

MINUTES OF THE PERFORMANCE AND FINANCE SELECT COMMITTEE
Tuesday 4 November 2008 at 7.30 pm

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

Apologies for absence were given on behalf of Councillors Ahmed and Mendoza.

1. Declarations of Personal and Prejudicial Interests

None declared.

2. Minutes of the Previous Meeting – 29 July 2008

RESOLVED:

that the minutes of the previous meeting, held on 29 July 2008, be approved as an accurate record.

3. Matters Arising

None.

4. Performance of the Council's Waste Contract

Chris Whyte (Head of Environment Management) introduced the report and answered questions from members on the performance of the Council's Waste Services Contract, with specific reference to recycling, street cleansing, missed collections and complaints. Chris Whyte reported that the compulsory recycling initiative had had a marked effect on the level of recycling, with an increase of 500 tonnes in recycled waste collected up to the end of September compared with the same period the previous year. There had also been a significant increase in the amount of organic waste and a corresponding reduction – of over 5,000 tonnes – in the amount of waste sent to landfill sites. Up to the end of September 2008 the average level of recycled waste was just under the whole-year target of 30%, and the level for September itself was over 35%.

Performance scores on street cleansing had been better than in the previous year, and although the figures for the second tranche had brought down the average, the service was on course to meet its 90% target. Performance on reducing the number of missed collections was not as good as had been hoped, partly as a result of the redesigned routes for compulsory recycling, but this was now improving.

There had also been an increase in the number of complaints, which again was linked to issues around the introduction of compulsory recycling. In general terms progress on recycling was positive, but with some areas to be improved by the end of the year.

Asked about changes made to collection days, Chris Whyte informed members of the reasons for these – the move to same-day collections, and then the move to compulsory recycling. No further changes were anticipated. Chris Whyte also explained what should happen if recycling bins contained unrecyclable waste – the recyclable waste should be taken, and the unrecyclable left behind with a card explaining what had been done. Responding to members' concerns that some residents might be nervous of the threat of fines, Chris Whyte emphasised that the Council did not want to be heavy-handed, and recognised that communication was the key to helping residents comply.

RESOLVED:

that the report be noted.

5. Audit Commission Inspection of Waste Management Service

Keith Balmer (Director of StreetCare) introduced the report and answered questions from members on progress on developing an action plan to implement the recommendations of the Audit Commission's inspection of the Council's waste management service. Members noted that the inspection pre-dated the Council's contract with Veolia. Keith Balmer reported that the Audit Commission had made five recommendations. The first recommendation related to developing a strategic approach to enforcement activity. This was already an area for review under the Council's improvement agenda, and to date Brent had taken the fourth highest level of enforcement action in London and more than all neighbouring authorities, with a 100% success rate. Activity around trade waste, the subject of the second recommendation, had already increased, and StreetCare was leading by example on the third recommendation, to improve the Council's internal recycling arrangements. On the fourth recommendation, to ensure consistent monitoring of the profile and needs of customers, the Council was co-operating with Waste Watch. The fifth recommendation was that the Council should review its current ward-based approach to waste management by making a rigorous analysis of costs and benefits. This recommendation overlapped with current and imminent improvement work and the outcome of this would be awaited before tacking this recommendation further. Keith Balmer also informed members that a service review of street cleansing and waste management was imminent.

RESOLVED:

that the report be noted.

6. Performance and Finance Review – Aspects in Depth – Graffiti

Graeme Maughan (Service Development Manager) introduced the report and answered questions from members on how the Council and its partners – the Brent Graffiti Partnership Board – were tackling vandalism relating to graffiti and tagging. The traditional approach to graffiti vandalism had been to clean up the graffiti as soon as possible, but the need to prevent it and catch the perpetrators was now a focus. StreetCare had worked with partners, including the police on this. To date a total of 13 people had been caught, and they had provided information about others engaged in graffiti vandalism. Reoffending was an issue, and the Partnership Board would be looking to prevention and diversion in the future. Consultation on a policy on graffiti had started the previous day. There were four streams to the policy – generic, talking to victims, talking to pupils in schools in hot spots and having one-to-one conversations with offenders. A report would be produced in April 2009 and a policy and strategic action plan would be brought to the Committee for approval.

Answering questions from members, Simon Finney (Highways Operations Manager) explained that the Partnership Board provided a free graffiti removal service to residents, but not on a do-it-yourself basis, as graffiti removal required strong chemicals and specialised equipment. Asked about publicising the prosecution of graffiti taggers, Graeme Maughan informed members that this had been in the local press the previous week and was in the current issue of Brent Magazine, and that a communications strategy was being drawn up.

RESOLVED:

that the report be noted.

