strawberry Fair and Disabled viewing platforms where necessary. Copies of event programme are available in large print if required.

Equality for Sex

Our **Gender Equality Scheme and Action Plan 2010** reviewed and developed our services, policies and communication to ensure equal access and treatment for both genders.

Brentwood Community Safety Partnership

The Council works in partnership with organisations such as Basildon's Womens Aid and the Brentwood Community Safety Partnership to address issues of domestic abuse. The Council supports the International Day for the Elimination of Violence Against Women 25 November with a number of activities delivered by the Brentwood Community Safety Partnership.

Domestic Abuse Forum

The Domestic Abuse Forum in Brentwood is a sub group of the Community Safety Partnership and is attended by representatives of Basildon Women's Aid, Victim Support, Brentwood Police and officers from Brentwood Borough Council.

Ladies Only

The Council organises a weekly Multi Sports Ladies Only evening at Anglo European School to increase the participation of women in sport in the area.

Equality for Sexuality and Gender reassignment

As part of the review of the Council's Gender Equality Scheme which was undertaken in 2010, it was felt that there was a gap in awareness around gender reassignment. In 2010 the Council ran a number of transgender awareness training for staff which was well received.

Brentwood Borough Council also promotes the **Essex Pride** event held in Chelmsford. The event showcases diversity and promotes acceptance, respect and equality. The event attracts thousands of LGBT and non-LGBT participants from across the county each year.

Equality for Race (includes ethnic or national origins, colour or nationality)

The **Race Equality Scheme and Action Plan** has improved our communication to ensure equal access to information and services, and developed engagement with diverse communities to develop our customer service.

The Brentwood Community Safety Partnership looks at any incidents of Hate Crime and anti-social behaviour that affect residents in Brentwood.

The Council can offer translation and interpretation services on request to enable use of our services. The Council's website can be translated into a number of different languages.

Events to celebrate St George's **Day** and **St Patrick's Day** and their culture, history and heritage are held annually

The Council supports and engages in relevant partnerships to share good practice in addressing race-related issues across Essex, such as the **Essex Equality Diversity Network**.

Equality for religion or belief

The Council promoted an annual Holocaust Memorial Day event, which remembers the victims of the Holocaust and other genocides.

The Council worked closely with Churches Together to deliver the Lighting Up Brentwood event for switch on of the Christmas lights and the introduction of Street Pastors in Brentwood.

Supporting the Council workforce

The Council has worked with the local UNISON branch to complete the **Equal Pay and Single Status Review**. The harmonised terms and conditions of employment and implemented a new pay structure to improve fairness and equality.

Our policies on recruitment, selection, retention, training and development all demonstrate our commitment to equality of opportunity. These include: Bullying and Harassment Policy, Whistle-blowing Procedure, Code of Conduct & Disciplinary Standards.

Two Tick' Positive About Disabled People Scheme. The Council has been awarded the two tick symbol for being positive about employing disabled people. All disabled applicants are given full and fair consideration and are guaranteed an interview if they meet the vacancy's minimum criteria

A Staff Forum has been established a Brentwood Borough Council, which is made up of staff representatives from all service areas, key Directors, relevant Cabinet members, UNISON as well as the Chief Executive. This gives employees another opportunity to be part of the decision-making on matters which will affect them, or raise matters of Equality & Diversity if they wish.

The Below procedures are currently in place. Midland HR are currently reviewing and will update information as part of the new action plan.

Anonymous **staff satisfaction surveys** for all employees take place every two years. The responses help senior managers identify what is working well and make improvements. All analysis and actions taken are fed back to staff via regular Chief Executive briefings and the Corporate Leadership Board.

The following procedures are in place for all employees (available internally):

- Staff Code of Conduct
- Racial Incident Report Form
- Diversity Handbook
- Disability Equality Scheme and Action Plan
- Equality Impact Assessment Framework
- Gender Equality Scheme and Action Plan
- Race Equality Scheme and Action Plan
- Race Equality Statement
- Disciplinary Policy
- Flexible Working
- Flexible Hours Working Scheme Conditions
- Lone Worker Procedures
- Sickness Absence Procedure
- Procedure for dealing with corrupt practice
- Maternity (statutory) Rights
- Paternity Leave
- Equal Opportunities Monitoring Supplement
- Equal Opportunities Policy

Grievance Policy
Social Inclusion Policy
Recruitment and Selection Policy
Physical Security Policy
Whistleblowing Policy
Safeguarding Policy and Procedures

Midland HR are in the process of updating the below information as part of the new action plan.

The breakdown of Brentwood Borough Council's workforce is as follows

- 1) The percentage of top 5% of earners that are women: **13.33%**
- 2) The percentage of top 5% of earners from black and minority ethnic communities: **0%**
- 3) Percentage of the top paid 5% of staff who have a disability: **6.66%**
- 4) The percentage of local authority employees declaring that they meet the Disability Discrimination Act 1995, disability definition: **5.18%**
- 5) The percentage of local authority employees from minority ethnic communities: **2.41%**

Next Steps

A number of gaps have been identified during the process of collating the information above. This especially relates to demographic data and identifying customers from within the protected characteristics. These gaps will be considered as part of work plan to support the Equality Objectives .

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Brentwood Borough Council Equality and Diversity (E & D) Objectives and Actions

Objective 1 – Continually improve services to ensure equal access for all customers

We will:

- Capture and analyse monitoring information about customers to develop service user profiles (e.g. by using the E & D monitoring template, analysing take up of services and complaints, local and national data etc.)
- Review our policies and procedures, as appropriate, to minimise any potential disadvantages for our community
- Strengthen the opportunities for customers to offer feedback and become more involved in shaping services by utilising the existing resources and available new technologies (e.g. social media, e-petitions, new website).

