



MINUTES OF THE ONE COUNCIL OVERVIEW AND SCRUTINY COMMITTEE **Tuesday, 22 November 2011 at 7.30 pm**

PRESENT: Councillor Ashraf (Chair) and Councillors Beckman, Brown (alternate for Councillor Lorber), Chohan, Gladbaum (alternate for Councillor Mitchell Murray), McLennan and Sheth.

Also Present: Councillors Butt (Deputy Leader of the Council/Lead Member for Resources) and Long (Lead Member for Housing).

Apologies were received from: Councillors Colwill, Lorber and Mitchell Murray

1. Declarations of personal and prejudicial interests

None declared.

2. Minutes of the last meeting held on 14 September 2011

RESOLVED:-

that the minutes of the last meeting held on 14 September 2011 be approved as an accurate record of the meeting.

3. Matters arising

Work programme - Brent Fairtrade task group

The Chair sought an update on progress with regard to the proposed Brent Fairtrade task group. In reply, Jacqueline Casson (Senior Policy Officer, Strategy, Partnerships and Improvement) informed the committee that Brent Fairtrade Network (BFN) were pursuing schools and businesses as potential partners and the future of the task group depended on the outcome of BFN's application for Fairtrade status this month.

4. Arrangements for the future of Brent Housing Partnership

Andy Donald (Director of Regeneration and Major Projects) presented the report that summarised the progress made on implementing the recommendations agreed by the Executive on 18 July following an independent review of the council's housing stock. The decisions included:-

- Council retention of ownership of the housing stock
- Undertake consultation with tenants and residents on the preferred option to manage the housing stock through an Optimised Arms Length Management Organisation (ALMO) arrangement with Brent Housing Partnership (BHP)

- The drafting of a new management agreement between the council and BHP with full heads of terms to be completed by October 2011
- A full review to be undertaken of key functions in order to deliver improvements and efficiencies
- A joint governance review is undertaken between the council and BHP

Andy Donald advised that the proposed optimised ALMO with BHP would maintain a strong relationship with residents and facilitate input from them. The arrangement would focus exclusively on housing management with the objective of achieving top quartile performer status in both delivery of housing management services and for value for money. In order to ensure success of this model, it was essential that a redefining of the relationship between the council and BHP was undertaken, with the council remaining responsible and accountable for housing management and BHP delivering the housing management service on behalf of, and being accountable to, the council. The relationship with the council and BHP would be bought forward through the governance review which was currently at draft stage, an efficiency review and a review of the Management Agreement between the two organisations.

Andy Donald advised that whilst the independent review had identified a number of strengths in the governance arrangements, some structural weaknesses had also developed particularly in respect of the council's expectations of what BHP had been expected to deliver. Members were referred to the measures to be undertaken to provide critical improvements as set out in the report. The efficiency review required 15% savings in back office costs within BHP to be achieved over a four year period, however it was possible this could be attained in three years. It was also important that this target was reached as this saving had been assumed within the context of the current remodelling of debt repayments in relation to the Housing Revenue Account (HRA). Andy Donald concluded by stating that following the tenants and residents consultation in January 2012, the final report would be put to the Executive in February 2012 with a view to securing a formal agreement in the summer of 2012.

During discussion by committee, Councillor Brown queried whether the comparatively high number of complaints received by BHP reflected their ability to accurately record complaints. He commented that other local authorities did not operate housing stock through ALMOs and sought further information on what were the advantages of the council continuing with the ALMO arrangement. He also enquired how long it would take for the debt repayments to be paid off. Councillor Sheth sought clarification concerning staff efficiencies and whether this could impact on customer satisfaction and the number of complaints received. He also sought views with regard to the possible impact of rent increases on rent collection rates and what measures were in place to stop these rates falling. Councillor McLennan asked whether the reduction on resources would also impact upon collection rates. In respect of the 15% savings, she enquired whether this was partly due to the move to the Civic Centre and sought information concerning what the staff ratio was likely to be.

The Chair asked whether BHP's move to the Civic Centre would allow them to work closer with the council and increase efficiency. Noting that approximately a third of complaints received by the council related to BHP, he enquired what measures were in place under the new arrangements to tackle this issue. The Chair also

sought clarification concerning BHP's apparent involvement in the purchasing of property in Barnet and Ealing and what measures were in place to ensure there was no repeat of such an incident.

