

MINUTES OF THE PERFORMANCE AND FINANCE SELECT COMMITTEE
Tuesday, 11th January 2005 at 7.30 pm

PRESENT: Councillor J Long (Chair), Councillor H B Patel (Vice-Chair) and Councillors Gladbaum and Moher.

Also present was the Lead Member for Corporate Resources.

An apology for absence was received from Councillor Crane.

1. Declarations of Personal and Prejudicial Interests

There were none.

2. Deputations

There were none.

3. Minutes of the Previous Meeting – 16th November 2004

RESOLVED:-

that the minutes of the previous meeting held on 16th November 2004 be received and approved as an accurate record.

4. Matters Arising

Update of the Current Performance within the Benefits Service

The Lead Member for Corporate Resources advised those present that the Department had achieved a three-star rating which was vital for a good CPA result and extended his congratulations to the Benefits Service for all their hard work.

Requests for Information

The Chair referred to items of information that had been requested at the last meeting on the Annual Complaints Report 2003/4 and the Parking Account. This had been requested from the service areas and would be circulated in due course. It was noted that the BHP report had been delayed and would not be finalised until 21st October 2005. In response to some concerns that the report should be presented to the Select Committee as soon as possible in future years, Phil Newby (Director, Policy and Regeneration Unit) confirmed that he would discuss the issue with the Director of Housing.

5. Revenue Performance Update

The Lead Member for Corporate Resources was present at the meeting for this item to respond to Members' questioning. Sue King (Capita) and Neil Smith (Capita) were also present for this item to respond to Members' questioning.

An addendum had been circulated to Members of the Select Committee outlining performance figures for December 2004.

Margaret Read (Head of Local Taxation and Benefits) advised those present that at the last Select Committee meeting in September 2004, concern had been expressed about in year collections but that improvements had since been made. Ms Read advised those present that the prompt payment discount no longer existed but that direct debit payments had increased. Regarding Capita's profiles, Members noted that a revised profile had been agreed with Capita at the end of November and had outlined an expected 7.3% collection rate for December 2004. Members were advised that Capita had achieved this target and was therefore in line to achieve its overall 93% target for the year. Regarding 2003/2004 collection, Members noted that the figures were still disappointing and that Capita was unlikely to achieve this target. Consequently, assurances were sought regarding what action would be taken to improve the collection rate. With regard to pre-contract arrears, the figures looked promising and a £½m target rate had been exceeded. With regard to business rate collection, Ms Read advised those present that the figures were encouraging and Capita was currently 3% ahead of its profile. Consequently, the Department was confident that Capita would exceed its 96.2% target. It was acknowledged that the main billing period would be undertaken in March 2005 but that an action plan had been developed to minimise disruption.

Members were advised that a number of projects were anticipated in the near future such as the validation framework and implementation of the new document imaging system.

Ms Read referred to Customer Services and the significant improvements that had been made by Capita regarding response rates to complaints, although Members noted that improvements were required in the area of justified cases at the Stage 2 and Stage 3 complaints level. Referring to the Call Centre, Members noted that a high number of calls were recorded as either engaged or abandoned but that the Department was working closely with the One Stop Shops to reduce such calls.

In response to a question from Councillor Gladbaum, Neil Smith advised those present that as a result of a brainstorming meeting in 2004, Capita had developed and was routinely reviewing a detailed action plan. Following a request from Councillor Gladbaum, Duncan

McLeod (Director of Finance) advised those present that the action plan could be released to Members in the near future.

Councillor Gladbaum commented on the advertising campaign that had been undertaken across the Borough and queried whether this had led to an increase in collection. Sue King confirmed that an exact figure could not be attributed solely to the publicity campaign; however it was acknowledged that the campaign had been successful and any form of publicity promoting the Council's commitment to collecting Council tax should be viewed positively.

In response to a query concerning those debts that were returned to Capita, Mr Smith explained that Capita would often try to pursue individuals through the Court although this was a timely process and was not always successful. Commenting on possession, bankruptcy and attachment of earnings as possible methods to recover monies, Mr Smith explained that these options relied on accurate client data. With regard to attachment of earnings, Members were advised that there were data protection implications to consider.

With regard to the writing off of debts, Ms King confirmed that a write-off programme would be undertaken in the future including old debts, for which there was insufficient client data to enable collection. In response to a query from Councillor H B Patel, Mr Smith advised those present that a clear criteria existed against which attachment of earnings cases were determined. Ms King explained that Capita needed a liability order with which to secure payment of arrears through such options as attachment of earnings as this was the legal basis on which action could be taken.

