

MINUTES OF THE PERFORMANCE AND FINANCE SELECT COMMITTEE
Tuesday, 21st March 2006 at 7.30 pm

PRESENT: Councillor Nerva (Chair) and Councillors Crane and Farrell (alternate).

Also present at the meeting was Councillor Coughlin (Lead Member for Finance and Corporate Resources).

Apologies for absence were received from Councillors J Moher and R Moher.

1. Declarations of Personal and Prejudicial Interests

There were none.

2. Deputations

There were none.

3. Minutes of the Previous Meeting – 18th January 2006

RESOLVED:-

that the minutes of the previous meeting held on 18th January 2006 be received and approved as an accurate record.

4. Matters Arising

There were none.

5. Joint Audit Plan

The Director of Finance and Corporate Resources (Duncan McLeod) introduced the report to Members of the Performance and Finance Select Committee which provided details regarding the Internal Audit Plan and the Joint Audit and Inspection Plan for 2006/2007. The reports had been presented together to reflected a joint audit approach and the requirements of the new code of practice for external auditors. Representatives from PricewaterhouseCoopers were present at the meeting to respond to Members' questions. Aina Uduehi (Audit Manager) was also present to respond to questions concerning the internal audit plan.

Mike Robinson and Simon Davis (PricewaterhouseCoopers) introduced the 2006/2007 joint audit and inspection plan and explained that this document included work undertaken on the closure of the 2005/2006 closure of accounts. Members were advised that the plan provided an overview of the inspection activity planned for 2006/2007 and informed officers and Members about the external auditors' responsibilities as

external auditors. It was noted that the plan also addressed the requirements of the new Comprehensive Performance Assessment (CPA) and reflected local risks and improvement priorities in addition to current national risks relevant to local circumstances. Simon Davis then highlighted some of the key risks identified in the plan including financial standings, systems issues and regeneration which would result in the need for a particular audit focus in 2006/2007.

Commenting on the internal audit plan which was based on an assessment of risk, Aina Uduehi (Audit Manager) confirmed that recruitment difficulties were still ongoing. It was noted that this was a London-wide problem and that discussions were underway concerning joint procurement arrangements with other West London authorities as a means of addressing severe staffing problems. Members were advised that the planned work for internal audit was split between systems, assurance reviews, financial and school audits with a total of 1,423 days allocated to undertake internal audit work.

In response to queries concerning school audits, the Lead Member for Finance and Corporate Resources advised Members that financial mismanagement in a local school had prompted the Council to assess internal controls within all local schools to ensure that financial controls were satisfactory. It was noted that whilst schools were able to identify their own auditors the Council had to ensure that internal control mechanisms were adequate. However, it was acknowledged that financial mismanagement was not prevalent amongst local schools. In response to a query the Director of Finance and Corporate Resources clarified the issue of balances held by schools. In response to a query concerning the auditing of the outcomes of Section 31 partnership agreements with the PCT, Aina Uduehi confirmed that this issue would be reviewed if necessary in the future as a joint working initiative with the PCT. The Director of Finance and Corporate Resources confirmed that this issue was linked to the Local Area Agreement (LAA) and discussions were taking place with PwC to support the Council in introducing appropriate governance arrangements.

Phil Newby (Director of Policy and Regeneration) emphasized the significance of on-going work to address performance management in partnership arrangements. Mike Robinson (PricewaterhouseCoopers) highlighted the implications for the CPA of effective monitoring of partnerships and explained that a number of initiatives were underway across the Council. It was noted that whilst the external auditors could contribute to such work in the future the onus was on the local authority to undertake effective performance management and partnership monitoring.

RESOLVED:

that the Internal Audit Plan and the Joint Audit and Inspection Plan for 2006/2007 be noted.

6. Revenue and Benefits Performance

Margaret Read (Head of Local Taxation and Benefits) introduced the report before the Select Committee which outlined performance in relation to Council Tax and Business Rates collection and a summary of performance in relation to the Housing Benefit Service. Members were advised that as at 20th March 2006, the Council was on course to achieve 93.5% Council tax collection. Capita had exceeded monthly profiles all year apart from January at which time a number of factors had led to a decrease in collection. Members were advised that the gap against profile had not closed in February and consequently an additional 0.47% recovery was necessary to achieve 93.5% by 31st March. Members noted that approximately £70k per day was required and that this level of payment needed to be maintained until the end of March. Members were advised that Capita was taking action to increase collection. With regard to arrears collection, Members were advised that the 2003/2004 and 2004/2005 arrears targets were unlikely to be met by 31st March 2006. Arrears collection would be a key focus for improvement in 2006/07. With regard to business rates collection, Members were advised that the 96.4% target had already been exceeded by Capita and that it was on course to achieve a 98% collection rate.

