

Policy and Performance Scrutiny Committee - 29 September 2014

Non-confidential minutes of the meeting of the Policy and Performance Scrutiny Committee held at on 29 September 2014 at 7.30 pm.

Present: **Councillors:** Shaikh (Vice Chair), Gantly, Erdogan, O’Sullivan,
Russell, O’Halloran, Kay(substitute), Comer-Schwartz,
Gill
Also **Councillors:** Hull
Present:

Councillor Shaikh (Vice Chair) in the Chair

16 **APOLOGIES FOR ABSENCE (Item 1)**

Apologies for absence were received from Councillors Gallagher (Chair), Doolan, Klute, Parker and Court

17 **DECLARATION OF SUBSTITUTE MEMBERS (Item 2)**

Councillor Kay stated that she was substituting for Councillor Parker

18 **DECLARATIONS OF INTEREST (Item 3)**

None

19 **TO APPROVE MINUTES OF THE MEETING -21 JULY 2014 (Item 4)**

RESOLVED:

That the minutes of the meeting of the Committee held on 21 July 2014 be confirmed and the Chair be authorised to sign them

20 **MATTERS ARISING FROM THE MINUTES (Item 5)**

Scrutiny Topics 2014/15 – Minute 8

Members were informed that the Health and Care Scrutiny Committee had not yet agreed a scrutiny topic for 2014/15 as they had decided to complete the review still outstanding from 2013/14 in relation to GP appointments.

In addition it was stated that the Children’s Services Committee had decided to undertake two scrutiny topics, the Impact of Early Help on preventing escalation to statutory services and the Impact of SEN changes on Children and Families

Welfare Reforms – Minute 9

Members were informed that updates would be circulated to future meeting of the Committee on a quarterly basis

Safer Neighbourhood Policing – Minute 10

It was stated that the information requested at the last meeting had now been circulated to Members

Income Generation – Minute 11

Members were informed that the points raised at the last meeting had either been included in the SID or would be covered in witness evidence at future meetings

Annual Performance Report – Minute 12

Members were informed that a report on the ASB hotline would be submitted to the next meeting of the Committee and that the information on temporary accommodation had been circulated by e mail to Members

21 CHAIR'S REPORT (Item 6)

Scrutiny Topic 2014/15 – Policy and Performance Scrutiny Committee

The Chair stated that following discussions with Members and officers it was proposed to not proceed with the scrutiny on Job Centre Plus given the Employment Commission were reporting in the near future. Members were informed that it was now proposed to carry out a more limited review into the BEST team.

RESOLVED:

That the proposed scrutiny topic on Job Centre Plus not be proceeded with at the present time and a new topic on the BEST team be agreed to start in the New Year, following consideration of the findings of the Employment Commission

ACE(P&S)

Victoria Phillips

The Chair informed the Committee of the sad loss of the partner of Victoria Phillips, a former Education co-opted Member of the Committee.

RESOLVED:

That a letter of condolence be sent to Victoria Phillips, on behalf of the Committee on her sad loss

HODS

22 SCRUTINY AND MONITORING REPORTS (Item 7)

23 COMMERCIAL AND INCOME MAXIMISATION SID - SCRUTINY REVIEW (Item 7A)

The Director of Environment and Regeneration, Kevin O'Leary, was present and was accompanied by the Assistant Director Environment and Regeneration, Bram Kainth and Martin Holland, Head of Service, Highways Service, Environment and Regeneration, who presented witness evidence to the Committee.

A presentation was also made to the Committee, a copy of which is interleaved.

During consideration of the SID and the witness evidence the following main points were made -

- The Chair stated that it had been agreed that items 4 and 5 of the Scrutiny Initiation Document should be deleted and that the issue of compensation payments would now be dealt with as a separate issue at the November meeting
- Budget pressures had resulted in the need to identify new methods of generating income

