86. Declaration of Members' Interests

There were no declarations of interest.

87. Minutes - To confirm as correct the minutes of the meeting held on 21 October

The minutes of the meeting held on 21 October 2015 were confirmed as correct.


As the Group Manager, (Audit and Counter Fraud) was unable to attend the meeting, the Select Committee agreed to defer this item to their next meeting on 3 February 2016, when it would be combined with the Quarter 3 report, including the review of the effectiveness of the Internal Audit Service.

89. Debt Management Performance and Write-Offs 2015/16 (Quarter 2)

The Strategic Director, Finance & Investment (SDF&I) introduced the report, which set out the performance of the Council’s partner, Elevate East London, in carrying out the contractual debt management function on behalf of the Council. This report covered the second quarter of the financial year 2015/16 and also included details of debt written off in accordance with the write off policy that was approved by Cabinet on 18th October 2011.

The SDF&I brought the Select Committee’s attention to table 1 in the report, which referred to the Council’s debt collection rate performance in Quarter 2 and this related to: Council Tax, National Non-Domestic Ratepayers (NNDR), rent, leaseholders and general income, and stated that a large number of large invoice payments had distorted collection rates for the final of these. Although the collection rates had been disappointing in relation to housing rents, in part due to a number of performance issues in the Housing benefits service, those issues had now been resolved and he expected performance to steadily improve in the coming months.

The Select Committee requested that in future, reports should show the extent of debt write offs outstanding, particularly in relation to former tenants. The SDF&I stated that it was worthwhile for the Council to attempt to recover debts from
former tenants via internal and external agencies, even though it may be difficult to do so if they had moved and where their debts may have built up over a period of time.

The Select Committee were also concerned about the potential for greater pressure on the general fund and void costs as a result of housing evictions and considered that all available alternative options should be explored before evicting tenants, particularly as debts written off for former tenants amounted to approximately £1m per year, albeit this represented only approximately 1% of the overall rent income. The Cabinet Member for Finance and Central Services underlined that each case was considered on its merits and that eviction of tenants was always regarded a last resort. Quite often non payment is due to benefit problems and therefore all agreed that the key to minimising the levels of debt was to engage in better communications with current and ex tenants.

The Select Committee were concerned about the impact of the Government’s housing benefit cap, which had reduced from £26,000 and will reduce further to £23,000, might have on the Council’s debt management and debt recovery. A recent LGA welfare reform impact model had illustrated that Barking and Dagenham had seen a drop in income of £58.3m per year within average loss of income to each household of the order of £1,000 per annum. However it was noted that the Government’s planned tax credit reductions were not being implemented in April 2016 which may have potentially increased the level of debt.

DECISION

The Select Committee noted the report.

90. **Work Programme**

The Work Programme was noted and the Select Committee agreed to include the following additional or amended items to future meetings:

- Composite Assurance & Counter-Fraud Report Quarter 2- (2015/16); to be combined with the Quarter 3 report at the meeting on 3 February 2016.
- Agency and Consultancy – to be added to the meeting on 22 March 2016 and aligned with the Employee JCC reports at their quarterly meetings
  * Breakdown on what has been spent on refurbishment/ repair works at Barking Town Hall in 2014/15 and to date in 2015/16, and
  * What investment has been put into highway repairs and maintenance in 2014/15 and to date in 2015/16
  * *Subsequently raised by Councillor Gill and added to the work programme with the agreement of the Lead Member.*

91. **Use of Agency staff, Project Workers and Consultants**

As part of its work planning, the Select Committee, at its meeting on 24 June 2015, requested a report mapping the numbers of consultants and agency staff employed over the past two years, together with associated costs. The Strategic Director, Finance & Investment (SDF&I) introduced the report, which set out the
requested information, making the distinction between individuals covering substantive roles, those working on specific projects and those supporting the Council in a consulting capacity.

The report and appendices highlighted detailed information across directorates and work areas, main agency contract costs and general comparisons with other boroughs. The SDF&I confirmed that the Council had a framework contract with Penna and other organisations, and in response to a question, he stated that all costs shown in the appendix were exclusive of VAT, the cost of which is reclaimable by the Council. It was noted that the use of Adecco as the main agency was seen as representing good value for money as their services were procured as part of a contract with a number of other Councils.

The Select Committee expressed concern about the numbers and costs of agency staff, project workers and consultants particularly employed at the higher day rates during a period when local authorities were required to ensure significant savings with the overall costs increasing in the last two years from £12.5m to £13.9m. They suggested that employing staff on these basis was sometimes seen as the easy option, and in some instances takes away employment opportunities for permanent staff.

The Select Committee highlighted their concerns about a number of individuals where they felt that the Council were paying very high daily rates of pay without having achieved individual results or value for money. In response, the Cabinet Member for Finance and Central Services advised that as local authorities were now facing even greater reductions in Government grants and an unprecedented period of financial stringency, this had compelled them to work in more innovative and cost effective ways and agency, consultancy and project workers had assisted in delivering these new ways of working. He added that employing agency staff, project workers and consultants will hopefully contribute to the Council’s significant long-term savings target of £70m.

The employment of agency and interim staff was kept under constant review by the Cabinet on an individual and collective basis. He acknowledged the Select Committee’s concerns although stated that agency staffs, project workers and consultants were judged by their results in achieving the delivery of specific projects and tasks, innovation and savings. Moreover, Cabinet and the Employee Joint Consultative Committee (EJCC) also monitored the employment of agency and consultancy staff on a regular basis. He added that the employment of agency staff, project workers and consultants only occurred where considered necessary, for example in the area of housing transformation.

The Select Committee considered that agency and consultancy staff should only be employed on a short-term project work basis and where particular specialist skills were not available within the Council’s workforce. They agreed to review the data on the use of agency staff, project workers and consultants on a regular basis to ascertain whether progress was being made in reducing the numbers and costs involved and requested more detailed information in future reports to include the actual numbers of days worked in addition to rates of pay. Future reports to the Select Committee on this basis would be aligned to the meetings of the Employee Joint Consultative Committee, which met on a quarterly basis.
* Item considered following the passing of a resolution to exclude the public and press by virtue of paragraphs 1&2 of Part 1 of Schedule 12A of the Local Government Act 1972.