

Overview and Scrutiny Committee

SUPPLEMENTAL AGENDA

DATE: Tuesday 13 December 2011

AGENDA - PART I

10. SENIOR MANAGEMENT STRUCTURE RESTRUCTURE PROPOSALS
CHALLENGE PANEL REPORT (Pages 1 - 12)

Report of the Divisional Director of Partnership Development and Performance

11. REPORT FROM THE DEBT RECOVERY CHALLENGE PANEL (Pages 13 - 30)

Report of the Divisional Director of Partnership Development and Performance

12. STANDING SCRUTINY REVIEW OF THE BETTER DEAL FOR RESIDENTS -
QUARTERLY REPORT (Pages 31 - 44)

Report of the Divisional Director of Partnership Development and Performance

AGENDA - PART II

Nil

Note: In accordance with the Local Government (Access to Information) Act 1985, the following agenda items have been admitted late to the agenda by virtue of the special circumstances and urgency detailed below:-

Agenda item

Special Circumstances/Grounds for Urgency

10. Senior Management

Members are requested to consider the report,

Restructure Proposals
Challenge Panel Report

as a matter of urgency, so that a reference can, if necessary, be submitted to Cabinet on 15 December 2011. The report was not available when the main agenda was printed and circulated due to the need to consult with Members and officers.

11. Report from the Debt
Recovery Challenge Panel

Members are requested to consider the report, as a matter of urgency, so that a reference can, if necessary, be submitted to Cabinet on 15 December 2011. The report was not available when the main agenda was printed and circulated due to the need to consult with Members and officers.

12. Standing Scrutiny Review
of the Better Deal for
Residents – Quarterly
Report

Members are requested to consider the report, as a matter of urgency, so that a reference can, if necessary, be submitted to Cabinet on 15 December 2011. The report was not available when the main agenda was printed and circulated due to the need to consult with Members and officers.

**REPORT FOR: OVERVIEW AND
SCRUTINY COMMITTEE**

Date of Meeting:	13 th December 2011
Subject:	Senior Management Restructure Proposals Challenge Panel Report
Responsible Officer:	Alex Dewsnap, Divisional Director, Partnership Development and Performance
Scrutiny Lead Member area:	All
Exempt:	No
Enclosures:	Report from the Senior Management Restructure Proposals Challenge Panel Report

Section 1 – Summary and Recommendations

This report accompanies the report from the scrutiny challenge panel which considered the Senior Management Restructure proposals.

Recommendations:

Councillors are recommended to confirm the findings and recommendations from the challenge panel and if appropriate comments be forwarded to Cabinet.

Section 2 – Report

In November, the Chief Executive launched consultation on his proposals to restructure the council's senior management. In order to facilitate scrutiny's consideration of the proposals and offer an opportunity for scrutiny's comments to be included in the consultation, a challenge panel was held on 7th November attended by Cllrs Anderson (chair), Mote, Obsorn and Silver and the Chief Executive and the Divisional Director Human Resources and Development and Shared Services.

The attached report gives full detail with regard to the review's observations and recommendations and has been included as an appendix to the report being presented by the Chief Executive to Cabinet on 15 December 2011.

Financial Implications

There are no financial implications associated with this report.

Performance Issues

There are no performance issues associated with this report.

Environmental Impact

There is no environmental impact associated with this report.

Risk Management Implications

There are no risk management implications associated with this report.

Equalities implications

Was an Equality Impact Assessment carried out? No

An Equality Impact Assessment was not carried out as the report offers comment on the Chief Executive's senior management restructure proposals. The proposals themselves will be subject to an assessment of the impact on equalities.

Corporate Priorities

By considering the impact of the proposed changes to the senior management structure, the challenge panel report recommendations could contribute to all of the corporate priorities.

Section 3 - Statutory Officer Clearance

Not required for this report.

Section 4 - Contact Details and Background Papers

Contact: Lynne Margetts, Service Manager Scrutiny, 020 8420 9387

Background Papers: None

November 2011

Overview and Scrutiny Committee

Senior Management Restructure Proposals
Report from the Challenge Panel

Members of the Challenge Panel

Councillor Sue Anderson (Chairman)

Councillor Chris Mote

Councillor Paul Osborn

Councillor Victoria Silver

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CHAIR'S INTRODUCTION & ACKNOWLEDGEMENTS

The challenge panel was established at comparatively short notice in order to ensure that scrutiny comments could be submitted to the Chief Executive as part of his consultation on the proposed restructure of the senior management of the council. We are grateful to Michael Lockwood, Chief Executive, and Jon Turner, Divisional Director HRD and Shared Services, for meeting with us at short notice and enabling us to participate in the consultation process. However, we hope that in future, our requests for supporting information can be responded to in a more timely fashion in order that we are able to make the most effective contribution to the debate.

We met on 7th November and considered both the detail of the restructure proposals and also the process by which we will move to the new structure. Our findings are arranged under the following headings:

- Evidence base for the restructure
- Diversity of the Corporate Board
- Statutory officer posts
- Commissioning
- Process for delivering the change
- Review

This report constitutes the Overview and Scrutiny committee's contribution to the consultation process. We hope that our observations are helpful in securing the senior management configuration which the organisation needs to move successfully forward. On behalf of the members of the challenge panel, I commend this report.

Councillor Sue Anderson
Chair of the Senior Management Restructure Proposals challenge panel

BACKGROUND

On 21st October, the Chief Executive of the Council, Michael Lockwood, published his proposals with regard to the future senior management structure of the council.

His proposals are summarised as follows:

The deletion of:

- Corporate Director, Place Shaping
- Corporate Director, Community and Environment
- Corporate Director, Adults and Housing
- Assistant Chief Executive

The creation of the following posts:

- Corporate Director, Environment and Enterprise – to comprise the services in the Place Shaping Directorate and neighbourhood services from Community and Environment directorate which focus on place
- Corporate Director, Community Health and Wellbeing – to comprise services in Adults and Housing and community and cultural service currently located in Community and Environment Directorate
- Corporate Director, Resources – to combine all of the corporate services in the borough, including current Chief Executive's office, Finance and Legal and Governance.

The proposed means of recruiting to the new structure is as follows:

- Corporate Director, Community Health and Wellbeing – assimilation of existing Corporate Director of Adults and Housing
- Corporate Director, Environment and Enterprise – ringfenced interview of Corporate Director Place Shaping and Corporate Director Community and Environment
- Corporate Director, Resources – ringfenced interview Assistant Chief Executive

The current interim Corporate Director of Finance will be retained on contract for 18 months to support the transition to Corporate Director of Resources

The purpose of the restructure was highlighted to the challenge panel as an opportunity to secure a senior management structure which is fit for purpose, is able to respond to changing service delivery models, financial difficulties and a continuously changing policy environment, and which encourages a co-operative, cross-directorate working model by giving a more strategic role to the organisation's most senior managers. By structuring the organisation and its senior management around themes, the Chief Executive feels he can meet the administration's objectives and put the organisation on a firm footing to deliver the real outcomes which residents need and want.

OBSERVATIONS

Evidence base for the restructure

The panel sought assurance with regard to the evidence base used by the Chief Executive to restructure his senior management team, as previous reorganisation in the borough has resulted in significant difficulties for the authority.

We note that the Chief Executive chose not to seek the advice of our transformation partner, Capita, which we understand was because, in his view, whilst Capita can support the organisation through the *delivery* of change, they are not experienced in supporting the kind of structural change which the Chief Executive is proposing for the borough.

We note that the Chief Executive looked to peer authorities to assess impact of other reorganisations and other structures. We were reassured that he looked to industry best practice in devising his proposals but we were concerned about the robustness of the evidence that this provided.