With regard to Customer Services, Members noted that call centre performance still needed to be addressed but that an action plan was in place identifying ways to tackle this issue including the use of agency staff. It was noted that since September 2005 all revenue and benefits enquiries were now dealt with by the Brent House One Stop Shop. Members were advised that there had been a settling in period following the transition of the service but that work was now underway with the call centre and the customer services' teams to improve standards. Commenting on complaints, Margaret Read advised Members that the report inaccurately reported no Ombudsman complaints. It was noted that whilst overall numbers of complaints to the Ombudsman were low, Revenue and Benefits complaints represented a significant percentage of all Brent complaints and that most Ombudsman complaints had been referred back to the Council for local resolution. It was acknowledged that whilst Capita had worked consistently well to respond to complaints, the issue of complaints handling needed to be addressed further in 2006/2007.

With regard to housing benefit performance, Members were advised that the situation regarding current work outstanding was very stable. It was noted that a BFI score of 3 was anticipated. It was noted that the criteria to achieve a 3 or 4 score had again been tightened. It was noted that the proposal set out a further reduction to new application processing times in order to achieve a 4-star rating, however implementation of the Verification Framework new applications

modules was likely to increase processing times. In a new approach priorities for 2006/07 would be balanced more against all work types.

In response to a query, Sue King (Capita) outlined action taken by Capita to address some of the problems affecting collection. It was noted that telephone campaigns were currently underway to speak to customers about outstanding payments prior to cases going to court; two bailiff campaigns had recently taken place, the top 100 debtors were proactively being chased for payment, more cases were now on attachment of earnings and further data cleansing work had also been undertaken. Members were advised that there had also been an increase in the number of bankruptcies and that Capita was going out to petition the following week. Consequently a significant amount of action had been taken to increase income and to prepare for the 2006/07 period. It was noted that Capita had gone through to charging orders on a number of cases but that such monies would come in after 31st March 2006. Whilst these activities demonstrated Capita's commitment to pursuing collection, it was acknowledged that further work was necessary to increase collection.

The Lead Member for Finance and Corporate Resources praised Capita's performance throughout the year and commented on notable achievements including an increase in the number of direct debit payments made to the Council. Sue King confirmed that there had been a 4% increase in direct debit payments in 2005/06 with approximately 45% of residents now on direct debit payment schemes. This method of payment will continue to be promoted wherever possible. In response to a query regarding the relationship between Capita, the Council and registered social landlords (RSLs), Sue King confirmed that Capita was committed to working closely with RSLs in order to share information but that it was more difficult to liaise with estate agents and private landlords. Documentation had since been revised and published on the internet in order to improve accessibility by private/public landlords and to simplify methods for providing client information. At this point the Lead Member for Finance and Corporate Resources explained that a client indexing report would go to the Executive in the near future and that the emphasis would be on greater sharing of client information across the Council. It was noted that Capita had contributed to the discussions concerning the sharing of centrally held data and that improvements in this area were likely to have a positive effect on collection rates.

Following concerns expressed by Councillor Farrell concerning the apparent lack of linkage between Council tax collection and benefits payments, Sue King confirmed that there were a number of mechanisms in place to ensure that residents were not summoned unnecessarily. Members noted that summonses for Council tax collection were not issued if clients had any correspondence in place regarding benefit payments. Councillor Farrell rejected this and suggested that a significant proportion of residents were repeatedly

asked for the same information regarding their accounts and payment of Council tax and that this was an important issue that should be addressed further in the future. It was stressed that all efforts should be made to ensure that residents were accurately targeted for collection payments by maintaining adequate linkage between Council tax and the revenue/benefits process, particularly as vulnerable people were most likely to be affected. The Lead Member for Finance and Corporate Resources explained that there were a number of factors that could prompt the issuing of repeated correspondence rather than simply as a result of flawed processes and Councillor Farrell was invited to provide details about any specific cases to enable further investigation. Margaret Read confirmed that whilst errors were possible, the revenue and benefits departments worked to ensure that such problems were minimised. Members noted that complaints were taken seriously and that working practices would be amended if there appeared to be flaws in the processes.

Following some discussion regarding the publication of written material in different languages, Margaret Read confirmed that information could be provided in a number of ways with access to the language line, interpreters and translators in order to assist all residents. It was noted that a number of staff within the One Stop Shop could speak a number of different languages. Margaret Read confirmed that she would provide further information on the number of people that speak different languages and acknowledged the importance of diversity and the need to circulate all information in different languages. It was noted that whilst all correspondence sent out to residents indicated that information could be provided in a range of different languages, this was not necessarily the case for correspondence chasing payment. Councillor Nerva stressed that this was an important equal opportunities issue that also potentially had implications for increasing collection. In response to a query Members were advised that a mapping exercise was planned in the future to assess where collection was lowest.

