

MINUTES OF THE PERFORMANCE AND FINANCE SELECT COMMITTEE
Wednesday, 25th July 2007 at 7.30 pm

PRESENT: Councillor Dunn (Chair), Councillor Detre (Vice Chair) and Councillors Butt, C J Patel (alternate for Councillor Bessong), J Long (alternate for Councillor Jones), Moher and Pagnamenta.

Apologies for absence were received from Councillors Bessong, Butt, Jones and Mendoza.

1. Declarations of Personal and Prejudicial Interests

None declared at this stage.

2. Deputations

None.

3. Minutes of the Previous Meeting – 12th June 2007

RESOLVED:-

that the minutes of the previous meeting held on 12th June 2007 be received and approved as an accurate record.

4. Matters Arising

None.

5. Revenue and Benefits Performance

Councillor J Long declared a personal interest on this item as a Member of Brent Housing Partnership. However she did not consider this to be a prejudicial interest and remained present to discuss and vote on this item.

David Oates (Head of Benefits, Revenue and Benefits) introduced the section of the report detailing the Benefits performance. He drew Members' attention to some of the performance figures, starting with new claims performance (Performance Measure [PM]1) which achieved 29.53 days for June 2007, and overall was 30.10 days for this year to date against a yearly target of 30 days. Members noted the improvement in performance of the final quarter of last year which was 33.22 days. David Oates advised Members that due to significant budget pressures next year, it was possible that this area would need to be prioritised over others to ensure that Local Area Agreement (LAA) targets were met. David Oates continued that only 3.36% of outstanding work was over 50 days old (PM2), whilst Change in Circumstances (CICs) processing times (PM5) was significantly ahead

of target at 10.35 days for June 2007, and 10.32 days for quarter one of this year, against a year target of 19 days. A new measure, the number of reductions in benefit identified and calculated (PM10) had so far yielded 26% as of the end of June 2007 of the overall target required to achieve a Comprehensive Performance Assessment (CPA) rating of 4 stars and was forecast to achieve a 3 star CPA rating for this year. David Oates stated that April 2007 performance had achieved above average figures due to the number of CICs and he added that this area was likely to experience diminishing returns as the higher value cases that were targeted initially were completed.

David Oates drew Members' attention to performance on internal considerations (or internal appeals PM17), where there had been a backlog, which although now cleared was considered the lowest work priority area. Meanwhile, appeals PM18 (submission within 4 weeks) was on target and PM19 which was slightly off target. Performance in terms of complaints and appeals overall remained on target, with the exception of the percentage of appeals sent to the Appeals Service within 3 months of receipt (PM19). As a result of the solid performance in this area, emphasis was to be placed on addressing qualitative aspects of complaints, in particular in developing more robust mechanisms to assist in implementing corrective actions to complaints. David Oates then referred to the age profile of outstanding work, which had significantly decreased in June, whilst overall 86% of cases were less than 2 months old. The Select Committee was advised that overpayments recovery was slightly ahead of target as of end of June 2007. Members noted that the ongoing Trainee programme had helped to provide stability to the workforce.

Members were then invited to discuss Benefits performance. Councillor Detre enquired why there had been the need to recruit 4 extra agency staff and requested that the total number of agency staff be included in future reports. He also sought clarification on the reasons as to why over half of the appeals as reported under PM18 were more than 4 weeks old and approximately 30% more than 3 months old.

Councillor J Long suggested that rent payments were not being paid as promptly as before and that PM1 and PM5 did not include figures for social tenants. She asked what other PMs the CPA and LAA was likely to impact upon and what publicity would be given to the future change in the setting of local housing rates. Councillor J Long also sought details on IT software changes.

In reply, David Oates advised the Select Committee that it was necessary to retain agency staff in order to provide sufficient time to train new permanent staff, however agency staff had already been reduced from 26 to 14, with 4 recruited to assist specifically with postal reviews for PM10 during the 2nd quarter of 2007/2008. Members noted that approximately 30 new permanent staff had been recruited and that

it took about a year for them to be fully trained and to be able to perform at the necessary level. David Oates added that a further 10 permanent staff were due to start in September 2007 and that the number of temporary staff would feature in future reports. With regard to PM18, David Oates explained that clearing of the small remaining backlog of cases continued, especially in relation to overpayments, inevitably this would reveal some appeals cases and he commented that the actual numbers involved was relatively small.