The Chief Executive advised that he has grounded his proposals in an assessment of the needs of the organisation, whilst significant improvements have been delivered, the organisation must now step up a gear to meet the gap between where we are and where we want to be and this in the context of significant financial stress and changing government policy.

It is the Chief Executive's view that this model will enable the authority to deliver the administration's priorities and the job descriptions devised reflect this. It is his intention to improve horizontal working and improve behaviours, it is his opinion that there is significant competition between directorates and he wishes to see much greater co-operation. He feels that a move towards a commissioning model, which will focus on identification of need and outcomes will assist in this and his new structures support this by emphasising outcomes for service users rather than professional experience. We are concerned that there is no competency model in place and urge the Chief Executive to move swiftly towards his stated aim of building competencies around the existing CREATE values. In this context we endorse his ambition to further embed the CREATE values.

Diversity of the Corporate Board

We are pleased that it is the Chief Executive's ambition to oversee a corporate board which reflects the demographic profile of the borough. We are disappointed however, that the proposed process for implementing change (and we discuss this further below) will see the profile of the board 'deteriorate' – we understand that the number of women will be reduced from two to one and it will include no Black or Minority Ethnic officers. Whilst it is not our intention to suggest that appointment should be made on the basis of ethnicity or gender, we do feel that as far as reasonably possible the process for filling posts should enable the possibility of women or members of the BME community reaching the highest managerial positions in the authority.

Commissioning

We note that in the response to our pre-panel enquiries, significant justification for the structural changes is given to the need to move the organisation towards a commissioning model. Whilst we are excited by this prospect, we have concerns about the capacity of staff, particularly at the senior management level of the organisation, to deliver such a significant shift – we return to this point in our discussion of the process for delivering the restructure. We recognise that in order to deliver real commissioning, and particularly in a borough as diverse as Harrow, staff will require a

new skill set and change in behaviours and again, we welcome the Chief Executive's assertion that he wishes to ensure the CREATE values are at the heart of the restructure.

We note his assertion that the commissioning model and a focus on outcomes and not professions and functions should be the future motivation of the organisation and that the commissioning model is the vehicle through which to deliver a re-focussed organisation. We welcome the development and use of joint intelligence across the authority and with partners which can help to facilitate the shift to the commissioning model. We urge the authority to ensure that the skills base required to enable the authority to utilise this increasing understanding of need is in place. In this context, we were pleased to hear that the council is embarking on an extensive training needs analysis in order to identify the skills gaps which need to be addressed if the organisation is to move effectively towards the commissioning model.

We would urge the authority to consider the speed of change and also to ensure that clear communication with regard to the implementation of a commissioning structure is in place with all staff and residents. There may be compelling argument to support the move but it must be clearly articulated. In this context, we welcome proposals for a corporate Director sponsor for the move to commissioning.

It is important that recognition is given to the different skill set required in the new job descriptions for corporate directors.

Statutory Officer Posts

We are particularly concerned about the position of the Section 151 and monitoring officers and their potential removal from the corporate board. We are aware that CIPFA guidance suggests that an authority's Chief Finance Officer should be a member of the senior board and should share the same status as others in order to ensure that s/he has sufficient authority over her/his peers with regard financial matters. We are also aware, from CIPFA surveys, that 88% of Directors of Finance in public service organisations have a seat on the senior board 'by right' ¹ A survey by CIPFA ² in 2005, also found that in 93% of London Boroughs and 78% of metropolitan/unitary authorities in England, the Director of Finance reports directly to the Chief Executive. We welcome the Chief Executive's comment that both the Section 151 and monitoring officers can still have 'dotted line' accountability directly to him, however we remain concerned. We would observe that the requirement for the inclusion of an explanation in the council's Governance Statement if the Section 151 officer is not a member of the corporate board is further evidence of the presumption of this as a risk.

The Chief Executive commented that whilst the Section 151 and monitoring officers are both important roles for the authority, and he intends to strengthen the authority's finance function, he is seeking the best leader for the proposed Resources Directorate. Whilst it is appropriate for a finance function to be headed up by an accountant, this is not necessarily the case for a Director of Resources, and he advised that his research had revealed that a number of local authorities which have implemented a similar structure had not appointed an accountant to this role.

The panel reflected on CIPFA guidance regarding the dangers of extending the responsibilities of the Section 151 officer beyond finance to include more corporate services. This concern was echoed by the Chief Executive, who suggested that his new structure will ensure the officer can focus specifically on finance.

¹ Role of Director of Finance - YouGov Survey for CIPFA Annual Conference 2008

² Analysis of 2005 Survey of local Government Chief Financial Officers – CIPFA 2005

We remain concerned about the extent to which the council is securing sufficient financial safeguards in the new structure by either not appointing an accountant to the role of Director of Resources or consequently, not offering a seat on the corporate board to the Section 151 officer. Although we note the Chief Executive's reflection on structures in Hounslow, Hillingdon and Newham, we are concerned that insufficient scenario planning has taken place to identify the potential risks of the proposed shift of the Section 151 officer.

Having reviewed the documentation presented by the Chief Executive we are still not convinced that it is sensible to have neither the S151 Officer or the Monitoring Officer on the Corporate Board.

Process for delivering the change

Our most significant concern is the process which the council intends to adopt in order to deliver the proposed change. Given our concerns highlighted above with regard to both the diversity of the corporate board and also the significant skills/behaviour changes required at the senior level, we are disappointed that a more open competition is not proposed. This we feel would have resulted in the most beneficial outcome for both the organisation and internal applicants.

We were advised by the Chief Executive and Divisional Director HRD and Shared Services of the reason that the proposed process is being applied:

- It is important that due process is followed. The council's own procedures prescribe that the process followed must –
 - avoid redundancies
 - consider current senior managers suitability for posts in the new structure and whether they can be assimilated into a new post, can have a ring-fenced interview or whether the post could go straight to open competition.
- Failure to follow due process could result in employment challenge and risk of litigation
- At such a critical time for the organisation, it is important not to lose the existing corporate knowledge. The current team has come along way and the Chief Executive wants to build on what is in place and develop the team which has delivered the council's success.
- There is risk associated with 'unknown' appointments'.

We were advised that the Chief Officers Employment Panel is responsible for agreeing the selection process but deviation from HR advice brings with it risk.

Whilst these explanations are helpful, we remain concerned.

As mentioned above, the process will not address any of the organisation's diversity objectives and will effectively simply redistribute the existing staffing resources without addressing the real skill changes that a commissioning model requires. We feel that going to the market, though doing so may bring with it risk, means that the potential of recruiting the highest calibre staff to these senior positions could be more likely. We wish to emphasise that in saying this we are not suggesting that the highest calibre staff are not the officers currently in the employment of the council but we do mean that their competence will have been tested in a more robust way and the organisation can thus be assured of the quality of appointments. We recognise the Council's contractual obligations in this context but are concerned that this means the process adopted may fail to address the need to appoint the best candidate for the job.

With particular regard to the Corporate Director of Environment and Enterprise, who will be appointed for two years, it is possible that the whole process will need to be repeated in 18 months, with significant legal risks if the person appointed in this review is not reappointed in 18

months time. This seems excessive to us and we feel it might be more appropriate to run the process once.

Under current proposals, unsuccessful ring-fence interviewees are able to apply in a second round of external interviews. If they are then appointed at this second stage, the organisation runs the risk of demoralising incumbent officers who are then expected to continue in post. Whilst the proposed process is designed to minimise risk, we feel that the potential demoralisation of the organisation's leadership brings with it an equal, if different risk to the successful development of the organisation.