Objective 2 - Work effectively with under-represented communities

We will:

- Actively encourage people from all sectors of the community to participate in activities in the Borough.
- Encourage consistent, meaningful and targeted engagement activities.
- Promote joint working internally and with partners to prevent consultation fatigue and make the most of the available databases, e.g. EssexConnects.
- Provide support (or aid) community events that support the aims of the Equality Duty.

Objective 3 - Promote equality & diversity through working practices

We will:

- Ensure that commitment to E&D principles underpins decisions taken at both Officer and Member level, as outlined in the Corporate Plan 2012-15.
- Improve E&D awareness through training and development (e.g. e-learning) and through updated E&D pages on Intranet.
- Promote the role of the E & D lead and encourage staff across the organisation to scrutinise and challenge internal practices and suggest further improvements.
- Maintain our commitment within procurement to address equality within our contracts.
- Work with Essex Diversity and Equality Network to share best practice Essex-wide.

Objective 4 - Recruit and retain staff with the right skills and behaviours to work for the benefit of all sectors of our local community

We will:

- Improve our data collection mechanisms to allow analysis of equality protected characteristic information for workforce planning purposes.
- Review the effectiveness of the mechanisms we have in place to minimise the likelihood of discrimination, harassment or victimisation issues.
- Promote career opportunities at the Council to ensure we target a diverse range of applicants

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11 February 2015

Finance & Resources Committee

Revenues & Benefits Shared Service Partnership

Report of: Steve Summers

Wards Affected: All

This report is: Public

1. Executive Summary

- 1.1 As outlined in the 'New Ways of Working' business case presented to Members in February 2013 it was agreed that efficiency reviews of Council's services would be considered. As part of this initiative officers have been investigating a number of options for the improvement and delivery of the Revenues & Benefits Service at reduced cost.
- 1.2 It was anticipated that the introduction of Universal Credit would generate savings for the Council and change working structures and practices. However, there have been a number of problems with the implementation of Universal Credit and whilst this is now due to be introduced in Essex from March 2015 on a small scale, there is no definite timescale for full implementation.
- 1.3 The options for the transformation of the Revenue & Benefits service have included exploring internal in house transformation, sharing the service delivery with neighbouring Councils and outsourcing.
- 1.4 Following consideration of the above options officers have recognised that the shared service model could engender both savings and improved service delivery in the short to medium term.

2. Recommendation(s)

- 2.1 That delegated authority be given to the Section 151 Officer to sign the Revenues & Benefits Shared Services Partnership Agreement between Brentwood Borough Council and Basildon Borough Council.**
- 2.2 That approval be given for funding to implement this shared service arrangement as set out in 4.12 of the report.**
- 2.3 That a review of the Revenues & Benefits Shared Services Partnership be undertaken by the Audit & Scrutiny Committee 12 months after the agreement comes into effect.**

3. Introduction and Background

- 3.1 As outlined in the 'New Ways of Working' business case presented to Members in February 2013 the Council are faced with ongoing pressures as a result of Government funding cuts. These financial pressures have led to the creation of a funding gap which impacts on all services throughout the Council. The Council, faced with these pressures to cut costs whilst continuing to transform and improve services agreed to undertake service reviews.
- 3.2 When the Government announced the introduction of Universal Credit to replace a range of benefits for the sick and out of work in 2010, it was widely anticipated that the benefits service would reduce in size as Housing Benefit claims would be migrated to Universal Credit and it was with this in mind that potential budget savings of £200,000 were identified within the review of the Revenues & Benefits service.
- 3.3 There have however been a number of problems with the implementation of Universal Credit and whilst this is due to be introduced in Essex from March 2015 on a small scale, there is no definite timescale for full implementation. Therefore in light of this there is a need to review the delivery of the Revenues & Benefits Service.

4. Issue, Options and Analysis of Options

- 4.1 Options for the transformation of the Revenue & Benefits service have included exploring internal in house transformation, sharing the service delivery with neighbouring Councils and outsourcing.
- 4.2 Following consideration of the various options officers have recognised that the shared service option could engender savings and improved service delivery in the short to medium term.
- 4.3 With this in mind officers wrote to all of the Chief Executives within Essex to establish whether there is any interest in having informal discussions around the option of a shared service.
- 4.4 The options ranged from the sharing of the management structure with locally retained policies and procedures to a full shared service arrangement with shared policies, procedures and potentially shared accommodation, ICT etc.

- 4.5 Following meetings with four interested Essex authorities' officers concluded that the Council would be best served by considering a shared service partnership arrangement with Basildon Borough Council.
- 4.6 The sharing arrangement is proposed to be for 3 years with a possible further 2 years and the functions that would be delivered under the sharing arrangement would include the operational management of:
- Housing Benefits
 - Council Tax
 - Business Rates
 - Sundry Debts
 - Systems and Control
- 4.7 The operational scope of the shared arrangement would include the following:
- Conversion to a single hosted Revenues & Benefits IT Platform
 - The creation of a single joint management structure
 - Sharing specialist and support staff
 - Aligning of contracts and joint procurement to the benefit of the shared service
 - Retention of local policies
- 4.8 As such this is Phase1 of the project and there is scope for further improvements in service delivery and efficiencies in Phase 2 of the project.
- 4.9 In order to formalise the nature of the partnership an agreement has been drawn up by officers of both authorities to include the method of governance and dispute resolution agreements, performance measures, and financial matters. Such an arrangement requires one authority to act as a host or lead authority and this will be Basildon Borough Council. However it is important to note that shared officer governance arrangements would be put in place to monitor service delivery and performance.
- 4.10 Subject to the Committee approval it is estimated that full implementation of the Shared Service Partnership would take around 10 months to complete.

