

MINUTES OF THE PERFORMANCE AND FINANCE SELECT COMMITTEE
Tuesday, 12th June 2007 at 7.30 pm

PRESENT: Councillor Dunn (Chair), Councillor Detre (Vice Chair [part]) and Councillors Butt, Jones and Mendoza.

Apologies for absence were received from Councillor Bessong.

1. Declarations of Personal and Prejudicial Interests

None declared.

2. Deputations

None.

3. Minutes of the Previous Meeting – 11th April 2007

RESOLVED:-

that the minutes of the previous meeting held on 11th April 2007 be received and approved as an accurate record.

4. Matters Arising

None.

5. Effects of Primary Care Trust Turnaround Plan on the Local Area Agreement

Phil Newby (Director, Policy and Regeneration) introduced the report, stressing the importance of reaching Local Area (LAA) targets in order to claim the full performance reward grant. He advised Members that where substantial savings had been proposed, there were concerns that not only could these jeopardise prospects of reaching various stretch targets, but also that some services would cease to be available. The main areas of concern were teenage pregnancy rates and smoking cessation, which was an LAA stretch target.

The Chair agreed to additional papers from Brent teaching Primary Care Trust (tPCT) updating Members on the Turnaround Plan and Phil Church (Director, Turnaround) advised the Select Committee that there had been a number of changes to the savings plan detailed in the main report.

Members then studied the report and the additional papers that were circulated at the meeting. The Chair raised a number of queries and issues, beginning by seeking clarification of the current level of tPCT deficit. Commenting on the findings of the Teenage Pregnancy

National Support Team which had shown that teenage pregnancies in Brent were above the national average, the Chair sought views on the possible impact that tPCT cuts C24 and C27 might have on the LAA objective of reducing teenage pregnancies. He then sought opinion on tPCT cuts C31 and C45 and their possible effects on the smoking cessation target, commenting on the difficulties in determining the number of those stopping smoking. The Chair also asked what specific measures were being undertaken to target smoking behaviour and he enquired what other PCTs were doing in relation to this.

In response to the issues raised by the Chair, Members heard that the actual deficit as of 1st April 2007 was approximately £42 million, due to there being cost pressures in the region of £17 million for 2007/2008. Bashir Arif (Director of Integrated Health Services, Brent tPCT) advised Members that in relation to tPCT cuts C24 and C27, the reduction in spending had been modified to around 16% as opposed to the 50% mentioned in the report. He stated that the cuts to the service included the loss of 7 part time nurses and 1 full time nurse and he confirmed that the Public Health Practitioner role would be retained. Bashir Arif asserted that there were a number of other non tPCT services that targeted the issue of teenage pregnancies. Bashir Arif advised the Select Committee that in relation to cut A28, recruitment for the sexual education post was continuing as no suitable applicant had been identified and it was hoped that the position would be filled before the end of this year. In respect of cut A39, he stressed that although the number of centres offering contraceptive services was being reduced, this would not mean a reduction in this service or the number of clinical places on offer and the emphasis would be to concentrate services at larger centres. Simon Bowen (Deputy Director of Public Health, Brent tPCT) added that focusing on young people would mean an improvement to services in this area and GPs also provided a contraceptive service.

Turning to cuts that could impact upon the cessation of smoking target, Phil Church advised Members that C45 was the larger cut. This cut had been identified as it was felt that the previous scheme, which concentrated on community advisers, primarily pharmacists, registering people to take preventative action on their smoking habits, was not a prudent use of funds and therefore this scheme had been withdrawn. Members heard that it would be replaced by a more focused scheme in 2008/2009 and that GPs would be involved in this. In the meantime, the Smoking Cessation Team would be reduced from 4 to 3, whilst the £700,000 to be spent on this year for 2007/2008 represented a reduction of £200,000. It was anticipated that there would be an increase in the number of those stopping smoking when the smoking ban comes into force on 1st July 2007. Phil Church stated that people who wished to stop smoking would continue to be supported and he felt that the LAA targets would be met, however the main difficulty was gathering data to support this.

