

**MINUTES OF THE PERFORMANCE AND FINANCE SELECT COMMITTEE**  
**Thursday, 5<sup>th</sup> June 2008 at 7.30 pm**

PRESENT: Councillor Dunn (Chair), Councillor H B Patel (Vice Chair) and Councillors Ahmed, Bessong, Butt, Mendoza and Van Kalwala.

An apology for absence was received from Councillor Pagnamenta.

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

None declared.

**2. Deputations**

None.

**3. Minutes of the Previous Meeting – 11<sup>th</sup> March 2008**

RESOLVED:-

that the minutes of the previous meeting held on 11<sup>th</sup> March 2008 be received and approved as an accurate record.

**4. Matters Arising**

*Select Committee Membership Changes*

The Chair formally welcomed Councillors Ahmed and H B Patel onto the Select Committee and thanked the contributions made by the Members they had replaced, Councillors J Moher and Detre.

**5. Revenues Performance**

Margaret Read (Head of Revenue and Benefits) introduced the report, stating that performance for 2007/2008 had focused on keeping up to date with in year collection. This had been supported by a number of measures, such as increasing the number of payments by direct debit and a range of recovery actions available depending on whether customers had difficulty in paying, where a flexible approach had been taken, or a more robust approach taken against those who were refusing to pay. Margaret Read confirmed that collection rates for 2007/2008 were at their highest ever at 95.37%, against a target of 94.5%, and the nationally calculated collection rate, net of costs, was 94.59%, which represented an increase of 1.39%, far exceeding the 0.49% average improvement across London boroughs. Although official figures were not yet available, unofficial benchmarking figures suggested Brent could move into the 3<sup>rd</sup> quartile of the London boroughs performance table, up 3 places from 27<sup>th</sup> to 24<sup>th</sup> out of 33. Improvements had also been registered for Council Tax arrears

collection, however targets for each year had not been met for a variety of reasons.

However, Margaret Read felt that the Council was moving in the right direction to recover arrears and the collection strategy for 2008/2009 would continue to focus on more robust action on those who wilfully refused to pay, whilst taking a pragmatic and more flexible approach to those who struggled to pay. More use would also be made of demographic information to help target arrears collection and Margaret Read drew Members' attention to the figures produced by an analysis of closed Council Tax accounts where summonses had been issued. A target of 95% (net of summons costs recovered) for in-year collection for 2008/2009 had been set, which would be a 0.41% improvement on the figure achieved for 2007/2008. A collection rate of 15.14% for April 2008 was 1.05% above the profile target and this was attributed to a 3.3% increase in those paying by direct debit. Members noted that Revenue and Benefits and the One Shop Stop Service were jointly working to identify and reduce avoidable customer contact and to allow more cost effective ways of customers making contact. Revenue and Benefits were also to focus on the removal of exemptions and discounts where customer entitlements had ceased.

Turning to National Non-Domestic Rates (NNDR) collection, Margaret Read confirmed that a highest ever rate of 99.07% had been achieved for 2007/2008, an improvement of 0.24% from the previous year. However, Brent had dropped one place in the London borough's performance table and this illustrated the competitiveness of performances in this area. A contractual target of 98.25% and non contractual one of 98.7% had been set, which was lower than the amount collected in order to take into account the likely effects in performance due to the change in legislation which now included empty properties being liable to NNDR payments. Margaret Read advised that early indications suggested that performance was slightly below that of the previous year, however a number of measures were being undertaken to minimise the impact of the revised legislation. This included land registry and other property searches where no payment had been received to obtain the correct details from the property owner, the use of tracing agents where appropriate and enquiries made to ensure that all properties in poor condition and could not be economically repaired had been removed from the valuation list through using Companies house and the Valuation Office.

