

**MINUTES OF THE PERFORMANCE AND FINANCE SELECT COMMITTEE**  
**Wednesday, 16<sup>th</sup> July 2003 at 7.30 pm**

PRESENT: Councillor Davies (Chair), Councillor H B Patel (Vice-Chair) and Councillors Gillani and Gladbaum.

Also present were Councillors Kagan and Coughlin and Phil Newby (Director of Policy and Regeneration), Simon Davies (PricewaterhouseCoopers), Jenny Dunne (Local Taxation and Benefits), Stephen Hughes (Director of Finance), Sue King (Capita), Laurence Knight (Client Manager, Local Taxation and Benefits), Margaret Read (Head of Local Taxation and Benefits), Neil Smith (Capita), Aina Uduehi (Audit Manager), Cathy Wellstead (Policy & Regeneration Unit), Simon White (Policy and Regeneration Unit) and Sharlene Atkins (Legal Services).

An apology for absence was received from Councillor Bellia.

**1. Declarations of Personal and Prejudicial Interests**

Councillor Gillani advised Members of the Performance Finance Select Committee that she was an employee of PricewaterhouseCoopers.

**2. Proposals for the Future Work Programme of the Performance and Finance Select Committee**

Members of the Select Committee considered a brief report outlining proposals for the future work programme of the Select Committee and covering also the role and working style of the Performance and Finance Select Committee, items for the work programme and the relationship between other branches of the scrutiny structure.

Members were advised that the Select Committee played a crucial role in the new scrutiny process and that it would be the responsibility of the Select Committee to scrutinise the Council's performance and delivery of service. Members of the Select Committee were advised that Best Value Reviews and a further 25 key indicators would be made available to Members over the course of the year to enable them to assess service delivery and Council performance. Members of the Select Committee were advised that there might be some overlap in the information that was presented to both the Select Committee and the scrutiny panels but that there was a significant difference in their roles. Whilst the scrutiny panels would consider smaller service based statistics the Select Committee would use the top 25 performance indicators to scrutinise overall Council performance. Simon White (Policy and Regeneration Unit) explained that time-limited investigations would provide the Select Committee with the opportunity to highlight specific performance problems and ensure accountability of the service areas. Members noted that remedial action as a result of

the Select Committee's investigations would be an important step forward in the scrutiny process.

Cathy Wellstead (Policy and Regeneration Unit) advised the Select Committee that the chosen top 25 indicators were based on a quarterly analysis and reflected key areas that were either in need of improvement or had been identified as being of key corporate importance. Members noted that inspection ratings in recent months had highlighted under-performance in some areas whilst other indicators stressed the importance of various issues to residents. Ms Wellstead further explained that consultation had been undertaken with the Service Directors and the Executive to determine which of the available performance indicators and statistics should be prioritised into the top 25. Members were advised that the list was not static thus enabling flexibility and the choice of information on which Members of the Select Committee would be able to consider Council performance. Commenting on the Quarterly Performance Digest, Members were advised that this document would not be circulated in the future.

**RESOLVED:-**

- (i) that the Performance and Finance Select Committee agree the proposed methods of working detailed in the report at paragraph 6.1;
- (ii) that the Performance and Finance Select Committee agree the proposals for the content of the work programme detailed at paragraph 6.4; and
- (iii) that the Performance and Finance Select Committee note the working arrangements proposed with the other elements within the scrutiny function.

**3. Internal and External Audit Plans for 2003/04**

Members of the Select Committee received a report outlining the proposed Internal and External Audit Plans for 2003/2004. The Select Committee noted that following consultation with all service Directors the internal/external auditors had identified a number of high-risk areas and compiled a three-year audit plan. Referring to appendix 1, Simon Lane (Audit and Investigations) explained that Brent Council's joint audit statement had been revised to include a number of changes in corporate governance. Members noted that there was a close working relationship with the internal auditors in order to minimize duplication and successfully identify the risk factors to the Council. Mr Lane explained that specific responsibilities had been identified and action plans set in place to be clear about how issues such as fraud would be addressed. Commenting on appendix 3, Brent Council's 2002-2004 Audit Service Plan published June 2003, Members were advised that this document should be reviewed on an annual basis but that it was

last reviewed 17 months earlier. Members noted that the document covered a two-year period of finance accounts and performance results. Regarding appendix 3, Members of the Select Committee were invited to comment on the final draft of the document.