Bashir Arif commented that the previous scheme involving pharmacists as community advisors had not adequately focused on the individual. He stated that as most residents were registered with GPs and details of whether they were smokers would be known, it made practical sense that GPs play a major role, both by advising and taking patients through the stopping smoking process, in the smoking cessation programme. In addition, GPs would focus on the individual and offer a more effective service than that which could be offered by pharmacists. Bashir Arif explained that the performance management aspect of the GPs' contract would ensure that they were delivering the quality of service they were required to undertake.

Simon Bowen advised the Select Committee that funding would continue to support both the 4 week and 13 week smoking cessation programmes. Other activities to support cessation of smoking included work undertaken by the Tobacco Control Group who would be supporting organisations once the smoking ban was implemented. GPs would make specific records of patients who smoked and could make the necessary referrals. Simon Bowen stated that other PCTs would also be focusing on the smoking ban to support cessation of smoking. He acknowledged that the savings would have some impact on cessation of smoking, but assured Members that every effort would be made to achieve the stretch targets which he believed would be met.

Councillor Mendoza enquired what specific measures would be taken to ensure targets were reached in view of the savings. In response, Simon Bowen advised the Select Committee that the details of the programme and the costs were in the process of being drawn up. Members heard that a meeting with the Smoking Cessation Group was taking place the next day to consider plans and discussions were taking place with GPs to determine their targets. Simon Bowen concurred with Phil Church's comments that recording whether targets had been met would be an issue.

In respect of PCT cut C36, Councillor Jones enquired whether other NHS Trusts would accept supporting child psychology provision and she asked whether Children's Centres would facilitate in reaching targets. She also sought views on the working partnership between the tPCT and the Council.

In reply, Phil Church advised Members that whilst the supply of child psychology provision was not a concern, the issue of the source of funding was under discussion and the Select Committee heard that Children's Centres helped in reaching targets. With regard to the partnership, Phil Church commented that initially there had been a lack of dialogue, however since February 2007 there had been improved communication between the tPCT and the Council and regular meetings were taking place. He commented that there were issues where discussions were still ongoing, such as the provision of nursing.

Phil Newby added that the tPCT and the Council were working together on a number of different levels, citing the Joint Health Strategy as an example. He acknowledged that there were areas where there were differences of opinion concerning the best way forward, however discussions on these were continuing. Simon Bowen commented that the partnership with regard to the Health Impact Assessments had improved considerably since the first assessment. He also felt that the other cuts listed in the report would have no or minimal impact upon the services they related to because of the minor scale of the changes proposed.

Phil Newby stated that the indicators that could be affected by the PCT cuts would continue to be closely monitored as part of the LAA updates to the Select Committee and that Members may wish to discuss this item at a future meeting.

The Chair commented that it was inevitable that a number of difficulties would arise where there had been transferring of funding responsibilities to the Council, particularly as it was not a wealthy authority and he acknowledged that this was an ongoing issue.

RESOLVED:-

- (i) that the anticipated effects of PCT budget cuts on the performance in the LAA be noted; and
- (ii) that the information provided in the report be used by the Select Committee to inform further debate on the effect of PCT cuts on the Council.

6. Factors Influencing Procurement in Brent

Duncan McLeod (Director, Finance & Corporate Resources) introduced the report, stating that the overall procurement framework for contracts was set out in Contract Standing Orders and supplemented by the Contract Procurement and Management Guidelines which had been developed to ensure procurement complied with domestic and European legislation, the Council's Standing Orders and the Council's wider service objectives. Duncan McLeod commented that because of the Council's tendency to adopt risk aversion strategies and the financial standing of bidders, larger organisations were often preferred during the procurement process. However, efforts were being made to assist smaller organisations, although the national political environment continued to favour large organisations. Duncan McLeod advised that a new strategy was being drafted which would be brought before this Committee at a future meeting. He then drew Members' attention to the Contract Procurement and Management Guidelines, the legal framework, standing orders and details of large value contracts as set out in the report.