- 4.11 This report seeks delegated authority for the Section 151 Officer to sign the Shared Services Partnership agreement on behalf of the Council and approval for the additional funding for 2015/16 as set out in 4.7 of this report.
- 4.12 In order to implement this sharing arrangement there would be a need for an initial investment of £146k in Year 1 with a pay back period of 3 years, with future savings being generated. The initial investment is required to enable the move to a single hosted IT platform. This would be Phase 1 of the project with further possibilities of service improvement and efficiencies to be included in Phase 2.
- 4.13 In addition to the long term financial savings there are also other benefits that will be achieved as follows;
- Channel shift
 - High quality, seamless services, focussed on local communities and service users
 - Increase capacity through shared learning, expertise, skills and problem solving
 - Strong and supportive relationships
 - Provide greater resilience for service delivery
 - Opportunity to address historic recruitment and retention issues

5. Reasons for Recommendation

- 5.1 To enable the Council to deliver effective and efficient Revenues and Benefits Services for the benefit of the Council and its customers.

6. Consultation

- 6.1 No consultation has been undertaken at this stage, other than meetings with all affected members of staff.

7. References to Corporate Plan

- 7.1 Delivering an effective and efficient Revenue & Benefit Services will help meet the Modern Council key priority.

8. Implications

Financial Implications

Name & Title: Jo-Anne Ireland, Acting Chief Executive

Tel & Email 01277 312712/ Jo-Anne.Ireland@brentwood.gov.uk

- 8.1 This invest to save project needs to have an initial funding in 2015/16 of £146k which is to be repaid within 3 years. Future savings will accrue following this period. These figures have been incorporated within the Medium Term Financial Plan report elsewhere on the agenda.

Legal Implications

Name & Title: Daniel Toohey

Tel & Email 01375 652049/ Daniel.Toohey@BDTLegal.org.uk

- 8.2 Under s102 of the Local Government Act 1972, and the Localism Act 2011, the Council has powers to collaborate with other Local Authorities in order to share the management of services.

Depending on the structure of the proposed partnering agreement, certain duties may arise under the Public Contract Regulations 2006 for the Council to procure and commission services, and the proposed partnership agreement must take this into account in order to comply with those regulations.

Other Implications (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

- 8.3 None

9. **Background Papers** (include their location and identify whether any are exempt or protected by copyright)
Special Policy 12th February 2013.

10. Appendices to this report

None.

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11 February 2015

Finance and Resources Committee

Review of Provision of Legal Services

Report of: Christopher Potter, Monitoring Officer and Head of Support Services.

Wards Affected: All

This report is: Public

1. Executive Summary

- 1.1 Legal Services was reviewed in August 2013. Such review concluded at that time that the most effective service delivery model in order for the Council to re-establish its legal capabilities was that of a shared legal service. Wider benefits were outlined but the year 2013-14 was to concentrate on operational legal work only. It also outlined risks current at that time and emphasised the need for a business plan and direction of travel supported by the Council's corporate plan.
- 1.2 On 20 November 2013 the then Strategy and Policy Board considered the 'New Ways of Working – Back Office Review' which included legal services. The report stated that the arrangement current at that time of one Head of Service and 2 full time employees no longer fulfilled the requirements of legal support to the Council and went on as follows: "*To date, support has been largely in the areas of property law and general litigation and licensing. The Council also requires strong governance support to fulfil its corporate objectives*". The Board resolved: 'To continue the arrangement with BDT Legal with a view to a further review being undertaken in August 2014.'
- 1.3 The Corporate Plan aims to achieve a 25% reduction in back office costs by streamlining services and processes and exploring all options regarding alternative methods of service delivery, including shared services and outsourcing. The future delivery model for services including legal includes a mix of contracts, partnerships, shared services and new forms of organisations, with in-house provision only where it offers best value for money and improvement.
- 1.4 The purpose of this report is therefore to notify Members of the outcome of the requested review into the provision of Legal Services, and to seek

support to establish a better foundation upon which to commission, oversee, and evaluate the delivery of legal services and so demonstrate value for money and service improvement, and to deliver savings whilst maintaining the quality of service.

- 1.5 To do so, the report recommends the 'contract management' of the commissioning (and decommissioning) of legal services to be undertaken by the Council.

2. Recommendation(s)

- 2.1 That the Council be recommended to secure the provision of their legal services requirement through the most economic, efficient and effective means (which may include through shared legal service arrangements of the type which redistributes any profit fairly amongst the bodies which are members of such shared legal service arrangements)**
- 2.2 That the Council be recommended that the current arrangements with BDT roll-forward for a three year period from 1 April 2015 to 31 March 2018 unless and until other options offer better value for money and improvement. .**
- 2.3 That a Business Plan be drawn up to procure legal services delivery.**

3. Introduction and Background

- 3.1 Local government is regulated by statute. The Local Government Act 1972 created new areas administered by elected Councillors for their area. Section 112 of the 1972 Act provides that a local authority shall appoint such officers as they think necessary for the proper discharge by the authority of such of their or another authority's functions as fall to be discharged by them. Both under the 1972 Act and the Local Authorities (Goods and Services) Act 1970 there is scope for joint arrangements and competitive tendering subject to keeping a separate account of work not carried out by its own employees.
- 3.2 The Council is a smallish authority – 187th out of 326 English Districts in area and 298th out of 326 by population. There is less scope for specialist development of in-house staff in a small authority.
- 3.3 Local government is a multi-million pound operation. Its role includes, amongst other things, leadership of its local area as well as ensuring people receive certain services, whether by direct provision or through

other means. Government grant support since 2010 has reduced such that the total number of Local Government employees nationally has reduced by around 500,000 with a loss of experienced staff everywhere.