Policy and Performance Scrutiny Committee - 29 September 2014

- There had been recent work to investigate opportunities to trade and engage in commercial activity – whilst commercial activity exists across the organisation most is focused in E&R
- There was no clear co-ordination of all the work taking place around raising commercial revenue for the Council
- A Commercial Board was set up in November 2013 to promote and increase commercial thinking across the Council – the remit of the Board is to understand the position of commercial activity taking place across the Council, review the Council's approach to trading services, understand common barriers to implementing commercial opportunities and determine the most appropriate vehicle for commercially orientated services
- The programme looked at a range of opportunities and found the following to be good examples of where progress could be made quickly and viably – Commercial Portfolio – redevelopment/refurbishment, wireless concession significant opportunity, refreshed approach to commercial waste now contract in house including creation of a business portal, advertising and sponsorship- possible planning issues, Planning and Development- duty planning consultancy, Film-Islington as a location and Energy Consultancy exploiting the Council's expertise. The measures have resulted in the programme contributing £1.4m in revenue receipts per annum to the medium term financial strategy
- Key challenges were – lack of staff resources, risk averse culture and lack of commercial skills, awareness of the Council's ability to trade, recruitment policy which can be lengthy and not adaptable if required, and slow response to support services
- In terms of current activity the work programme included – maintaining central oversight of all commercial opportunities across the Council to ensure strong governance, pro-actively engaging with services to identify opportunities which could potentially generate income, provide a forum which commercial activities can be presented, developing a framework that ensures decisions to trade are undertaken with a clear understanding of the sector or market, understanding key barriers and making recommendations to overcome/mitigate them
- There is a need to ensure Islington core services come first and cannot be compromised
- The new trading company will be registered in October 2014 and will provide flexibility in selling new and existing services to different markets. Highways and Energy consultancy will be the first service placed in the new trading arm
- The Commercial Board will act as a clearing house for ideas and opportunities that sit within it- this will be before Trading Company approval – the Trading Company consists of Councillors Hull and Webbe and officers
- A Member expressed concern that the Council needed to be careful with its approach to proposals for issuing planning advice and to avoid accusations of impropriety. The Director of Environment and Regeneration responded that planning advice was already given to applicants for major applications but there was a need to ensure structures were in place to avoid this
- In response to a question it was stated that the proposal for a Private Lettings agency was more about ensuring social housing and temporary accommodation was more available
- There would be staff involvement with the proposals following the creation of the Trading Company
- It was stated that there were different models for running Trading companies and that the prime responsibility of Council staff would be to core services and that existing staff would be utilised in maximising income in the first instance
- In response to a question it was stated that it was recognised that the Council would not wish to engage consultants in the process. There would need to be a cultural

shift and discussions were taking place determine the best Trading Company model that would be most beneficial to the Council

- The Council already worked with partners to offer advice and services
- In regard to advertising it was stated that there needed to be an equitable agreed policy in relation to this
- The view was expressed that the Council should not be exposed financially as a result of the Trading Company's activities and it was important to identify opportunities that suit the Council both as an organisation and financially. It was stated that the Commercial Board would look at options and ensure robust monitoring
- Members were informed that there were 'filter systems' in place at the moment and there was a need to ensure that any income maximisation proposals were not detrimental to core Council services
- In response to a question as to whether there should be subsidiary contracts to minimise risk and whether the Council had officers that could deal with contracting, it was stated that there was significant experience in E&R in relation to contracting and that this was seen as Council strength rather than a weakness
- The Council can assist contractors and consultants in the type of information needed that would enable them to win contracts and this had recently happened with a contractor bidding for work in Westminster
- Councillor Hull stated that the Executive welcomed the scrutiny into income maximisation and that an additional areas could be looked at in relation to estate cleaning/caretaking services and the repairs service, Telecare, commercial use of parks, looking at Council Tax for student accommodation in non term time and the Partnership team and Property Services needed to be involved in the commercialisation of services
- In response to a question it was stated that the Council owned and operated a CCTV network across the borough with a central point at 222 Upper Street and that income could be obtained by renting out services to telecommunications companies
- It was stated that there needed to consideration given to the barriers that prevented the Council from maximising income such as the speed/agility of the organisation to respond and deliver and streamline the service, increased flexibility, and to look at varying procurement and recruitment regulations to employ staff more speedily
- In response to a question from the Chair it was stated that the Committee would be provided with witness evidence from a selection of witnesses such as other Local Authorities/Council officers as to options for income maximisation

RESOLVED:

- (a) That the scrutiny initiation document be agreed, with the exception of items 4 and 5, which should be deleted and further witness evidence be taken at the next meeting with a view to presenting draft recommendations to the December meeting
- (b) That the suggestions put forward by Councillor Hull be considered during the scrutiny process

DER

24

FINANCIAL MONITORING REPORT MONTH 4 (Item 9)

Councillor Andy Hull, Executive Member for Finance and Performance was present and was accompanied by Steve Key of the Finance Department.