Turning to rent payments, David Oates advised Members that a more robust verification system was in place, however he had not seen any evidence to suggest that claims were being unduly delayed, adding that a backlog had been cleared. He stated that a larger percentage of claims were now receiving the correct payments. It was unclear as to what specific impacts the CPA and LAA would have on the service, however David Oates commented that certain areas could be challenged on a resource level if some types of claims were prioritised in order to reach CPA and LAA targets. Meanwhile, a publicity plan was being developed with regard to changes in local housing rates and a presentation on this issue would be made at a meeting of the Private Sector Housing Specialist User Consultative Forum in September 2007. David Oates confirmed that a new software package incorporating minor software changes was to be introduced in January 2008 which had already been extensively tested by other local authorities.

The Chair welcomed the efforts made in submitting performance fund bids on time and the stabilisation of the workforce which he expected would contribute to improvements in performance.

Paula Buckley (Head of Client Team, Revenue and Benefits) introduced the part of the report detailing Revenues Performance. Paula Buckley confirmed that the Council had improved from a ranking of 31st out of 33 in 2005/2006 to 27th in 2006/2007 of London boroughs for Revenue Collection performance. In addition, the collection rate of 93.2% for 2006/2007 was the highest ever achieved by Brent. Council Tax collection in 2007/2008 had reached end of July 2007 targets by 20th July, and the overall target set for the year was 94.5%. Paula Buckley drew Members' attention to monthly collection profile, stressing that although this year was 2.73% ahead compared to the same time the previous year, a direct comparison could not be made as the reduction from 12 to 10 Direct Debit instalments had increased the amount of money to be collected between April 2007 and January 2008. Members heard that the collection strategy would continue to include efforts to increase Council Tax collection by Direct Debit, whilst also focusing on increasing take up of Council Tax Benefit. Meanwhile, publicity campaigns were underway to raise awareness of the need to pay Council Tax promptly, including posters situated at London Underground tube stations.

Paula Buckley then turned to Council Tax collection performance this year for previous years. Members heard that for 2006/2007, a collection rate of 94.43% as of end of June 2007 had been achieved and it was expected that the target of 96.25% would be met at the end of the year. However it was anticipated that the collection target of 96.5% for 2005/2006 would not be met by the end of the year, although the current indicators suggested that a collection rate of 96% would be achieved by end of March 2008, which would represent a 0.3% reduction in shortfall from the end of 2006/2007. Members also heard that the target of 97% by the end of the year for 2004/2005 was also unlikely to be met. With regard to National Non-Domestic Rates (NNDR) collection, Members heard that the amount to be collected for 2007/2008, before discounts or empty relief, was £97.97 million and collection as of end of June 2007 was 2.94% down on the monthly profile that had been set, although this had been affected by payments from Wembley Stadium with the first instalment not due until end of July 2008. In addition, the charge for Wembley Stadium had been raised to £4.562 million for this year.

Paula Buckley confirmed that the Improvement Plan would continue to focus on refining recovery processes so that those who had difficulty in paying were given options for more realistic repayment arrangements, whilst a robust approach would continue for those who would not pay. Paula Buckley drew Members' attention to charging orders, of which 21 had been obtained for properties, with 5 orders of sale in progress, whilst another 70 charging orders were in progress. Members heard that 1 order of sale had progressed to an eviction order which took place in July 2007, resulting in the entire debt of £11,400 of which £6,000 was costs related to the order of sale and eviction being paid.

The Chair welcomed the overall improvements in Revenues performance and suggested that some figures of those who refused to pay, such as the number of suspended prison sentences and bankruptcies, be publicised so that people were aware of how seriously the Council took this issue. He added that putting such information on bills could be an effective signal.