Margaret Read (Head, Revenue and Benefits Service) then presented the part of the report detailing Revenue and Benefits contracts. Margaret Read explained that the contractor market in the Revenue and Benefits service began to grow from the mid 1990s, following the Council's decision to outsource the service to EDS in 1995 for an 8 year period. During this contract, performance initially improved and service delivery methods were modernised through new IT systems. However, the delayed implementation of the new IT system led to a number of backlogs arising and performance plateaued from 1999. Concurrently, the Revenue and Benefits market had experienced problems for a number of contracts and EDS's interest in the contract diminished following its' decision not to bid for contracts with any Revenue and Benefits contracts in 1998. Following a best value review of the Revenue and Benefits Service in 2001, it was decided to bring Benefits, Cashiers and Customer Services in house and to re-tender Revenues and IT services because of their suitability for outsourcing and the mature market that had developed in this area. Following the tender process, the contract was awarded on a 5 year basis to Capita in 2003, who had since delivered year on year improvements for Council Tax and National Non Domestic Rates (NNDR) collection. The Executive subsequently extended the contract for a further 3 years on 9th October 2006, the value of will save the Council £200,000. Members heard that the processes involved in tendering meant it was inherently an expensive exercise.

Margaret Read stated that planning for the future provision of the service would begin in 2009 with consideration given as to whether to re-tender or change service provision arrangements from May 2011. Margaret Read advised Members that any change to IT provision could present significant risks to the Benefits Service and this issue would also need to be considered from 2009. Members noted that there no London boroughs where Benefits Service and IT provision was shared between local authorities. Margaret Read stated that only 7 London boroughs, and 24 local authorities nationally, had outsourced their Council Tax services and this was a limiting factor in developing the revenue market. Members noted that Capita and Liberta were the main market providers. Margaret Read drew Members' attention to Appendix D in the report and commented that it was not possible to distinguish whether providing an in-house service or outsourcing yielded better revenue collection rates.

During Members' discussion, the Chair, in referring to the performance of London boroughs in Appendix C, enquired whether there was a direct correlation between revenue collection and population turnover. The Chair sought comments on the risk of short term costs in selecting smaller suppliers in the procurement process. He asked whether the West London Alliance of local authorities had contemplated a joint approach in provision of some of the larger service areas. The Chair commented that smaller companies would not have manuals that would be able to address the large number of regulations to undertake,

for example, Brent Housing Partnership repairs. The Chair also enquired whether procurement issues could be referred to the Executive.

In reply to the issues raised by the Chair, Margaret Read confirmed that boroughs with high population turnovers, such as Brent and Lambeth, had performed worse than boroughs with smaller turnovers and she added that the relative wealth of residents was also a factor. Duncan McLeod stated that local authorities tended to take political factors into account when additional short term costs were being considered, however it was hoped an 'invest to save' culture would develop a better long term future. Furthermore, the market and methodology of procurement was changing with the emergence of shared services, centres of excellence and e-tendering. Duncan McLeod advised Members that the West London Alliance was considering a joint approach for a number of service areas, although there were practical obstacles in terms of revenue collection as existing contracts expired at different times between the boroughs. In the long term, a joint IT support service for Children and Families amongst the West London Alliance local authorities was being considered. Duncan McLeod advised the Select Committee that the Procurement Strategy would be brought before the Executive when it was revised and he added that this report could be included as a background document.

Councillor Detre enquired where the tendering was advertised, commenting that some potential contractors were dissuaded by the cost of the tendering process and he enquired whether the Office of Government Commerce (OGC) framework ensured such companies were not being excluded.

In reply, Margaret Read advised Members that EU regulations required the Council to advertise tenders European-wide. Members were advised that the OGC framework was commonly used in the tendering of IT services although it was not appropriate for revenue collection. Duncan McLeod commented that some Government departments were creating their own tendering framework.

Councillor Jones commented that smaller companies often had problems fulfilling health and safety criteria and she enquired whether this applied to Brent. Members were advised that any contract involved adherence to comprehensive regulations as set by the Council's Health Safety and Licensing department.

RESOLVED:-

that the report on Factors Influencing Procurement in Brent be noted.

