

MINUTES OF THE PERFORMANCE AND FINANCE SELECT COMMITTEE
Tuesday, 2nd March 2004 at 8.00 pm

PRESENT: Councillor Davies (Chair) and Councillors Bellia, Duffin, Gillani, Gladbaum and Lorber.

Also present were Councillors Coughlin, Freeson, John and Kagan.

Apologies for absence were received from Councillors H B Patel and Moher.

1. Declarations of Personal and Prejudicial Interests

There were none.

2. Minutes of Previous Meeting on 13th January 2004

RESOLVED:-

that the minutes of the previous meeting held on 13th January 2004 be received and approved as accurate records.

3. Matters Arising

There were none.

4. Deputations

There were none.

5. Update of the Current Performance within the Revenues and Benefits Service

The Select Committee had before them a report containing a detailed update of Capita's performance, Housing Benefits in-house performance and outlining future plans and issues for the service. Margaret Read (Head of Local Taxation and Benefit)

In response to a question from Councillor Bellia concerning inadequate bailiff collection services, Mark Chapman (CAPITA) explained that at the end of February 2004, Capita was collecting 1.1% below its 92% contractual target for collection of Council Tax. It was anticipated that a target of 90.9% would be achieved by the end of March 2004. Members were advised that Newlyn and Equita provided Capita's bailiff services and confirmed that to date Newlyn collection rate had not been particularly successful. Mr Chapman explained that the service had been inherited at a bad time and then outlined how the collection work was allocated between the two companies. Members were advised that whilst Equita was a wholly owned subsidiary of

Capita, it was felt by Capita that the company was more than capable of delivering a good service. In response to queries about utilising an alternative bailiff company, Mr Chapman confirmed that this was not deemed to be the best option as there were insufficient bailiff companies to meet demand and increased fees could be incurred by the Authority. Some Members suggested that the use of additional bailiff companies may increase collection but were advised that whilst a greater pool of resources might seem the best option; this would not guarantee increased collection rates. Mr Chapman stressed that Capita had signed up to very large penalties and therefore wanted to retain full control and management of the bailiff companies being used.

Members were advised that collection as at February 2004 had been over 90% and the March forecast was almost 91%. Consequently, Capita was expected to fall short of its contractual target by only 1%. It was anticipated that collection would exceed the level of collection achieved by EDS in its final year. Mr Chapman explained that there were a number of issues that should be taken into account when considering collection performance, including:-

- (a) service previously in decline when passed to Capita;
- (b) Capita attempting to collect 2 years worth of charges in one year for some properties because of work carried out to bring Valuation changes up to date. These resulted in an additional £1.2m in collections and affecting approximately 900 properties;
- (c) data cleansing process had to be completed to ensure that information held on residents and outstanding debts was accurate; and
- (d) more bailiffs would not necessarily lead to greater collection.

Consequently, a number of strategies had to be pursued to increase collection rates such as increased correspondence with residents, launching bankruptcy campaigns, increasing publicity with poster campaigns and encouraging residents to pay. Neil Smith (Capita) advised Members of the Select Committee that whilst taking action to encourage residents to pay their outstanding debts such as through advertising campaigns which had been successful in other authorities such as Lambeth, this was a timely process.

Members of the Select Committee then commented on other aspects of the report including call waiting times and stressed some concerns that call waiting times for callers were unacceptably high. Margaret Read explained that action had been taken to reduce the waiting times and resolve the difficulties that had been experienced in the Call Centre. Members were advised that counter performance had been impacted on as a result of an increased focus on collection but that there would be change of emphasis towards achieving improvements in 2004/05.

In response to a query from Councillor Gladbaum, Sue King confirmed that there were 831 pieces of outstanding correspondence to date and

that following the computer system “closedown”; one day had been lost to enable main billing, following the Council Tax setting. Regarding Council Tax arrears, the target had been achieved. In response to a query Mr Chapman explained that there were still some problems concerning inaccurate data that was held on some residents, such as incorrect occupier details which meant that some accounts could not be collected. Members were advised that the problems were being addressed and the backlog had been cleared of visible correspondence. It was acknowledged that recovery would have to be refined in 2004/05 with a series of different strategies such as a greater emphasis on threat of bankruptcy and liquidation rather than bailiff action.