Councillor J Long enquired whether the e-billing referred to in the report was introduced to make budgetary savings. With regard to band reductions and pre-contract arrears collection, Councillor J Long queried whether there was any pattern with the types of property involved.

Councillor J Moher queried whether there would be any further increase to Wembley Stadium's NNDR contribution and enquired what proportion of the payment would go directly to the Council.

In reply to the issues raised by Members, Paula Buckley stated that the publishing of figures relating to action taken by the Council against non-payers was being considered and awareness of this issue was

being raised through notices on posters, the press and Brent Magazine. Paula Buckley advised the Select Committee that e-billing did offer budgetary saving opportunities and approximately 60 persons had requested this form of payment since it had been set up in February 2007. In addition, all Direct Debit payers had been offered billing through this method. Paula Buckley continued that efforts were ongoing to increase payment through Direct Debit as it was the most effective collection method and the requirement to provide proof of billing to progress recovery action meant that Direct Debit was the preferred payment method for those receiving e-bills. Customer Services were also being asked to promote Direct Debit payments. With regard to arrears and band reductions, Paula Buckley explained that the Council was examining the number of bands reduced and would undertake a review and it was expected that there would be more appeals in relation to these types of cases. Members heard that Wembley Stadium was likely to appeal the Valuation's office decision on their NNDR charge, however until and unless an appeal was successful, then the charge and payments required from Wembley Stadium would remain the same.

Duncan McLeod (Director, Finance & Corporate Resources) advised Members that NNDR income from Wembley Stadium was sent to a central pool and then an allocation of it was redistributed back to the Council. Under a local incentive scheme, the Council was due to receive a bonus this year and he anticipated the Council receiving approximately £2.5 million, although this would be a one-off payment. Members heard that the scheme was being reviewed.

RESOLVED:-

- (i) that the further reduction in outstanding work in the Benefits Section since the previous report to the Committee in April 2007 be noted;
- (ii) that the Benefit Service's current and projected "3" score for the 2008 CPA be noted;
- (iii) that the strong performance at the end of the first quarter against the main indicators below be noted:-
 - New claims (PM1) – 30.10 days to date (target 30 days).
 - Change in circumstances (PM5) – 10.32 days (target 19 days)
 - Benefit reductions (PM10) – 15% to date – on target for forecast CPA 3
- (iv) that the financial importance of achieving the LAA target for new applications in 2008/2009 and the potential future need to prioritise this work over others be prioritised; and

- (v) that the improvement in year Council Tax and NNDR collection in 2006/2007 and improvements to Brent Council's league table position in London be noted.

6. **The Council's Efficiency Strategy**

Peter Stachniewski (Deputy Director, Finance & Corporate Resources) introduced the report on the Council's Efficiency Strategy, an evolving strategy which was part of the Council's Medium Term Financial Strategy. Peter Stachniewski began by explaining the background history to the strategy, which was developed in 2005 following the publication of the Gershon Review in 2004. Although the existing achievements and strategy provided a sound basis on which to build on future efficiency savings, Members heard that further work was required to improve services in light of the pressure on resources due to the likelihood that Government grant and Council Tax rises would be below inflation over the next 3 years. Other factors that would increase pressure on resources included population growth, particularly amongst the elderly, health costs from the Brent teaching Primary Care Trust (tPCT) being transferred to the Council and rising waste disposal costs due to lack of landfill sites. Peter Stachniewski advised the Select Committee that although the Council's current financial position was secure, a challenging financial future lay ahead and the Medium Term Financial Strategy had identified the need of savings in the range of £9.2 million to £16.7 million in 2008/2009, in addition to the 2% service savings and the £1.5 million corporate efficiency target. Further savings would be required in subsequent years.