7. **Property Asset Disposals 2006/2007**

Richard Barrett (Head of Property and Asset Management) introduced the report, advising Members that the threshold levels for utilisation of officer delegation had risen to £50,000 for property asset transactions and £150,000 for disposals, following agreement by Council in May 2006. Members heard that a target of £12 million capital receipts between financial years 2006/2007 to 2010/2011 had been set as part of the overall rolling Capital Programme. Richard Barrett advised the Select Committee that a formal review procedure was in place to ensure that assets were not disposed of where they may be required for another Council use.

Councillor Detre enquired whether it was policy to sell landed property for a specific purpose, such as to provide access or to allow a development, commenting that property and land was a valuable asset that the Council would be best served in retaining under any other circumstances. He requested that this issue be discussed at a future meeting in order to consider whether the policy for disposals needed to be revised. Councillor Detre also enquired whether all payments had been received in respect of the sale of the John Billam Hall.

In reply, Richard Barrett advised the Select Committee that the Council owned a relatively small number of properties and the Government encouraged local authorities to dispose of surplus properties. The Council's policy was to sell property where there was a compelling need to do so and the Capital Programme would be used to support other initiatives. Members noted that all the required payments had been received in respect of the sale of John Billam Hall.

Councillor Jones, in noting the threshold for property assets and disposals, asked if this took into account the high property inflation that existed. She enquired whether developers were informed of properties the Council was seeking to dispose of and of what other publicity the Council undertook to encourage interest in property that was for sale. Councillor Jones also enquired why the loft of 9B Riffel Road was sold as detailed in Appendix 1 of the report.

In response, Richard Barrett advised Members that the thresholds for property asset transactions and disposals was set following a comprehensive review of disposals and took into account property inflation levels. He advised that Full Council, as part of the annual review of the Constitution had recently amended these Delegated levels. Members heard that the Planning Service maintained good contacts with Property and Asset Management and that potential developers would be made aware of property that was for sale. Richard Barrett stated that Council property was sometimes auctioned, whilst land sales were publicised through the local press, notices placed on the land and notification distributed to those on a mailing list of potentially interested parties. Larger sites would be advertised

nationally. In addition, potential developers sometimes approached the Council directly to enquire what properties were for sale. With regard to the sale of the loft at 9B Riffel Road, Richard Barrett informed Members that this was an enfranchisement case whereby the Council would be compelled by legislation to transfer the remainder of the premises to the long lease-holder. Richard Barrett agreed to investigate the terms of the rent review in respect of Neasden Library and report back to Councillor Jones.

The Chair commented on the sale of Willesden Scout Hut, a non-Council owned site and the subsequent sale by the buyer at an auction for a significantly higher price. He hoped that appropriate steps were taken to ensure the Council received the proper market value for properties sold and was assured this was the case.

RESOVLED:-

- (i) that the schedule of disposals attached as Appendix I in the report detailing transactions for the financial year 2006/2007 be noted;
- (ii) that the schedule of disposals agreed by Full Council for 2007/2008 and beyond as detailed in Appendix 2 be noted; and
- (iii) that the schedule of all transactions completed under delegated powers as detailed in Appendix 3 be noted.

8. Performance & Finance Select Committee Work Programme

Members agreed that a short task group to investigate the new Waste Management Contract be set up, membership of which would be confirmed at a later date, concentrating on performance in street cleaning, refuse collection and recycling. Jo Mercer (Policy and Performance Officer, Service Improvement, Policy and Regeneration) advised the Select Committee that the report on the Waste Management Contract that was due to considered at a future meeting of the Select Committee would include details of performance in the areas specified by the task group.

9. Items Requested onto the Overview and Scrutiny Agenda

None

10. Recommendations from the Executive to be considered by the Performance & Finance Select Committee

None

11. Date of Next Meeting

It was noted that the next meeting was scheduled for Wednesday, 25th July 2007 at 7.30 pm.

