

MINUTES OF THE PERFORMANCE AND FINANCE SELECT COMMITTEE
Tuesday, 17th February 2009 at 7.30 pm

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

1. Declarations of Personal and Prejudicial Interests

None declared.

2. Deputations

None.

3. Minutes of the Previous Meeting – 8th December 2008

RESOLVED:

that, subject to the following amendment, the minutes of the meeting held on 8th December 2008 be approved as an accurate record – sentence beginning on page 3, line 10 to read “Councillor Van Kalwala commented that the Icelandic banks offered good rates because of the relatively little capital they held and he asked at what point the Council was aware its capital was at risk and expressed concern that the risks had not been highlighted as early as January 2008”.

4. Matters Arising

Deposits with Icelandic Banks

Duncan McLeod (Director of Finance and Corporate Resources) updated members on steps being taken to increase involvement by Councillors in overseeing and scrutinising Council investments. Information on investments was now circulated to committee members quarterly and joint training by an independent provider was being organised in conjunction with the Audit Committee.

5. Staff Survey 2007/08 – Action Plan Update

Claire Gore (Strategic Human Resources Manager) presented a report highlighting progress on implementing the 2007/08 staff survey action plan. She reported that the survey was important in assessing the level of employee engagement, and that engaged employees were more motivated and productive, with less absence. There were sound reasons, therefore, for the survey and action plan process. Actions taken in response to the 2007/08 survey covered health and safety, working conditions, communication and leadership, change management, bullying and harassment, work-life balance, professional

development and appraisal, and the report highlighted improvements achieved. For example, there had been a 60% decrease in new cases of bullying and harassment and, as a result of a number of initiatives on work-life balance, health and well-being, there had been a 1.5% drop in staff turnover and an average reduction of 1.5 days' sickness absence. While the overall engagement score had improved, it was recognised that there were still areas needing improvement, and the results of the 2008/09 were currently being analysed.

Answering members' questions, Claire Gore reported that there had been only five new cases of bullying and/or harassment in the period under review. Councillor H B Patel agreed to pass details of free yoga classes to officers so that they could be offered to staff.

In response to a member's question about the cost of consultation and engagement, Claire Gore reported that, while this was not quantified, she believed that the cost was negligible, and that the cost of not improving staff engagement would be lower productivity. Duncan McLeod (Director of Finance and Corporate Resources) gave an example of one-hour staff meeting he had chaired the previous day. He felt the meeting had been positive and it had identified new ways of working. The costs and benefits were difficult to quantify, but he felt that such meetings were important as a management tool in general.

Answering a question about the circulation to staff of a Corporate Management Team newsletter, Claire Gore reported that this had been happening since July 2008, and that was helpful in giving staff prompt information on decisions and improving awareness of corporate objectives, as well as being a useful tool for managers.

Asked about the link between engagement actions taken and the lower levels of staff turnover and sickness, Claire Gore agreed that a number of factors might have contributed to improvements, but she believed that engaging staff was very important.

In answer to a member's question on flexible working and the proposal on buying and selling annual leave, Claire Gore explained that the policy, which had been approved by the General Purposes Committee, provided for the selling of annual leave if an individual had more than five days left at the end of a year. However, there needed to be a good business reason for this.

Asked about the level of staff appraisal, she explained that there had been technical problems in recording and monitoring appraisals and the data set was not complete. However, this would change with effect from April 2009 and full data should be available the following year. She also recognised that the survey should distinguish between temporary and permanent staff, as temporary staff did not undergo appraisal, and this affected the figures. She reported that the Council was planning to introduce 360-degree appraisal, and that everyone

who attended the Council's management development centre already underwent this. The advantages and suggest frequency of senior manages spending time with frontline staff were also discussed.

RESOLVED:

that the report be noted.

6. Task Group on Community Use of Council-Owned Assets

Jo Mercer (Policy and Performance Officer) reported on the latest meeting of the task group and reminded the committee that it had received three reports so far on the community use of Council-owned assets. This presentation set out the initial recommendations for the committee following the task group meeting the previous week. James Young (Deputy Head of Property and Asset Management) gave a presentation, setting out the scope, context and progress of the scrutiny task group and its comments to feed into the Council's response to the Quirk Review. James Young reported that the Council had been dealing with the assets for some time. The range of occupiers was mixed, and conditions varied, but in general the Council was seeking to make tenants responsible for internal maintenance. He outlined the best practice approaches being taken by other local authorities, as requested by the committee, and acknowledged that it had not always been possible to link outcomes to the corporate strategy at Brent. The results of a survey of the voluntary sector undertaken in November 2008 showed, among other things, that organisations were concerned about maintenance costs, and the Council had spent funds on some properties in order to meet health and safety requirements. Jo Mercer reminded the committee that the voluntary sector forum had also received a presentation on the task group.