As a result of this challenge, Peter Stachniewski emphasised the need for the Council to deliver more for less and that the development of the Efficiency Strategy was crucial in enabling this to be achieved. Peter Stachniewski then referred to a number of projects that were developed to support the Efficiency Strategy, citing for example the Council's commitment to deliver improved service at lower costs through partnerships such as the West London Alliance of Local Authorities. It was also crucial that the partnership with the tPCT continued to develop as the longer term need to match services provided with resources available became increasingly important. Members heard that the Council was required to produce an Annual Efficiency Statement, which included both Forward Looking and Backward Looking Annual Efficiency Statements. The Forward Looking savings, as shown in Appendix B of report, included mainly those savings agreed as part of the 2007/2008 Budget report but excluded savings such as those achieved as a result of reduced levels of sickness. Therefore Members heard that the Forward Looking savings may underestimate the actual efficiency savings that could be made, especially in light of the efficiency gain achieved in Backward Looking Efficiency Statement of 2006/2007 as set out in Appendix C.

Peter Stachniewski referred Members to aspects of the Efficiency Strategy as set out in Appendix A of the report. He then invited Members to comment on report, and in particular offer suggestions as to how the Efficiency Strategy could be developed.

The Chair noted the pressures the Council faced on resources and commented on the increasing element of the Greater London Authority (GLA) on Council taxes and the rising cost of Freedom Passes, all of which represented significant costs. He asked whether the GLA's taxes were capped in a similar way to local authorities. The Chair also sought details as to how contributions could be made to the Efficiency Strategy.

In reply, Peter Stachniewski confirmed that the GLA faced the same capping limitation as those of local authorities. He explained that it was not the aim to devise a new Efficiency Strategy, but rather to continue to develop it and to consider how it fitted in with the overall Corporate Performance Framework. This would involve both individual strategies, such as service strategies, and overarching strategies such as the Community Strategy. Members heard that the Council faced difficult decisions which in some cases would mean consideration as to whether to close certain services. However, the main objective of the Council would be to provide a Performance Framework which would enable it to deliver more for less, as opposed to simply cutting or withdrawing altogether certain services.

Councillor J Moher commented that an identified efficiency could mean the loss of a service that residents had relied upon and cited the closing of the cashier service as an example. He expressed concern that criteria could be changed to justify cuts in particular areas or cause demand to be reduced for certain services. Councillor J Moher stressed the need to strike a balance between services provided and efficiency, mentioning that the issue of the new Civic Centre was one such item that needed further consideration and he requested that this be considered at a future meeting of the Select Committee. Councillor J Moher also suggested that there could be an update on the tPCT and Council's partnership.

In reply, Peter Stachniewski acknowledged that the partnership between the tPCT and the Council was an area worthy of further investigation, and that partnership services overall needed to be considered, especially as the Audit Commission was focusing on this area. With regard to the Civic Centre, Peter Stachniewski stated that efficiency was a key objective and he acknowledged that there were a number of issues that needed to be considered before a possible move to a new centre, including alternative ways of working, such as flexible working and working from home. He felt that the Civic Centre was an issue that could be brought back to this Committee. Duncan McLeod added that consideration could also be given to other buildings currently used by the Council. Duncan McLeod also advised Members

that as they had information on the efficiency performance of a number of service areas, they may wish to focus on those whose performance trailed other service areas.

Councillor Detre, in acknowledging that there were already savings identified, sought more details as to what the Efficiency Strategy aimed to do in addition. He enquired how increased customer satisfaction could be obtained and sought details as to the £2.059 million savings that had been made in the Backward Looking report for 2006/2007. Councillor Detre also enquired what the £1.1 million savings in agency staff represented in percentage terms.

In response, Peter Stachniewski advised Members that the Efficiency Strategy aimed to put more emphasis on efficiency within the Council overall and to encourage service areas to focus on this element. In addition, it was intended to shift emphasis on developing the Medium Term Financial Strategy, in light of the resource constraints that the Council would face in the next few years. Peter Stachniewski reiterated that it was intended to provide a framework which looked at all the various Council strategies in order to coordinate an overall direction in achieving greater efficiency. However, although efficiencies were to be made, it was important that objectives prioritised in the Corporate Strategy were not adversely affected. Peter Stachniewski confirmed that the £2.059 million saving was a one-off saving relating to an Arms Length Management Organisation programme, whilst the £1.1 million savings in agency staff represented approximately a 10% savings, mainly due to the reduction in processing costs.