In reply, Andy Donald advised that under the Efficiency Review, BHP would now share a number of procurement activities and back office functions. There were a number of contracts that were due to end shortly and ways of joint procurement were to be explored, including with other service areas and housing management organisations. Andy Donald explained that it was felt retaining BHP as an ALMO would help the BHP to achieve top quartile performer status. It was also possible that in the future BHP could undertake tasks beyond that of housing management, such as regeneration and an ALMO arrangement provided such flexibility. The arrangement facilitated residents' engagement and involvement and it was noted that resident involvement was already high through residents' panels and representation on the Board. There was also the possibility that moving housing services internally would have damaged the relationship enjoyed with residents who clearly valued BHP. The committee heard that it was hoped to reduce complaints through improving the performance of BHP and quality of services and a few areas in particular would be focused on. It was noted that there was a housing complaints procedure separate from the council's own corporate complaints procedure. A large number of local authorities received a significant proportion of housing related complaints. It was anticipated that the move to the Civic Centre would help harmonise the relationship between the council and BHP.

Andy Donald advised that it would take between 12 to 14 years to achieve some headroom with regard to the borrowing debt that would allow further activities to be able to be undertaken and a total of 20 years for the HRA pay-off to be completed. Although the council had been a benefactor in terms of the new funding arrangements, the funds remained ring-fenced for housing. Andy Donald explained that under the new efficiencies to be delivered, the council and BHP's finance teams would be brought together and there would be an overall reduction in back office posts. Some of these savings were attributable to the move to the Civic Centre, whilst the staff ratio was presently being discussed. Front office savings would be lesser and would be achieved mainly through a reduction in the number of contractors. Andy Donald acknowledged that rent increases posed a significant risk for rent collection rates and added to the overall reduction in benefits this was a big issue nationally. Maintaining dialogue with tenants and support services would be essential in addressing this issue and there were a number of practical measures that could be put in place to help tenants, such as arranging direct debit payments.

With regard to BHP erroneously purchasing properties in Barnet and Ealing, Andy Donald stressed that the new governance arrangements would ensure that such an event would not be possible in future. Clarity would be provided with regard to Board arrangements and the appropriate scrutiny measures would be put in place. A review of management arrangements would take place once the new Board was in place. Steps were also being taken to strengthen the relationship between the council and BHP and quarterly meetings between the two organisations were taking place.

With regard to complaints, Phillip Mears (Corporate Complaints Manager) confirmed that BHP had arrangements in place that ensured complaints were accurately reported and that it was usual for local authorities to have a large

proportion of housing related complaints. However, he added that there had been a significant reduction in the number of BHP complaints and similarly with the number being escalated.

Councillor Long (Lead Member for Housing) added that there would be opportunities to review the re-structure of BHP that had taken place seven years ago. She advised that a BHP sub-committee had identified the error with regard to properties bought in Barnet and Ealing, however further consideration needed to be undertaken with regard to scrutiny arrangements.

The Chair asked that an update on the housing transformation and governance arrangements be provided at a future meeting.

RESOLVED:-

that the report on arrangements for the future of Brent Housing Partnership be noted.

5. Annual Complaints Report 2010/2011

Phillip Mears introduced the report and confirmed that in terms of the number of complaints under the council's Corporate Complaints Procedure referred to the Local Government Ombudsman (LGO), this had been the most successful year since recording had begun. A total of 72 decisions were made by the LGO in respect of council complaints, of which only four went to local settlement, representing 6% of LGO investigations where the council was requested to take action to resolve a complaint, the lowest in London against a London average of 21% and a national average of 27%. Members heard that the number of complaints had fallen by 36% compared to 2009/10 and there had been a reduction in stage two and stage three complaints of 28% and 42% respectively. One of the largest stakeholders, Revenue and Benefits, had seen a reduction of 70%. BHP had also experienced a significant reduction and this was partly attributable to changes in maintenance and repair arrangements.

Turning to annual complaints in Children and Families, Phillip Mears reported that 97% of stage one complaints were resolved at this stage, with only six complaints being escalated. By resolving complaints earlier, this helped the council achieve savings and the council was improving in this area in terms of accepting when mistakes had been made and was better prepared to remedy complaints. With regard to Adult Social Care, Phillip Mears stated that recent significant changes to legislation had led to increases in complaints, however the number received this year was still well below the number received in 2009 when the new procedure was implemented.

Phillip Mears commented that the improvements were attributable to improved training for complaints and in seeking to resolve complaints at the earliest stage possible. It was also anticipated that the Customer Services project would help increase the ability for early resolution of complaints. Members heard that the complaints process would be reduced from three to two stages next year and this would present a different challenge to ensuring that complaints were handled in an effective manner.

During discussion, Councillor Gladbaum sought further details in respect of the move from three to two complaint stages. In noting the lack of school places, she enquired whether a large number of complaints were received in respect of school admissions and what measures were being taken to address this. Councillor McLennan welcomed the progress that had been made but asked whether further savings through the One Council programme and changes to BHP and Benefits may lead to complaints rising. She also sought information with regard to a vexatious complaints policy and what percentage of complaints had been classified as vexatious.

