

MINUTES OF THE PERFORMANCE AND FINANCE SELECT COMMITTEE
Tuesday, 8th September, 2009 at 7.30 pm

PRESENT: Councillor Dunn (Chair), Councillor HB Patel (Vice-Chair) and Councillors Bessong, Mendoza and Pagnamenta

Apologies were received from: Councillors Ahmed, Butt and Van Kalwala.

1. Declarations of Personal and Prejudicial Interests

None declared.

2. Minutes of the Last Meeting Held on 24th June 2009

RESOLVED:-

that the minutes of the meeting held on 24th June 2009 be received and approved as an accurate record.

3. Matters Arising

Community Use of Council Owned Buildings Task Group

The Chair confirmed that at the Executive had agreed to the Task Group's recommendations as set out in the Task Group's report at its meeting on 14th July 2009. He thanked Members for their participation in the work of the Task Group.

Crime Prevention

The Chair advised that the Head of Community Safety and the Police's Borough Commander were to be invited to the 9th December 2009 meeting of the Select Committee to discuss crime prevention amongst 18 to 28 year olds and violent crime reduction.

4. Revenues Performance

Margaret Read (Head of Revenue and Benefits) introduced the report which provided details of Revenues performance for 2008/09 and up to 31st July 2009 for 2009/10. She confirmed that an in year collection rate of 94.7% had been achieved for Council Tax collection in 2008/09, representing a 0.1% improvement from the previous year and also resulting in a move up the London boroughs' performance table from 24th to 23rd. It was noted that most boroughs had either maintained last year's collection rates, although in the case of 13 boroughs, collection rates had reduced. Margaret Read continued that arrears collection targets had not been obtained, although there was still some hope that the shortfall for 2006/07 and 2007/08 could eventually be met. For 2009/10, monthly profile targets were broadly being met with collection at 31 August achieving 49.39%, 0.01% ahead of the same time in 2008/09. The Select Committee was advised that the 2008/09 in year

collection rate of 94.7% had exceeded the contractual target of 93.75%, and in view of this a non contractual target of 94.8% for 2009/10 had been set, with a contractual target of 94%. Margaret Read drew Members' attention to a number of strategies for improvement as detailed in the report.

Turning to National Non Domestic Rates (NNDR) collection rates, Margaret Read confirmed a collection rate of 98% had been achieved in 2008/09, 1.1% lower than the previous year, although across London boroughs the average decrease was even higher at 1.2%, which had resulted in the Council improving from 18th to 15th in the London boroughs performance table and in the 2nd quartiles for NNDR collection for the first time. . As of end of August 2009, collection stood at 48.05% compared to 47.55% the previous year although this could be partly attributed to changes in regulations with regard to long term empty properties of a rateable value of less than £50,000 being entitled to relief and exemptions. However, Margaret Read explained that the increase in performance in comparison to the previous year was reducing each month and it was anticipated that performance would not exceed last year's by the end of November 2009. Members noted that a revaluation of NNDR properties was due on 1st April 2010 based on market value rates as of 1st April 2008. Margaret Read also advised that non domestic properties with a rateable value in excess of £50,000 would be levied a 2p charge as part of the contribution to the Greater London Authority's Crossrail scheme.

Margaret Read concluded by stating that the Revenues and IT contract was due to expire in April 2011 and a full options appraisal was underway, due for completion in November 2009. A report with regard to this would be presented at a future meeting of the Select Committee.

During discussion, Councillor H B Patel expressed concern about the arrears targets not being met and enquired about what measures were being taken to address this. He asked how a situation detailed in the report about landlords of multiple properties with significant Council Tax arrears, including £53,000 in one instance, had arisen. Councillor Mendoza enquired whether it was possible to have a tracking system of issues that were frequently raised at meetings in respect of Revenue Performance. Councillor Bessong asked what impact the pilot scheme of calls to the One Stop Shop contact centre concerning Council Tax arrears being transferred to Capita was.