We note that previous Chief Officer appointments have included multiple assessments – multi criteria decision analysis – whereby candidates were interviewed by different panels of people – officers, partners, political party representatives - who came to independent decisions regarding their suitability. We feel this approach has merit and therefore should be used in the recruitment of the new Corporate Directors.

One of the most innovative propositions in the restructure proposals is the introduction of the Operations Board at the Corporate Leadership Group level. We welcome this proposal, which will enhance horizontal co-operation at this senior level in the organisation - we are pleased to note that it echoes the findings of the 'Measuring up: Harrow Council's Use of Performance' scrutiny review. Further to our comments regarding more open competition, we note that there may well be officers in this tier who would relish the opportunity to apply for these senior posts. We welcome the Chief Executive's commitment to the development of this tier of officers.

Review

We were reassured to hear that the Chief Executive intends to review the structure in 18 months time. As we have observed, the success of the changes depend on the development of a new skills set and a successful shift in the behaviours of the leadership of the organisation. Review in 18 months will enable positive experience to be replicated and mistakes to be remedied.

CONCLUSION

We are grateful for this opportunity to comment on the proposals and we hope our observations are helpful. We support the Chief Executive's assertion of the need to change and we commend his efforts to continue to improve Harrow Council. Where we have differences with his proposals this is generally in the pathway to that change, not the eventual destination.

Members of the Senior Management Restructure Proposals Challenge Panel

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**REPORT FOR: OVERVIEW AND
SCRUTINY COMMITTEE**

Date of Meeting:	13 th December 2011
Subject:	Report from the Debt Recovery Challenge Panel
Responsible Officer:	Alex Dewsnap, Divisional Director, Partnership Development and Performance
Scrutiny Lead Member area:	Cllr Jerry Miles, Corporate Effectiveness Policy Lead Cllr Tony Ferrari, Corporate Effectiveness Performance Lead
Exempt:	No
Enclosures:	Report from the Debt Recovery Challenge Panel

Section 1 – Summary and Recommendations

This report accompanies the report from the Debt Recovery challenge panel. The report outlines the review's observations and findings with regard the council's debt recovery processes.

Recommendations:

Councillors are recommended to:

- I. Consider the findings and recommendations of the Debt Recovery challenge panel
- II. Agree to a further investigation of possible integration of debt recovery processes by this challenge panel
- III. Refer the review's recommendations to cabinet for consideration

Section 2 – Report

The Debt Recovery challenge panel met in November to consider the council's debt recovery processes. A number of councillors have become concerned with regard to the council's application of its debt recovery policy which seems to be being applied with no consideration of the vulnerability of residents involved. The corporate effectiveness scrutiny lead councillors have considered the council's policy and performance in this area during their briefings but have remained concerned that the application of our policy is having an adverse impact on a small number of vulnerable residents. The challenge panel therefore considered the application of the policy and also the scope for the unification of a number of debt recovery process in place across the council.

Financial Implications

There are no financial implications associated with this report. However, if the report's recommendations are accepted, the services considered will provide detail of any costs likely to be incurred.

Performance Issues

There are no performance issues associated with this report.

Environmental Impact

There is no environmental impact associated with this report.

Risk Management Implications

There are no risk management implications associated with this report.

Equalities implications

Was an Equality Impact Assessment carried out? No

An Equality Impact Assessment was not carried out as the report includes no proposals for service change. Where changes result from the acceptance of this reports recommendations, these will be accompanied by a Equalities Impact Assessment

Corporate Priorities

Supporting and protecting people who are most in need.

Section 3 - Statutory Officer Clearance

Not required for this report.

Section 4 - Contact Details and Background Papers

Contact: Lynne Margetts, Service Manager Scrutiny, 020 8420 9387

Background Papers: None

December 2011

Overview and Scrutiny Committee

**Debt Recovery Process
Report from the Challenge Panel**

Members of the Challenge Panel

Councillor Tony Ferrari (Chairman)

Councillor Kam Chana

Councillor Jerry Miles

Councillor Sachin Shah

Anne Diamond

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DRAFT

CHAIRMAN'S INTRODUCTION & ACKNOWLEDGEMENTS

This is the report of the scrutiny challenge panel which has considered the application of the council's debt recovery process. This is an issue close to many councillors' hearts and our casework is full of examples of where the council appears to be applying its policy in a manner which doesn't take account of what are at times the very distressing personal circumstances of our residents.

We start from the premise that it is critical that the council collects the money owed to it as robustly as necessary. The council is only able to provide services to those in the borough in need based on this income. We fully endorse our officers in pursuit of those who deliberately withhold the funds. However, we are also aware of circumstances in which the blanket application of our policies has resulted in disastrous consequences for some of our more vulnerable residents. Whilst it is not our intention to propose change to policy or the introduction of a different policy for some members of our community, we simply wish to investigate whether there is an opportunity in our debt recovery process to operate in a way that protects the council's financial interest but also reduces the impact on the most vulnerable of our debtors.

At the same time we considered if there were opportunities for the council to streamline the debt collection functions, looking to reduce cost, improve collection rates of some of the smaller collection functions or both.

We also make some smaller recommendations in an attempt to help residents getting into difficulties, earlier in the process.

We are extremely grateful to the following officers who attended the panel and offered us their opinions on the cases we used as the basis of our investigation:

- Donna Edwards, Service Manager-Directorate Finance Lead, Adults and Housing
- Maggie Challoner, Service Manager Residents' Services
- Fern Silverio, Divisional Director - Collections & Housing Benefits
- Lynn Allaker, Service Manager, Revenue
- Jonathan Price, Head of Reablement & Personalisation
- Julie Alderson, Interim Corporate Director of Finance
- Mike Sofianos, Contributions Policy Programme Manager
- Debra Norris, Assessment Officer

We are also grateful to Pamela Fitzpatrick from Harrow Law Centre for giving us her time and the benefit of her expert opinion.

Whilst this is a challenging area for the council we do not accept that there is little more that can be done, we make a number of recommendations which we hope can both support the organisation to maintain robust debt recovery whilst at the same time ensuring that our policies are applied in a reasonable, sensitive and proportionate manner.

On behalf of the challenge panel, I commend this report.

Councillor Tony Ferrari
Chair of the Debt Recovery Process challenge panel

BACKGROUND

This project derives from the considerations of the Corporate Effectiveness Lead scrutiny councillors who have been concerned that the council's application of its debt recovery procedures was having an adverse impact on our more vulnerable residents. Initial analysis undertaken by the Lead Councillors suggested that our policy on debt recovery is no more rigorously applied than other London boroughs but anecdotal evidence led to the opinion that uniform application of the policy was resulting in a disproportionately adverse impact on a small number of vulnerable residents. The aim of this panel therefore, has been to identify the potential for the development of a more sensitive application of the policy in specifically identified circumstances.

Our deliberations have also led us to consider whether there is scope for the various debt recovery/management processes which are operating across the council to be combined, again, anecdotal evidence suggests that where residents experience financial difficulties they can do so across a number of services and can thus be confronted by numerous officials seeking repayment. We wished to explore whether there could be a more efficient approach to this multiple recovery which could both improve the customer experience and deliver economies for the authority.

The scope for the project is attached to this report as Appendix One.

CONTEXT OF THE INVESTIGATION

The council's overarching debt management policy's objective is:

'to maximise collection through joint working and sharing of information.... As budgetary settlements tighten, the amount of income from our collection processes is key and must be maximised further'.