The Chair then invited Capita representatives to make additional comments. Sue King (Capita) stated that Capita were pleased with the in-year collection which had exceeded expectations. Although arrears collection was lagging, the benefits of some recovery action, such as bankruptcy and charging orders, were not being seen yet, however such measures were securing the debts and would yield results in the longer term. Sue King advised Members that there had been an increase in the number of attachment to earnings which now numbered

over 600, whilst Capita would also be focusing on Gone Away No Traces (GANTs) to re-establish them in the recovery cycle. Sue King acknowledged that the inclusion of empty properties in respect of NNDR collection was a significant factor, where to date no payment had been received from 267 properties, which amounted to approximately £3 million. She reiterated the checks that had been highlighted earlier to address this and Members noted that monitoring of each case would continue. Sue King added that a meeting with other London boroughs to discuss this issue would take place and there was a possibility that a Forum would be set up.

Members then discussed this item and raised a number of issues. Councillor H B Patel welcomed the progress in in-year collection but commented that there was still improvements needed to hoist Brent higher up the London boroughs performance league table and he sought confirmation that the rate recorded in the league included net costs. He indicated support for greater liaison between departments to minimise unnecessary customer contact and felt that it could be useful to set a time period during which cases were dealt with. Councillor Bessong asked what steps were taken to prevent unnecessary enforcement and referred to a particular case brought to his attention where a direct debit payment made had not been identified. He also supported measures to increase levels of communication between departments and where necessary banks. Councillor Bessong also sought views on whether secured debts would result in payments being recovered, how accurate was the voice recognition analysis in correctly identify customers and were there any statistics available on its accuracy.

Councillor Mendoza, referring to the demographic analysis in the report, enquired whether certain areas or postcodes of Brent had been identified as having a larger number of debtors and was it possible to flag up certain areas or properties where the population was particularly transient. Councillor Van Kalwala enquired how promptly residents and traders in newly built developments were included in Council Tax and NNDR payments and were the targets immediately amended to reflect this. Councillor Butt sought details on how exemptions from Council Tax were removed, for example when there were changes in circumstances. He also asked whether reducing customer contact could result in a reduction in the number of one stop shops which he felt would be of concern as there were a number of customers who required or preferred face to face contact.

The Chair commented on the significant improvements in collection rates over the past 3 years and felt that this achievement in challenging circumstances should not be underestimated. He warned that the Local Government Ombudsman (LGO) had advised that the Council had been seen to be taking overly robust action to recover debts in a couple of isolated cases in the past and that Revenues had accordingly taken this into account to ensure that the most appropriate action was

taken in such instances. The Chair also sought further observations with regard to the Action Plan's main priorities.

In reply to the issues raised by Members, Sue King confirmed that the London borough performance table figures included net of costs collected. She advised Members that certain areas had been identified, such as particular postcodes, as being more likely to be in arrears although the demographic information available was not used to identify particular properties. However, where the tenure period of properties was known, the procedures had been revised so that properties were flagged and the tenants contacted before the contract expired to ascertain their future plans. Members noted that the Mosaic demographic information system was used and this could show a variety of information, such as the number of court summonses issued in areas near stations where the population was more likely to be transient. Sue King added that further information on areas where arrears were more likely could be provided at future meetings. Members heard that where there was confusion over whether payments had been made, reminders were sent and the account placed on hold whilst a period of up to 14 days was given to allow customers to provide proof of payment. Where confusion still persisted, each case would be investigated to see if there were any flaws in the process. With regard to secured debts to properties, these were placed under the Land Registry which meant that when the property was sold, the proportion owed to the Council would be automatically paid and this was the most robust method of securing debts.

Sue King advised that there was an annual review of Council Tax exemptions where customers were contacted to confirm their circumstances, with reminders sent if they did not reply initially. Some cases required further verification which could involve cross referencing information with other departments. Sue King commented that verifying of student certificates was also taking place following an unexpected increase in the numbers being issued. Voice Recognition Analysis, which had shown promising results when used by companies in the insurance industry, was also being considered as it enabled cases to be dealt with more quickly and Sue King agreed to provide more details on this at a future meeting. She drew Members attention to Appendix 3 of the report which included details of the Action Plan, commenting that this had resulted following detailed idea generating sessions. She felt that increasing information sharing with other departments was probably the most significant priority and some action plan objectives would also help in achieving other objectives set. The Select Committee heard that Inspection Teams were used to identify new properties and liaison with the Planning Service and Building Control ensured that Capita had up to date information on new developments. Bismark Boateng (Capita) added that much work had been done to build relationships with developers in the area to ensure accurate information on new developments and he confirmed that a

building was included as eligible for Council Tax or NNDR payments once it was listed on the property register.