The Chair welcomed the overall improvements in performance despite the challenging economic circumstances and enquired on the likely length of the new contract once the present one expired. With regard to bailiffs, he enquired in what circumstances were bailiffs having an increasing presence and was this a more effective method of recovering arrears. Clarification was sought as to whether bailiffs were now being used earlier in the recovery process. The Chair also sought details with regard to information sharing with neighbouring boroughs.

Sue King (Capita) was invited to respond to the issues raised. She explained that there was evidence that a number of multiple property owning landlords who had applied for grants for properties under Houses in Multiple Occupation registry scheme had also erroneously claimed that tenants were liable to pay Council Tax for these properties. Such cases were being pursued, including one that was due to go court next week. Members heard that information on individual cases could be provided and that the Select Committee would be kept informed of

developments. With regard to NNDR arrears, Sue King advised that debts would only be written off where it had been determined that the debt was not recoverable. She added that obtaining payments for empty business properties that had arrears arising as a result of losing their exemption, was particularly difficult. Members noted that bailiffs were not entering the recovery process earlier as there were procedures that needed to be adhered to, whilst use of bailiffs also increased costs. However, there would inevitably be a number of cases that required the professional attention of bailiffs. A number of bailiffs had recently been recruited as part of a blitz on arrears recovery, including visits to properties on Saturday mornings when occupiers were more likely to be at home. Bailiffs were also being encouraged to refer cases back to Capita where this was appropriate. The Select Committee heard that the information exchange between neighbouring boroughs using LOCATA had been successful in tracking down those who were in arrears.

Duncan McLeod (Director, Finance and Corporate Resources) advised Members that NNDR collection was undertaken on behalf of the Government and as such any shortfall was not directly absorbed by the Council. Margaret Read advised that Revenue and IT contracts were typically of a 5 year period with an option to extend. Paula Buckley (Head of Client Team, Revenue and Benefits) added that 6 organisations had preliminarily expressed an interest in the Revenue and IT contract, with most looking at longer term contracts, in some cases 10 years. Members noted that Capita felt that contracts below 5 years were not financially viable to them, and that a longer contract would be more productive. With regard to the pilot One Stop Shop scheme, Paula Buckley commented that it was intended to increase the number of recovery calls referred to Capita staff as the pilot had demonstrated that this enabled arrangements to be agreed during the call, with a higher degree of success in terms of payment arrangements being complied with.

5. Property Asset Disposals 2008/09

Richard Barrett (Head of Property and Asset Management) introduced the report which provided details of all property disposals and transactions valued at £100,000 for rental and £300,000 for acquisitions and disposals. He advised that a target of £10.73m of capital receipts as part of the overall rolling Capital Programme had been set for the period 2008/09 to 2011/12. Members heard that although the capital receipts target for 2007/08 had been exceeded, the 2008/09 figure of £1.176m was significantly below target. It was anticipated that the target for 2009/10 would similarly not be met, primarily due to property market conditions and also because some disposals had intentionally been retained to take advantage of any subsequent improvements in the property market. The Select Committee heard that the Council had a comparatively small property portfolio and often received internal bids or expressions of interests for properties it sought to dispose of. Richard Barrett then referred to the disposals as detailed in Appendix 2. Members also heard that there had been a few acquisitions, including 2 acquisitions to support the South Kilburn New Deals for Communities scheme.

Councillor Bessong queried whether more properties should be acquired to offset the growing housing list. Councillor Mendoza enquired whether should be property disposals of in view of the present market conditions and the Council's small property portfolio. With regard to the Civic Centre, he enquired how long the option to buy land extended to and whether advantage could be taken of any subsequent

upturn in the market. The Chair sought clarification as to when the option to buy land for the Civic Centre had been secured and had the Council benefitted from the downturn in the property market.

In response, Richard Barrett advised that the Council had in place a formal review procedure to ensure that some assets were not disposed of should they be required for another use. However, some disposals, such as disposing of a loft conversion would not be rigorously challenged. The issue of whether to acquire more property in respect of the housing need was being strategically considered, particularly in high priority areas such as South Kilburn, however any acquisitions would be subject to availability of funds. Richard Barrett advised that the option to buy land for the proposed Civic Centre had been obtained during May 2008 and at that time was on terms favourable terms to the Council. The option was on a fixed term basis for 3 years, with an option to renew for a further year. In view of the downturn in the property market since the option had been secured, the Council could consider renegotiating terms and further consideration would be needed prior to the final report being considered by the Executive.