Members noted that the auditors had attempted to try and reduce duplication on all fronts and that various studies were currently being undertaken to review working practices across the Council. At this point Members were advised that the General Purposes Committee would still receive the Council's General Accounts but that the responsibility of scrutinising performance indicators fell to the Performance and Finance Select Committee. It was also noted that the Select Committee would, in time, be monitored to ensure that it was operating effectively and complying with its remit and responsibilities.

**RESOLVED:-**

- (i) that the Performance and Finance Select Committee note the content of the report in its role as defined in the constitution: "To review and monitor the operation and effectiveness of risk management, internal control and internal and external audit" and in its role "To Monitor the Council's progress in implementing its Annual Audit Plan"; and
- (ii) that the errors identified by Members of the Select Committee on pages 48 and 51 of the report be corrected.

**4. Revenue and Benefits Monitoring Report**

Margaret Read (Head of Local Taxation and Benefits) advised Members of the Select Committee that the Revenue and Benefits Monitoring Report was the first of its kind since the contract commenced with Capita. Members noted that there had been a lengthy period of transition to a new service provider and that this had impacted heavily on Revenue and Benefits. Ms Read explained that between October 2002 and January 2003 there had been a notable decrease in the number of backlogs to processing revenue and benefits and obvious improvements to the working practices within the relevant departments including improved processing times. In January 2003 at the time that revenue and benefits migrated to I-WORLD, the statistics for this period were consequently down on previous figures. Members were advised that at the end of April 2003 following termination of the EDS contract, the department encountered a number of difficulties, which were compounded by IT difficulties. Consequently the number of backlogs rose considerably and the situation was further compounded by the current strike, which had impacted heavily on the department.

Commenting on Council Tax collection, Ms Read advised the Select Committee that the collection of taxes needed greater prioritisation.

Members noted that the transition period had impacted heavily and the motivation of staff had dropped considerably in the last six months of the EDS contract and was still to be turned around. At this point Ms Read stressed that the responsibility for customer services remained with the Council but that attempts were being made to redress the problems and improve the situation for the future. Members acknowledged that it was very important to improve customer services in order to handle recovery of Council tax collection more effectively.

Regarding the payment of benefits, Ms Read explained that in October/November 2003, it was anticipated that the current backlog would have been cleared and therefore the department would be able to start making improvements to the delivery of service. However, Members noted that the current strike by Benefits staff would have a serious effect on the current backlogs and that it was unlikely that these would be cleared by the anticipated deadline. Ms Read advised Members of the Select Committee that throughout the strike period, the Department's priority was to prevent homelessness and to ensure that payments continued for those in need. Members noted that urgent cases would be prioritised followed by new applicants and thereafter, annual renewals. Immediate action had been taken to handle the strike crisis by limiting personal callers, working with the one stop shops and undertaking an urgent cases action plan. Subsequently it was possible that a small number of temporary staff would be employed for a period of three to four months in order to process outstanding work once the strike had finished. Referring to the debt recovery system, Ms Read advised the Select Committee that this would be delayed until after the strike.

Ms Read stressed that the Department's commitment was to improving services and that Capita was devising a plan to make on-going financial improvements by the end of the year in a joint working partnership between the Council and Capita.

In response to a question concerning Council Tax arrears and the collection of £529,000 against a target of £3m, Neil Smith (Capita) explained that the £3m target could be exceeded. Members were advised that during the first two to three months of the new contract, the service provider undertook a stringent data cleansing process but was now in a position to ensure that the collection process was quicker and more efficient. Commenting on Capita's ability to reach this target, Neil Smith explained that following the problems at the start of the financial year and the subsequent backlogs, once these were cleared additional improvements could be made and the target achieved. Margaret Read explained that incentives had been identified for Capita and the Council was confident that the contract would be delivered successfully. The Director of Finance confirmed that the failure to collect had been an inherited accumulative problem and that there remained an urgent need to clear outstanding arrears. Members noted that a target of 97% had been set for collection and that the Council

had written in a number of protections in order to ensure that Capita met the target set by the Council. The Director of Finance advised the Select Committee that the Council remained confident that Capita would be able to effectively meet these targets. Councillor Coughlin commented that the Executive had acknowledged the need to ensure that the current backlog was managed effectively and that a decision regarding resources was due to be taken by the Executive on Monday, 21<sup>st</sup> July 2003. Commenting again on the £3m target for Council Tax arrears collection, Neil Smith advised the Select Committee that this target had been laid down in the specification but had been agreed in consultation with the Council prior to the contract being given to Capita. Members noted that the target of £3m would run to March 2004. Regarding the issue of debt recovery, Neil Smith confirmed that there were few costs to the Council as a result of debt recovery as the majority of costs were wrapped up in the contract costs or were funded independently.