Margaret Read added that Revenue and Benefits were always striving to increase liaison and improve communications between departments and looking at other ways of engaging people to improve customer care, and Council-wide measures such as the Anti-Poverty Strategy afforded some flexibility when assessing cases. A campaign promoting benefit take-up had been launched in the last year and affordable arrangements devised for those who had problems making payments, whilst a debt information leaflet was available that sign-posted customers to the various ways they could receive help. In addition, greater links between front and back office functions was being pursued, and whilst one of the Customer Services Team's functions were to ensure vulnerable people had opportunities to make contact, other methods of communication such as e-mail allowed those with less time to make contact in other ways. Members noted that efforts were being made to reduce unnecessary repeat contacts. Data sharing was also being developed by the Client Index, an all Council system which would allow Revenues to have greater information about its customers and could theoretically show where customers had moved properties.

The Chair concluded by welcoming the overall progress made in improving collection rates, and whilst acknowledging that targets had not been met for arrears collection, he noted the measures that were being taken to increase recovery in this area.

RESOLVED:-

- (i) that the improvements in collection for both Council Tax and NNDR in year liabilities for 2007/2008 be noted;
- (ii) that the improvement in Council Tax arrears collection for 2007/2008, albeit not meeting post contract arrears targets, be noted; and
- (iii) the targets set for collection of NNDR in 2008 and the potential impact to collection arising from the changes to exemption rules for empty business properties be noted.

## 6. **Audit Commission Inspection of Waste Management Service**

Keith Balmer (Director of StreetCare, Environment and Culture) introduced the report, confirming that a formal inspection of the Council's waste services and sustainability strategy carried out by the Audit Commission in December 2007 had resulted in the awarding of a 1 star for the 'fair service' provided and 4 stars for 'excellent prospects for improvements'. The Council had questioned the Audit Commission Inspectors' assessment at a post inspection meeting in view of the

Inspection Report recognising significant improvements and not fully taking into account the changes made since the commencement of the new Waste Management Services Contract in April 2007. The Audit Commission had also made 5 recommendations for improvement, 7 less than the 12 that had been made in the informal inspection of 2005.

Keith Balmer then drew Members' attention to the Audit Commission's 5 recommendations for improvement as set out in the report and the actions that the Council would be required to take. In summary, the 5 recommendations were to be:-

1. Develop a strategic approach to enforcement activity.
2. Give greater priority to tackling the problem of trade waste in the Borough.
3. Increase the pace of implementation of waste minimisation across the Council.
4. Ensure consistent monitoring of the profile of customers by ethnicity, age, disability and gender to identify any specific groups accessing the service or participating in initiatives to enable targeted promotion.
5. Evaluate whether the investment in StreetCare's ward-based approach to service delivery represents value for money.

Keith Balmer added that the recommendations would require closer cooperation between departments and the Council should lead by example, with improvements having already been made in this respect with many Council buildings involved, for example, in recycling initiatives. Members noted that there had been anecdotal evidence of traders using domestic waste facilities and the Council would take steps to prevent the costs it incurred, whilst also improving recycling performance. Keith Balmer then drew Members' attention to other measures designed to boost performance in the report, including compulsory recycling to be introduced on 4<sup>th</sup> August 2008 and a draft project plan being developed to revise the existing Municipal Waste Management Strategy.