In response to a query about suppression of housing benefit accounts, Ms King explained that there were a number of reasons for suppression of recovery actions on accounts such as overdue benefit payments. Whilst the majority of suspensions dropped off after 30-40 days, some were suppressed for longer. Some Members stressed the need to ensure that payment reminders to residents were sent to the right individual so as to minimise unnecessary concern. Ms King confirmed that there had been a number of problems in the past regarding the distribution of reminder letters to the wrong resident but that all efforts were being made to minimise future errors. Members noted that Capita intended to write to all those residents that had been sent unnecessary reminder letters explaining the errors.

At this point, Members of the Performance and Finance Select Committee discussed what action should be taken in response to the concerns raised by Members regarding Capita’s performance and considered a motion which incorporated a number of recommendations to the Executive.

RECOMMENDED:-

- (i) that the progress in stabilising the Housing Benefit service and planning changes in 2004 be noted;
- (ii) that Capita’s progress in improving Council Tax collection levels for 2003/04 and their forecast collection to 31st March 2004 be noted;
- (iii) that because Members of the Select Committee remain concerned that Capita will not achieve contractual collection targets for Council Tax in 2003/04 and that convincing plans have not been submitted to improve performance in 2004/05, the Executive request that Capita:
 - 1. Produce a detailed plan of their proposals for achieving contractual targets for Council Tax collection in 2004/05, by

10th March 2004. This plan must address concerns relating to the following:

- Bailiff capacity
- A monthly collection profile for 2004/05
- A recovery timetable addressing the Council's customer service requirements
- Data base cleansing
- Timings of key activities during the year
- Backlog clearance plans for correspondence, suppressions and other items of work inhibiting recovery
- Planned actions to improve controls for key activities
- Outlining particular cases where no cash had been collected and the reasons for this failure to collect.

2. Provide written assurances at Board level that concerns about contract performance are being addressed and progress monitored at a senior level on a regular basis.

6. **Onyx Update Report**

The Select Committee received an update on current performance issues regarding the Onyx contract and in particular bin collection. The Assistant Director of Environment advised the Select Committee that the fixed term contract with Onyx would expire in 2007. David Little (Onyx, Manager) and Eminy Moore (Onyx, Manager [Brent]) responded to questions concerning the contract and explained that complaints about the return of bins to the collection point were regularly monitored. Consequently, the contractor was attempting to raise awareness of the issue with the bin collection crews and improve working practices to ensure that bins were returned to the original collection point. Some Members enquired about Onyx's performance in other boroughs and were advised that problems were generally encountered with all contracts but that the contractor had been working towards improvements since October 2003. Referring to the report, the Assistant Director of Environment explained that complaints were closely monitored via the "contender system" which was regularly updated by the Council and accessed by Onyx so that they could view service requests and complaints. Members noted that regular meetings between senior Council officers and Onyx managers took place to ensure that there was constant communication and consequently a number of changes had been made.

The Chair enquired about missed collection targets and was advised that missed collection performance indicators were determined by the number of complaints received directly via residents to the One Stop Shop, complaints or problems reported via Onyx and those complaints or problems reported directly by officers. Whilst it was possible that missed collections were being under reported the Assistant Director

advised that this was likely. Members of the Select Committee were advised that complaints were often verified by StreetCare officers to determine if whole streets were affected.

Referring to the report, Councillor Gladbaum enquired as to whether better supervisory procedures were now in place. Eminy Moore (Onyx, Manager [Brent]) explained that she had been in post for one year and had assessed management of the contract, which had resulted in a reorganisation of the management structure by creating new positions and developing a generic system of working. The Select Committee noted that a review of the new working practices would take place at the end of March 2004 to ensure that the integrated management system was working effectively. Some Members commented on the practice of defaulting as a way to monitor performance and were advised that weekly meetings took place with client officers to check that defaults were justified. More thorough investigation of defaults with greater client input and more regular site visits meant that the number of financial defaults had decreased from £25k in November 2003 to £8k in January 2004.

Some Members of the Select Committee commented on the contractor's performance during the snow fall in February and in particular expressed concern about the lack of gritting and snow clearing. David Little (Onyx, manager) explained that all gritting vehicles were maintained throughout the year and that they were deployed during the recent snow fall. Whilst the contractor acknowledged that they had encountered a number of problems, overall they coped well.

The Assistant Director of Environment explained that the Onyx contract had been approved and extended to 10 years with a series of incorporated discounts and defaults and that the indexation had also been agreed at the same time. Members noted that expectations regarding the contract were now far higher but it was accepted that Onyx needed to perform to the standards that had been agreed contractually. The Assistant Director confirmed that a small team would be set up to look at tender specifications for future years and all Councillors would be asked to comment on how future contracts should be developed.