Councillor H B Patel queried how Capita intended to ensure that in year collection continued to improve in 2005/06. Mr Smith advised those present that an action plan had been in place to ensure that improvements were made and that Capita was committed to continuing to improve its collection rates for in year collection as well as collecting on long term debts. Members noted that the accuracy of data had been improved thus aiding collection although Mr Smith stressed that local issues also had to be taken into consideration.

In response to a query from Councillor Moher concerning private tenants and outstanding debts, Mr Smith advised those present that Capita relied on the holding of accurate data on residents and therefore tenancy lists needed to be accurate so that bills could be forwarded promptly to the correct address and the recovery process was initiated sooner. Ms King confirmed that it was unclear how much of the outstanding debt was held by private tenants since Capita pursued the owner/occupier for the debt rather than the individual tenant if no details were available.

In response to a query from the Chair concerning the value of non collectable debts with Equita, Ms King confirmed that £8m of debt had gone to Equita for the year 2004/2005 and that just over £1m had been recovered. Regarding the uncollected debt returned to Capita, Ms King confirmed that a precise figure was not available as Capita would undertake further action to try and recover such debts once it had been returned from Equita.

Regarding the document management system, Members noted that this system was expected to go live in July 2005 following the main billing period in March. Whilst problems were not anticipated, it had been agreed that the introduction of the system be deferred until July 2005.

In response to a query from the Chair concerning direct debit complaints, Paula Buckley (Local Taxation and Benefits) advised those present that eleven direct debit/standing order complaints had been received. Whilst some problems had been experienced in early 2004 regarding direct debit payments, arrangements were now in place to monitor problems with payments. Members were surprised by the low complaints figure compared to the 35,000 direct debit payments that were made per month and queried whether the success of direct debit payments in the authority should be publicised. Ms Read confirmed that some publicity would be circulated to residents.

Ms King responded to a question from the Lead Member for Corporate Resources concerning Capita's profiles and whether these were realistic targets. Ms King explained that the profiles reflected past payments and provided reasonable estimates for future payments. Consequently Capita was confident about what should be collected in the forthcoming three-month period.

Members congratulated Capita for reaching its targets and confirmed that a further report/update would be anticipated at the next meeting in April 2005. The Chair stressed that the discussion would focus on the arrears process at this meeting.

RESOLVED

- (i) that the report be noted;
- (ii) that the Capita/Brent Council action plan be circulated to Members of the Performance Finance Select Committee once agreed by Brent Financial Services and Capita.

6. **Vital Signs – Quarter 2**

In response to a query from Councillor Gladbaum concerning BV78a, Margaret Read (Head of Local Taxation and Benefits) advised those present that the Department had exceeded its target regarding the

average time for processing new claims. Members noted that the Department was doing well to reduce its processing times and that the 2005/2006 target was approximately 36 days.

Members were advised that in 2005 comprehensive comparative performance indicators for 2003/04 would be released to local authorities by the Audit Commission. Cathy Tyson (Corporate Policy Manager) acknowledged some requests for guidance in the Vital Signs document to explain key issues affecting data and/or performance.

The Chair referred to the last meeting of the Select Committee and a request for further information regarding pupil attendance. Phil Newby (Director, Policy and Regeneration Unit) explained that as of the 28th November 2004, 28 primary schools and 5 secondary schools had not provided Best Value Performance Indicator information. He explained that he would clarify the whereabouts of the missing data on pupil attendance with the Education Department and feed this back to Members in due course.

With regard to the circulation of other information that had been requested at the last meeting, Phil Newby explained that no figures had been received on BV187 (VS504) for 2004/2005 as this information was collated on an annual basis. With regard to BV199, Members noted that a survey had been undertaken between August and November 2004 and that the data from this survey would be available on 25th January 2005. Members acknowledged that three surveys were undertaken each year and asked that the Vital Signs document be amended to show when such surveys were undertaken and when the outcomes of the surveys would be available as this was unclear. With regard to BV184b, Members were advised that recent estimates were based on quarterly data. Phil Newby confirmed that he would liaise with BHP to ensure that the previous quarters' substantive performance measurements were presented in the next Vital Signs.

In response to a query, Phil Newby advised those present that different measurement systems were used by both the Audit Commission and the Department of Health and therefore the word "blob" had been introduced as a universal rating system for Social Services' performance issues.