In response to questions concerning sickness and absence rates, Ms Read advised the Select Committee that an 8% target for 2003/2004 had been adopted by the Council and that new sickness procedures were being piloted within the Department. Ms Read stressed that staff discontent within the Department had previously impacted heavily on the documented sickness and absence levels. Consequently management systems were being established in order to support staff, improve morale, improve sickness and absence rates, reduce the high staff turnover and respond to the pressures that were felt by staff when the service was in difficulty. Councillor Coughlin responded that the Executive was aware of the complexities of the issues but stressed the need for processes to address the high sickness and absence rates.

In response to questions regarding the current Benefits staff strike, the Director of Finance confirmed that it was currently unclear how much the strike would cost the Council but that those people on strike would not be paid. Members noted that there were likely to be long term implications including administration costs and an obvious impact on performance. Members were advised that a full assessment would be undertaken following the strike to determine what action should be taken to address the longer-term considerations. At this point Ms Read explained that as a result of the increasing backlog, it was anticipated that more money would need to be spent on the employment of temporary staff in order to manage the backlog. Councillor Coughlin stressed that future performance figures were likely to get considerably worse whilst attempts were made to clear the backlog despite notable improvements in the delivery of service. At this point the Chair requested that the Select Committee be advised about the Council's use of incentives to Capita throughout the municipal year and suggested that the Select Committee should be informed when shortfalls occurred and Capita was financially liable.

The Director of Finance advised the Select Committee that a seminar on the Collection of Benefits and Council Tax was likely to be held in the future and that all Members would be invited to attend.

**RESOLVED:-**

- (i) that the Performance and Finance Select Committee note the report.
- (ii) that the Performance and Finance Select Committee note the progress made by the Housing Benefits Service since it transferred back to the Council in October 2002;
- (iii) that the Performance and Finance Select Committee note the number and extent of the Housing Benefits Service problems encountered since October 2002 and the plans which are in progress to resolve them;
- (iv) that the Performance and Finance Select Committee note the issues which had affected Council tax collection for 2003/04 to date and the plans which had been implemented to achieve contractual targets for collection;
- (v) that the Select Committee be advised about the Council's use of incentives to Capita throughout the municipal year and that it be informed when shortfalls occur and Capita is financially liable.

**5. Best Value Performance Plan 2003/05**

Simon White (Policy & Regeneration) advised the Select Committee that each year the Council was required to publish its Best Value Performance Plan (BVPP) in accordance with Government guidance. The draft 2003/04 plan as agreed by the Executive on the 23<sup>rd</sup> June 2003 was attached as an appendix to the report and considered by the Select Committee. Mr White referred to paragraph 2.1 to 2.1.8 in the report and highlighted the main discussion points regarding the Best Value Performance Plan. Members noted that the 2003/04 BVPP would be Brent's fourth published plan and that the document reflected over the past three years and also forward over the coming three years. At this point the Chair enquired as to how the BVPP should be used by the Committee. Mr White explained that the Select Committee could influence how the BVPP could be laid out in the future but stressed that the plan was predominantly to provide a brief annual overview of quarter on quarter performance. Councillor Kagan acknowledged that the BVPP was a substantial document but stressed that it would be used by the Select Committee to look at figures on performance throughout the coming year. Mr White explained that whilst there was a clearly defined structure for content and format of the plan there were some areas of the plan that could be amended in future years at the request of the Select Committee.