Members then discussed the Audit Commission's report and the Council's response to it. Councillor Mendoza questioned the relevance of the Audit Commission assessing data that was a year old and why the excellent prospects for improvement had not been factored into the overall rating of the service. He asked when there would be an opportunity to compare the Council's performance data with other local authorities. Councillor Butt, referring to recommendation 5, commented that there were a lack of StreetCare officers in some wards and queried how comparison of wards could be undertaken effectively. With regard to compulsory recycling, he enquired what approach the Council would adopt and whether, for example, it would introduce bin lid clearance limits. He also sought confirmation as to whether the residents who will move into the new residential developments around Wembley Stadium would be subject to the compulsory recycling

scheme. Councillor Van Kawala asked how compulsory recycling could be monitored for flat developments, or what kind of recycling facilities would be available for residents in this type of accommodation. Councillor H B Patel, in referring to the sophisticated recycling initiatives in other countries such as Japan and the general level of over packaging in the UK, stressed the importance in the role of education at all levels to improve recycling, stating that many of the measures were down to common sense.

The Chair acknowledged that the Audit Commission's report had been using data shortly after the new Waste Management Contract had begun and therefore many of the new measures had not yet been in place. He enquired whether it would be possible to measure the Council's performance in comparison with other authorities following a future assessment. He felt that it would be useful to explain to Members the benefits of preventing trade waste entering domestic waste facilities and reducing waste disposal through recycling, including the cost implications to the Council. With regard to compulsory recycling, he commented that the current scheme would only apply to low rise buildings, however he suggested that Members could ask that their wards be considered for pilot recycling schemes in high rise buildings, adding that there were also national targets for such facilities for these type of buildings. The Chair, in acknowledging the importance of education in promoting recycling, asked whether education packs could be produced for schools. He also enquired whether the data available had identified specific areas where recycling participation was low and was an Action Plan to be produced to address the Audit Commission's report.

In reply to the issues raised, Keith Balmer advised that the data used for the Audit Commission's report was over the same period as other local authorities surveyed in order that comparisons could be made. This meant that newer data where many of the new measures would have been in place were not included in the survey. Therefore, although the Audit Commission had recognised that the prospects of improvements in performance were excellent, there was insufficient evidence that could be taken into account to have an overall bearing on the assessment. Keith Balmer felt that it was likely that an overall 2 star rating would have been achieved if the survey had covered a 2 year period. With regard to recommendation 5, Keith Balmer advised that a wide-ranging analysis would need to be undertaken and the views of Members would be sought to contribute to this. He explained that StreetCare was well-resourced compared to other London boroughs, although only 2 other boroughs operated a ward-based approach in the same way that Brent did and therefore direct comparisons would not be possible in many cases. In addition, comparison of performance within Brent's different wards was complicated by the fact that no ward had exactly the same requirements.

Keith Balmer continued by stressing that tackling trade waste would have a big impact in reducing waste disposal costs and increasing recycling, therefore contributing to a significant improvement in performance overall. Keith Balmer also emphasised the significant impact upon performance when compulsory recycling was to be introduced and WasteWatch, the company used to monitor the scheme, had a good reputation in this sector. In addition, although there were no extra funds available to support WasteWatch, StreetCare officers' role would be widened to provide this and Keith Balmer stated that provisions had been made to ensure that there was no impact on the StreetCare service, although arrangements would continue to be monitored and reviewed. Members noted that StreetCare officers already undertook enforcement and the supporting and monitoring of recycling duties. Keith Balmer advised that it was unlikely that any flat developments would be participating in the compulsory recycling scheme when it was launched and it would only be applicable to those who had access to green boxes. However, the long term aim was to provide recycling facilities to the whole of the borough. Keith Balmer advised that a flexible and pragmatic approach would be taken to compulsory recycling with every effort made to encourage participation and there would be no bin lid clearance limit set. He also confirmed that an Action Plan would be reduced in response to the Audit Commission's report.