It is precisely in this context that residents' experience of recession may increase their indebtedness. The point may be obvious but various commentators have identified the negative impact of the recession on the capacity of residents to meet their financial responsibilities – increased unemployment, increased incidents of mental health problems, family breakdown, the impact of multiple debts etc. The recession means that the pool of people in debt and those subject to our recovery policies is likely to expand. In Harrow, the Housing Benefits caseload has risen by 20% since 2009, from 16,681 to 19,947. It is interesting to note in this context that research by the Audit Commission identifies that 50% of single tier authorities and county councils have changed their policies on council tax or rent payments ¹

The council's policy states that

'In carrying out our duty to collect outstanding monies, we aim to take account of differing customer needs and circumstances and to reflect these in our policies for recovering each of the said debts. The minimum objective of this policy is that an individual's indebtedness to the council does not worsen. In overall terms, we aim to deal robustly with those who are wilful non-payers using all recovery options available to the council, including where relevant using bankruptcy as a method of debt recovery provided the debt exceeds the 'bankruptcy level' and to deal sensitively with those who are willing to pay but are experiencing difficulties in doing so and to ensure that payment arrangements are fair'

Appendix Two contains some of the current thinking around debt recovery policy.

¹ When it Comes to the Crunch – Audit Commission, 2009 – <http://www.audit-commission.gov.uk/nationalstudies/localgov/Pages/whenitcomestothechunch12aug2009.aspx#downloads>

OBSERVATIONS

The challenge panel met on 7th November 2011 and received evidence from colleagues across the authority and also from Harrow Law Centre. Our deliberations were focused upon real, though anonymised case studies.

Policy

As stated, it is not the intention of this challenge panel to propose change to the council's debt recovery policy. Having considered the policy we are of the view that it incorporates the kind of safeguards we would expect to see in place to protect more vulnerable residents. However, there appears to be a mismatch between the policy and its practical application. Evidence provided by Harrow Law Centre drew our attention to the kind of cases which they see – not people who *won't* pay but people who *can't* pay, people who are vulnerable perhaps as a result of language difficulties, mental health problems or physical disability.

As we have stated, we accept that the council must have a robust approach with regard to debt recovery and indeed we fully endorse the implementation of this process. However, whilst the process accommodates both the majority of those who pay on time and those who deliberately default on their payments, it does not offer sufficient safeguards to those residents who are experiencing difficulties. One size does not fit all and an ethos which views all debtors from the same negative perspective whilst at the same time not having any process in place which can make allowance for their vulnerability is not helpful.

Identifying the vulnerable

There are currently no means within the corporate/council tax debt recovery process through which the *council* can identify vulnerable cases we feel this must be addressed for the small minority who may suffer difficulties. We were advised that it is up to the vulnerable to 'identify themselves'. We would suggest that their vulnerability might militate against this and that those who can ask for help are not in fact vulnerable. We feel that the cases we have seen would present warning signs to the council if we have the means to spot them and if we can take a common sense approach to their consideration – for example if the council is threatening to make someone homeless we would expect to hear from them and if we don't this might suggest they are experiencing difficulties. Similarly, if someone has been paying their rent/council tax etc but suddenly stops, this should suggest to us that there may have been a significant event in their life which ought to be investigated. There is, unfortunately, no systematic approach to identifying such issues at this time. In this context we note that the opportunity to identify vulnerability does not arise until the case has deteriorated and has been placed in the hands of bailiffs which effectively means that we have subcontracted vulnerability identification to the bailiffs. We also note that once in the hands of the bailiffs, residents are advised to liaise directly with the bailiffs rather than the council. This places our residents in an extremely difficult position and we would urge that a safety net is put in place close to the end of the process before the most life damaging steps are taken.

We were advised that the council has, in the council tax collection team one of the most efficient and effective services in London. We were also advised that to change our processes to accommodate the potential to identify those in difficulty could mean a reduction in service performance or the need for increased resources. There is thus, we were advised, 'nothing more that we can do'.

We accept that it is not economic to incorporate any form of vulnerability identification early in the process and we fully endorse the processes in place to secure payment of debt from the majority of residents in default. However, we feel that there should be an in-house evaluation of vulnerability at critical and later stages of the recovery process. This would clearly be before bankruptcy procedures and before foreclosure on a home but may also be in a small number of

other key stages. We feel this will only occur in a small number of cases and is therefore economically practical and would identify the vulnerable before their lives are made much worse. Whilst we do not wish to prescribe how the central debt recovery service introduces this assessment of vulnerability we feel that the principle of establishing the assessment **at some critical point in the process** is absolutely essential and this is our core recommendation.

We would suggest that, by introducing human interaction at the critical points in the recovery process, we might be able to avoid the need (and associated costs) to investigate representations from councillors, MPs and advice agencies. We may also save the costs that other parts of the organisation incur in dealing with the outcome of the application of the debt recovery process. There is also significant reputational cost to getting this wrong, whilst we have so far avoided negative publicity, we are extremely concerned that our single-minded approach to debt collection and the impact of this on vulnerable residents, may have disastrous consequences.

Improved communication

One of the ways we would have thought the council might support the identification of more vulnerable residents would be through the sharing of information. We were advised by officers that the Data Protection Act precludes the sharing of data with regard to the personal circumstances of individuals. Whilst we recognise the difficulties this presents, we feel that it is essential that vulnerable cases are at least flagged up across the organisation and with other agencies. We would draw to the attention of officers, the recently launched DWP consultation on the sharing of data between welfare and social security organisations²

We urge officers to consider how they might facilitate greater communication in order to provide a more holistic experience for residents and potentially identify and respond to specific circumstances which require a more sensitive approach as soon as possible in the process of identifying and collecting debt. We note that as forms are being revised, they include a disclaimer permitting the sharing of information between officers/agencies and we welcome this. We would hope that less formal communication could similarly facilitate this. We would suggest that not only should this less formal arrangement include all relevant service providers but it should also include representatives from CAB/Law Centre.

It might be feasible to use a cross/intra agency communications network proactively to reduce the likelihood of residents' personal circumstances deteriorating. For example, whilst we understand that it is now accepted practice to communicate with all residents in English, we recognise that lack of English language skills, lack of understanding of the system for payment or recovery of benefits can still place many of our residents in difficulties. In this context, engagement with local advice agencies and potentially specific community organisations might provide a helpful early warning. In all circumstances our communications with residents must be absolutely clear and they must recognise that by definition, the vulnerable may find that their language difficulties, their mental health difficulties and their general circumstances mean that we need to take extra measures to ensure we are clearly understood. In this context, we welcome the proactive work being done in this area specifically the work with the Children's Centres at which staff are able to speak directly to residents with regard to the implications of debt and specifically Council Tax debt. We note that the council does not appear to be able to provide appropriate signposting for residents to those organisations which can support them and advocate on their behalf in difficult circumstances. We would hope that improved co-ordination between relevant organisations would facilitate improved signposting to advice services.

² <http://www.dwp.gov.uk/consultations/2011/ssinfo-sharing-draft-regs.shtml>

Centralisation of debt recovery processes

We do not doubt the potential for greater co-ordination of debt management processes to deliver both economies and an improved service for residents – one of our case studies saw the same family pursued by different parts of the council for debts at a time of significant upset. In this context we also acknowledge that it is not the core business of either the housing or adult care services departments to pursue debt and as such they are less likely to do so with the same rigour as colleagues in the council tax recovery service. Combination of debt recovery in the area with the greatest expertise would on the face of it seem to offer thus an opportunity to maximise the revenue secured for the council. Detailed consideration of the potential to centralise debt recovery activity was beyond the resource capacity of this project however, we feel that further work should be undertaken to assess the whether or not it would be feasible for centralisation.