The Chair also welcomed the decrease in complaints, however he noted the increase in compensation given in relation to complaints relating to BHP and he sought an explanation for this. Clarification was sought with regard to the LGO receiving 79 complaints but only providing 72 decisions. The Chair enquired whether there were serious concerns about the rise in the number of Children and Families related complaints. He commented that often a reason why residents may feel aggrieved about a particular issue was that they had felt that they were not being listened to and he suggested that this could be improved through greater engagement with them. Views were also sought as to reduction in complaints against the backdrop of service transformation.

In reply to the issues raised, Phillip Mears explained that the reason why the decisions made by the LGO were less than the complaints received was because a number of the complaints were still under investigation at the point at which the annual figures were compiled. Compensation payments had risen in respect of BHP despite a fall in complaints because some complaints may have a widespread and significant impact. Children and Families complaints were subject to statutory regulation and independently investigated and additionally the nature of the issues involved often made the complaints challenging and complicated to resolve. The committee noted that under changes to be made next year, stages one and two of the complaints process would be merged, with the council seeking to resolve the complaints in 20 working days. Should the complaint be escalated, it would be reviewed independently of the department by Phillip and his team on behalf of the Chief Executive. Phillip Mears advised that there were a significant number of complaints in relation to school admissions which remained a challenging issue because of the demand for places in the borough. Phillip undertook to provide the Committee with further information on how school admissions complaints were handled within Children & Families.

Phillip Mears stated that it was anticipated that complaints would rise as further savings needed to be made and the changes to Housing Benefits came into effect. However, he cited an earlier example concerning parking permit increases where the council had fully explained the reasons for these changes, resulting in a very few number of complaints being escalated beyond stage one and such an approach would be needed in future. In the case of changes to Benefits, careful consideration would be needed to explain that this was due to a Government initiative and to explain options to residents if this presented them with difficulties. Phillip Mears acknowledged the importance of engagement with complainants and cited Children and Families as an example who invited complainants in to discuss their problems with the relevant service manager which helped to resolve issues. In addition, a new Corporate Investigations Standard would be introduced under the new two stage procedures and would include the requirement for the officer

investigating the complaint to contact the complainant. With regard to the drop in complaints continuing despite the transformations in service and efficiencies, Phillip Mears commented that this was clearly not discouraging news, especially as complaints lodged to the LGO were not rising. Improvements in complaints training and a proactive and positive approach to complaints would also help the council in the future. The committee noted that around 2% of complaints were decided as vexatious.

The Chair requested an update on complaints during the next municipal year.

6. The One Council Programme - second update - 2011/12

Phil Newby (Director of Strategy, Partnerships and Improvement) provided an update on the One Council programme and informed Members that some projects were in the process of closing and were now helping to deliver services. The overall status of the programme remained amber, however further savings were required so there was to be an expansion in the range of projects and there would be an element of risk involved in some of these. Individual Directorates were playing a greater role in the delivery of projects and there was an implicit need to achieve the savings targets set. Seven projects had now been completed, whilst 15 new projects were due to start. Phil Newby explained that the nature of the programme was changing, with initial goals focused on achieving efficiencies, however this now included implementing a transformation of services which sought to achieve the desired outcomes despite the fewer resources available. Risk areas included procurement, where savings were taking longer to achieve than anticipated, however efforts were being made to further professionalise staff in that area, despite the heavy demand for such skills. It was intended to undertake procurement activities at a larger scale, including working with other West London boroughs, although this would require a longer period to be achieved. There were also moves to migrate skills and knowledge more widely across the council to minimise the need for external assistance. The committee noted that the programme was on track to achieve the £27.8m savings target for 2011/12. Phil Newby then referred Members to appendix one of the report that outlined the structure of the One Council programme.

Irene Bremang (Programme Management Officer Manger, One Council Programme) then explained some of the processes involved in delivering the programme and advised that all projects were required to submit monthly project status reports to the Programme Management Office (PMO), and that the Programme Board meets every two weeks. The piloting of Departmental Portfolio Boards (DPB) was being undertaken within Environment and Neighbourhood Services, whereby the DPB ensures that greater departmental responsibility and ownership of One Council projects was undertaken, although these would still be reported back to the Programme Board, who would only intervene if problems had been identified. It was anticipated that additional DPBs would be phased in over the next quarter. Irene Bremang explained that a new project initially required the submission of a concept paper, followed by a business case outlining the justification for the project; the alignment with the Programme's strategic objectives and its relationship with other projects and activities. The next stage involved submitting a Project Initiation Document (PID) that needed to demonstrate how the project would be delivered and identify how dependencies and risks would be

managed. Once the PID was signed off by the Programme Board, the project would then be reported back to the Board on a monthly basis.