The Chair acknowledged that conditions in the property market had impacted upon the Council's ability to obtain its capital receipts targets and he indicated that further reports concerning how this affected community use buildings and in particular the Civic Centre be presented at a future meeting of the Select Committee.

RESOLVED:-

- (i) that the schedule of disposals as detailed in appendix 1 of the report detailing transactions for the financial year 2008/09 be noted; and
- (ii) that the schedule of all transactions completed under delegated powers as detailed in appendix 2 of the report be noted.

6. **Staff Survey 2008/09 and Action Plan**

Claire Gore (Strategic Human Resources Manager) presented the report which reviewed progress on the implementation of the 2008/09 Staff Survey Action Plan. Claire Gore began by referring to the 2008 staff survey which had provided favourable results overall, with above average scores for 15 of the 35 benchmark questions, within the benchmark average for 16 questions and below average for 4 questions. In addition, the overall engagement score had improved from 66% for the 2007/08 survey to 77% for the 2008/09 survey. Members heard that headline areas of strong performance included good relationships within teams; work seen as related to goals and objectives of the Council; training; and in equal opportunities values and fairness and respect. Areas in need of improvement included opportunities for bottom up communication; limited communication regarding career opportunities and promotion decisions; accuracy of appraisals in reflecting performance; low reporting of perceived discrimination; visibility of senior managers and the need to monitor working hours to maintain a work life balance.

Claire Gore advised that in view of the areas identified in the survey as requiring improvement, a key driver analysis had been undertaken, and the consultants ORC International had highlighted 2 areas to focus upon, namely professional

development and senior management change and cooperation. Claire Gore then referred to the detail of the report regarding the Action Plan and highlighted the issues being addressed, including career development, training and appraisals, partnership working and reduction in contact numbers and visibility of senior managers and communication. Members heard that the Chief Executive held staff lunches and maintained a blog to enhance 2 way communication with staff, whilst engagement with staff was a priority of the Action Plan. Claire Gore confirmed that the 2009 staff survey was currently in the process of being finalised and would take place during the autumn of 2009, with feedback and action planning sessions due to commence early in 2010.

During discussion, Councillor Mendoza sought reasons as to why consultants had been recruited to assist with the Action Plan and how had they determined the 2 areas that needed to be focused upon. He sought further details with regard to the Chief Executive lunches and reasons as to why an Internal Communications Manager had been recruited in view of budget pressures the Council faced. Councillor Mendoza commented that difficult economic circumstances such as the present would be motivation in itself for staff and he questioned the need to focus on internal communication at the moment, adding that this would be a more useful exercise when the economy and the employment market was more buoyant.

The Chair commented that his own experience had highlighted the need for sound internal communication and facilitated organisations during time of change, such as the Council's Business Transformation programme as it was vital to explain to staff the reasons to make such changes. He asked how the Business Transformation programme, including the results of the analysis undertaken by PricewaterhouseCoopers, would be communicated to staff.

In reply to the issues raised, Claire Gore explained that ORC International had been responsible for designing the software to analyse the staff survey and produce the resulting reports. ORC International had devised a methodology to identify areas in need of improvement and that have a high impact on staff. The Select Committee heard that the Chief Executive lunches operated on an open invitation basis with up to 15 persons per lunch and that there was presently a waiting list. The lunches provided opportunity for the Chief Executive to receive feedback and then communicate his response back to staff. With regard to the appointment of an Internal Communications Manager, Claire Gore advised that it was important to engage staff as it impacts positively on areas such as staff morale, whilst a lack of communication, particularly during change, would have a negative effect on staff. She advised that improving internal communication also helped increase productivity and would assist in unlocking staff potential. Furthermore, the need for sound internal communication was recognised as good practice in both the public and private sector. Members also heard that secondment opportunities were increasing which in turn, improved the variety of skills and knowledge of staff and there were also more opportunities for staff to make suggestions.