Miscellaneous

We were pleased to be advised that a 'lessons learnt' process and the ongoing analysis of complaints information have been able to capture learning in this area of the council's work and we welcome the introduction and continuing improvement of the council tax recovery team's checklist as a step in the right direction toward identifying vulnerable residents. However, as we have said above, we think this improvement falls far short of what is required in order to protect our most vulnerable residents.

DRAFT

RECOMMENDATIONS

1. The central debt recovery service should develop a process for the identification of vulnerable residents and reviewing their cases at appropriate stages in the central debt recovery process
2. The potential integration of all debt recovery services with the central recovery service should be further investigated. No integration should take place until the central service has been able to introduce a process for identification of vulnerable residents as above
3. The council should improve communication processes within the organisation and with external agencies in order to facilitate a greater understanding of the level and impact of debt within the community. They share certain lessons learnt processes and procedures.
4. The council should show how it will improve how it signposts residents who are experiencing financial/debt difficulties to sources of advice and advocacy in the borough.

DRAFT

CONCLUSION

The challenge panel recognise that this is an extremely difficult area for officers to operate within – we must have robust policy and practice in order to safeguard the council's income stream whilst at the same time recognising that there are some members of the community whose personal circumstances mean they are unable to pay. At present, we believe that there is no balance between the two extremes and that this must be redressed in order to protect our most vulnerable residents. It is crucial that we can begin to operate with a higher level of sophistication than at present in order to find a way to distinguish between those who wilfully withhold payment from the council from those whose personal circumstances have left them at risk, we must put a human component into our processes which will allow us time to step back, consider information presented to us and reflect on our actions. Whilst we hear the concerns of the service regarding potentially additional resource or declining performance, we think that the well being of our most vulnerable residents must be safeguarded. With the increasing economic difficulties faced by many local people, the likelihood of more and more of our residents falling into debt and potentially tipping into more vulnerable circumstances will also increase. In these circumstances we feel that the organisation must take steps to ensure it does not contribute to their vulnerability.

Whilst we recognise the improvements which our main debt collection service is making we have no confidence that mistakes made in the minority of cases won't be repeated because nothing in the process has changed to enable such cases to be identified. Without this, we cannot make recommendation to support the centralisation of debt collection functions.

Members of the Debt Recovery Process Challenge Panel

APPENDIX ONE

DEBT RECOVERY CHALLENGE PANEL SCOPE

1	SUBJECT	Debt Recovery Challenge Panel
2	COMMITTEE	Overview and Scrutiny Committee
3	REVIEW GROUP	<p>Councillors</p> <ul style="list-style-type: none"> • Cllr Kam Chana • Cllr Tony Ferrari • Cllr Jerry Miles • Cllr Sachin Shah <p>Co-optees</p> <ul style="list-style-type: none"> • Anne Diamond
4	AIMS/ OBJECTIVES/ OUTCOMES	To consider the council's debt recovery policy and examine the feasibility of aligning all recovery policies and to make recommendations to secure a proportionate and sensitive application of the policy.
5	MEASURES OF SUCCESS OF REVIEW	Project completed in accordance with project plan Panel recommendations able to assist the application of council policy
6	SCOPE	The project will not consider changes to the debt recovery policy but to its application.
7	SERVICE PRIORITIES (Corporate/Dept)	
8	REVIEW SPONSOR	Julie Alderson, Corporate Director Finance
9	ACCOUNTABLE MANAGER	Fern Silverio, Divisional Director - Collections & Housing Benefits
10	SUPPORT OFFICER	Lynne Margetts, Service Manager Scrutiny
11	ADMINISTRATIVE SUPPORT	
12	EXTERNAL INPUT	Best practice boroughs National advice agencies Residents

13	METHODOLOGY	<ul style="list-style-type: none"> • Challenge panel – single meeting with relevant witnesses • Two components: <ul style="list-style-type: none"> ○ Application of the policy with regard to vulnerable residents <ul style="list-style-type: none"> ▪ Consideration of evidence gathered previously ▪ Discussion of case studies with relevant officers ▪ Discussion of case studies with residents ▪ Consideration of guidance from national bodies re flexibility of application of debt recovery policy ○ Potential to align the differing collection processes <ul style="list-style-type: none"> ▪ Consideration of policy with regard to national best practice ▪ Discussion with relevant managers from Corporate Finance and Housing
14	EQUALITY IMPLICATIONS	The review may wish to consider the potential impact of the unilateral application of the policy on more vulnerable residents whose capacity to pay is limited as a result of disability or age.
15	ASSUMPTIONS/ CONSTRAINTS	
16	SECTION 17 IMPLICATIONS	None specific
17	TIMESCALE	To report in the autumn
18	RESOURCE COMMITMENTS	The project will be resourced from within the scrutiny budget
19	REPORT AUTHOR	Lynne Margetts, Service Manager Scrutiny
20	REPORTING ARRANGEMENTS	Outline of formal reporting process: To Service Director [√] September 2011 To Portfolio Holder [√] September 2011 To CMT [] To O&S committee [√] October 2011 To Cabinet [√] November 2011
21	FOLLOW UP ARRANGEMENTS (proposals)	Monitored by Performance and Finance sub committee six months after recommendations agreed, if appropriate.

APPENDIX TWO

NATIONAL POLICY FRAMEWORK

A number of commentators have made recommendations with regard to the preferred approach to the collection of debt, particularly in the context of the recession. Of particular importance is the guidance produced jointly by Advice UK, Citizens' Advice Bureau, Institute of Money Advisors and Money Advice Trust 'Debt, Do the Right Thing'³. This document outlines 5 steps towards best practice:

- Set the right organisational culture
- Achieve the right motivation for debt collection staff
- Develop clear and encouraging communication
- Provide information and support
- Be willing and able to maintain and develop best practice

The document argues that a flexible and proportionate approach to debt collection is beneficial not just to the debtors but also to their creditors:

'Stability, ability and willingness: we'd much rather someone paid what they can on a regular basis than have to chase people for payments they can't afford.' It is equally arguable that by establishing a clear understanding of an individual's circumstances, expensive and diversionary activities dealing with appeals against decisions or complaints can be avoided.

Of particular relevance for this project is the guidance under Step One, 'Set the right organisational culture. In this it is suggested that creditors should adopt a strategy which takes account of:

- **The person's ability to pay** – making use of the common financial statement⁴ which assess an individual's capacity to make repayments by assessing their income, assets, liabilities and expenditure.
- **The person's circumstances** – creditors should put processes and people in place to identify and help people in a way that meets their needs and potentially take them out of the mainstream collection process
- **The person's whole situation** – debt may just be one of the issues being faced and creditors may need to give their debtors time to face a number of different challenges
- **The needs and powers of other creditors** – creditors need to co-operate in circumstances of multiple debt to maintain the sustainability of arrangements

The National Audit Office in its report 'HM Revenue and Customs, Management of Tax Debt'⁵ also makes some observations which may be of relevance to the review group's considerations. Specifically it talks about risk profiling of debts. The document recommends that HM Revenue and Customs develops:

'Scoring techniques to categorise taxpayers by risk. Risk Scoring combines internal and external data such as socio-economic data and Credit Reference Agency data to gain an insight into the customer's behaviour and level of indebtedness with other lenders and assign a score to debtors. The risk score can be used to group customers in similar characteristics and behaviours and identify the most appropriate collection strategy for each customer grouping..... Risk scoring debtors allow organisations to better support those who do not understand their obligations or are in financial crisis, while dealing promptly with debtors who deliberately pay late.'

The NAO's work points to the Netherlands approach to tax administration as best practice. This 4 step model is attached as Appendix Four.