Members noted that there were tight timescales for producing the plan. Regarding the production of the next plan, Members were advised that the performance information could not be calculated until after the end of the financial year and that this remained a process of ongoing work and analysis. After a brief discussion about the role of the Select Committee, Members were advised that the BVPP would act as an important tool for the Select Committee to undertake investigations over the course of the year. Members noted that the plan was heavily prescribed by legislation as to its content but that it would remain a useful tool to monitor and assess performance indicators as and when they were presented to the Select Committee for consideration. Phil Newby (Director, Policy and Regeneration) stressed that the Select Committee needed to look at the Quarterly Digest and pick out relevant issues of concern by analysing these against the BVPP Plan. He stressed that the Performance Plan would be owned by the Select Committee and would therefore be used rigorously by Members to analyse the performance indicators. At this point the Chair stressed the need for all Select Committee Members to read and consider the plan in detail and to comment on any issues that Members felt were important to consider in the longer term. The Chair suggested that he be approached informally before the next meeting so that issues of interest raised by Members could be prioritised for consideration by the Committee. At this point Phil Newby stressed that an informal meeting with the Policy and Regeneration Unit could take place in order to run through the Best Value Performance Indicators and identify issues that could be prioritised in the future. He suggested that lead Members and lead officers be invited to the next meeting so that the informal meeting could be set up appropriately and to ensure that both officers and Members gained as much constructive information as possible.

**RESOLVED:-**

- (i) that the Performance and Finance Select Committee note the report on the Best Value Performance Plan 2003/04;
- (ii) that the Director of Policy and Regeneration liaise with Members of the Performance and Finance Select Committee to establish a date on which to hold an informal meeting to consider the Best Value Performance Indicators and prioritise the indicators for future consideration;
- (iii) that an informal meeting of the Performance and Finance Select Committee take place at a future date to consider the Best Value Performance Indicators.

**6. Brent Council's Quarterly Performance Digest (Quarter 4): January - March 2003**

Members of the Select Committee received a report introducing the Quarterly Performance Digest for the period January-March 2003 setting out the data on the Council's performance against the statutory Best Value Performance Indicators and the service based indicators. Members noted that this would be the last occasion on which the Quarterly Performance Digest would be presented in this format and Members were asked to comment on the format and style of the document and highlight any issues of concern.

**RESOLVED:-**

- (i) that the Performance Finance Select Committee note the report and accompanying quarterly performance digest;
- (ii) that the Performance and Finance Select Committee note that the quarterly digest will continue to report consecutive current year performance against targets;
- (iii) that the summary table attached to the reports provides a clear and concise indication of where performance has improved or fallen against the previous quarter;
- (iv) that the data reported, unless stated, is for this quarter only and is not cumulative.

**7. Comprehensive Performance Assessment (CPA) – Improvement Plan**

Members of the Performance and Finance Select Committee received a report introducing Brent Council's Comprehensive Performance Assessment Improvement Plan (appendix A). Members noted that following the findings of the Council's Comprehensive Performance Assessment (CPA) in July 2002, Brent was required to develop and influence the CPA Improvement Plan which would be regularly monitored in conjunction with the Audit Commission. Members of the select committee noted that the future re-evaluation of the Council's CPA rating would in part be influenced by the successful achievement of the specified improvement priorities.

Members of the Select Committee acknowledged that the CPA had identified six priority areas based around corporate and service priorities. It was noted that the improvement plan would provide an accurate self-assessment by Brent which would be monitored as a result of a close working relationship with the Audit Commission and Brent Council. Members were advised that a progress report would be conducted after the first six months following implementation of the improvement plan. Members were advised that re-categorisation of service areas would be likely post November 2003 following anticipated improvements across a range of services. Members noted that the CPA score would be reviewed in December 2003 at which time the



Best Value scores and the performance indicators would be used to review the current position. Consequently in 2005/2006 a full review would be undertaken regarding the CPA. Members noted that the review in December 2003 would simply be based on desk research but that it was important to be able to feed back to the CPA and update them about improvements underway ahead of the full review in 2005/2006. Phil Newby advised Members that the Select Committee would oversee a six-monthly review on CPA priorities and that consequently regular slots at meetings of the Select Committee would provide a good opportunity for Members to consider ongoing improvements and CPA targets.

## **8. Any Other Urgent Business**

### *Member Development Training Programme*

Councillor Kagan advised Members of the Performance and Finance Select Committee that a Member development training sessions was scheduled to take place on the 22<sup>nd</sup> July 2003 so as to brief all members of the Council on Scrutiny and Access to Information issues. Councillor Kagan extended an invitation to all Members of the Performance and Finance Select Committee to attend this meeting.

### *Select Committee Training*

Phil Newby (Director of Policy and Regeneration) advised the Select Committee that there were a number of training options that could be beneficial to Members including a future visit by a Lead Member on a Parliamentary Select Committee. Members were advised that they would be updated in due course.

The meeting ended at 9.35 pm

J DAVIES  
Chair

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