

**MINUTES OF THE PERFORMANCE AND FINANCE SELECT COMMITTEE**  
**Wednesday, 25<sup>th</sup> March 2009 at 7.30 pm**

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

An apology for absence was received from Councillor Ahmed.

Councillor Dunwell also attended the meeting.

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

None declared.

**2. Deputations**

None.

**3. Minutes of the Previous Meeting – 17<sup>th</sup> February 2009**

RESOLVED:-

that the minutes of the previous meeting held on 17<sup>th</sup> February 2009 be received and approved as an accurate record.

**4. Matters Arising**

None

**5. Waste Contract Performance**

Keith Balmer (Head of StreetCare, Environment and Culture) introduced the report and confirmed that the recycling rate had risen by 7% from 2007/2008 to 29% to date this year, possibly reaching 30% by the end of the year. Compulsory recycling was a major reason for this improvement and the publicity initiatives to promote this scheme were cited as a major reason why there had been large increases in recycling in July 2008. Members noted that the dry recycling rate, which included those collected from green boxes and recycling banks, had increased by 2,337 tonnes, and the amount composted by 3,307 tonnes. There had also been a significant and encouraging reduction of 7,710 tonnes in the amount of landfill waste to date and Keith Balmer was hopeful that the figure for March 2009 would not exceed 5,000 tonnes. Nevertheless, he felt that there were still a number of ways in which landfill waste could be reduced further, including through initiatives with schools and other community groups.

Turning to collections, Keith Balmer advised that the number of missed collections had improved significantly in Quarter 3 following an increase

due to the reorganising of additional recycling rounds in Quarter 2. There had also been a significant improvement overall in street cleansing, with a best ever figure of 13% recorded in Tranche 1 and it was expected that the average figure would not change from the 16% that had provisionally been recorded. The Select Committee heard that the Council was the 5<sup>th</sup> best performer in London, and better than all of its neighbouring boroughs, with regard to the total reported incidences of fly tipping and this was partly attributable to additional resources being provided for enforcement. It was noted that fly tipping continued to fall despite the introduction of charges for bulky waste collections in July 2007. The number of complaints rose in Quarter 2, which could be partly explained by the introduction of compulsory recycling, although these figures had reduced by Quarter 3.

During discussion, Councillor H B Patel welcomed the improvements to date with regard to recycling and reducing landfill waste, however he stressed the need to continue to strive for improvements in view of the slight tailing off of performance overall towards the end of the year. He sought an explanation as to why fly tipping had reduced despite the introduction of charges for disposal of bulky waste. Councillor Van Kalwala asked what sources were used to report fly tipping and what proportion of these were below the equivalent of 10 black sacks. Councillor Butt expressed concern with regard to what appeared to be a reduction in refuse crews to 1 driver and 2 operatives per vehicle.

The Chair enquired whether there was a capacity constraint with regard to compost waste and what the costs per tonne for landfill waste were. He also sought further information on future recycling initiatives, such as recycling facilities on estates and on any other future programmes and incentives to increase recycling.

In reply, Keith Balmer advised Members that the West London Alliance's (WLA) contract allowed for up to 12,000 tonnes of waste to go to landfill each year, although this figure had already been exceeded for this year and the WLA hoped to procure a new contract to increase capacity, although the 2 other companies that could be considered for this role did not offer local facilities at present. Landfill waste costs were approximately £75 per tonne, although compostable waste costs could be rebated. Keith Balmer acknowledged that waste performance had plateaued after the initial improvements and other ways of consolidating and improving performance were being considered. Estate recycling was particularly difficult to achieve and emphasis would be placed in improving in this area next year. A trial system involving a material recovery facility that sorted waste and captured material that could be recycled was being considered. The London Borough of Tower Hamlets already operated such a scheme and the Council intended to assess the effectiveness of it, whilst Veolia's views on it would also be sought. In the longer term, a Municipal Waste Strategy was being developed, whilst work would also continue with the WLA. Other ideas in the longer term to improve recycling were also

being considered and Keith Balmer indicated that he would be prepared to report these to the Select Committee at a future meeting.