Of further interest to the review's deliberations might be how to define vulnerability. In general terms this references capacity to pay but work has also been done specifically in terms of mental ill health by

³ 'Debt, Do the Right Thing' February 2010 – included in document file

⁴ <http://www.cfs.moneyadvicetrust.org/>

⁵ 'HM Revenue and Customs, Management of Tax Debt' NAO 2008 – summary in document file

the Money Advice Liaison Group⁶. Their evidence suggests that people with mental health problems are three times more likely to be in debt than others. The work has culminated in the production of the Debt and Mental Health Evidence Form⁷.

Their guidelines include 15 points to the provision of effective support when dealing with debt of people with mental health problems:

- Creditors should have **procedures in place** to ensure that people in debt with mental health problems **are treated fairly and appropriately**
- Relevant staff should be trained on the reciprocal impact of mental health problems and people's ability to manage money and debt
- Creditors, advice agencies and health and social care professionals should work in a joined-up way
- Creditors should **have procedures in place to accurately record relevant information** on client files and manage accounts appropriately
- Creditors should establish referral mechanisms to ensure targeted help is offered to consumers with mental health problems or those acting on their behalf
- Where a mental health problem has been notified creditors should allow a reasonable period for advisors to collect relevant evidence and present it to the creditor. This period could be extended by negotiation if necessary, in order to accommodate delays in gathering particular items of evidence
- Creditors who outsource debts to debt collection agencies should ensure they are satisfied that such action is consistent with the intentions of these guidelines and relevant Codes of Practice
- Where the debts of people with notified mental health problems are sold, the vendor should wherever possible, endeavour to ensure that the purchaser complies with the intentions of these guidelines and relevant codes of practice
- Where a creditor is made aware that a consumer has a mental health problem, they should only initiate court action or pursue enforcement through the courts as a last resort and when it is appropriate and fair to do so
- Creditors should consider writing off unsecured debts when mental health problems are long term, hold out little likelihood of improvement and are such that it is highly unlikely that the person in debt would be able to repay their outstanding debts
- It should be recognised that the issue of whether at all and if so how much of a person's Disability Living Allowance or Attendance Allowance award should be added towards disposable income for the purpose of paying off debt will be the consumers choice alone
- Advisers will provide creditors with evidence to confirm a client's debt and mental health status that is proportionate to the type of action requested from the creditor
- Creditors will accept evidence provided from an agreed list of practitioners
- Advisers should be encouraged to use the Money Advice Trust/Finance and Leasing Association's Common Financial Statement or a statement that conforms to the general principles of the CFS, when they prepare financial information in support of client repayment offers or other forms of negotiation
- If a creditor requires evidence that is only available on a charging basis, they should be prepared to consider payment proposals made by health or social care practitioners on a case-by-case basis

The Finance and Leasing Association⁸ has also produced a code for Lenders which talks about the action to be taken with people experiencing health problems and those who get into debt

⁶ Good Practice Awareness Guidelines – For Consumers with Mental Health Problems and Debt – Money Advice Liaison Group Autumn 2009 – included in document file

⁷ Included in document file

⁸ 'The Lending Code 2006 – Raising Standards for Consumers' The Finance and Leasing Association 2006 – included in document file

APPENDIX THREE

EMAIL FROM THE SERVICE HEAD – RESIDENTS’ SERVICES

I have some very serious concerns about the accuracy of the information in this report that leads to the observations and recommendations. Following a conversation with Divisional Director Housing Services I have been asked to respond on behalf of the housing department.

I believe that both the observations and the recommendations are flawed because the Scrutiny Panel did not ask the appropriate questions about the rent recovery process, the performance in that area, the costs incurred in collecting rents or the way people who are vulnerable are treated within that process. Without these facts the recommendations do not make sense as such a move would not meet the stated objectives of the panel

I am stating this because I really believe that centralising the rent collection would be a backward step, would not improve collection rates or save money and perhaps would mean that vulnerable people are in a far worse position when in rent arrears than they are currently. It is also not what I believe our tenants want - and with co-regulation ensuring that tenants views are taken in to account in key decisions such as this one - is our statutory duty as a social landlord. To honour the legal requirements to consult tenants on all such issues the proposal must go to the Tenants, Leaseholders and Residents Forum for discussion before it goes to Cabinet, so that tenants' views can be considered by Cabinet members making the decision.

Firstly I do not think that my colleagues from adult services and I were well enough briefed in advance of the meeting as to the objectives so came ill prepared for the discussion. I was only asked to speak on one specific case and did not understand before the meeting started that the panel's main concern was that the Council took a more joined up approach to collection of more than one debt. This one case was a very unusual one, and did not give me the opportunity to talk about the process in the more usual, regular rent arrears cases.

The objectives of the panel, as stated in the report are:

To reduce costs and improve collection rates

No questions were asked about either the cost or collection rates for Council rents. If these questions had been asked the panel would have been aware that both are in the Upper Quartile amongst social landlords in London. In fact the benchmarking report shows we moved from 9th to 5th from a sample size of 27 for the cost of rent arrears collection in 2010/11 and from 23rd to 8th from a sample size of 28 for actual collection.

Whilst these figures show excellent improvement we have not stopped there and our collection rates continue to improve (we reached our year end target 4 months early this year) so do not really need a major change to effect further improvement.

In addition, no questions were actually asked about the rent recovery process. You may recall that the panel chairman asked each service area present to talk for 5 minutes about their procedures. In fact the Divisional Director - Collections & Housing Benefits was the only person to answer that question. He spoke for 15 minutes about the Council tax process. He had no knowledge of the rent recovery process and did not even attempt to refer to it. The reality is that the rent recovery process is far more targeted to deal with customers as individuals than the council tax process is.

At the end of Divisional Director - Collections & Housing Benefits speech I indicated I wanted to speak but the chairman said we had used up the time allocated to that item and needed to move on to get through the agenda. The panel therefore had no information whatsoever about the rent recovery process - which is completely different, partly because of the legislation but just as much

because of our duty as a social landlord to support vulnerable people and sustain communities. We do far more than Council Tax do to protect and support vulnerable people in our recovery processes. Our % collection rates are also higher, despite all the additional steps we take to support vulnerable people.

Had I been allowed the opportunity to answer this question I would have been able to explain the following:

In the rent recovery process all tenants are treated as individuals. Every attempt is made to engage in a face to face conversation with all tenants in rent arrears before any decision is made about taking possession action. This is either an office interview or a home visit.

Our objective is never to evict people. What we want is to recover the rent, possession action is always a last resort. We will try all other alternatives, such as a payment agreement before we seek possession

Where we discover that tenants are in financial difficulties we always offer them a referral to the CAB for independent money advice. This is a service we commission annually so it is free to tenants

Where there are vulnerabilities such as mental health, disability etc we always engage with appropriate professionals to try to enlist their support. This can also include a referral to floating support when no agencies are already involved

And this is just before we make the decision to proceed to court to seek possession

Before we get to court we are obliged to comply with a court protocol that covers all possible vulnerability issues. This ensures that we have considered all the possible alternatives options before we even apply to the court for possession

Were we to be awarded an outright possession order by the court (and that does not happen in many cases) there is another safeguard built in that during the time between the court decision and the actual eviction another senior officer reviews the decision to proceed to eviction

If an eviction is to go ahead we ensure that anyone who needs to know is aware before it happens. Where children are involved we alert Children's Services and if the household being evicted have a priority need we ensure that our housing needs team are alerted that a homelessness application may be made. Where possible our colleagues in Housing Needs will work with the family prior to the eviction and in fact all these agencies can work with the tenant and/or the court to try to prevent the eviction where appropriate and we will support that wholeheartedly. Remember we do not want to evict people- all we want is that an agreement is reached, and kept to, to reduce the arrears.