During discussion, Councillor McLennan sought further details with regard to the 15 new projects, including how these would be resourced, and what the role of DMTs would be. Councillor Sheth asked for further information about prospective closure of existing projects and with regard to the trade waste project. Councillor Brown requested that future updates show the date when a project is completed. In noting the parking and highways projects addressing procurement and contractual issues, Councillor Brown suggested that these factors should be a consideration as a matter of course and he sought a further explanation.

The Chair asked what were the underlying causes for total project operational savings and net savings from the programme having a red RAG status and how could it be determined that projects are achieving their objectives. Information was requested on spending on external consultants and on the success of projects that had closed and reasons as to why the consultancy firms and managed services project was withdrawn was sought. He noted the large degree of dependencies relating to IT and asked for further information on Project Athena and whether there was a project related to planning. The Chair asked for details of the success of projects that had since been closed be reported at future meetings of this committee.

In reply to the issues raised, Phil Newby explained that there would be a phased approach taken to the 15 new projects that would start at different times. The business case for each new project would be required to demonstrate both financial and other benefits and would require PID approval by the Programme Board. With regard to DMTs, their role varied depending on the project, although each project had a project manager. It was acknowledged that some projects may need more resources initially to help them succeed. A pool of internal staff was available to help with projects and some posts for these were also advertised internally. If a need for skills for a certain project were not available internally, then external resource would be sought with a view to training internal staff in order to prevent using external resources any longer than necessary. However, occasionally the use of external consultants was unavoidable and the balance of internal/external costs could be provided. Phil Newby advised that additional projects were needed to help achieve the additional savings required and a fundamental review of activities may also be undertaken. A closing report needed to be completed prior to a project closing, along with an explanation to the Programme Board as to how the targets had been achieved and it was noted that four were due to close in 2012. The dates of when projects closed could be provided. Savings targets for projects were regularly checked throughout the financial year. With regard to trade waste, Phil Newby explained that this had been a long running issue and that the Commercial Opportunities Group was looking into this, including whether the council could provide a trade waste service on a commercial basis. It was noted that Project Athena was led by Clive Heaphy, Director of Finance and Corporate Services and that the possibility of sharing an IT platform with other local authorities was being looked at. Initially, the scope of the project was to share HR functions, whilst sharing of financial processing would follow in the longer term. Phil Newby advised that planning was driven by statutory legislation, however elements of the future customer services project would help transform how customers used Planning Services.

Irene Bremang added that a systematic approach was taken to ensure the Programme delivered the significant changes in a co-ordinated way. The progress of the Programme was constantly under review and where hotspots had been identified, a review of what action would be required was promptly undertaken. The consultancy firms and managed services project had originally been set up when consultants were being used more often, however DTMs are now required to justify any use of external consultants and there are a number of control mechanisms in place which similarly are applied in the use of temporary or agency staff. Irene Bremang advised that the parking and highways projects were currently at the conceptual stage, however one of the purposes of these projects was looking at ways to change the way in which procurement was undertaken to ensure better value and provide improvements and efficiencies and this was also being undertaken across the wider council. There were also steps being taken to ensure better practice when undertaking procurement activities. Irene Bremang informed Members that an IT Programme Board met on a monthly basis to ensure that the necessary IT resources were available to ensure the transformation in services could be undertaken.

The committee agreed to the Chair's suggestion that there be a presentation on Project Athena at the next meeting.

RESOLVED:-

that the report on the One Council Programme be noted.

7. Performance and Finance Review, Quarter 1, 2011-12

Phil Newby advised that this report would be presented in a different format at future meetings with a more streamlined format. Members heard that some performance indicators were no longer required to be reported on. However, performance and finance data would still be presented.

The Chair asked if the increase in the number of indicators under Vital Signs being below or missing their targets altogether was of serious concern. He also expressed concern about costs in respect of pothole repairs.

In reply, Phil Newby advised that the Vital signs performance was being looked at and stated that it was complicated by the fact that a lot of the information was being provided by partner agencies. Members noted that the Highways programme was considering how costs for pothole repairs could be brought down.

8. One Council Overview and Scrutiny work programme

Jacqueline Casson advised that Project Athena, the future of customer services and the performance and finance review quarter two would be considered at the next meeting. Councillor Brown suggested that information be given as to the proportion of projects at red RAG status. In reply, Phil Newby advised that projects' RAG status often moved and that reasons needed to be identified for those of red RAG status. He added that RAG status of projects could possibly be included in future meetings. The Chair suggested that those projects deemed as high risk

could be put before the committee at future meetings if was felt that this was appropriate.

9. **Date of next meeting**

It was noted that the next meeting of the One Council Overview and Scrutiny Committee was scheduled for Wednesday, 25 January 2012 at 7.30 pm.

10. **Any other urgent business**

None.

The meeting closed at 9.40 pm

J ASHRAF
Chair