

**DECISIONS OF THE BUDGET AND PERFORMANCE
OVERVIEW AND SCRUTINY COMMITTEE**

21 July 2011

Present:

- *Councillor Dean Cohen (Chairman)
- *Councillor Joan Scannell (Vice-Chairman)

Councillors:

- | | |
|-----------------|---|
| * Alex Brodkin | * Brian Schama |
| * Brian Gordon | * Alan Schneiderman |
| * John Marshall | * Andrew Strongolou |
| * Hugh Rayner | * Barry Rawlings
(substituting for Alison Moore) |

*denotes Member present

Also in attendance:

- Councillor Tom Davey – Cabinet Member for Housing
- Councillor Andrew Harper – Cabinet Member for Education, Children and Families
- Councillor Robert Rams – Customer Access and Partnerships
- Councillor Sachin Rajput – Cabinet Member for Adults
- Councillor Daniel Thomas – Cabinet Member for Resources and Performance

1. MINUTES (Agenda Item 1):

RESOLVED that –

- (1) the minutes of the meeting held on 21st June 2011 be approved.**

2. ABSENCE OF MEMBERS (Agenda Item 2):

An apology for absence had been received from Councillor Alison Moore who had been replaced by Councillor Barry Rawlings.

Apologies for late arrival had been received from Councillors Hugh Rayner and Brian Gordon.

3. DECLARATION OF MEMBERS' PERSONAL AND PREJUDICIAL INTERESTS (Agenda Item 3):

Member:	Subject:	Interest Declared:
Councillor Andrew Strongolou	Agenda Item 6 Final Outturn and Performance Report 2010/11	Personal but non-prejudicial interest as the Assistant Cabinet Member for Regeneration

Member:	Subject:	Interest Declared:
Councillor Barry Rawlings	Agenda Item 7 One Barnet – Youth Offer Closure Report	Personal but non-prejudicial interest as training provider for the Common Assessment Framework

4. PUBLIC QUESTION TIME (Agenda Item 4)

There were no public questions.

5. MEMBERS ITEMS (Agenda Item 5)

There were no Members Items.

6. FINAL OUTTURN AND PERFORMANCE REPORT (Agenda Item 6)

The Committee received the Final Outturn and Performance Report for 2010/11.

Members noted the additional £2.827 million in schools balances and suggested that this could be utilised to deal with the current difficult circumstances facing schools.

The Cabinet Member for Resources and Performance advised the Committee that he had accepted the recommendation made at the last meeting in relation to CPIs 10a (% of contracts held by the Council which have been reviewed) and 10b (% of contracts deemed to require renegotiation have commenced renegotiation) to revise the targets for these to 100%. Performance against this target would be reported to the Audit Committee in September as part of the Contract Monitoring Action Plan.

In relation to the significant reduction in income for pay and display within the Special Parking Account, the Committee were informed that this could be attributed to high staff sickness levels and faulty machines. The introduction of cashless parking operations across the borough was expected to mitigate this income reduction during 2011/12.

The Cabinet Member for Resources and Performance noted Members concern that the Strategic Library Review had been listed as an achievement in the Final Outturn Report when over 4,000 residents had signed petitions against the closure of Friern Barnet and Hampstead Garden Suburb libraries.

The Cabinet Member for Resources and Performance advised the Committee that the Council were planning to address the £40 million shortfall in funding for primary school places through a variety of measures, including land disposals.

In relation to risk ORG0001 (Reputational), the Committee sought assurance from the Cabinet Member for Resources and Performance that appropriate arrangements would be in place to manage the complex procurement and contract management associated with the implementation of the One Barnet projects.