I think that the success of these measures can clearly be demonstrated by the fact that we served notices of seeking possession on 46% of our tenants in 2010/11 for rent arrears. Of course many of these were early intervention but by working closely with the tenants to resolve whatever problems they were experiencing in paying their rent throughout the whole year only 0.26%-or 12 households were actually evicted. To put this in context during the same year rent arrears reduced by £300k and our percentage collection rate improved to 98.36%.

Other relevant information is that all of this work is managed by 4 staff, who each have other income collection duties on top of rent collection This is specialist work and a great deal of knowledge of housing legislation is needed. Their work is also very closely integrated with the

tenancy management team, so separating the functions could have a detrimental effect on vulnerable tenants. Again this point was not explored by the panel

I would very much welcome the opportunity to explain these points further if it helps

Maggie Challoner
Service Head - Resident Services

DRAFT

**REPORT FOR: OVERVIEW AND
SCRUTINY COMMITTEE**

Date of Meeting:	13 th December 2011
Subject:	Standing Scrutiny Review of the Better Deal for Residents – Quarterly Report
Responsible Officer:	Alex Dewsnap, Divisional Director, Partnership Development and Performance
Scrutiny Lead Member area:	All
Exempt:	No
Enclosures:	Quarterly Report from the Standing Scrutiny Review of the Better Deal for Residents

Section 1 – Summary and Recommendations

This report accompanies the quarterly report from the Standing Scrutiny Review of the Better Deal for Residents. The report outlines the review's consideration of project management and the VERTO system and the Re-abling Focused Care project.

Recommendations:

Councillors are recommended to:

- I. Consider the findings of the standing scrutiny review of the budget
- II. Where appropriate to refer recommendations to Cabinet for consideration

Section 2 – Report

The first report from the Standing Scrutiny Review of the Better Deal for Residents was considered by the Overview and Scrutiny committee in June. That report outlined the group's view of the improvements which could be made to the council's project/programme management process.

This is the first update report from the second phase of the project. So far the group has considered two areas:

- VERTO/project management update
- Re-abling Focused Care

The attached report gives full detail with regard to the review's observations and recommendations.

Financial Implications

There are no financial implications associated with this report. However, if the report's recommendations are accepted, the services considered will provide detail of any costs likely to be incurred.

Performance Issues

There are no performance issues associated with this report.

Environmental Impact

There is no environmental impact associated with this report.

Risk Management Implications

There are no risk management implications associated with this report.

Equalities implications

An Equality Impact Assessment was not carried out as the report includes no proposals for service change. However, it is the cornerstone of the Standing Review of the Better Deal for Residents that the impact of all project proposals on residents is properly understood. As such, it is hoped that our investigations can help to highlight equalities implications in Better Deal for Residents projects.

Corporate Priorities

Standing Review of the Better Deal for Residents can impact all of the council's corporate priorities.

Section 3 - Statutory Officer Clearance

Not required for this report.

Section 4 - Contact Details and Background Papers

Contact: Lynne Margetts, Service Manager Scrutiny, 020 8420 9387

Background Papers: None

December 2011

Overview and Scrutiny Committee

Better Deal for Residents Programme
Standing Scrutiny Review
Progress Report – December 2011

Members of the Challenge Panel

Councillor Stephen Wright (Chairman)

Councillor Nana Asante

Councillor Kamaljit Chana

Councillor Ann Gate

Councillor Barry Macleod-Cullinane

Councillor Paul Osborn

Councillor Bill Phillips

Councillor Krishna Suresh

Community Co-optees:

Seamus English

Elizabeth Hugo

Linda Robinson

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CHAIRMAN'S INTRODUCTION & ACKNOWLEDGEMENTS

In April this year, the Better Deal for Residents (BDfR) Standing Scrutiny Review group produced a report from the first phase of its investigation ("Interim Report on Programme Management"). This report recommended changes the group wished to see with regard to the council's project / programme management processes.

In September, the group embarked on the second phase of its investigations to identify how effectively the anticipated outcomes from the BDfR projects have been delivered and what the impact of these outcomes has been on residents. The scope for this second phase is attached as Appendix One.

So far, the group has considered the implementation of the VERTO projects system managed by the Programme Management Office. This database records and monitors all the Council's BDfR Projects and maintains full details on each project. We are grateful to Mala Kripalani, Service Manager of the Programme Office and Kelly Jack, Project Manager, for attending to discuss and answer questions on VERTO.

Additionally, the group has commenced the review of each of the BDfR Projects, taking the Reabling Focused Care project as its first assessment. We are most grateful to Bernie Flaherty, Divisional Director of Adult Social Care and to Jonathan Price, Head of Reablement and Personalisation for meeting with the BDfR Standing Review group to brief us on progress and to respond to our questions.

In accordance with our reporting protocol, we have committed to report our findings to the Overview and Scrutiny committee on at least a quarterly basis. This report constitutes our first quarterly report under the second phase. We have made a number of recommendations regarding the Reabling Focused Care project that we feel will benefit both the organisation and residents and as such, we request that this progress report be referred to Cabinet.

Cllr Stephen Wright
Chairman of the Better Deal for Residents Standing Scrutiny Review

RECOMMENDATIONS

We recommend that:

VERTO

1. The Better Deal for Residents standing review receives regular reports from the VERTO system in order to ensure that the group is able to:
 - Monitor the quality of project documentation being produced for new projects prior to implementation,
 - Monitor the implementation and outcomes of completed projects.

REABLING FOCUSED CARE

2. It is possible the term "reablement" is not well understood by residents and this might impact on the number of applicants for the service.
3. The "Triageopoly" poster is detailed and full of useful information but it would be better suited as a leaflet/handout rather than as a wall poster. A new wall poster should be designed that briefly explains the service, eligibility and how to apply, taking note of point two above.
4. The group also considered there was a need for continuous communication of the service not only through existing channels but also to a wider audience including grant and non-grant aided voluntary and community organisations to increase the awareness and understanding of residents who would be potential users of the service,
5. The service should monitor the number of residents applying to utilize the scheme in order that increasing demand, if any, is identified early.
6. The service should consider piloting different models for the delivery of reablement to identify if changes to the length of the reablement period may give rise to further savings without detrimental impact to the residents.

OBSERVATIONS

PROJECT MANAGEMENT AND VERTO

In October, the group received an update on the project management process in the council following our report in the summer. We were advised that the council has now introduced a mandatory project management framework, designed in Harrow, which will be launched in November. This includes a sizing process which enables officers to consider the size of their project and customise the framework accordingly. A corporate training programme is being delivered to offer basic and advanced project management skills. Prince2 accredited training is also being delivered as required across the organisation. Workshops to support managers who are initiating new projects are being developed and piloted and will be rolled out in the New Year by the PMO.

We also received a demonstration of the recently acquired VERTO system. This web-based system will significantly improve the reporting/monitoring process. We understand this is at an early stage of implementation and the content of the reports will be enhanced.

We welcome the introduction of the VERTO system and the associated enhanced reporting and monitoring capacity and we welcome the offer to scrutiny of reports from the system which will enable the group to be alerted to milestones in the delivery of projects and to develop a timetable through which to consider their impact. Representatives of the group will meet with officers from the PMO to determine the content of reports which can be presented to the group on a regular basis. We anticipate that the following information will support our investigations:

- Project name
- Baseline
- Objectives
- Impact
- Start date
- End date
- Progress against milestones
- Value of the project – cost and projected savings
- Early warning re potential problems

We remain concerned that the documentation being produced in respect of new projects is sufficiently detailed in order to assess the impact of the projects on residents. We will schedule into our work programme the opportunity to consider the new projects documentation in order to safeguard both the interests of residents and the authority.