Chris Whyte (Head of Environmental Management, Environment and Culture) advised that approximately 300 out of a total of around 700 sites had already been provided with recycling facilities, including all Brent Housing Partnership sites. In addition, private landlords were being persuaded to provide additional bins. Residents in the new Wembley Stadium developments would not be included in the compulsory recycling scheme initially, although an innovative pipe waste system was planned which would also contain recycling and compost facilities. He acknowledged that recycling generally in the UK was not at the same levels as some other countries, whilst the Government was aware that there was a need to reduce packaging and local authorities were pressing it to do so. Chris Whyte confirmed that education packs on recycling based on the national curriculum were provided to schools, whilst officers from the Environment and Culture made presentations on recycling at schools. Members noted that all schools had recycling facilities and that every effort would be made to increase understanding of recycling generally in the borough. With regard to data collection, Chris Whyte acknowledged that there were gaps in some areas, however residents were already used to same day collections and once they were familiar with compulsory recycling, representative recycling and waste tonnage figures and recycling rates could be produced for each ward.

Cathy Tyson (Assistant Director [Policy], Policy and Regeneration) advised Members that the Audit Commission had conducted its last inspection under the Comprehensive Performance Assessment which



would be replaced by the Comprehensive Area Assessment (CAA) in 2009. However, she stated that the Council could undertake a comparison of its performance with others in the January 2009 refreshment assessment which would make use of figures for the whole of 2007/2008. Members noted that there would be a new set of performance indicators (PIs) for the CAA, although recycling and waste management performance would continue to comprise a significant number of PIs in this respect.

The Chair concluded by acknowledging the progress that had been made to date whilst stressing the improvements that were sought and these would be discussed at future meetings of the Select Committee.

RESOLVED:-

- (i) that the report be noted; and
- (ii) that an Action Plan in response to the Audit Commission's Inspection be brought to a future meeting of the Select Committee

#### **7. Population Estimates – Report by Professor Les Mayhew**

Members had before them Professor Mayhew's report on Brent's population estimates and a covering report. Peter Stachniewski (Deputy Director, Finance & Corporate Resources) then gave a presentation on the item, advising the Select Committee that officers had commissioned Les Mayhew Associates to produce the report following concerns about population estimates and projections as measured by the Office for National Statistics (ONS). ONS had initially reported falling population in Brent which had subsequently been revised to show it had stabilised at around 270,000. However, other evidence had not supported this, such as historic population trends, additional demand for schools places, growth in the number of properties in Brent and new national insurance registrations by non-UK citizens. Peter Stachniewski then drew Members' attention to statistics showing new national insurance numbers and a comparison on ONS figures on children compared to child benefit numbers in London boroughs, which showed a discrepancy of over 4,000 in Brent.

Turning to the Mayhew Study, Peter Stachniewski explained that the methods used to compile data used a far wider variety of sources, including the property gazetteer, GP records, school records, housing benefit, Council Tax data and the Electoral Register to establish whether someone was resident in Brent. Such an approach using a combination of data sources meant that there was less dependence on single potentially flawed data sources. In addition, there were known problems in using GP records for internal migration and the International Passenger Survey for international migration as used by the ONS. The latest Mayhew study estimated the population of Brent

as 289,000 as of March 2007, some 18,000 more than the ONS estimate undertaken in mid-2006. The 2007 study had highlighted an increase in larger households, more families with dependent children, less single adult households, that children were more likely to be in households on benefits and a higher percentage increase in population in the south and the east of the borough.

Peter Stachniewski continued that the Council would use the results of the Mayhew Study to lobby the Government to look at different ways of calculating population and to lobby for more funding in view of the population appearing to be greater than the official figures had indicated. The Select Committee were advised that the Government had acknowledged that there were doubts about the accuracy of the ONS's figures and hence had introduced grant floors which had protected boroughs such as Brent whose population was undercounted. In addition, House of Commons and House of Lords Select Committees had investigated the issue as to how the population was calculated, and a cross-ministerial group was overseeing work on improving statistics. The more informed population statistics provided by the Mayhew Study would also enable the Council to identify priorities for the Local Area Agreement (LAA) and in developing service strategies. Members noted the projected population growth in Brent as calculated by the Greater London Authority (GLA) and the impact this would entail in terms of more services needing to be provided. A further challenge was that the prospect of grant floor growth reducing in future years. The Council therefore would need to address how it could continue to deliver better services and meet infrastructure needs, whilst public service partners would also be presented with the same challenge. Peter Stachniewski advised that under-measurement of population would also impact upon unit costs and therefore represent a misleading picture of performance.