Councillor J Long enquired if there was a timetable for strategies to be developed, such as the Library Strategy. She suggested that Lead Members should attend this Committee to answer questions from Members. Councillor J Long sought clarification concerning the savings identified this year in the Forward Looking report of the Annual Efficiency Statement.

In reply, Peter Stachniewski confirmed that the Annual Efficiency Statement incorporated savings that had been identified this year and that the next statement would report on savings made and what future savings had been identified. He acknowledged that it would be beneficial to invite Lead Members to meetings of this Committee, stating that it would help raise awareness of the need to consider the Efficiency Strategy. Timescales of various strategies could also be looked at. Members heard that the Efficiency Strategy aimed to highlight the factors that contributed to efficiency, as well as taking a more general view on the issue. Peter Stachniewski advised the Select Committee that it was not the intention to have a specific timescale in place for the Efficiency Strategy, but rather the aim was for the Strategy to provide a context to the Council's situation. Duncan McLeod added that there were individual timetables within the

Efficiency Programme, stating that there were capacity issues to consider when considering efficiency.

The Chair, in summing up, acknowledged that the Efficiency Strategy was core to the Council's Corporate Performance Framework and Corporate Strategy and suggested that it would be beneficial to invite the Lead Member for Corporate Resources to meetings of this Committee.

RESOLVED:-

that the forward looking Annual Efficiency Statement for 2007/2008 in Appendix B and the backward looking Annual Efficiency Statement for 2006/2007 in Appendix C be noted.

7. Vital Signs Performance Digest Quarter Four: January – March 2007

Cathy Tyson (Assistant Director, Policy – Policy & Regeneration) introduced the report that showed performance from the final quarter and overall performance for 2006/2007. Cathy Tyson began by highlighting some of the areas that had performed well, including:-

1. The proportion of domestic violence incidents which resulted in sanctioned detections;
2. The number of people from a Black and Minority Ethnic groups helped into employment;
3. Timeliness of reviews of looked after children;
4. Number of visits by young people for sport at Council owned facilities;
5. Active library borrowers as a percentage of the population;
6. Household waste collection in kilograms per head;
7. Council Tax collected;
8. Acceptable waiting times for assessment.

Cathy Tyson advised Members that robust action plans were being put in place where areas of concern had been identified, and these areas included:-

1. Complaints, both in terms of the number received and the speed of response;
2. The number of children excluded from Brent maintained schools;
3. The percentage of children who waited more than 6 weeks for a primary school place after registration;
4. The adoptions of children looked after. However, Members noted that this had not included those children cared for under the Kinship Scheme, which was expected to improve performance in this area over time;

5. Cleanliness – litter. Members heard that this area was improving and high level monitoring was in place to continue this trend.
6. Percentage of household waste arising which has been sent to the Local Authority for recycling and composting, although this was a very low drop in performance.

During Members' discussion of this item, Councillor Detre felt that some areas, such as prevention of smoking and domestic violence, were difficult for the Council to influence. Furthermore, he felt that the numbers involved in some performance indicators, such as the percentage of cases referred to tribunal service within 3 months, were so small that he questioned their significance. He suggested that the number of free school lunches could represent a useful performance indicator and felt that there should be more educational performance indicators overall. Councillor Detre requested that future reports separate performance indicators into those that were under Council control and those that the Council could only monitor.

Councillor J Moher queried why the Capital City Academy had not been included in the figures for the performance indicator for the number of pupils excluded from Brent maintained schools.

The Chair commented that the tPCT's previous strategy for prevention of smoking was not without flaws and he noted with interest what the impact might be following the adoption of the new strategy and the implementation of the Smoking Ban.

In reply to the points raised, Cathy Tyson agreed to investigate the reasons as to why the Capital City Academy was not included in the pupils excluded performance indicator. Cathy Tyson advised Members that domestic violence was included as an LAA stretch target following consultation with the police and community safety groups. She stated that the funds available for collecting evidence had proven invaluable in relation to prosecutions. Members heard that whilst there had been sufficient resources, the tPCT's actions to prevent smoking had been effective. However, under the new strategy, Phil Newby (Director, Policy & Regeneration) added that performance would be more problematic in measuring due to the difficulties involved in obtaining the necessary information from GPs.