7. Performance and Finance Review – Aspects in Depth – Budget Pressures within Adult Social Care Transformation and Resources for Transformation

Gordon Fryer (Assistant Director, Finance and Resources) introduced the report and answered questions from members on the implementation of Adult Social Care Transformation and the Adult Social Care budget for 2008/09. Gordon Fryer reported that, as members were aware, this area was important for the Council, with about a quarter of the Council's budget being spent on it. In the past, local authorities provided most of the relevant services and owned care homes and day centres. The transformation agenda was about

personalisation, the opposite of institutional care, and about tailoring services, for example, respite care, to meet carers' and service users' needs. Many carers and service users were willing to accept direct payments to buy in services of their choice, as part of a more personal agenda. In this way money would be saved, but high quality services, giving more choice, would be available. Currently the projected overspend was £617,000 in the context of a net budget of £86.5m. The number of people with learning disabilities had increased, and was an example of demand that could not be foreseen and of quite small changes that could transfer into large levels of spending.

Asked about assessments of hospital patients returning home, Gordon Fryer reported that the health service had two main duties in this area – assessment for continuing care (this can be appealed by the Council) and assessment for free nursing care – but that many assessments were now conducted jointly between the health service and the Council.

Answering a question about the switch from day care centres to direct payments, Gordon Fryer informed members that the focus was on outcomes, and that many clients needed intervention and stimulation. Direct payments provided more choice and diversity. However, it was still intended to have day care centres, and the Council was also interested in looking at a resource centre model in which a centre could be used by a range of groups at different times of day, both early and late. Kingsbury Day Centre could be an example of this.

Martin Cheeseman (Director, Housing and Community Care) informed members that most new service users were not opting to go to day care centres, but that the Council needed to balance such provision with direct payments. This was part of the forward plan, and was a tight financial balance.

In answer to a question about ever increasing demand and limited resources, Gordon Fryer reported that there was a long-term trend of an increase in spending on social care. This was a fact of life. The quality of care had improved, and that trend would also continue.

Answering a question on whether service users would be able to cope with making the important decisions associated with direct payments, Martin Cheeseman reported that work was being done nationally to get the balance right, and all Councils were inspected on safeguarding and personalisation. He added that, in terms of the Council's relationship with NHS Brent, from April 2009 the government was aiming to change responsibility for learning disability (illness apart) from the health service to local authorities, and the associated transfer of funds would need to be agreed by December 2008.

RESOLVED:

that the report be noted.

8. **Asset Management Task Group Report 2 – Community Use of Council-Owned Buildings**

Richard Barrett (Head of Property and Asset Management) introduced the report and answered questions from members on the Council's policy on leasing Council-owned buildings to community organisations. Richard Barrett also drew members' attention to the fact that the report highlighted the legal context in which the Council operates when managing and leasing property. The aim was to have a comprehensive policy on outsourcing the management of youth and community centres. This report was the second in a series that would culminate in a report to the Committee in March 2009.

Richard Barrett outlined the history of the ownership of youth and community centres and the differing management and leasing arrangements. This issue was being looked at in the context of the Council's response to the Quirk Review, an independent review which looked at community management and ownership of assets, and a report on this would come to a future meeting of the Committee. The Council was working with Brent Association for Voluntary Action (BrAVA) on looking to set up a voluntary sector resource centre, and a series of questionnaires had been sent out to the voluntary sector about their present leasing arrangements. Richard Barrett would feed back on this to the Voluntary Sector Forum at the end of November. It was also hoped that a new community resource, the Stag Lane resource centre for older people, would be open by the end of the year.

Work was being done to survey best practice from other local authorities on asset management and responses to the Quirk Review for a report to December's meeting, and a meeting was planned for January 2009 to set out the legal framework.

RESOLVED:

that the report be noted.

9. **Deposits with Icelandic Banks**

Duncan McLeod (Director of Finance and Corporate Resources) introduced the report and answered questions from members on the situation around the Council's deposits of a total of £15m with two Icelandic banks, Heritage and Glitnir, now in the hands of administrators. A large number of local authorities and public bodies

had also been affected, as well as an unknown number of private institutions. The circumstances in which Brent Council found itself were as a result of unprecedented changes in the international financial situation. Some surprise had been expressed in the media about the extent and complexity of borrowing and lending by local authorities, but it was a fact that at any one time the Council might have between £90m and £130m to lend out. The Council's revenue budget relied on interest earned on loans. Without this interest, council tax would be higher or the budget smaller. The Council had a framework to balance risks. This consisted of four main elements – the statutory framework and codes of practice, the use of information from professional treasury management advisers, the credit rating lists used across the world by all financial institutions as a way of looking at financial stability, and Council officers' own skills in using the information from advisers.

Duncan McLeod reported that the Budget Panel had discussed the financial implications of possible loss to the Council and he drew members' attention to actions taken to reduce risk, for example, restricting loans to UK institutions with less generous interest rates. All the affected local authorities had been working together, and the Local Government Association (LGA) had been negotiating with the UK government, which so far was reluctant to guarantee or refund the deposits. There was, however, a strong expectation that all or most of the money would be refunded through the administration process. Past experience had been that money was returned, although it did take time. A further statement from Ernst & Young, the administrators for Heritable Bank assets, was anticipated, and the government was aware of Councils' needs to embark on budget-setting with a clear picture of the situation. A meeting was taking place the following day between representatives of the LGA and affected local authorities.