Peter Stachniewski highlighted the main measures to address population growth, including:-

1. The Planning Framework, which would need to identify growth areas
2. Identifying priorities within the Community and Corporate Strategy and LAA and the changing pattern of community and service need
3. Devising individual service strategies, such as those for children's centres and homelessness
4. Bidding for Government resources, such as Building Schools for the Future
5. Seeking contributions towards infrastructure from Section 106 Agreements, such as introducing a standard charge.
6. A medium term financial strategy identifying increasing demands and an approach to the address the resulting budget gap
7. The transformation of programmes in Children's Social Care, Adult Social Care, Waste Management and Customer Care all aimed at managing additional demand

8. An Efficiency Strategy aimed at improving value for money of services
9. A new change agenda – ‘one Council’
10. Gaining increased Government recognition of the issues

Peter Stachniewski concluded that there was plenty of work that lay ahead for the Council to address population growth and stressed how essential all issues were considered carefully because of the significant impact upon services.

During discussion, Councillor Bessong sought further information regarding the Council's discussions with the Government over the discrepancy between the official population figures and the Council's. He also queried why 17,319 residents age had not been identified in the Mayhew report. Councillor Bessong suggested that it could be useful to have the GLA's population calculating methods explained too. Councillor Van Kalwala commented that no population counting methodology could be without some margin of error and asked whether consideration was given to those who rarely used Council services. Councillor Mendoza commented that population projection was vital to assist with long term planning and suggested that specific measures could be considered in more detail by this Committee and the Budget Panel.

The Chair expressed how significant the findings of the Mayhew report were and expressed hope that the investigations carried out by central Government ministers would result in long overdue changes to the way that the population was calculated.

In reply to Members' comments, Peter Stachniewski advised Members that lobbying of the Government would have little short term impact on funding as grants were fixed for a 3 year period, however the Government had acknowledged the importance of the population issue and cross ministerial, House of Commons and House of Lords investigations could result in changes as to how population was calculated in future which would impact upon the Council in the middle to longer term. Members noted that despite the Mayhew survey using a number of data sources, it was not possible to ascertain the age of every resident counted because not all the sources of data used included data of births. This was particularly the case in data sources used to identify younger adults. Peter Stachniewski acknowledged that no population methodology was perfect and commented that population increases impacted more on some service areas, such as schools, than others such as leisure facilities. However, consideration of whether there was the necessary infrastructure was particularly important in service areas that were more affected.

Duncan McLeod (Director, Finance and Corporate Resources) added that although an increasing population and associated increase in properties in the borough would mean more revenue raised in Council

Tax collection, this was far exceeded by the amount of funding the Council was missing out from in grants as a result of under-counting of the population.

**8. Performance & Finance Select Committee Work Programme**

*Draft Work Programme for 2008/2009*

The Chair referred to the draft work programme in the report and stated that any further suggestions could be made to him and the Policy and Regeneration Unit.

*Draft Task Group Proposals - Community Use of Council-owned Buildings*

The Chair referred to the draft terms of reference for a Task Group in relation to the Community Use of Council-owned Buildings in the agenda, stating that nationally such a review of Council-owned buildings was undertaken by the Quirk Review. Some minor legal amendments to this item were then circulated to Members. Jo Mercer (Performance Officer, Policy and Regeneration) added that it was proposed to submit a series of reports to the Select Committee on this issue, including an opportunity to question relevant officers at one of the meetings.

Members then agreed to the task group proposals as amended.

RESOLVED:-

that the scope and terms of references for the Task Group to investigate Community Use of Council-owned Buildings as amended be agreed.

**9. Items Requested onto the Overview and Scrutiny Agenda**

None.

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

None.

**11. Date of Next Meeting**

It was noted that the next meeting was scheduled for Tuesday, 29<sup>th</sup> July 2008 at 7.30 pm. Councillor Bessong confirmed his apology of absence for this meeting.

13. **Any Other Urgent Business**

None.

The meeting ended at 10.00 pm

A DUNN  
Chair