

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

11TH MAY 2016 AT 6.00 P.M.

PRESENT: Councillors R. D. Smith (Chairman), P.L. Thomas (Vice-Chairman),
M. Glass, C.A. Hotham, K.J. May, P. M. McDonald, S. R. Peters,
M. Thompson and S. A. Webb

Observers: Councillor G. Denaro

Officers: Mr. K. Dicks, Ms. J. Pickering, Ms. D. Poole and Ms. A. Scarce

65/15 **APOLOGIES FOR ABSENCE AND NAMED SUBSTITUTES**

Apologies for absence were received from Councillors S. R. Colella and H. J. Jones with Councillor C. Hotham and K. May attending as substitutes respectively.

Apologies were also received from the Service Manager of the Worcestershire Internal Audit Shared Service and Parish Councillor J. Ellis.

66/15 **DECLARATIONS OF INTEREST AND WHIPPING ARRANGEMENTS**

There were no declarations of interest or any whipping arrangements.

67/15 **MINUTES**

The minutes of the meeting of the Audit, Standards and Governance Committee held on 24th March 2016 were submitted.

RESOLVED that the minutes of the meeting of the Audit, Standards and Governance Committee held on 24th March 2016 be approved as a correct record.

68/15 **VALEUR CONSULTING**

The Chairman reminded the Board that this report was being considered following a request from a number of Members. Members were being asked to note its content and recommend any actions it felt necessary.

The Head of Transformation introduced the report and in so doing highlighted to Members the costs associated with the work undertaken by Valeur Consulting since 2014 together with details of how this work had been funded and how the costs were split between both Redditch

and Bromsgrove Councils. Information in respect of the waiver which had been put in place in respect of this contract and Members were reminded of the Council's Contracts Procedure rules and explained the special circumstances which had been taken into account in this case, together with the details of the benefit in maintaining the continuity with the existing work. The Head of Transformation went on to provide the Board with details of the work that Valeur had been carrying out in, in particular the intervention work with the Management Team and 4th tier managers and particular key areas supported. Strategic support and guidance to the Management Team had also been provided by Valeur Consulting in a number of areas and in respect of the development of the Corporate Plan and the Council's key priorities.

Following presentation of the report Officers responded to a number of questions raised by Members including:

- The use of staffing costs to cover the cost of the work of a consultant and vacant posts in general remaining vacant for some time. Issues around vacant posts had also been raised by the external auditors. Officers confirmed this had been flagged as a weakness and would be addressed in 2016/17.
- The waiver process was discussed - Members were keen for this process to be reviewed and for involvement of the Portfolio Holder to be considered in order to ensure that this process was used appropriately.
- Members were concerned about the level of work being carried out with 4th tier managers as it was felt that the analysis of data referred to was something which managers at this level should be capable of carrying out. Officers provided more detail and explained that the use of the data was completely different to how it had been used in the past.
- The Corporate Dashboard and how if used properly could contribute towards the design of better more efficient services. Officers explained how the aim was to move away from traditional performance indicators.
- The importance of accountability and providing value for money for residents.
- Clarity in respect of the breakdown of costs between the two Councils and how this had been agreed – Members suggested that this process may need to be further reviewed to ensure that Bromsgrove received best value from the arrangement.
- The provision of a clear breakdown of savings made. Officers concurred that this should have been provided prior to the meeting and agreed to send it to Members. It was noted that any saving made would also be reaped in future years.
- The savings made in respect of the implementation of the Place Teams and the work carried out by the Environmental Services team during the transformational work which had occurred and the new ways of working.

- The significant underspend at the year end and whether this was due to “over estimates” and the inclusion of vacant posts. Officers confirmed that this had been questioned and was being addressed with the relevant Heads of Service managers.
- Ongoing work that was being carried out in order to make much needed savings during the current difficult financial position.
- The Connecting Families work which was being carried out by Valeur Consulting – it was clarified that Redditch were funding the Valeur Consulting costs however, the project as a whole was funded by Worcestershire County Council.
- The reduction in the Bromsgrove “share” of the Valeur Consulting costs and how teams are encouraged to look at how they are able to make savings themselves.
- Members were keen to ensure that where significant savings have been made, that the knowledge of those teams be used in other areas rather than consultants being used.
- Background information in respect of Valeur Consulting – officers gave examples of other Councils that Valeur Consulting had carried out work for, this included Norfolk and Stoke and they had also worked for a number of police and health authorities. It was also confirmed that it was one person who owned/worked for the consultancy.
- Members questioned whether Valeur would be able to attend a future meeting of the Committee if required. Officers were happy for this request to be made if appropriate. It was also confirmed that whilst they had a Council email address, they did not use any Council owned equipment and did not have a designated desk in either Council.
- Details of the number of days which would be covered by the fee that had been charged. Officers estimated that between 32-34 days work had been carried and that the invoices from Valeur Consulting were available as they were a matter public record.
- Whether comparisons had been made with other similar companies when Valeur Consulting had first been engaged by the Council to ensure that value for money was being achieved. Officers confirmed that this had been done and others had proved to be much more expensive.
- Officers confirmed that the procurement rules were currently being reviewed and updated and revised guidelines would be available for Members consideration in due course.
- The number of waivers currently in place – it was agreed that this information should be reported to the Committee on a regular basis to ensure all were monitored.
- It was noted that the waiver was only in respect of Bromsgrove and Members discussed details of the contract between the Council and Valeur Consulting and whether appropriate insurances were in place and verified by officers. Members questioned whether the contract was with one particular Council or whether it was actually with both, as Valeur Consulting was carrying out work on behalf of both Councils.

The Board went on to discuss a number of recommendations which had been highlighted during its debate and how and where these would be considered and hopefully accepted and implemented.

RECOMMENDED that

- a) the monitoring process in respect of the breakdown of costs between Bromsgrove District and Redditch Borough Councils be reviewed;
- b) the Portfolio Holder for Finance, together with relevant Officers, be included in the process of setting any future waivers;
- c) a report is received by the Audit, Standards and Governance Committee from officers and the Portfolio Holder for Finance in respect of any waivers that have been agreed;
- d) officers ensure that public and professional indemnity insurance is in place for both consultants and contractors;
- e) Virements in respect of staffing budgets are no longer used;
- f) the Council consider other methods of savings within the Council before using consultants; and
- g) the background papers and Minutes of the meeting of the Audit, Standards and Governance Committee from 11th May 2016 are passed to the External Auditors for information.

RESOLVED that the Valeur Consulting Report be noted.

The meeting closed at 7.27 p.m.

Chairman