RESOLVED:-

that the Revenue and Benefits' performance update report be noted.

7. **Performance Monitoring – LPSA 4 (Robberies) – Update
Crime Prevention Work with Schools and Young People across
the Borough**

Valerie Jones (Head of Community Safety) introduced the report before Members which had been produced at the request of the Select Committee following its meeting on 9th November 2005, concerning the nature and implications of youth crime prevention work implemented with schools and young people. Members were advised that robberies remained a significant challenge for the Borough and that as a London-

wide issue this also posed significant challenges for partnership arrangements both in and beyond Brent.

Members were advised that Operation Lock Tight had been underway since January 2006 and that Police intelligence suggested that more new youth offenders had emerged with a significant number of youth offenders and victims now being under the age of 20. With regard to partnership working, Members were advised that the Community Safety Team had established the Youth Crime Prevention Strategy Group (YCRSG) which included high level representatives from all relevant Council departments, key statutory partners in the voluntary sector and representatives from the Youth Offending Service. It was noted that the Assistant Director of Children and Families had been asked to attend the next meeting of the Crime Reduction Partnership's Operational Delivery Group to explore additional strategies for working jointly with schools to reduce crime in the vicinity of school premises. Members were advised about an initiative that had been undertaken at John Kelly Boys' School which involved detached youth worker supervision of young people on public transport as part of the Ward working initiative. It was noted that anecdotal evidence suggested that this had led to reduced instances of offending and anti-social behaviour. Members were advised that a lot of work had been undertaken with schools and young people within the Borough but that the majority of initiatives relied on external funding.

Anita Dickinson (Co-ordinator of Youth Crime Reduction Strategy) stressed that a lot of work had been undertaken to address the issue of youth crime in recent years and that's whilst youth crime currently stood at 10% of all crime within Brent, this was not an increasing figure and was therefore very positive. In terms of the London-wide situation it was noted that Brent was faring well. Members were advised that there was a strong youth offending service within Brent, good partnership working arrangements were in place and a number of initiatives were ongoing. Ms Dickinson stressed that the Police had a major role to play in the work being undertaken within local schools and that a number of joint initiatives were underway with the local Police. Commenting on the Safer Neighbourhoods Teams, it was anticipated that training would assist with the development of closer working relationships between the teams and local schools. With regards to the John Kelly Boys' initiative it was noted that the pilot had proven successful and would hopefully be rolled out to a number of other schools within the Borough.

It was noted that funding had been made available by the Police to deliver projects such as the Miss Dorothy Project which resulted in significant awareness raising amongst young people. Other targeted work was undertaken with a range of partners and organisations including registered social landlords to raise awareness about youth crime issues. A major piece of partnership work entitled 'The Life Project' had been undertaken and delivered by the Brent Fire Service

with 220 young people having successfully completed the courses. Whilst a considerable amount of work had been undertaken, there was however room for further improvements although progress was reliant on external funding.

Responding to queries about youth on youth crime hotspots across the Borough, Anita Dickson confirmed that pockets of youth on youth crime generally focused on areas across the Borough where there were limited facilities and/or pockets of deprivation. The main hotspots included Wembley Central, Harlesden/Kensal Green and Kilburn High Road, primarily around town centres and/or transport interlinks. Councillor Nerva queried the travel to crime distance and was advised that some work had been undertaken concerning an analysis of exporting crime across London boundaries. It was suggested that the majority of Brent's young offenders committed the majority of offences within the Borough. Members were advised that Anita Dickinson was unable to clarify the number of first time offenders but that such information was available on persistent young offenders and that this issue was particularly acute within Brent. Councillor Farrell explained that the travel to crime issue was very important and needed to be addressed urgently and expressed concern that crime was moving around the Borough via transport links. Councillor Farrell referred to prevention and fear of crime and was advised that a lot of work had been done to address the fear of crime issue with evidence to suggest that this had been successful over the past three years.