- 3.4 The financial climate within which the Council works is increasingly challenging and, as a result, there is a pressing need to use available resources to the best effect to achieve the Council's agreed vision and its corporate priorities. It is likely that the next Government will continue to reduce financial support to Local Government so that forward planning for all services is fluid.
- 3.5 As the provision of legal services is a 'support service', such services are, by definition, essential. It is not an optional extra that may be dispensed with for budgetary reasons. Such support services can be delivered through a range of service delivery mechanisms, whether in-house or external or shared/joint. A number of Local Government Officers have particular skills and training in legal matters relevant to their duties. There is scope for officers not in the Legal service to be authorised to appear in the Magistrates' or County Courts if they are and remain suitably trained
- 3.6 In-house legal staff should be expected to have a closer rapport to other services, but the range of work carried out directly has been limited and reduced. There has been no engagement of locums by the Council for several years and not the capacity to supervise locum or casual employees. External solicitors, counsel and other authorities have supplied the Council's specialist legal services with no in-house Business Plan other than budgetary consideration.
- 3.7 Whilst the scale of and amount of the legal spend is a factor (as the Council has finite resources), Members must not allow themselves to become solely focussed on the total legal budget. The Corporate Plan objective for increased efficiency requires a capacity for planned legal outputs and achievement of performance indicators. Not maximising the recovery of debts and not prosecuting offences in key areas is, for example, a false economy – yet this has been the position in the Council for several years.
- 3.8 Context is everything. Because the rationale of legal services is to assist the Council, the more active the Council is, the more likely that there will be a demand for legal services and a consequential legal cost.
- 3.9 Increased legal spend at any particular point in time is not necessarily a negative but rather part and parcel of the delivery of the Council's agreed projects in pursuit of the Council's vision, and therefore must be regarded

as an integral operating cost to be factored into the overall cost/benefit equation.

- 3.10 The legal spend must thus be equated to the level of activity required by the Council (as distinct from the level ideally desired). It cannot be regarded as a budget that can be cut without reference to the reason why legal services are required. It is a demand led service and as such is dependent upon its existing and future customer base. It cannot be divorced from the Council's corporate strategic planning.
- 3.11 The legal spend must, however, be money well spent, result in the provision of a good quality service and positively contribute to the outcome desired by the Council (through the client department(s) which request the provision of legal services from time to time). It is therefore not just about financial cost or the particular cost structure (hourly rates, differential rates, and cost for the completed task). See Appendix A to this report which is 'exempt information'.
- 3.12 At the present time the Council has a Memorandum of Understanding with BDT Legal Services (London Borough of Barking and Dagenham and Thurrock Council) and also a Memorandum of Understanding with the Public Law Partnership (an arrangement with all Essex authorities and beyond). The Council however remains free to instruct whosoever they please. Specialist counsel may also be instructed. The Corporate Plan requires best value for money and improvement for in-house services.
- 3.13 A Business Plan for 1 April 2015 – March 2018 needs to be drawn up in liaison with the Council's Heads of service to procure service delivery with Key Performance Indicators for the following:
- Housing
 - Planning
 - Asset Management
 - Debt Recovery
 - Licensing
 - Training
 - Employment
 - Criminal Prosecutions
 - Contracts and Procurement
- 3.14 Each of the elements of the Business Plan needs a basic Service Level Agreement with performance and corporate standards, financial cost information and audit provision, improvement plan and exit strategy i.e. decommissioning as well as commissioning. The preferred delivery of the

service should be stated. A contingency needs to be considered for any major risk areas. The Business Plan will need to be administered and monitored in-house.

4. Issue, Options and Analysis of Options

- 4.1 The issue for the Council is therefore not whether there should be a legal service but how should legal services be delivered, to what competent standard and at what cost (financial or otherwise).
- 4.2 Certain corporate governance advice and other legal advice delivered by the post of Monitoring Officer is excluded from the scope of this review of legal services. The Council (like any authority) needs access to professional legal advice independent of any service provider to avoid any conflicts of interest and there is a responsibility for ensuring that the Council receives an economic, efficient and an effective legal service provision.
- 4.3 Since the Legal Services Act 2007 and the Localism Act 2011, there are a plethora of service delivery models regarding the provision of legal services. The European procurement regime does not apply where the Council procures services “in-house” nor does it apply to informal pooling or informal joint arrangements between public bodies which are non-commercial arrangements.
- 4.4 Whilst there is no obligation, the Council may wish to voluntarily undertake limited procurement exercises periodically to better evidence compliance with its best value duties and to demonstrate greater transparency in commissioning.
- 4.5 If the Council chooses to obtain services from the commercial marketplace, the European procurement regime applies with the relevant current threshold figures. Attention is also drawn to the Council’s ‘Standing Orders relating to contracts’ set out in Part 4.6 of the Constitution including the procurement principles and the thresholds of up to £10,000, between £10,000 and £50,000, between £50,000 and the relevant current OJEU threshold, and the estimated contract value over the relevant current OJEU threshold.
- 4.6 There are a number of ways to deliver legal services. Appendix B to this report sets out the advantages and disadvantages. Currently the service delivery models include:-

(1) In-house provision

- (2) Private sector
- (3) Mixture of in-house provision and private sector commissioning
- (4) Staff mutual or other Community Right to Challenge;
- (5) Alternative Business Structures;
- (6) Shared service arrangements with public sector (with and without profit distribution).

In-house completely

- 4.7 The option of in-house provision on its own is dismissed as it is simply not viable given the size and resources of the Council. To have capacity on tap when needed, the Council would have to operate at less than full capacity and this is an inefficient use of tight resources. Indeed, the range of legal expertise needed in-house across the field on which the Council operates would be prohibitive in cost terms.
- 4.8 The Council currently employs one solicitor and one legal officer who are engaged undertaking legal services. (As per 4.2 above, the fact that the present post holder of the role of Monitoring Officer is also a solicitor is discounted).