Keith Balmer stated that the reporting system for fly tipping, which included submissions by the public and StreetCare officers had not changed in 5 years. It was suggested that the overall improvement in street cleanliness and the more frequent visits to streets by cleansing teams may have had a beneficial effect in reducing fly tipping. The Select Committee heard that Veolia were obliged to collect fly tipping wastage that was below the equivalent of 10 black refuse sacks and that the Council would have to pay additional costs for larger amounts to be collected. Veolia had reported that there had been an increase in low level fly tipping of below the equivalent of 10 black refuse sacks, although no evidence had been provided to support this claim. Members heard that 1 driver and 2 operatives per vehicle was a standard staffing arrangement.

## **6. Revenues Performance**

Margaret Read (Head of Revenue and Benefits) presented the report, advising Members that Council Tax collection for 2008/2009 had remained above the monthly target rates until February 2009. This could be partly explained by an increase in direct debit payments, of which the final instalment for the year was due on 31<sup>st</sup> January 2009. Capita had been requested to evaluate non-payers in February 2009 and another possible explanation could be attributed to increased financial hardship. Present forecast collection rates suggested an end of year collection rate of 94.6% against a non-contractual target of 94.8%. Capita were undertaking a number of measures to reach the target, however, including telephoning customers to obtain payment, increasing the bailiff presence and direct liaison with landlords or agents who had debts for multiple properties. Margaret Read advised that Council Tax Arrears collection was unlikely to meet targets and consideration needed to be given with regard to other measures to assist customers who were in arrears. In addition, more robust measures would be pursued for those who wilfully refused to pay, such as through using bankruptcy and charging orders on properties. Members heard that in view of the present economic circumstances, more work was being done to provide extended payment arrangements and attention was being focused on increasing customer awareness of support available for those customers experiencing financial difficulty.

Margaret Read advised that the National Non Domestic Rate (NNDR) collection rate was forecast to be around 96% for in-year collection. This was less than previous years and was due to a number of factors, including changes in legislation for empty properties where exemption for such properties had been removed, and also due to the economic climate. The Select Committee heard that the Capita contract was due to expire on the 30<sup>th</sup> April 2011 and a full options appraisal for the future provision of Revenue and IT Services was planned for

2009/2010. The Select Committee would be kept updated on the progress of the evaluation of options prior to a final decision being made by the Executive next year.

Councillor H B Patel commented on the difficulty of obtaining payments from arrears, particularly those dating from further back including from the 1990s and he enquired what measures were in place to seek such payments. Councillor Mendoza sought further information on targets for next year. The Chair highlighted an instance brought to his attention regarding a customer who had received a courts summons for a £2 underpayment, due to a glitch with direct debit arrangements and he asked what measures would be taken to ensure that such inappropriate action would not be taken in the future. He sought views on the likely impact of the economic downturn on collection. The Chair commented that a number of businesses were concerned about NNDR payments and he enquired whether small businesses had been informed that they could be eligible for rate relief. The Chair also commented on the need for a proactive stance to be taken where payments had not been received from properties for some months, adding that properties that had a history of non-payment could be flagged up and the necessary follow-up action be taken.

In reply, Sue King (Capita) acknowledged that instances like the one raised by the Chair with regard to minor discrepancies in repayment needed to be looked at, adding that only under exceptional and specific set of circumstances would a customer paying by direct debit be sent a court summons. Summons were primarily used against those who continued to refuse to pay and such measures would continue. Prompt action would be taken to assist customers who had difficulty in repaying and a benefits take-up campaign had been launched to raise awareness of assistance available to them. With regard to NNDR, Sue King advised that small businesses could no longer receive transitional relief from the Government. However, small businesses had been mailshotted advising them that they could be eligible for rate reliefs and there had been a reasonable take up in response. The Select Committee heard any arrears that were thought possible to recover were pursued, even ones from some years back. The reasons for non-payment were numerous, including change in circumstances, increases in unemployment and those who wilfully refused to pay. In addition, payments from short term tenancy properties were often more difficult to recover due to problems in establishing who was living in the property. Sue King confirmed that properties that were frequently let on a short term tenancies were flagged so that action could be taken as promptly as possible to identify the tenants and request payment.