During consideration of the report the following main points were made –

- There was a £1.6 million overspend predicted for the General Fund at month 4, largely as a result of structural defecits due to under budgeting, particularly in relation to some services in Environment and Regeneration. Councillor Hull stated

that as part of the budget process it was intended to address these structural deficits to reflect the current position

- Councillor Hull also added that there was a need to lobby Government over the loss of £1m in relation to non-recourse to public funds
- In response to a question in relation to temporary accommodation, Councillor Hull stated that there was an overspend of £1.8m, however there were proposals being formulated to address this and this was a problem for all London Councils given the Government's welfare reforms and these could be circulated to Members
- The Committee welcomed the payment of the LLW to Home Care staff and that the only group of staff not currently paid the LLW were residential care staff
- In response to a question as to the reasons for slippage in the Housing Capital Programme, it was stated that the programme had been set at an optimistic level and slippage was being minimised, wherever possible
- In relation to the HRA debt this was under the Government 'cap' where borrowing was allowed, and debt was being repaid currently, however investment in new properties was being investigated
- Councillor Hull indicated that the budget proposals would look at a number of options including reducing the contingency reserve
- In response to a question concerning slippage in the Environment and Regeneration capital programme the Director of Environment and Regeneration stated that he would investigate the reasons for this and inform Members thereon

RESOLVED:

That the report be noted and that the Director of Environment and Regeneration be requested to inform Members of the reasons for slippage in the E&R capital programme and whether it was anticipated that budgeted spend would be completed at the end of the financial year

DER

25

PERFORMANCE REPORT (Item 8)

Councillor Andy Hull, Executive Member for Finance and Performance was present and was accompanied by Tim Spafford, Interim Head of Strategy, Policy and Performance.

During consideration of the report the following main points were made –

- Councillor Hull stated that discussions were taking place as to revisions in the performance format as a number of the indicators were not wholly within the Council's control
- It was noted that overcrowding was being dealt with more effectively
- Boiler replacement was at present 'skewed' towards the private sector and this needed to be more equitable with Council tenants
- Whilst there was lower crime/ASB however serious youth crime had increased by 35%. This was attributed to a reduction, due to it being more difficult to steal and reuse mobile phones, to youths reverting to previous types of crime such as drugs which led to youth violence. This increase was being considered by the Police, the Executive Member Community Safety and relevant officers. There was a focus on a small number of more prolific offenders as these were responsible for the majority of crimes committed
- There had been some success in reducing youth unemployment and 20 new apprenticeship places had been secured
- Performance under the Best Start to Life in terms of fluoride varnish applications had improved from Quarter 1 2013/14 however there was a decrease in performance over the same period in relation to the number of women booked into maternity services by 12 weeks

- In relation to Healthy Independent Lives there had been an increase in the proportion of carers and people using social care who receive direct payments
- There had been a good performance on reducing the number of missed waste collections per calendar month however more challenging targets may be set
- Councillor Hull expressed concern that sickness levels were currently too high and that a strategy would be put in place to address this
- In relation to the number of female lone parents helped back into employment it was stated that there was a target of 150 however this would need to be looked at in the future given that there was no longer a Corporate Plan
- A Member referred to the fact that it would be useful to ascertain the details of the performance management framework and the rationale for how some of the performance indicators were determined. Councillor Hull stated that he would report on this at the next meeting
- Councillor Hull indicated that the Council administration had made employment one of its main priorities and the Employment Commission which had been set up was due to report shortly
- Concern was expressed at the performance of Partners and that this may be reflected in the rent arrears increase amongst PFI tenants and this was above the 2% target. Councillor Hull stated that he would try to ascertain the reasons for this
- In response to a question as to whether the Council were receiving an equitable share of renewable resources from energy companies, the Director of Environment and Regeneration stated that he would investigate and inform Members thereon
- In response to a question as to why the interlinking of factors affecting performance were not highlighted Councillor Hull stated that he would investigate the possibility of this

RESOLVED:

- (a) That the report be noted
- (b) That Councillor Hull be requested to report back on the matters raised above on the rationale for determination of performance indicators and details of the performance management framework, the reasons as to why rent arrears were above target amongst PFI tenants, and whether there could be an interlinking of factors that could affect performance indicators
- (c) That the Director of Environment and Regeneration be requested to inform Members as to whether the Council were receiving adequate renewable resources from energy companies

DER

26

MONITORING REPORT (Item 10)

The Chair referred to the work programme for the remainder of the year and stated that the next meeting of the Committee to be held on 10 November would be the annual meeting that would consider Crime and Disorder in the borough. This would consist of a report from the Borough Commander and also from the Executive Member Community Safety, Councillor Paul Convery. In addition there would be further witness evidence on the Income Generation scrutiny.

The Chair added that there would also be a report, as requested at the last meeting, in relation to the ASB hotline. In addition, a report would be considered with regard to compensation payments to senior staff and the scheduled HR update report would now be moved to the December meeting.

RESOLVED:

That the above amendments to the work programme be noted

The meeting ended at 9.20 p.m.

CHAIR