In-house unless more cost-effective externally

- 4.9 The private sector is a possible option as is a mixture of public/private sector. Traditionally, a number of local authorities augmented their capacity through commissioning arrangements with a specific firm or chambers or with a panel of firms or chambers. Some local authorities have even increased their in-house provision rather than pay for more costly alternatives, thereby reducing the degree of dependency on the outside and associated costs. For example, Chelmsford City Council brought in-house its legal service and so has Somerset County Council. A number of others have too. The Council has not pursued this in the past due to the availability of reasonable alternatives. This 'blending' of service delivery has the advantage of using specialist lawyers to meet demand where capacity either does not exist or is exceeded. The key disadvantage is any profit generated by the external legal provider is retained by the private sector.

Provider through exercise of a community right to challenge

- 4.10 Since the Localism Act 2011 there is a community right to challenge i.e. a 'relevant body' (including a voluntary or community body, a body of persons or a trust which is established for charitable purposes only, a

parish council or two or more employees of the Council) may express an interest 'in providing or assisting in providing a relevant service'. Where an expression of interest is accepted, the Council must carry out a procurement exercise for the service. The main disadvantage is that this does not relate to the delegation of functions, merely the provision of services. In any event, there is no current expression of interest at all and so this is not an option at present. Expressions of interest are proactively triggered by the relevant body rather than the Council.

Alternative Business Structures

- 4.11 An increasing number of organisations are setting up 'Alternative Business Structures' (ABS) by means of separate legal entities. Non-lawyers are in effect now able to run legal practices. The ABS structure facilitates trading and enables the conduct of business over a wider client base (beyond that which can be delivered through existing means) to generate increased profit which is then paid over to its shareholders.
- 4.12 Last year saw a few vanguard local authorities obtain licences for Alternative Business Structures. Buckinghamshire Law Plus Limited (which consists of Buckinghamshire County Council and Buckinghamshire and Milton Keynes Fire Authority) was the first 'local authority ABS' company (registered no. 08792177) to be granted a licence in August 2014 (effective from 24 November 2014).
- 4.13 Whilst the main advantage of an 'ABS' is to generate increased profit for its shareholders, there are a number of disadvantages of diversification including loss of direct control, separation out from the *raison d'être* of being a public sector service provider, additional on-costs such as ABS insurance, and competitive risks of being undercut. The Council has not so far made a strategic decision to aggressively pursue an increased customer base across public, private and voluntary and community sectors and to tool up to do so (including setting up a wholly owned local authority company).

Shared Service Arrangements

- 4.14 Some local authorities are entering and remaining in shared service arrangements with other public bodies on the basis of "sticking to the knitting". Some distribute surplus profit to the members of the shared service. Some keep the profit made from other public sector bodies as the Local Authorities (Goods and Services) Act 1970 permits the generation of profits from other specified public bodies. There are a number of shared service models such as, for example, those which formally

delegate their legal functions to a host authority or those which retain their functions but which operate under a memorandum of understanding. Some indeed operate on a contractual basis rather than delegate functions.

- 4.15 The main disadvantage of shared service arrangements is perhaps the loss of direct control (including the problem of having to contend with any feeling of remoteness and detachment perceived by Members and client officers). The key advantage of shared service arrangements is the creation and maintenance of a pool of lawyers with local authority experience at favourable charging rates and other resulting economies of scale. The Council has already delivered savings through, for example, not having to have its own case management system (such as 'IKEN' in the case of BDT Legal Services).

Monitoring of Service Provision

- 4.16 Whatever method of provision of legal services, there however is still a requirement to monitor and evaluate service delivery. There are supervision costs to be incurred by the Council. These need to be quantified.
- 4.17 Where external providers are commissioned, there is an inescapable good corporate governance need to have a client officer role independent of the service provider to avoid conflicts of interest.
- 4.18 The National Audit Office in a report by the Comptroller and Auditor General entitled 'Conflicts of interest' defined a conflict of interest as 'a set of circumstances that creates a risk that an individual's ability to apply judgment or act in one role is, or could be, impaired or influenced by a secondary interest. It can occur in any situation where an individual or organisation (private or government) can exploit a professional or official role for personal or other benefit' (para.1.1 on page 6 of that report).
- 4.19 It continues: 'Conflicts can exist if the circumstances create a risk that decisions *may* be influenced, regardless of whether the individual actually benefits. The perception of competing interests, impaired judgment or undue influence can also be a conflict of interest' (para.1.2 on page 6 of the report). The National Audit Office then acknowledges that conflicts of interest can take many forms including 'in the delivery of public services, where individuals or organisations assess service needs as well as providing the services' (para. 1.4 on page 6). In other words, decision-makers may have 'competing loyalties between an organisation they owe a primary duty to and some other person or entity'.

- 4.20 The National Audit Office sets out the consequences of not recognising the risks of conflicts and of not properly addressing such risks. It stresses that organisations should manage the risk of conflicts ‘by putting in place appropriate safeguards’. Conflicts ‘can lead to reputational damage and undermine public confidence in the integrity of institutions’.
- 4.21 Such costs of having an ‘intelligent client’ should be borne in mind when commissioning and during the operation of any arrangement. The Council needs to consider at what level such supervision ought to occur and the required experience and expertise.
- 4.22 There is therefore a continuing requirement for ‘contract management’ capacity to oversee -independent of the service provider(s) - the commissioning arrangements. This requirement can be met from existing budgets .
- 4.23 Paragraph 4.39 of the report to the Strategy and Policy Board meeting held on 20 November 2013 noted that ‘the current cost of the BDT Legal arrangement is £5,000 per month for the provision of a Head of Legal and a part time Business Manager. The Monitoring Officer and any other ad-hoc legal advice are provided at a standard rate of £85.00 per hour’. Monitoring Officer advice is now being given in-house following last year’s recruitment exercise.
- 4.24 Looking at the legal service provision supplied to the Council by BDT Legal since 2013, the BDT arrangements have overall worked well in terms of quality. With regard to the cost element, the BDT arrangements have resulted in savings.
- 4.25 The financial cost to the Council of BDT Legal Services is set out in Appendix A contain exempt information.
- 4.26 As the Council is committed to securing best value for money, the Council must compare and contrast the proposed future BDT arrangements with those available from other providers in the future. Whilst there are different charging mechanisms and the different hourly rates, Members need to bear in mind that cheaper providers may or may not compare in terms of quality. Members also should note that not all legal services are currently supplied by just BDT and the Council receives satisfactory legal provision from elsewhere.