RESOLVED:-

that the Council's performance against key performance indicators be noted

8. **Local Area Agreement Annual Performance Review 2006/2007**

Cathy Tyson provided Members with a summary of the LAA Annual Performance Review from the previous year, stating that performance overall had been encouraging. Cathy Tyson confirmed that good

performance indicators for 2006/2007 had included reduction in crime, which was 11% down from the previous year, domestic fires, benefits claims, young people in sport, extended services offered by schools and some areas of the voluntary sector. Members heard that the targeted efficiency savings had been exceeded. Areas which were improving included the number of abandoned vehicles, library satisfaction and cleanliness satisfaction and Cathy Tyson added that it was expected that the new Waste Management contract which commenced on April 2007 would impact positively on the latter. Members heard that special efforts would be made to improve areas where performance was lacking and it was hoped that all LAA stretch targets would be met for 2009/2010.

Members then sought clarification on a few issues raised in the report. Councillor Pagnamenta queried why there had been an apparent rise in street burglary. Councillor J Long sought information on the most effective way of reducing the recidivism rate for youth offenders, clarification with regard to the satisfaction of museums performance and whether fly tipping performance also included those reported on private land. Councillor J Long also commented that a number of schools were not participating in the December 2005 National Health Schools Standard. Councillor J Moher sought an explanation as to the performance drop in litter and graffiti.

In reply, Phil Newby advised the Select Committee that street burglary increases were being closely monitored and that the Crime Prevention Strategic Group had identified some crime hotspots which occurred at certain times, with seasonal and access issues often underlying factors. In addition, the release of ex-offenders or those who had moved from a neighbouring London borough could also contribute to this occurring. Research was being undertaken to see if there were any particular patterns emerging with regard to this type of crime and Phil Newby suggested that Members could invite Valerie Jones (Head of Community Safety, Policy & Regeneration) and the Borough Commander of Brent Police to a future meeting to respond to Members' queries and provide further information. Members heard that fly tipping only included incidences occurring on public land, whilst graffiti also included private land, with Phil Newby adding that sometimes reported graffiti was difficult to remove because of the inaccessibility of some locations in which it occurred, for example by railway lines.

Cathy Tyson acknowledged that there was a problem with incidences of graffiti, stating that there needed to be more action to both prevent and remove graffiti and that this area was undergoing high level monitoring. With regard to cleanliness and litter, Cathy Tyson advised Members that the performance figures related to the last quarter of the previous Waste Management contract. In addition, the criteria used in an independent survey had become stricter and other London boroughs were also experiencing this. However, Cathy Tyson stated

that overall resident satisfaction in this area had increased. Cathy Tyson confirmed that the December 2005 National Health Schools Standard target had been attained, although efforts would continue to be made to increase participation in the scheme. Members noted that the satisfaction in museums performance had been recorded prior to the opening of Brent Museum.

Cathy Tyson assured the Select Committee that information would continue to be collated and partner organisations chased to ensure that the performance in LAA targets was being recorded accurately, whilst performance and financial information would continue to be tracked.

The Chair suggested that LAA areas involving cleanliness and litter could be considered at the meeting of the Select Committee where the Waste Management contract was reviewed.

RESOLVED:-

that the LAA Annual Report and progress toward delivering the agreed local outcomes be noted.

9. Performance & Finance Select Committee Work Programme

The Chair stated that the Short Task Group on the Waste Management Contract would be investigating a number of key themes, including how the re-configuration of waste collection operated and how it would impact on recycling.

10. Items Requested onto the Overview and Scrutiny Agenda

None

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

None

12. Date of Next Meeting

It was noted that the next meeting was scheduled for Tuesday, 9th October 2007 at 7.30 pm.

13. Any Other Urgent Business

None

The meeting ended at 9.45 pm

A DUNN
Chair