Cathy Tyson (Assistant Director – Policy, Policy and Regeneration) added that the Chief Executive's regular newsletter provided updates on the Business Transformation Programme. The One Council programme had created 9 task groups to consider a range of initiatives across service areas, whilst a number of staff had been involved in the PricewaterhouseCoopers analysis. The central aim of the One Council Programme was to provide an integrated, strategic approach

and to remove duplication of work, whilst maintaining the front line service and responding to change. The outcome would be fed back to the Senior Managers' Conference where it would be set out what the Council needed to achieve over the next few years.

7. Performance and Finance Review - Quarter 4 2008/09

Duncan McLeod presented the Finance aspect of the report which detailed the situation as of the end of 2008/09. Duncan McLeod began with the General Fund Budget, the 2008/09 Statement of Accounts having been approved by the General Purposes Committee on 30th June 2009. However, these figures were provisional as the accounts were subject to audit and would be presented to the Audit Committee in September 2009. The overall position of the Council had provisionally registered a slight improvement of £41,000 against the previously assumed year end position. The recession and events with regard to child protection had placed considerable pressure on the 2008/09 budget and it was anticipated that these would continue to be major factors on the 2009/10 budget.

Cathy Tyson then presented the Performance element of the report and advised Members that overall good progress had been made in delivering the Corporate Strategy in Quarter 4 of 2008/09, with the majority of Vital Signs indicators considered critical to success performing broadly in line with the targets, with 63% on or just below target and 27% well below target. The performance results for Local Area Agreement (LAA) 2006/09 were in the process of being audited, however it was anticipated that the Council would secure a significant proportion of the total Performance Reward Grant on offer. Cathy Tyson referred to the LAA 2006/09 priority stretch targets that had been met as detailed in the report, advising that many had significantly exceeded their targets. The 3 stretch targets that had not achieved their targets or were at high risk included Adults Participating in Sport and Physical Activity, Disadvantaged Groups into Employment – BME Jobs Achieved and Smoking Cessation – 4 week quit NFR Areas and 13 week quit. Turning to the LAA for 2008/11, Cathy Tyson advised that an annual refresh had been undertaken with the Government Office for London, where a number of changes had been negotiated because of the present economic circumstances affecting a number of performance indicators. A change to the calculation of the Performance Award Grant had been made, which meant for example that 40% of the grant would be received if an average of 60% was achieved across all LAA targets, increasing the importance of achieving individual targets as lower performance on an indicator would increase the need to achieve better performance on other indicators.

Cathy Tyson advised the Select Committee that a 3 star and improving strongly rating had been achieved for the final Comprehensive Performance Assessment (CPA) for 2008/09. The new Comprehensive Area Assessment (CAA) that had replaced the CPA had commenced on 1st April 2009. To date, the feedback received from the Audit Commission to other local authorities, including Brent, had been mixed. However, it was clear that the standards had been raised, particularly in respect of use of resources. Cathy Tyson then highlighted some specific performance issues that were being addressed, including performance in the 1st quarter of 2009/10. With regard to Youth, Members heard that for the 1st quarter of 2009/10, there had been a reported improvement in the number of Black African and Caribbean youth subject to remand and young people visiting Council sports

facilities. For schools, Brent had been ranked in the top 20 of 150 local authorities for GCSE results and although there had been an improvement in school places, there were still a relatively high number of children waiting more than 6 weeks for a school place. Members heard that there was a rising number of requests for Special Educational Needs, crime had decreased by 21% compared to last year, whilst domestic violence was also being successfully tackled. The number of library visits had risen slightly, however the target had not yet been met primarily due to refurbishment works at libraries in the southern part of the borough. There had been an improvement in performance in staff absences due to a review of the sickness policy, whilst there had also been a reduction in the percentage of agency staff.