Councillor Moher referred to BV187 (VS504) and queried whether the 1.63% figure for the percentage of footpaths needing repairs was accurate as it was not in line with national averages. Phil Newby explained that whilst the figure was based on annual surveys these were undertaken in different areas each year and therefore led to a fluctuation in the figures that did not necessarily present a particularly accurate picture of the number of footpaths in disrepair. In response to a query from Councillor Moher, Mr Newby confirmed that the information provided by Members in an annual survey on the conditions of local roads and footways was not used to compile the

BVPI data. He explained that the Best Value Performance Indicators were based on the results of independent surveys. Ms Tyson explained that whilst there was some dialogue between the Council and the independent surveyors, the surveying of roads remained a technical process that resulted in objective measurements. A number of Members queried further the accuracy of the 1.63% figure and asked for further information on how this figure had been achieved.

In response to a query from Councillor H B Patel, Phil Newby confirmed that there had been a decrease in the usage of green boxes over the summer months but that the figure was still up on the previous year.

RESOLVED:-

- (i) that the Select Committee note the recommendations put before the Executive at its meeting on 17th January 2005;
- (ii) that it be noted that the digest provided a clear and concise summary of performance over the previous five quarters, with comments from Executive Lead Members and key officers.

7. **2004/05 Best Value Performance Plan and Audit**

Cathy Tyson (Corporate Policy Manager) introduced the Performance Plan which the Council was required to produce each year and which provided the final audited BVPIs and the key findings of the audit. Members noted that the performance indicators were produced in a way that complied with the Audit Commission's requirements.

Ms Tyson drew Members' attention to appendix 2 of the report concerning reservations on areas including corporate health and community safety. With regard to community safety (BV174 and BV175) Members were advised that changes had been implemented as of April 2005 regarding the reporting of racial incidents and racial incidents resulting in further action. Consequently, these were no longer considered as reservations. With regard to corporate health (BV8 and prompt payment of invoices), Members noted that a programme was in place to make improvements in this area and therefore remove reservation. With regard to Housing (BV62) and Social Services (BV54), Members were advised that problems had not been experienced before in these areas and that action had been taken and improvements were expected.

RESOLVED:-

- (i) that the Performance and Finance Select Committee note the audited outturn BVPIs (*appendix 1*);

- (ii) that the Members of the Performance and Finance Select Committee note the report; and
- (iii) that Members of the Performance and Finance Select Committee note the findings of the audit.

8. **Annual Review of Corporate Governance and Action Plan Update**

Simon Lane (Head of Audit) outlined the report which provided Members with an update on the Corporate Governance Framework for the period January 2004 to December 2004 and a further update on the action plan. Mr Lane advised those present that the Executive had requested that the Select Committee monitor the Corporate Governance Report and act as a watchdog for governance arrangements within the Council.

Having outlined the reasons for development of the Corporate Governance Report and the subsequent action plan, Members were advised that some areas for improvement had been flagged up specifically regarding internal controls on which a report was due in the future. Mr Lane confirmed however that the position for the Council was generally very good and there were a number of in year successes. Members noted that there were fewer reservations on performance indicators and performance management issues including service delivery, community focus, structure and processes. Members were advised that PricewaterhouseCoopers would conduct a review in the future to look at how the report and the action plan had been challenged by scrutiny.

In response to a query from Councillor Gladbaum concerning diversity, Mr Lane explained that the Service User Consultative Forums had been increased to cover a wider target area such as through the BME Forum. Mr Lane also referred to Local Democracy Week and the Council's involvement with young people regarding governance issues. He then referred to section D of the action plan and highlighted a number of actions that were being undertaken to address race and equality issues. Councillor Gladbaum then queried why there was no mention of the impact of the Freedom of Information Act within the action plan. Mr Lane confirmed that the action plan had originally reflected the position of the Council at 2003 but that since the action plan had now been revised for the 2005 period it was vital that the implications of the Freedom of Information Act be acknowledged in the document.

In response to a query from Councillor Gladbaum, Duncan McLeod (Director of Finance) confirmed that the Audit Letter and the action plan would be presented to the Select Committee at the next meeting. It was noted however that the Audit Letter would be circulated to all Members of the Council in the near future, once available.

Councillor H B Patel referred to Ward Working and was advised by Mr Lane that this scheme showed considerable commitment by the Council (Members and officers) to community involvement. He then went on to respond to a query about the Area Consultative Forum survey that had been undertaken in July 2004 and explained that ACF reports were fed back to the Overview Committee on a quarterly basis to ensure that effective monitoring of the Area Consultative Forums (ACFs) was consistently undertaken.

In response to a query from Councillor Moher, Duncan McLeod (Director of Finance) confirmed that both Legal Services and Brent Financial Services attempted to view every report prior to circulation to enable consideration of the legal and financial implications of each report from the outset and therefore the timescales for clearing reports were particularly important. Mr Lane confirmed that Terry Osborne (Borough Solicitor) had expressed some concerns regarding the lack of time given to Legal Services to successfully check reports before circulation and had requested that this regime be reinforced. He explained that there was room for improvement regarding the management and monitoring of risk but that developmental work was underway and these issues would be progressed further in 2005/2006.