James Young outlined the Council's proposed response to the Quirk Review, which included the development of a voluntary sector resource centre project, a community portfolio and a related leasing policy, including rent abatement and clear monitoring of community outputs. Jo Mercer reported that a voluntary sector strategy was being developed following work on a previous task group report on voluntary sector grants, and any recommendations in the task group should feed into this strategy.

Answering questions from members on community organisations' capacity to maintain assets, James Young reported that surveys had been undertaken of the relevant buildings, and the Council hoped that the voluntary sector would be able to access external funding for maintenance. Duncan McLeod (Director of Finance and Corporate Resources) added that charging a reasonable market rent would allow

the Council to build an income stream to be used to supplement the scheme.

Jo Mercer reported that the Council's response to the Quirk Review had been presented to the Council's Corporate Management Team, and a summary had been provided in the papers for this meeting.

In response to a member's suggestion, James Young informed the committee that the assets listed on page 52 of the agenda could be named.

Asked about the principle of shared space, Jo Mercer informed members that in principle there would be one set space, although the details were not yet finalised. It was also being recommended that other opportunities for organisations to share premises should be facilitated. Answering a question about the delivery of community outputs, Jo Mercer reported that the concept of a seven-year lease enabled fluidity, enabling linkage between community outputs and corporate strategies. Outputs had not necessarily been monitored in the past, but it was planned to do so in the future. Duncan McLeod reported that the starting point would be criteria for allocating grants, so that if organisations did not meet agreed outputs, the grant could be withdrawn.

Answering a question about the voluntary sector's response to the Quirk Review and the proposed shared facility, Jo Mercer reported that the voluntary sector had made a variety of responses to the Quirk Review. Brent Volunteer Centre (BrAVA), through the West London Network, had raised both pros and cons. In particular, they were concerned about organisations' abilities to take on maintenance risks and costs. The Chair added that the possibility of leases shorter than seven years had been discussed by the task group with a view to helping organisations to improve their prospects before taking on a longer lease.

Cathy Tyson (Assistant Director, Policy) reported that, in pilot work carried out in demonstration areas, voluntary organisations had been encouraged to work with other partners, moving away from a situation in which the Council provided core funding. She added that the aim was to deliver the Council's strategy, as opposed to merely providing resources for organisations.

Members agreed that it would be useful to view a sample lease, together with the list of groups.

RESOLVED:

that the presentation and comments above be noted.

7. Update on Procurement

Alison Matheson (Head of Procurement and Risk Management) presented a report providing an annual update for the committee on procurement, together with information on changes anticipated with a view to greater improvement and efficiency. She reported that the Gershon report – an independent review of public sector efficiency – and the National Procurement Strategy for Local Government were key drivers in developing Brent's approach to procurement. Since the previous report to the committee in October 2007 a review of all current contracts had been started and, as a result of the procurement unit's support and advice on 60% of major procurement projects in 2008 (as against 30% in 2007), savings of around £1m had been delivered. Training in procurement had been provided for two service areas, and procurement training was now a standard part of the corporate induction process. In addition, updated guidance on procurement was due to be published on the Council's intranet the following week. With a view to providing benchmarking information, a further year of Brent's expenditure had been incorporated into an analysis of expenditure across the boroughs in the West London Alliance.

In the absence of a single financial system it had not yet been possible to establish a Strategic Procurement Board, but this was one of the recommendations made as part of the 'One Council' report on procurement. In general a broad change to category management – as opposed to the current reactive operational-based model – was required. The advantages of this approach included increased opportunities for cross-Council procurement, better long-term planning and better positioning for partnership procurement.

Alison Matheson drew members' attention to key recommendations of a 'One Council' procurement task group. These included reviewing departmental and corporate roles in procurement, identifying savings opportunities, developing the training role, adopting a project management model and moving to a strategic category-led approach where applicable.

In order to deliver the proposed changes, two new Category Manager permanent positions and one new Senior Buyer permanent position had been created. This would mean a move away from the current high level – 50% – of agency procurement staff, delivering savings of around £120,000.