RESOLVED that –

- 1. the Cabinet Member for Resources and Performance be request to instruct Finance to include the previous years actual outturn in the Revenue Outturn Analysis Summary to enable the Committee to compare performance against previous years;**
- 2. the Committee be provided with detailed information from Revenues and Benefits regarding the £3 million grant subsidy reduction and whether this would be fully or partly recovered from the Department of Work and Pensions;**
- 3. the Cabinet Member for Resources and Performance be requested to provide detailed information to the Committee on the reason for the significant reduction in income during 2010/11 for bus lane enforcement (Special Parking Account);**
- 4. the Cabinet Member for Resources and Performance be requested to reintroduce CPI 83 (% of the value of contracts awarded in accordance with Contract Procedure Rules) from the 2009/10 performance framework into the 2011/12 basket of CPIs;**
- 5. Legal Services undertook to provide additional information to Cllr Rawlings with regard to legal implications contained in the outturn report;**
- 6. the Committee be provided with corrected information in relation to agency staff costs (Table 13);**
- 7. the Committee requested that the achievement listed on page 19 be corrected to refer to the ‘Strategic Library Review’ instead of the ‘Library Strategy’;**
- 8. the Committee requested that elected Member scrutiny be included in the development of governance arrangements for the One Barnet programme (page 22);**
- 9. the Committee requested that risk scores be corrected in relation to ORG0003 (Compliance – Original) and ORG0011 (Compliance); and**
- 10. the Committee requested that relevant director provide information on the council’s response to increased customer demand resulting from the delayed implementation of the new revenues and benefits system (page 19)**

7. ONE BARNET – YOUTH OFFER CLOSURE REPORT (Agenda Item 7)

The Committee considered an end of project closure report for the One Barnet Review of Youth Offer Services which detailed how well the project had performed against the objectives set.

Responding to questions from the Committee regarding the early intervention and prevention approach to service delivery, the Cabinet Member for Education, Children

and Families and the Director of Children's Services advised Members that:

- partner organisations were fully engaged in a multi-agency approach to early intervention and prevention, evidenced through the effective use of the Common Assessment Framework and Multi-Agency Groups;
- the Community Based Budgeting pilot scheme would see an extension to and formalisation of multi-agency approaches;
- the Council had adopted performance measures from the Graham Allen report (Early Intervention: The Next Steps, January 2011) to measure the performance of the Early Intervention and Prevention Strategy; and
- Middlesex University were being commissioned to evaluate the outcomes from the Council's early intervention work and it was expected that this evidence base would be used to encourage partner agencies to formally participate a Community Based Budget through an articulation of the financial and non-financial benefits of the approach.

The Director of Children's Services advised the Committee that the increase in the number of young people not in education, training or employment could be attributed to changes in the way that this target had been measured.

The Committee noted that, following the withdrawal of services from a number of youth centres as part of the review of youth services, the Council had adopted an enabling approach (for example by providing training or equipment) to encourage other agencies to provide services and now provided an outreach service in areas of the borough where services were not directly delivered by the Council.

RESOLVED that –

1. **the One Barnet Youth Offer Closure Report be noted; and**
2. **the Cabinet Member for Education, Children and Families be requested to note that effective delivery of the Early Intervention and Prevention Strategy to deliver the projected financial and non-financial benefits requires an effective multi-agency approach;**

8. ONE BARNET – ADULTS IN-HOUSE SERVICE REVIEW: PROJECT UPDATE (Agenda Item 8)

The Committee considered a report which updated the Members on the progress of the Adults In-House (More Choices) One Barnet project.

The Assistant Director Strategic Finance updated the Committee on the tax implications of setting up a Local Authority Trading Company (LATC). Members were advised that there were four separate entities in question (the LATC, the LATC holding company, the Council and Barnet Homes) and it would take some time to fully resolve the tax implications for each. The Committee were informed that HM Revenues and Customs would not be able to provide definitive decision on tax status until the LATC had actually been established.

RESOLVED that –

1. **the One Barnet Adults In-House Service Review: Project Update be noted.**

2. **the Cabinet Member for Adults be requested to note the concern of the Committee that the tax implications for the Local Authority Trading Company, the Local Authority Trading Company holding company, Council and Barnet Homes had not been fully resolved, particularly as these would have an impact on the overall viability of the project;**
3. **the Director of Adult Social Services and Health be requested to provide a detailed breakdown to the Committee of the total project costs, particularly: project set-up costs; implementation costs; and anticipated future costs; and**
4. **the Cabinet Member for Adults and Director of Adult Social Services and Health provide assurance to the Committee governance structures would ensure that elected Members would be able to scrutinise the performance of the Local Authority Trading Company.**

8. ONE BARNET PROGRAMME HIGHLIGHT REPORT (Agenda Item 9)

The Committee considered the One Barnet Programme Highlight Report which provided a summary of the programme status for the period 2 June to 4 July 2011.