12. Any Other Urgent Business

With the agreement of the Chair, Marianne Locke (Assistant Director, Arts & Learning, Environment & Culture) gave a presentation on the Culture Block in relation to the Comprehensive Performance Assessment (CPA) 2007/2008 and circulated additional papers. Marianne Locke advised the Select Committee that the CPA Culture Block consisted of 18 indicators which mainly concerned libraries and sports provision, particularly for young persons. Whilst the Cultural Services Inspection had provided good scores, these would not contribute towards the 2007/2008 CPA score. Marianne Locke referred to the additional papers circulated which showed the criteria for Culture Block scores and the scores of the 2006 CPA score indicators and she confirmed the current overall Culture Block CPA score rating of 2 stars. Members heard that the Cultural Indicators that were in the lower threshold scores included:-

- C4 – Active borrows as a percentage of the population
- C5 – BV119a Resident satisfaction with sports and leisure facilities
- C7 – BV119c Resident satisfaction with museums and galleries
- C8 – BV119d Resident satisfaction with theatres and concert halls

Marianne Locke explained that the openings of Willesden Sports Centre and Brent Museum had happened too late to influence the current CPA score. Members heard that half of the indicators concerned libraries and Marianne Locke outlined the measures required to achieve a CPA score of 3. She added that Members could assist by encouraging their constituents to make more use of libraries, whilst Council staff would be similarly encouraged. It was noted that resident satisfaction in theatres/concert halls and museums/galleries was a particular problem for London boroughs. In the meantime, the Audit Commission's consultation on the Culture Block assessment was ongoing and it was not expected that the assessment criteria would be finalised until July 2007. Marianne Locke advised the Select Committee that the Council and other London boroughs were lobbying the Audit Commission to change the assessment criteria, whilst the Council had service delivery plans in place for vulnerable performance indicators (PIs), and where possible, these indicators were monitored monthly.

During Members' discussion, Councillor Jones enquired whether the temporary closure of Willesden Green Library had affected library borrowing figures and whether there had been an increase in young library visitors. She also sought confirmation on what sports centres were officially credited, and in acknowledging the improvement in data

collection methodology, sought further clarification that only some PIs could be monitored monthly. Councillor Jones suggested that the Clerk of the Governing Bodies for Schools be contacted to promote sports activities for schools.

In reply, Marianne Locke confirmed that the temporary closure to Willesden Green Library had not significantly affected borrowing figures, whilst there had been a considerable increase in borrowing library items from young visitors and Ealing Road library had experienced a 21% increase in borrowing by children. Marianne Locke advised Members that some PIs could only be monitored annually because of the practical difficulties in compiling figures, such as PI C16 - percentage of young people doing 2 hours quality physical education and sport per week. Sue Harper (Assistant Director, Leisure and Registration, Environment & Culture) advised the Select Committee that schools would be approached with regard to increasing participation in sports and physical exercise activities and that Vale Farm and Charteris sports centres were both officially accredited.

Councillor Mendoza enquired what views were sought from residents with regard to PIs C7 and C8. He also enquired about comparisons in borrowing figures between each of the libraries and asked whether re-locating libraries to increase borrowing was being considered.

In response, Marianne Locke advised Members that for PIs C7 and C8, residents were asked if they were happy with the level of service provided by museums, galleries, theatres and concert halls. Members heard that there was some variation in borrowing figures amongst libraries, with Willesden Green Library recording the highest numbers and Kensal Rise library the lowest. Marianne Locke advised the Select Committee that the Library Strategy being drafted would be considering the location of libraries and it was possible that re-locating some libraries would be made long term objectives. Phil Newby advised Members that the latest PI scores showed that outer London boroughs trailed inner London boroughs by 19% with regard to resident satisfaction with museum and galleries provision.

The Chair enquired whether the Audit Commission had shown signs of responding positively to London boroughs representations with regard to the Culture Block assessment. The Chair also asked whether Wembley Stadium and Wembley Arena had been promoted to residents in order to boost PI indicators.

In response, Marianne Locke stated that despite ongoing dialogue with the Audit Commission and the Department for Culture, Media and Sport, there were as yet no signs that the Culture Block assessment would be revised to take into the account concerns raised by London boroughs. Members heard that although Wembley Stadium and Wembley Arena were promoted, there was not an especially positive response from local residents, possibly because these facilities were

perceived as national, as opposed to local, significance. Marianne Locke added that Brent Museum was the most frequently visited community museum of all London boroughs.

The meeting ended at 9.30 pm

A DUNN
Chair