Discussions have taken place with both existing legal service providers, BDT Legal and the Public Law Partnership. Further discussions are due to take place with BDT and the Council's two employees within Legal Services to see what can be delivered through a future shared services arrangement. Other contacts have also been made with a number of Essex District Councils too and these discussions are ongoing in order to place before Members the information upon which to make a more informed decision, both strategically and operationally.

- 4.27 In terms of the analysis of the financial cost to the Council of BDT Legal and the Public Law Partnership existing arrangements, there are differences in that the Public Law Partnership offers differential rates rather than flat hourly rates, and the rates of BDT Legal are higher so the relative merits in terms of cost and quality must be considered. It is also important to note that membership of the Public Law Partnership does not preclude lower rates being specially negotiated between local authorities, either on an hourly rate (flat rate or differential) or on a unit job cost basis. BDT have agreed certain different flat rates for certain limited areas of work.

5. Reasons for Recommendations

- 5.1 The Council needs to always seek to have economic, efficient and effective legal service provision.
- 5.2 The reasons why shared service arrangements with profit redistribution has been recommended for continued inclusion in the range of service models used is that it provides the Council with a quality service at an affordable cost for those areas of work which the Council cannot do better and cheaper in-house. The redistribution of such surplus enables the Council to be a beneficiary of its own investment rather than to subsidise some other body.
- 5.3 Moreover, the reason why the Council is recommended to retain its flexibility as regards its legal service provision is that this enables the Council to properly exploit and exercise its real "buying power" in the market place to drive the best deal for the Borough of Brentwood, especially at a time when things are fast evolving. This will also enable the Council to dovetail in its legal service arrangements with any strategic decisions as regards client department shared arrangements and any other such decisions. This recognises that legal services are a support service and that support can be given in whole or in part in different ways to the various sections of the Council, according to business requirement.

- 5.4 To deliver cost-effective legal services requires the proper deployment of resources to enable expert assessment of the options, entry into appropriate arrangements, effective monitoring and evaluation and re-evaluation and implementation of improvements in legal service provision.
- 5.5 In conclusion, it is recommended that the Council keeps its options open during a state of considerable flux and yet continues to actively engage with other local authorities through negotiated share service arrangements for the provision of legal services.

6. Consultation

- 6.1 Client departments have been consulted on the provision of legal services and the two officers engaged in legal services have also been consulted.
- 6.2 Discussions have taken place with BDT Legal Services and Essex Legal Services.
- 6.3 Contact has also recently been made with three District Councils within Essex with preliminary exploratory discussions. The most recent discussion was with a District Council that had brought its legal service in-house as the business case was established to do so to that Council's satisfaction.
- 6.4 Further discussions are also contemplated as the Council reviews its establishment needs and its services corporately.

7. References to Corporate Plan

- 7.1 As legal service provision is a support service it covers all aspects of the Corporate Plan including the priority 'A Modern Council'.

8. Implications

Financial Implications

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- 8.1 Financial details of the legal spend for legal services are set out in Appendix A to this report which is 'exempt information'.

Legal Implications

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8.2 The Council is already under a specific statutory obligation under section 3(1) of the Local Government Act 1999 to make arrangements to secure 'continuous improvement' in the way their functions are exercised, having regard to a combination of 'economy, efficiency and effectiveness'. It also must have regard to its fiduciary duty to council tax payers.

8.3 The provision of competent legal services is a prerequisite in order to ensure effective and lawful decision-making and the report makes this clear.

Other Implications (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

8.4 Competent legal service provision enables the Council to better comply with its obligations as regards health & safety, asset management, equality and diversity, risk management, the prevention of crime and disorder and so on. Contingency arrangements can be put in place, if needed, through targeted use of cost-effective locums to ensure continuity of service.

9. Background Papers (include their location and identify whether any are exempt or protected by copyright)

9.1 The National Audit Office Report 'Conflicts of interest' – 27 January 2015.

10. Appendices to this report

- Appendices A (exempt information) and B

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Appendix A

Appendix A contains exempt information and is therefore not publicly available.

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APPENDIX B

| Type of Service Vehicle | Advantages | Disadvantages |
|--|--|--|
| INTERNAL | | |
| Purely in-house provision | Direct control | Direct control might inhibit service development due to competing demands for resources. |
| | Inside knowledge of the client services and their priorities, needs, desires and expectations. | Lack of outside knowledge including loss of training opportunity from using outside lawyers. |
| | Covers all areas of legal work. | Lack of affordability of comprehensive service as must cover all areas of expertise, including highly specialist areas (even one-off instructions). |
| | See below | |
| INTERNAL/EXTERNAL | | |
| | Advantages | Disadvantages |
| Increased in-house legal function | Direct control over service and people. | On-costs from such direct control and loss of achieving the potential of realisation of cashable savings. |
| | Saving cost of buying-in expertise (i.e. do not have to bear the cost of having wide range of experts on stand-by) | Need to keep up competence levels. Jack of all trades. Master of none. Still have to outsource where 'insufficient expertise in a particular area of law |
| | No profit targets needed to meet higher private sector wages/costs | If fail to ensure cost competitive across whole service profile, then cost of service would be more expensive than profit driven private sector. |
| | Inside knowledge of the client services and their priorities, needs, desires and expectations. | Lack of outside knowledge including loss of training opportunity from using outside lawyers. |
| | Closer to internal clients so better understanding of the Council's business needs and ability to build better relationships, continue such relationships and so have "value" and "added value". | Danger of lack of independence of view. Failure to take advantage of service rationalisation. |
| | | |