Commenting on the issue of Member Training and Development, Mr Lane confirmed that Member training was not mandatory. It was suggested that those Members who had not attended training throughout the year should be flagged up with the relevant Group Offices. Mr Lane confirmed that he would discuss the issue with the Mayor's Office and Member Development Manager.

Commenting on the Service and Area User Consultative Forums (SUCFs/ ACFs), the Chair explained that this was an area where improvements could be made regarding operation, performance and monitoring and queried who was monitoring particularly the SUCFs from the Council's perspective. Mr Lane confirmed that he would speak to the relevant lead officers to ascertain how the different SUCFs were performing and add this information to the action plan.

It was noted that a report back on the action plan would be provided on a quarterly basis to the Performance Finance Select Committee. Mr Lane confirmed that in line with the Select Committee's request non required comments would be removed from the action plan document.

Councillor Moher queried ways in which Audit could promote the work being undertaken regarding governance and commented on the need to highlight the work that had been undertaken within the Council to ensure that checks were made. Mr Lane confirmed that he would investigate the matter of publicity further. Councillor Gladbaum enquired as to whether a seminar would be beneficial for Members and then suggested that future presentations regarding the review of corporate governance and the action plan could be made at future ACF

meetings. Mr Lane acknowledged that this would provide a valuable opportunity to update Members of the public about corporate governance issues.

RESOLVED:-

- (i) that Members of the Performance and Finance Select Committee note the report and endorse the action plan attached at appendix 1;
- (ii) that the Select Committee receive a report back on the Corporate Governance Action Plan on a quarterly basis; and
- (iii) that comments from Members of the Performance and Finance Select Committee on the format and content of the action plan be taken into consideration and the document be amended accordingly.

9. Domestic Household and Bulky Waste Collection Task Group – Final Report

The Chair introduced the final report of the Domestic Household and Bulky Waste Collection Task Group which conducted its investigations between July and December 2004. Whilst acknowledging the work undertaken by members of the Task Group, the Chair explained that only three Councillors had served on the task group and that this reflected a generally poor commitment by Members across the Council to supporting scrutiny through time limited investigations. It was noted that the final report, accompanied by an officer response to the Task Group's recommendations, would be presented to the Executive in the near future. Members of the Select Committee expressed their thanks to Michael Royce for his help and support to the task group.

The Chair then circulated a document containing information about non collection of refuse in June - November 2004 and suggested that Onyx be called before the Select Committee on a regular basis to ensure that suitable monitoring of performance was undertaken. Cathy Tyson (Corporate Policy Manager) confirmed that a group involving the Leader of the Council and the Director of Finance would shortly commence monthly meetings to discuss performance issues concerning Onyx, thus contributing to issues raised by the Task Group. Members noted that the first meeting would take place on 17th January 2005 and acknowledged the need to ensure that there was no duplication of work by the different groups/ forums.

With regard to future task group work, Members acknowledged that there was currently a shortage of staff in the Policy and Regeneration Unit to support task group activities but that the recruitment process was underway. Members were advised that suitable topics on which

task group work could be undertaken in the future needed to be put to the Chair and agreed at a future meeting.

RESOLVED:-

- (i) that Members of the Performance and Finance Select Committee endorse the final report of the Domestic Household and Bulky Waste Collection task group;
- (ii) that the final report of the task group be progressed to officers in Environmental Services and thereafter to the Executive for further comment and consideration;
- (iii) that the outcome of the Executive meeting be fed back to Task Group Members and Members of the Performance and Finance Select Committee;
- (iv) that officers from StreetCare and Environmental Services and the Lead Member for Environment and Planning be invited to attend the April meeting of the Select Committee to comment on the recommendations in the final report and the Executive's response.

10. **Items Requested onto the Scrutiny Agenda**

Members acknowledged that at its meeting on 1st December 2004 the Management Board requested that the Annual BHP Report be placed on the 2004/2005 Work Programme for future consideration by the Performance and Finance Select Committee. Members noted that this item had not featured on the agenda for this meeting as the report had been delayed. The Chair expressed concerns that the report would be one year out of date by the time the Select Committee received it and should therefore be presented to the Select Committee as soon as possible in future years.

RESOLVED:-

that Phil Newby (Director, Policy and Regeneration Unit) discuss the matter with the Director of Housing and report back to Members.

11. **Recommendations from the Executive for items to be considered by the Performance and Finance Select Committee**

There were none.

12. **Any Other Urgent Business**

There was none.

The meeting ended at 9.55pm

J LONG
Chair

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