Councillor Nerva commented on information sharing across schools and queried what support was available to young offenders within an education setting. Anita Dickinson confirmed that more than 90% of young offenders were involved in the education system or work/training schemes. It was noted that considerable work was being done by the Youth Offending Team and local schools to ensure that information was adequately shared and appropriate levels of support were provided for both children and schools. With regard to what the Council was doing to encourage a more proactive approach by local schools towards youth offending work, Val Jones confirmed that the Youth Offending Service could only comment on the current situation and future initiatives. Councillor Crane queried how much money would be required to adequately address youth crime problems in the future and suggested that if more money was required than this matter should be considered by Members as a potential priority for spending, if necessary. It was noted that due to the mixture of funding and pooled budgets available to undertake crime prevention and youth offending initiatives, it would be difficult to identify any existing and on-going funding gaps, particularly as some initiatives were interlinked and funding arrangements were complicated. It was stressed however that adequate funding was vital to addressing issues of youth crime.

RESOLVED:-

- (i) that the Select Committee note the update on crime prevention work with schools and young people across the Borough;
- (ii) that a mapping exercise be undertaken to determine where young offenders live and where offences are committed;
- (iii) that the relationship between local schools, the Youth Offending Team and young offenders be assessed to determine what levels of support are provided by education settings within the Borough; and
- (iv) that the Select Committee be provided with information regarding the current initiatives underway to address youth crime and details about the potential cost implications to develop further initiatives to raise awareness and reduce youth crime in Brent.

8. Third Party Insurance Claims

Alison Matheson (Head of Procurement, Strategy and Risk Management) introduced the report before the Select Committee which provided information regarding claims from third parties resulting from trips and falls on uneven pavements, as requested by the Select Committee at an earlier meeting. Members were advised that the Council had a statutory obligation to keep the pavements and roads in a good state of repair and that any damage or injury flowing from a failure to maintain them could result in a claim against the Council. It was noted that the number of claims and the associated costs had been cumulatively decreasing year on year since 2001. Alison Matheson advised that changes in the legal system in 2000 and the emergence of no win no fee claim firms had resulted in a marked increase in the number of claims made against the local Authority. This peaked in 2001 when 353 claims were received but the figures for the year ending March 2006 were an estimated £199,707 costs with 119 claims presented.

Referring to the claims handling process, Members were advised that all claims were handled by the Procurement and Risk Management Unit and were logged on to the local authority claims handling system software (LACHS). Members were then updated about the main reasons for repudiation including determination of the defect level as specified in case law and the system of highway and pavement inspection. With regard to benchmarking, it was noted that there was a need for accurate benchmarking to provide a true picture of the extent of claims and costs and to learn from best practice in other local authorities. Members noted that work was currently underway with other West London boroughs establish such a position.

Following a query regarding the Council's insurers, the Director of Finance and Corporate Resources explained that whilst the Council

paid an annual insurance premium the majority of costs were met through the Council's own funds. It was noted that the £1.2m insurance premium paid to Zurich Municipal constituted a significant yet important risk payment in the event of substantial claims made against the Council, including personal injury cases which could result in significant costs against the Council. Commenting on periodical pavement inspection, Councillor Farrell stressed the need to ensure that entire roads were inspected following a complaint or report of an incident. Councillor Nerva queried the accuracy of the data which had been published in the national press in recent months. Both Richard Walsh (Insurance Manager) and the Director of Finance and Corporate Resources confirmed that the information included in the press report was totally inaccurate and misleading about the situation in Brent and London-wide. Richard Walsh confirmed that the investment in pavement renewal by TFL and local authorities across London had contributed to the reduction in claims in recent years. The reduction in the availability of after the event insurance and of no win no fee operation had also impacted on the figures.

RESOLVED:-

- (i) that the Performance and Finance Select Committee note the report and the proposals put forward in the report; and
- (ii) that officers in the Transportation Unit be asked to undertake Whole Street monitoring once a complaint is received from a member of the public in an effort to reduce liability.

9. Risk Management Update

Alison Matheson (Head of Procurement, Strategy and Risk Management) introduced the report before the Select Committee which outlined progress made in implementing the proprietary risk management software, which had been purchased by the Council. The report also detailed senior officer and member training and set out the next steps required to further embed risk management across the Council. Members were advised that significant progress continued to be made in furthering best practice risk management across the Council. It was noted that following the purchasing and installation of proprietary software, further training was necessary particularly with regard to the scoring model and consequently ongoing training would continue.

It was proposed that a regular review of the top strategic risks would take place by both the Corporate Management Team and the Performance and Finance Select Committee in order to contribute to adequate monitoring of the risks associated with corporate business, strategic objectives and planning. Consequently the top strategic risks would be reported to the Select Committee twice a year. The Procurement and Risk Management Team would also review

procedures and provide guidance related to the consideration of risk linked major policy decisions, major projects and service development planning. It was noted that progress of this work would be reported back to the Select Committee. Alison Matheson stressed the need to ensure that staff were adequately trained to use the software effectively and acknowledged the need to remove the title "Business Units" from the document with immediate effect.