Margaret Read added that it was difficult to determine what impact the present economic situation has had on collection, however she explained that there had been an 8% increase in benefits caseloads since 2007/2008. There would be a focus on the targets that were not presently being comfortably met for next year. Paula Buckley (Head of

Client Team, Revenue and Benefits) added that Capita had agreed to non-contractual targets for next year.

The Chair requested that information be presented at a future meeting with regard to any changes in legislation that would permit local authorities to obtain information from landlords to identify who was letting from their properties.

## **7. Community Use of Council Owned Buildings Task Group**

The Chair introduced the report, stating that the Task Group had looked at the range of the Council's lease arrangements. This had involved liaising with the voluntary sector and the report would be presented to the Brent Association for Voluntary Action (BrAVA) for comments prior to being presented to the Executive. The Chair referred to the recommendations of the Task Group as set out in the report, adding that any further changes could be discussed at this meeting and that responses from each service area would also be sought. Following approval of the recommendations by the Executive, a review of the measures agreed would be reported back after 6 months, analysing the impact that had been made.

The Chair stressed that the report took a strategic approach and provided an overview of the direction of community use of Council owned buildings for the future, with an emphasis on the need for a consistent policy for leases with the voluntary and community sector. Another objective was to ensure that the approach to leases tied in with the approach to grants given to voluntary sector organisations. It was also recognised that some charity groups required a degree of stability which meant that longer leases may need to be considered in future.

The Chair then read out a letter submitted by Mrs White. With the approval of the Chair, Mrs White then addressed the Select Committee. She requested that meetings be arranged so it could be explained to those who represented voluntary and community organisations the implications of the changes in straightforward terms and also to allow them to ask any questions.

With the approval of the Chair, Councillor Dunwell addressed the Select Committee. Councillor Dunwell enquired how tenants would be encouraged to agree to contract out when many were likely to want to remain in the property.

During discussion, Councillor H B Patel enquired whether the right of lease renewal could be excluded. Councillor Butt enquired why the financial ceiling of public financial support for a project was set in Euros. He also enquired if it was possible to reduce the maximum length of long term leases to 50 years.

In response, Jo Mercer (Policy and Regeneration Officer) advised Mrs White that the Council would be organising meetings with the voluntary sector through BrAVA and provided assurance that the necessary information would be circulated to voluntary sector representatives. Richard Barrett (Head of Property and Asset Management) acknowledged that the report did include some legal terminology that could be simplified and that this more user friendly information could be provided through BrAVA and the Council's website. He advised the Select Committee that leases were binded by the Landlord and Tenant Act 1954 and that they could only be brought to an end by a formal notice, at which point the Council and the tenant could indicate that they were willing to discuss a renewal. The process allowed the Council to protect its own position, whilst the tenant could be advised that they could seek independent advice prior to any further discussions. Richard Barrett advised that the right of renewal could be excluded should both parties agree to contract out. In the case of existing leases, the tenant would need to voluntarily agree to contract out. This could be achieved through negotiation and other incentives, such as offering lower rent. In the case of a new tenant seeking a lease, the Council could insist on contracting out as part of the agreement.

Members noted that the public financial support ceiling quoted in Euros had been set by the Department for Communities and Local Government. The Select Committee were advised that longer term leases had been specified as anything between 10 to 125 years in order to provide the Council with flexibility. Members then agreed that generally long term leases should not usually be longer than 50 years.

RESOLVED:-

- (i) that the recommendations of the Community Use of Council Owned Buildings Task Group be agreed; and
- (ii) that the report be passed to Executive for approval

## 8. **Performance and Finance Review – Quarter 3**

Cathy Tyson (Assistant Director [Policy], Policy and Regeneration) updated Members on the latest Performance and Finance Review. She advised Members that the last Comprehensive Area Assessment (CPA) refreshment had seen the Council score a strong 3 star rating, with the direction of travel continuing to show improvements. The Culture Block score continued to be the main cause for not achieving the 4 stars overall as it attained only a 2 star rating. Nevertheless, the Council had achieved 4 star ratings in more individual areas than 10 other local authorities that had achieved 4 star ratings overall. The recession had impacted upon areas such as housing and unemployment, although programmes such as Brent in2 Work and preventing homelessness were already in place to help address this.