Answering questions from members, Alison Matheson agreed that the local authorities' procurement requirements were sometimes unnecessarily complex, setting up barriers for smaller companies. She reported that the Council was aware of this concern and was looking at the way it advertised, simplifying the paperwork involved, and minimising the qualification requirements where possible. Asked about

joint procurement, she reported that procurement of adult social care services across West London was an excellent example.

In response to a question on the £10m spent on consultants across the Council, Alison Matheson informed the committee that the figure was likely to be lower, as this category often included extra staff. Work was being carried out with a view to providing a more accurate picture in future.

RESOLVED:

that the report be noted.

8. **Report on Indices of Multiple Deprivation (IMD)**

Jo Mercer (Policy and Performance Officer) provided a presentation on indices of multiple deprivation (IMD) in relation to Brent. The figures were the best available, but there was inevitably a lag time in assembling and analysing the available data. The latest data set, published in 2007, related to data collected in 2005, the previous set having been collected in 2000. Measurement against the indices was carried out on the basis of 'super output areas' (SOAs), which were smaller than electoral wards, giving a good sense of the context in which the Council was working, and covering a number of themes – income, employment, health and disability, education, skills and training, barriers to housing and services, living environment and crime.

In the period under review, Brent had moved from being the 88th to the 53rd most deprived borough in England, with most of its neighbourhoods having become more deprived. In terms of income deprivation, Brent was in the top 20 most income-derived local authority areas in the country, with over 16% of Brent's SOAs – priority neighbourhoods in the main – falling in the top 10% most deprived. Brent also saw high levels of employment deprivation. Brent had one of the lowest average mean incomes in London. The Local Area Agreement (LAA) included access to employment and income maximisation projects.

A health strategy had been developed in response to the high level of health deprivation, and LAA priorities included reducing substance misuse, tuberculosis, obesity and smoking, and promoting sports participation, healthy schools and sexual health.

It was noted that the definition of deprivation relating to access to housing and services included measures of access to amenities such as GP surgeries and post offices. In response to deprivation relating to barriers to housing and services, LAA priorities included settled homes, increasing the number of affordable homes and the provision of additional housing.

Crime deprivation was mixed. Since the figures had been collected a 21% reduction in crime had been recorded in 2007/08, achieving the target for that year, and LAA priorities included youth crime prevention as well as crime prevention in the 18-25 years age group and reductions in anti-social behaviour, violent crime and domestic violence.

Education deprivation was mixed. Since the data had been collected the best GCSE results ever had been achieved, and LAA priorities included extended schools and improving outcomes for looked after children and black and minority ethnic (BME) boys. Deprivation in the living environment included the quality of housing and air quality. The number of road traffic accidents had gone down, and relevant LAA priorities included increasing the level of recycling and composting, reducing emissions and negotiating climate change adaptations with partners.

The next figures would be available in 2010, using data collected in 2008.

Asked why Brent had become more deprived, Cathy Tyson (Assistant Director, Policy) informed members that the picture was very complex, and Brent's population was very mobile. Despite the indices, in terms of performance there had been very positive news. For example, the absolute number of people in employment was the highest ever, with many indicators bucking the trends. As yet the recession had not had a proven impact in Brent, but the Council was trying to estimate the possible impact on the borough and the Council. Brent's economic base was heavily diverse, and it was likely that this might provide some protection from the recession, but there had been an increase in the number of people claiming benefits. The Council was also suffering loss of income from lost planning fees and land charges, as well as the reduction in the interest rate on deposits. Indicators would be monitored quarterly, and it was important to focus on the most vulnerable people, as well as a partnership response. It was also important not to be distracted from long-term regeneration plans and to ensure we did everything possible to benefit from a recovery. A report on the likely impact of the recession on Brent would be considered by the Council's Corporate Management Team and Executive in March 2009.

RESOLVED:

that the presentation be noted.

9. **Performance and Finance Select Committee Work Programme**

Members noted the topics on the work programme for consideration at the next meeting. These included the task group report and the Veolia recycling contract, with the possibility of other topics – for example, information on the Council's Comprehensive Performance Assessment (CPA) – being added before the meeting.

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

None.

11. **Recommendations from the Executive for Consideration by the Performance and Finance Select Committee**

None.

12. **Date of Next Meeting**

It was noted that the next meeting was scheduled for Wednesday, 25th March 2009 at 7.30 pm.

13. **Any Other Urgent Business**

None.

The meeting ended at 9.25 pm

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Chair