| Increased in-house legal function (continued) | <u>Advantages</u> | <u>Disadvantages</u> |
|---|---|---|
| | More readily available legal resources “on-site” and “on-tap”, and such resources can be redeployed on non-legal tasks to underpin business resilience. | Still have to outsource where insufficient capacity within the in-house team’. |
| | In-house legal practice subject to less regulation by regulators | None |
| | No valued added tax (VAT) so savings at relevant VAT rate (standard rate 20%) | None |
| | No <i>business requirement</i> to make a profit | Cost neutral basis might not be sufficient to sustain the Council or the service, depending upon relative cost framework. |
| | No cost in tendering or exit strategy as regards in-house element | None |
| Example: Somerset County Council after having shrunk its in-house legal service was reliant more and more on ‘costly private sector solicitors and counsel’ being ‘commissioned to undertake work that once...would have been undertaken ‘in-house’. In 2011 it sought to readdress ‘that balance in a few key areas of legal practice, to substantially reduce the cost of external legal support and to reduce total costs overall while at the same time maintaining or improving standards of service and ...responsiveness to internal...clients’. It operates on a ‘traded basis’, with ‘no direct budget from the Council although most of its customers are ...internal Services.’ (see Somerset County Council Outline Business Case dated 5 April 2012). | | |
| <u>SHARED- SERVICES</u> | <u>Advantages</u> | <u>Disadvantages</u> |
| | (Potential) Centralisation of lawyers with economies of scale, better career structures, management and access to legal research facilities | Remoteness. Career structures, management etc still have to be paid for. Cannot reduce office costs (unless the Council reduces its overheads) as existing office costs are simply redistributed among remaining services, adding to their costs but overall the same. |
| | Savings from shared knowledge and information e.g. through a shared electronic hub and a shared case management system/time management systems | Savings from shared arrangements can be exaggerated. One-off savings such as reduction in management posts cannot be repeated. Might inherit a different costly structure over time. Reliance on the version used by supplier for their objectives rather than that of the Council i.e. lack of alignment to Council clients as greater alignment to ‘legal service business’. Could be paying for “Rolls Royce” big organisation service when “Aldi” version perfectly acceptable and effective for the Council’s needs. |

| SHARED- SERVICES (continued) | Advantages | Disadvantages |
|---|--|---|
| | Creation through pooled resources of shared specialist resource at lead authority which otherwise <i>might</i> have been procured more expensively | Lack of direct control. Use of shared resource might not be as cost-effective when compared with others elsewhere. Failure to match demand with capacity will result in client dissatisfaction and clients will vote with their feet, damaging reputation and viability as it is only a service if a service is made available. |
| | Training and development | Potentially less opportunity |
| | Library and research resources | Sufficient rather than extensive. (Mitigated though by existing procurement bulk buying discounts). |
| | Reduced risk of loss of expertise | Lack of direct control and availability of expertise dependent upon other clients and recruitment and retention of relevant 'expert(s)'. Loss of direct control over recruitment and retention packages |
| | Harmonisation of terms and conditions of contracts of employment | |
| | Ability to delegate functions between authorities | Accountability still retained. |
| | Ease of operation | Need to set out what is to happen if things go wrong (e.g. liability, compensation?, exit strategy) |
| | In-house legal practice subject to less regulation by regulators | If not the Council's legal practice, issues of accountability, responsibility and governance need to be dealt with as the 'Barnet experience' illustrates. Who makes decisions on future investment? Need to agree protocols. |
| | No valued added tax (VAT) so savings at relevant VAT rate (standard rate 20%) | None |
| | No <i>business requirement</i> to make a profit but may choose to. | If profit not shared with the Council (or if shared, not properly shared). |
| Example: The shared legal service known as 'Public Law Partnership' which the Council is already a member of and which is 'a federation, with each council retaining autonomy in respect of their legal services provision whilst benefiting from the collaborative relationship across what is now four counties: Essex, Cambridgeshire, Hertfordshire and Suffolk'. Opportunity already exists for the Council to generate income to provide legal services to others (assuming capacity available). | | |
| Example: The shared legal service between Rutland County Council and Peterborough City Council since May 2011 which utilises 'service level agreements' to define the level of expected workloads for Legal Services and to detail the process for 'reporting the work undertaken, monitoring the time/cost and dealing with any changes or complaints regarding the service). | | |

| <u>ALTERNATIVE BUSINESS STRUCTURE (ABS)</u> | <u>Advantages</u> | <u>Disadvantages</u> |
|--|--|--|
| Local authority ABS (Alternative Business Structure) | Third party investment | Loss of direct control. Effect of procurement rules if not wholly Council owned. |
| | Income generation with profits being given to the Council as the shareholder to prop up the Council's reserves | Having to compete for business with other 'private sector' firms in a crowded field as raison d'être is making money |
| | Ability to trade and over a wider range | Lost of direct control and risk of operation |
| | Independence of entity | Separation out from Council so what difference in 'brand' from other legal service providers – advantage of 'in-house' diluted or lost. Costs of operating entity and risk of failure. |
| | | Greater regulatory requirements including ABS Insurance needed |
| | Need to compete fairly | Outside protection from state aid. Council cannot subsidise ABS as required to recover its investment. |
| | | VAT charged |
| | | Start-up and ongoing costs of separate entity. Increased overheads is a gamble in a highly competitive legal services market place as sufficient profits have to be generated at the relevant time in order to be successful. |
| | | Corporation tax |
| <u>Examples:</u> 'Buckinghamshire Law Plus' Limited (which consists of Buckinghamshire County Council and Buckinghamshire and Milton Keynes Fire Authority) was the first ABS granted a licence in August 2014 and was effective from 24 November 2014. | | |
| 'HB Public Law' Limited (which is a company wholly owned by LBC Harrow – see above). | | |
| <u>EXTERNAL</u> | <u>Advantages</u> | <u>Disadvantages</u> |
| Private Sector firm/locum | Pick and mix to deliver specialist services | Possibly higher fees as trading for profit rather than cost neutral. Fees can increase. Might tie in with one supplier on fee deal and cannot take advantage of the market place |
| | Detachment | Detachment and remoteness |
| | Capacity | Possibly higher cost per transaction unless competitive |
| | Market testing through rigours of full EU procurement | Need for full EU procurement process where transfer of service to the private sector, and costs of procurement exercise. |
| | No LG pension costs | None |
| | | VAT charged |