A Member expressed concern that the One Barnet programme had failed to deliver any significant savings to date. The Cabinet Member for Customer Access and Partnerships assured the Committee that the projected £4.7 million savings for 2011/12 would be achieved.

The Committee identified risk CP0012 (Loss of Skilled Employees) as being significant and asked if this had impacted on the organisation to date. Officers reported that that this had not been a significant issue to date, adding that the Chief Executive was the lead for staff engagement in the One Barnet programme.

RESOLVED that –

1. **the One Barnet Programme Highlight Report be noted.**
2. **the Committee be presented with an updated One Barnet Programme Budget at the next meeting, including:**
 - **projected spend and savings against actual outturn; and**
 - **projected spend and savings for the next three years of the programme.**

9. BARNET HOMES QUARTER 4 PERFORMANCE REPORT (Agenda Item 10)

The Committee received a report which provided information on the Quarter 4 performance of Barnet Homes against the targets contained within their Annual Business Plan.

The Committee welcomed: David Thomas, Head of Business Improvement, and Kevin Turnpenny, Head of Customer Services, from Barnet Homes; and Paul Shipway, the Housing Strategy and Performance Manager.

The Chairman reported an amendment to paragraph 9.45 of the report as follows:

“Delete all and replace with:

9.45 Barnet Homes’ performance was on target at the end of quarter 3, before the

implementation of the new benefits system. As a result of the implementation of the new system there has been a backlog of cases being worked through. Every effort is being made in the Revenues and Benefits team to work through this backlog. Additional temporary staff have been employed in this team, Barnet Homes has also temporarily employed an additional two benefit assessors to work on our backlog cases, and is meeting regularly with the benefits service to resolve the backlog.”

The Committee noted that Barnet Homes performance in relation to rent arrears had been significantly impacted on by the introduction of a new benefits system. Officers reported that now that the system had been fully implemented and progress was being made in clearing the backlog of cases, performance in this area had improved significantly.

Referring to leasehold satisfaction, the Committee noted that only 40% of leaseholders were satisfied across all landlords. The Barnet Homes representatives suggested that this could be attributable to leaseholders receiving large repair bills from landlords.

The Cabinet Member for Housing advised the Committee that, despite some areas of underperformance, the overall the performance of Barnet Homes was high and welcomed the report.

RESOLVED that –

1. **the Barnet Homes Quarter 4 Performance report be noted.**
2. **the Committee note and agree the amendment to paragraph 9.45 of the report as set out above.**

11. CABINET FORWARD PLAN (Agenda Item 11)

RESOLVED that –

1. **the Cabinet Forward Plan be noted.**

12. BUDGET AND PERFORMANCE OVERVIEW AND SCRUTINY COMMITTEE FORWARD WORK PROGRAMME (Agenda Item 12)

The Committee discussed how the 2012/13 budget scrutiny process would be managed. Members agreed that it would be appropriate for the other overview and scrutiny committees to receive detailed budget proposals for service areas that related to their terms of reference. It was proposed that budget scrutiny be divided into four main areas:

- Adults;
- Children's;
- Environment & Operations / Planning, Housing Regeneration; and
- Support Services.

RESOLVED that –

1. **the Chairman of the four overview and scrutiny committee meet to discuss which of the four main areas would be scrutinised by each Committee;**

2. the following One Barnet items be added to the work programme:
 - Transport Business Case – 22 September 2011;
 - Development and Regulatory Services Competitive Dialogue (exempt) – 24 October 2011;
 - SAP Optimisation Closure Report – 24 October 2011; and
 - Future of the Parking Service – 6 December 2011
 3. the Committee work programme for 2011/12 be completed by the Scrutiny Office and circulated to Committee Members in advance of the next meeting.
13. ANY OTHER ITEMS THE CHAIRMAN DECIDES ARE URGENT (Agenda Item 13)

None.

The meeting finished at 9.40pm