Duncan McLeod reported that the Budget Panel had recommended that, in order to increase the involvement of Councillors, in future the Audit Committee should have sight of the Council's investment strategy as a matter of course. Councillor Van Kalwala had proposed that information on the investment strategy should also be scrutinised by the Performance and Finance Select Committee.

The Chair reported that the Council's treasury advisers had been invited to attend this meeting of the Select Committee, but they had not been able to. Duncan McLeod agreed to invite them to the next meeting.

Answering questions from members about the availability of relevant information prior to the collapse of the banks, Duncan McLeod reported that information available to central government and the Bank of England had not been passed to local authorities.

In answer to questions about the current investment strategy, Duncan McLeod informed members that the Council had an external cash manager, but that it was restricted to relatively short-term loans. Bonds yielded a lower return, and so were not used, and it was not generally possible to insure loans. Duncan McLeod emphasised that the Council's investment strategy had served well in the past, but it would now be necessary to look at the fundamentals in the light of the international economic and financial crisis.

Members agreed to receive a report at the next meeting on the possible role of the Audit Committee, Budget Panel and Performance and Finance Select Committee in scrutinising the Council's investment strategy.

RESOLVED:-

- (i) that the report be noted
- (ii) that a report setting out options for members' scrutiny of the Council's investment strategy be submitted to the next meeting of the Select Committee.

10. **Best Value Performance Plan**

Cathy Tyson (Assistant Director, Policy) introduced the report and answered questions from members on the Council's end-of-year performance, measured against the national set of Best Value Performance Indicators. Members were informed that this would be the last year in which performance would be measured in this way, as future performance would be measured against National Indicators. The data reported related to 2007/08 and formed the basis of the 2008/09 plan. Performance on 43% of indicators had improved, in 14% it had remained the same as in the previous year and in 24% of indicators the direction of travel was down. No direction of travel was reported on 18% of indicators as they had not been in place long enough to provide sufficient data.

Cathy Tyson outlined a number of improvements. There had been a reduction in the number of people killed in road traffic accidents, and good performance on improving pavements, street cleanliness and waste recycling. Planning approval had performed well, as had Revenues and Benefits, with the highest ever level of council tax collected. The number of older people supported to live in their own home had increased, the level of rent arrears and time spent by families in temporary accommodation had gone down, and there had been an improvement in the level of pupils' school attendance. She went on to highlight some areas for improvement. For example, despite an overall reduction in crime across the borough, there had

been an increase in burglaries. Street lights needed to be repaired more quickly and there was the ongoing issue of graffiti, as well as the need to encourage library and museum visits. Other areas in which more work was needed included the need to reduce the number of teenage pregnancies and bring vacant properties back into use. There was some concern at the speed and volume of casework relating to children's Special Educational Needs (SEN), and the stability of placements and educational outcomes for looked after children. While foster placements within the borough were of good quality, the level of adoption was slightly lower than the Council would like. The Council also wanted to improve outcomes around the youth service provided. Ongoing issues on which the Council needed to focus were included in the LAA.

The Council had achieved level 3 of the Equality Standard for Local Government, and was dealing with an increase in staff sickness levels by, in part, providing briefing sessions and toolkits for managers.

RESOLVED:

that the report be noted.

11. Performance and Finance Review – Quarter 1 2008/09

Cathy Tyson (Assistant Director, Policy) introduced the report and answered questions from members on the Council's spending, activity and performance in the first quarter of the 2008/09 financial year. Generally performance against the corporate strategy was good, with 57% of measures on target. The Council had launched a new approach to improvement and efficiency, and a number of programmes were already in place, with in-depth service reviews due to start.

Local Area Agreement (LAA) priorities included the 12 stretch targets, of which 11 were on track for success. Achieving the targets would generate around £8m in performance reward grant. Currently the focus was on issues such as street cleansing and smoking cessation.

The Council was continuing to monitor preparations for the change from the Comprehensive Performance Assessment (CPA) regime to Comprehensive Area Assessment (CAA). Information was still awaited from the government and would be brought to the committee when available.

Cathy Tyson reported an increase in the use of sports facilities, especially by young people. There had been a general improvement in street cleanliness, successful arrests of perpetrators of domestic violence, an improvement in the level of council tax collected and better handling complaints. Areas for improvement included increasing the

number of school places, the recruitment of in-house foster carers, graffiti, more active use of libraries and the level of Council staff sickness.

Duncan McLeod (Director of Finance and Corporate Resources) reported that the forecast overspend had gone down, but that the economic downturn would have an impact on the Council's finances, with a reduction in the amount earned from land charges and planning fees, for example, and more residents needing services such as benefit.

RESOLVED:

that the report be noted.

12. Performance and Finance Select Committee Work Programme

Members noted that the next meeting would receive reports on the Icelandic banks issue, waste management and recycling, procurement, complaints, asset management, benchmarking regarding value for money, and a review of performance in the second quarter of the 2008/09 financial year.

13. Items Requested onto the Overview and Scrutiny Agenda

None.

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

None.

15. Date of Next Meeting

It was noted that the next meeting was scheduled for Monday 8 December 2008 at 7.30 pm.

16. Any Other Urgent Business

None.

The meeting ended at 9.50 pm

A DUNN
Chair