| EXTERNAL (continued) | Advantages | Disadvantages |
|-----------------------------|-------------------------------|---|
| | Contract | If matter not covered by contract, there will likely to be a cost. Costs of entering contract. Bound. Need exit strategy. |
| | Savings in Council management | Need for intelligent client role to manage contract etc. otherwise loss of control inhibiting future strategic decision-making ('brain drain' creating dependency). |
| | | No delegated functions can be exercised by contractor so still need to make such decisions in-house. |

Members Interests

Members of the Council must declare any pecuniary or non-pecuniary interests and the nature of the interest at the beginning of an agenda item and that, on declaring a pecuniary interest, they are required to leave the Chamber.

- **What are pecuniary interests?**

A person's pecuniary interests are their business interests (for example their employment trade, profession, contracts, or any company with which they are associated) and wider financial interests they might have (for example trust funds, investments, and asset including land and property).

- **Do I have any disclosable pecuniary interests?**

You have a disclosable pecuniary interest if you, your spouse or civil partner, or a person you are living with as a spouse or civil partner have a disclosable pecuniary interest set out in the Council's Members' Code of Conduct.

- **What does having a disclosable pecuniary interest stop me doing?**

If you are present at a meeting of your council or authority, of its executive or any committee of the executive, or any committee, sub-committee, joint committee, or joint sub-committee of your authority, and you have a disclosable pecuniary interest relating to any business that is or will be considered at the meeting, you must not :

- participate in any discussion of the business at the meeting, or if you become aware of your disclosable pecuniary interest during the meeting participate further in any discussion of the business or,
- participate in any vote or further vote taken on the matter at the meeting.

These prohibitions apply to any form of participation, including speaking as a member of the public.

- **Other Pecuniary Interests**

Other Pecuniary Interests are also set out in the Members' Code of Conduct and apply only to you as a Member.

If you have an Other Pecuniary Interest in an item of business on the agenda then you must disclose that interest and withdraw from the room while that business is being considered

- **Non-Pecuniary Interests**

Non –pecuniary interests are set out in the Council's Code of Conduct and apply to you as a Member and also to relevant persons where the decision might reasonably be regarded as affecting their wellbeing.

A 'relevant person' is your spouse or civil partner, or a person you are living with as a spouse or civil partner

If you have a non-pecuniary interest in any business of the Authority and you are present at a meeting of the Authority at which the business is considered, you must disclose to that meeting the existence and nature of that interest whether or not such interest is registered on your Register of Interests or for which you have made a pending notification.

Finance and Resources Committee Terms of Reference

General Powers of Committees

This scheme of delegation sets out the functions of the Council to be discharged by its Committees and Sub- Committees and includes the terms of reference of statutory and non statutory bodies set up by the Council.

Each committee or sub committee will have the following general powers and duties:

- (a) To carry out the duties and powers of the Council within current legislation;
- (b) To comply with the Council's standing orders and financial regulations;
- (c) To operate within the budget allocated to the committee by the Council.
- (d) To guide the Council in setting its policy objectives and priorities including new initiatives, and where appropriate make recommendations to Council
- (e) To develop, approve and monitor the relevant policies and strategies relating to the Terms of Reference of the Committee;
- (f) To secure satisfactory standards of service provision and improvement, including monitoring of contracts, Service Level Agreements and partnership arrangements;
- (g) To consider and approve relevant service plans;
- (h) To determine fees and charges relevant to the Committee;

Finance and Resources Committee

The functions within the remit of the Finance and Resources Committee are set out below.

- 1) Financial Services
- 2) Contracts, commissioning, procurement
- 3) Legal services
- 4) Health and safety at work (in so far as it relates to the Council as an employer)
- 5) Corporate communications and media protocols

- 6) Corporate and Democratic services
- 7) Member Development
- 8) Data quality
- 9) Human resources
- 10) Information Communication Technology
- 11) Revenues and Benefits
- 12) Customer Services

1. Overall responsibility for monitoring Council performance.
2. To formulate and develop relevant corporate policy documents and strategies including the Corporate Plan.
3. To formulate the budget proposals in accordance with the Budget and Policy Framework, including capital and revenue spending, and the Housing Revenue Account Business Plan (including rent setting for Council homes), in accordance with the Council's priorities and make recommendations to Council for approval.
4. To formulate the Council's Borrowing and Investment Strategy and make recommendations to Council for approval.
5. To take decisions on spending within the annual budget to ensure delivery of the Council's priorities.
6. To approve the making of a virement or payment from the Council's reserves with a maximum value of £200,000.
7. To approve the write-off of any outstanding debt owed to the council above the delegated limit of £5,000.
8. To determine capital grant applications.
9. To make recommendations on the allocation and use of resources to achieve the Council's priorities.
10. To manage and monitor the Council approved budgets;
11. To provide the lead on partnership working including the joint delivery of services.

12. To consider any staffing matters that are not delegated to Officers, such as proposals that are not contained within existing budgetary provision.

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