RESOLVED:-

that the Risk Management update report be noted.

10. **CPA – Corporate Assessment/HR Update**

Phil Newby (Director, Policy and Regeneration Unit) verbally updated the Select Committee with regard to the recent Corporate Assessment. Members were advised that a draft report had been received from the Audit Commission and responded to by officers. It was noted that whilst the assessment had generally been very good some objections had been raised particularly with regard to some uncertainty around interpretation and the use of language within the report. Members were advised that a further meeting would take place with the Audit Commission the following week and thereafter the CPA report would be published on 11th April 2006, despite attempts by the Council to defer publication of the report until after the local elections.

RESOLVED:-

that the verbal update be noted.

11. **Comparison Report**

Cathy Tyson (Assistant Director, Policy) introduced the annual comparison performance report before the Select Committee, which provided performance indicator comparisons with other boroughs for the period 2004 to 2005. Members were advised that the data had not been made available until January 2006 and was therefore rather dated. Members noted that the report compared performance across London but particularly with neighbouring boroughs such as Barnet, Ealing and Haringey. Whilst there remained room for improvement, overall the picture was very encouraging and the Council was managing to move performance indicators into the higher range.

The Chair referred to discrepancies in performance indicators and comparisons with other local authorities and queried what action was being taken by the service areas to address problem issues. Ms Tyson confirmed that the service areas were expected to respond to issues where there were significant discrepancies in data or service delivery failures apparent so that appropriate action was taken where necessary. In addition to ongoing monitoring by the Performance and

Finance Select Committee quarterly meetings of the high level monitoring group took place to ensure that performance management action was undertaken. In addition, task group investigations could be undertaken to assess problem areas. Members were advised that this report would be considered by the Executive in the near future and was now publicly available. It was noted that whilst some of the data contained in the report presented a damning picture on a number of key issues, it was important to remember that some data dated very quickly and that significant improvements had in fact been made by the Council over the course of the year. Consequently, the Council's achievements had to be publicised.

Referring to the report, Councillor Farrell expressed concerns regarding the amount of money spent on rubbish collection. The Director of Finance and Corporate Resources explained that this figure was particularly peculiar and inaccurate. He confirmed that he would provide Members of the Select Committee with particular information and data concerning the amount of money spent on rubbish collection in order to clarify the figures further. It was noted that the majority of figures contained in the document were accurate.

RESOLVED:-

that the report be noted.

12. **Vital Signs –Quarter 3**

Members of the Forward Plan Select Committee considered the Vital Signs (Quarter 3) performance digest which provided quarterly information on key performance indicators across the Council. This information had been considered by the Executive at its meeting on 13th March 2006. It was noted that since this was the last meeting of the Select Committee for the municipal year, it would not be necessary to identify topics for further consideration. Consequently the Vital Signs document would be reviewed in light of a number of factors including the corporate assessment and the yet to be developed corporate strategy. At this point the Chair thanked the Lead Members for including comments in the document.

RESOLVED:-

that the Vital Signs – Quarter 3 Performance Digest be noted.

13. **Performance Task Group – Final Report**

Kevin Quigley (Policy and Performance Officer) referred to the time limited investigations that had been undertaken by the Performance Management Task Group and commented on production of the final task group report which was before Members of the Select Committee for consideration. He then outlined the recommendations contained in

the final report concerning national and locally set performance indicators, complaint handling, general service improvement and the provision of information for Ward Councillors on service issues. Members were advised that the final report would be considered by the Executive on 10th April 2006. At this point the Chair thanked officers and Members for their contributions to the task group investigations and welcomed the Executive's response in due course.

RESOLVED:-

- (i) that the final report of the Performance Management Task Group be noted;
- (ii) that the recommendations contained in the Performance Management Task Group final report be endorsed;
- (iii) that officers and Members be thanked for their contribution to the time limited investigations.

14. **Annual Work Programme 2005/06**

RESOLVED:-

that the Annual Work Programme (2005/2006) be noted

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

There were none.

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

There were none.

17. **Date of Next Meeting**

RESOLVED:-

that the date of the next meeting of the Performance and Finance Select Committee be confirmed after the Annual Meeting in May 2006.

18. **Any Other Urgent Business**

At this point the Chair, Councillor Nerva, thanked all officers for their work and commitment during the municipal year. Councillor Crane then extended his thanks to Councillor Nerva for chairing meetings of the Select Committee during the 2005/2006 municipal year.

The meeting ended at 10.20 pm

N NERVA
Chair

Mins0506/scrutiny/Perf&Fin21Mar06