The 2009/10 budget included additional measures to help combat recession and to strengthen child protection structures in light of recent public concern in this area.

Cathy Tyson advised that with regard to the Corporate Strategy, the Council remained on target to achieve the majority of the Vital Signs indicators. With regard to the the Local Area Agreement (LAA) agreed with the Office for London in June 2008, Cathy Tyson advised that it consisted of 38 priorities composed of 12 stretch targets from the previous LAA, 3 local targets and an additional 23 priorities chosen from the national indicator set. Cathy Tyson then drew Members' attention to some LAA priorities. Members heard that the Smoking Cessation target was not expected to be achieved this year, despite the Brent Primary Care Trust (PCT) restoring some funding to this programme. However, a number of schemes, such as street campaigns outside pharmacies and local supermarkets, and the Local Enhanced Service Contract with GP practices to encourage patients to quit smoking were in place to boost performance in this area. The Sports Participation priority was also unlikely to be met, which was possibly partly attributable to people having less disposable income due to the recession, although facilities continued to be promoted and special offers, such as free swimming for pensioners, was offered. The Select Committee heard that the Increasing Affordable Homes target had been exceeded, however Cathy Tyson warned that this target was likely to suffer in the next 2 years because of the recession and its effect on the housing market. Improving Outcomes for Looked After Children was likely to make its 3 year target and Increasing Self Directed Support was on target for this year.

Cathy Tyson commented that with regard to school places and waiting times, there was a capacity issue and a strategy had been set out to expand existing schools in the medium term. GCSE results in the borough compared well with others, with 51% of students achieving 5 or more GCSEs at grades A to C, some 3% above the London average and Brent was now placed in the top 20 of 150 local authorities nationally. Although marginally down on the target, good progress had also been made with regard to Temporary Accommodation, but again the recession would provide challenging circumstances for further progress. Library Visits had also fallen, however it was hoped that recent refurbishments at Neasden Library and the re-opening of Kingsbury Library Plus would reverse this trend.

During discussion of this item, Councillor Mendoza queried why waiting for school places was a concern in view that the Academy was presently undersubscribed and what areas were particularly affected with regard to this. He also asked whether there was any demographic evidence to suggest that population was decreasing because of the recession and whether staff sickness levels had reduced in the last quarter. Councillor H B Patel enquired why income from parking charges was projected to fall.

The Chair asked if details with regard to the number of Looked After Children who end up leaving the borough and the GCSE performance figures for the other local authorities in the top 20 could be provided. He also requested further information on Homeless Prevention, stressing that this was a particularly critical target.

In reply, Cathy Tyson agreed to provide further information with regard to Looked After Children, GCSE results and Homeless Prevention as requested by the Chair and on school places as requested by Councillor Mendoza. With regard to staff sickness levels, she confirmed that these were below the national average for long term sickness, however managers were being encouraged to take a more proactive role at an early stage when staff became absent due to sickness. Jo Mercer advised that there was no demographic evidence at this stage to suggest that the population in the borough was falling, nor was there evidence that the number of children formerly attending private schools were transferring to state schools since the recession had begun. She added that waiting list for school places were also affected by other issues, such as parents' preference for particular schools.

Duncan McLeod (Director, Finance and Corporate Resources) advised that because it was anticipated that less disposable income would result in fewer car journeys for recreational and leisure activities, this would mean more legitimate parking spaces being available and therefore less penalty notices being issued, which would reduce income from parking charges. Members were also advised that the pay settlement for staff for 2008/2009 had been finalised at 2.75%, higher than the 2.45% mentioned in the report.

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

The Chair reminded Members that he welcomed any suggestions with regard to the future of the Work Programme. In addition, Members should consider any training needs with regard to scrutiny functions and to contact Jacqueline Casson (Senior Policy and Regeneration Officer) with regard to any training requests. He also suggested that an Away Day could be arranged with StreetCare to shadow the work of the refuse collection crews and StreetCare monitoring officers.

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

None.

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

None.



12. **Date of Next Meeting**

It was noted that the date of the next meeting would be confirmed at the Annual Council meeting in May.

13. **Any Other Urgent Business**

None.

The meeting ended at 9.35 pm

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Chair