During discussion, Councillor Bessong enquired whether the overspend in Adult Social Care for 2008/09 was primarily due to problems experienced by Brent teaching Primary Care Trust (PCT) and enquired whether the situation was likely to improve in this area. He also sought reasons for the delay in reporting the performance indicator, Improving Sexual Health: Under 18 Conception Rate and whether a downward trend could be confirmed. Councillor Mendoza acknowledged the different criteria for the CAA in comparison with the CPA and sought further information with regard to the impact on the Council's focus under the new form of performance assessment.

The Chair asked what steps were being taken to balance costs and revenues in respect land charges in the Environment and Culture budget and with regard to the overspend for the Wembley Manor Primary School scheme. He queried the suggestion in the report that funding for schemes in the South Kilburn Regeneration Area could at a later stage produce capital receipts that could be used to re-invest in the Wembley Regeneration Area. The Chair also sought a further explanation as to how crime performance could be measured as successful.

In response, Duncan McLeod advises Members that initially issues involving PCT had been a major factor in placing pressure on the Adult Social Care budget in 2007/08, however the PCT's financial situation had since improved, although discussions with them with regard to sharing redundancy costs on a particular scheme were taking place. The budget had continued to be under pressure for a number of reasons, most related to increased demand. Duncan McLeod agreed to provide a written response to the Chair in respect of the possibility of capital receipts from the South Kilburn Regeneration Area being used for the Wembley Regeneration Area.

Cathy Tyson advised the Select Committee that the Audit Commission was likely to take a robust stance with local authorities in respect of the CAA, including challenging information presented to them. The CAA focused on strategic partnerships of the local authorities and their partners, and although Brent had received some initially positive feedback, the assessment was more narrative based and it was harder to predict what type of assessment Brent would ultimately receive. Cathy Tyson advised that the latest information regarding Improving Sexual Health was from 2007 and the official results of the most recent surveys were awaited, although it was anticipated that there would be a fall in the Under 18 Conception Rate. With regard to crime, the Select Committee was advised that victims of domestic violence were now being encouraged to make statements which

could lead to arrests on site and such a measure helped reduce reoffending. In addition, a specialist Domestic Violence Court had been created.

The Chair indicated that information on child protection structures and what was being undertaken to promote foster care be provided at a future meeting of the Select Committee.

8. Brent's New Evidence Base

Cathy Tyson gave a presentation on Evidence Base, a new tool that brings all information held by the Council into a single accessible point. Members heard that the Evidence Base brought together a number of information sources, including the borough profile, Place Survey results, Place Survey ward profiles and tables, Place Survey mosaic profiles and presentations. Cathy Tyson highlighted a number of comparisons of Brent compared to other London boroughs, such as Brent having one of the lowest qualification levels and the 4th lowest level in household incomes and the percentage of those satisfied to live in the area. However, Members noted that those satisfied to live in Brent had increased by 9% to 68% since the last survey. Those claiming Job Seekers Allowance in Brent was 5.11%, above the London average of 4.3. Those satisfied with the Council had also declined by 7%, although this was in line with national trends and Brent was the 8th lowest in London. Members heard that there were also significant gaps within Brent between the highest and lowest scoring wards for both the borough's profile and Place Survey results. Cathy Tyson advised that amongst areas showing significant improvement included effective addressing of neighbourhood problems, particularly anti-social ones.

Members commented on the usefulness of the information that was available, with the Chair adding that it could be used to feed into the Transformation Programme and the budget.

Cathy Tyson added that the information could provide important clues to tackle a number of issues, such as deprivation in the borough. She advised that Revenue and Benefits and Capita were already using a number of tools that the Evidence Base utilised to develop strategies, such as customer contact with their clients.

9. Performance and Finance Select Committee Work Programme 2009/10

The Chair referred to the items suggested in the Work Programme 2009/10 that were due for consideration at the next meeting of the Select Committee.

10. Items requested onto the Overview and Scrutiny Agenda (if any)

None.

11. Recommendations from the Executive for items to be considered by the Performance and Finance Select Committee (if any)

None.

12. **Date of Next Meeting**

It was noted that the next meeting of the Performance and Finance Select Committee was scheduled for Wednesday, 28th October at 7.30 pm.

13. **Any Other Urgent Business**

None.

The meeting closed at 9.35 pm

A DUNN
Chair