Some Members sought clarification regarding the intricacies of the contract so that Members could ensure that Onyx was performing contractually. The Select Committee requested that a report be bought back to Members regarding Onyx's contractual obligations, complaints statistics and an analysis of performance against obligations. Councillor Gillani suggested that an action plan with a timetable for improvements be drawn up so that Members and residents could see what action was being taken. This would also enable the Select Committee to monitor performance more effectively.

RESOLVED:-

- (i) that the actions taken by both officers and Onyx staff to improve the performance of the refuse collection service be noted;
- (ii) that an action plan with a timetable for improvements by Onyx be drawn up; and
- (iii) that a report be presented at a future meeting of the Performance and Finance Select Committee outlining Onyx's contractual obligations, complaints statistics and an analysis of performance against obligations.

7. **Waste Recycling – Recycling Action Plan**

Irfan Malik (Assistant Director of Environment) updated the Select Committee on the current performance of Waste Recycling and the Recycling Action Plan. Some Members queried the significance of the collection of garden waste and whether a secondary collection service was necessary in light of the financial and environmental implications. The Assistant Director confirmed the garden waste recycling service was intended to reduce the amount of waste going to landfill and in turn reduce the amount of landfill tax being incurred by the Council. As an important financial consideration the scheme was very important but other options could be considered such as alternate week collections of garden waste. Commenting on the use of wheelie bins, the Assistant Director confirmed that the service area had consulted with a number of local residents associations and they had all indicated a preference for wheelie bins as opposed to biodegradable sacks. He explained that wheelie bins were being used elsewhere and the system was working well, although a fortnightly collection system was currently in operation. Members were advised that the London Borough of Sutton had introduced alternate weekly collections but had reverted back to weekly collections due to the level of discontent amongst residents. Regarding the performance indicators for usage of composting bins, Members noted that the bins were not always used or were used inappropriately and therefore it was impossible to measure effectiveness or to determine whether the target was being met. Members were minded to note that whilst compost tonnage had been included in the calculations, these statistics had been based on assumptions and were therefore not totally reliable as performance indicators.

Councillor Duffin enquired about the collection of discarded fridges and was advised that residents could arrange for the collection of old fridges by ringing extension 5050. West London Waste would then collect the appliance and deliver it to another contractor who in turn dismantled it and recycled the CFC gases. Members were advised that the fridges were currently sent to Germany for recycling and dismantling but that upon completion of the contract more local options

would be considered. Members noted that the total tonnage was recorded as a recycling figure.

In response to a query regarding educational work being undertaken to promote and highlight recycling within the borough, the Assistant Director confirmed that there was budgetary provision for one post to work full time in local schools. Regarding the Civic Amenity Site in First Way, Members were advised that the site belonged to a waste operation company and that if an alternative site were used the company could continue operating at this site. Members noted that the Twyford site was owned by the West London Waste Authority. The Assistant Director confirmed that the Council did not own many waste sites and consequently the options available to the Authority were limited, although the West London Waste Authority (WLWA) was considering alternative sites. Members queried why only one recycling site was used by the Council and were advised that whilst alternative sites could be used they would need to be sustainable. The Assistant Director explained that the waste recycling rate at the site in First Way had decreased and that a meeting would be held with the WLWA to discuss the various issues and further consideration would be given to using two sites.

RESOLVED:-

- (i) that Brent's Recycling Action Plan be noted; and
- (ii) that the Assistant Director of Environment provide clarification about the following issues:-
 - (a) Performance indicators regarding recycling in Schools
 - (b) Financial implications and penalties for failing to meet recycling targets.

8. Items requested onto the Scrutiny Agenda

There were none.

9. Recommendations from the Executive for Items to be Considered by the Performance and Finance Select Committee

At its meeting on 9th February 2004, the Executive considered the Relationship Management Letter 2003 from the Audit Commission and agreed that the Letter should be considered by the Performance and Finance Select Committee.

RESOLVED:-

that the Relationship Management Letter 2003 be considered at a future meeting of the Performance and Finance Select Committee.

10. **Any Other Urgent Business**

There was none at this meeting.

The meeting ended at 9.55pm

J DAVIES
Chair

Mins0304/scrutiny/Perf&Fin2mrj