RE-ABLING FOCUSED CARE

The Project Initiation Document for the Reabling Focused Care project was issued in June 2010. We were pleased to be advised that its design has been heavily influenced by service users. In November we received an update on the implementation.

The project has completely reconfigured the adult social care service from 4 'client specific services to 'generic' reablement, personalisation and long term care services. By supporting vulnerable residents who previously would have received a formal care package, subject to the Fair Access to Care criteria, adults referred for care will be provided with a tailored reablement service for a period of up to six weeks to increase their independence and to reduce service users eventual need for formal care. Early evidence suggests there are high levels of satisfaction with the service with the well-being of residents enhanced and at the same time delivering significant savings for the authority.

Whilst we were generally very impressed with the service, we have a number of comments which we hope will assist the further improvement.

Our resident co-optees were able to provide examples from their own experience which suggest that awareness of the scheme is not yet as widespread as it could be. In particular, it appears that information regarding the service may not have reached all *potential* users of the service and that information with regard to the implications of the scheme for *existing* users may not have been well publicised. We were pleased that the service managers were able to respond positively to this information with a proposal that the project publicity will be reviewed and could always be improved. We welcome this offer. In spite of our concerns, we are pleased that the Department has achieved its target of 7, 000 users in its first year.

In this context we have also been able to offer our comments on the style and content of existing communications. In particular, we were able to discuss the content of the poster used to publicise the scheme – Triagopoly. Whilst we think this poster provides excellent information with regard to how the scheme works, we feel it is more appropriate as a leaflet than as a wall poster. As such we would suggest that this is considered during the proposed communications review.

We were pleased that the new service is on target to deliver savings in the region of £350K in the first year of service delivery and that further savings are projected to be delivered over the next two years. **We have requested a copy of the financial spreadsheet documenting the savings achieved to date.** We were advised that the scheme had based its initial funding and savings estimates on assumptions made via initial research that the scheme would engage with 7,000 users per year. Officers advised us that this had proven to be a very good estimate both from which to plan their service and in estimating savings.

Our concern is regarding the potential increase in demand for the service as awareness increases. We are advised that the service is already extremely popular and as such we wonder if its success might be its down-fall. The service is free and

not subject to more than basic qualification criteria (3 questions at the application stage). If demand increases, it may require additional funding. We offer no recommended action in these circumstances but hope the eligibility criteria are not manipulated to reduce numbers. We would urge the service to monitor demand closely.

Service management advised that their research indicated the potential for savings would peak after 3 years. We would suggest that management begin to consider different delivery models for the scheme. For example, if care is offered over a different time period would the service still deliver the independence and care improvements to users whilst also delivering savings. Similarly, if service were offered over a slightly longer period, will more vulnerable service users who require a more intensive set up period be able to achieve enhanced independence?

CONCLUSION

This is the first report from the second phase of the Standing Scrutiny Review of the Better Deal for Residents. It is our intention to now assess the detail and impact of projects included in the Better Deal for Residents programme to ensure that the outcomes anticipated and the impact on residents are fully understood. We hope that our findings will support the organisation through what is a difficult and challenging time for the organisation and our residents

Members of the Standing Scrutiny Review of the Better Deal for Residents

APPENDIX ONE

BETTER DEAL FOR RESIDENTS PROGRAMME STANDING REVIEW PHASE TWO- FINAL SCOPE

VERSION HISTORY

Initial draft

Comments from review group meeting 26th September

Final Version agreed at O&S 1st November

1	SUBJECT	Better Deal for Residents Programme
2	COMMITTEE	Overview and Scrutiny committee
3	REVIEW GROUP	Councillors Cllr Nana Asante Cllr Chana Cllr Ann Gate Cllr Macleod-Cullinane Cllr Osborn Cllr Phillips Cllr Krishna Suresh Cllr Wright (Chairman) Co-optees Elizabeth Hugo Linda Robinson Abigail Matsika Seamus English
4	AIMS/ OBJECTIVES/ OUTCOMES	To consider the content of the Better Deal for Residents programme in terms of ambition, relevance, appropriateness To consider the impact of the programme on: <ul style="list-style-type: none">• the Council – is it achieving the outcomes envisaged – linked to the effectiveness of project management processes• residents:<ul style="list-style-type: none">○ is the council complying with its duties under the disability and equalities legislation when proposing changes to services○ what impact are the changes having and how are these being mitigated – Better Together/Big Society,○ how far do residents understand/appreciate the need for significant change are their opinions being taken into account, are they being actively engaged/convinced in the delivery of change• partners – are we working more efficiently with partners to deliver change, what is the impact on their services• managers – how well are they being supported in delivering change whilst at the same time being subject to that change
5	MEASURES OF SUCCESS OF REVIEW	Review is able to ensure that: <ul style="list-style-type: none">• Programme delivers real change in service delivery• Programme delivers anticipated savings

		<ul style="list-style-type: none"> • Programme delivers change in residents'/service users' attitude to service delivery and responsibilities
6	SCOPE	The content of the Better Deal for Residents Programme
7	SERVICE PRIORITIES (Corporate/Dept)	
8	REVIEW SPONSOR	Tom Whiting, Assistant Chief Executive
9	ACCOUNTABLE MANAGER	From relevant service area
10	SUPPORT OFFICER	Service Manager Scrutiny
11	ADMINISTRATIVE SUPPORT	From within Scrutiny Team
12	EXTERNAL INPUT	<ul style="list-style-type: none"> • Residents • Partner organisations • Service users
13	METHODOLOGY	<p><u>FUTURE PROJECTS</u></p> <ul style="list-style-type: none"> • Assessment of Project Documentation (Business Case) BEFORE project goes to Cabinet and before implementation commences. <ul style="list-style-type: none"> ○ <i>Scope of Project</i> – Current services baseline – operational and admin resources engaged, timescales for service delivery, service delivery costs incl. salaries, ○ <i>Services to be changed</i>, resident groups affected, how service delivery will be changed, i.e. resources, service timescale changes, new technology, costings, etc. ○ <i>Project Objectives</i> – clear and measurable – service delivery, staff, financial, etc. ○ <i>Full Description of Impact on resident groups</i>, staff, partners, etc. - including Equalities Impact Assessment ensuring the documentation will allow decision makers to comply with their responsibilities under equalities legislation by having due regard to the impact of the changes being proposed. ○ <i>Description of Resident Consultations undertaken</i>, which residents groups, when and how, i.e. questionnaire, meetings, web, etc. ○ <i>Full Statement on project implementation costs</i>, ○ <i>Anticipated Savings</i> – cost reductions, resources, other • Discussion with relevant officer where necessary <p><u>COMPLETED PROJECTS</u></p> <ul style="list-style-type: none"> • Assessment of project completion details – Project completed on time, was all phases and scope fully implemented, any other variations to project scope, budget, resources, etc. that impacted project? • Assessment of the extent to which anticipated outcomes were realised • Assessment of impact on Staff delivering service. • Assessment of <u>actual</u> service impact on resident group/s –

		improved, same, worse and in what way.
14	EQUALITY IMPLICATIONS	It is anticipated that the Better Deal for Residents programme will deliver significant change in the way the council organises itself to deliver services to local people. Harrow is an extremely diverse borough and the organisation cannot make assumptions about service needs of the population. As such changes to services and changing the expectations and behaviours of our residents will need to reflect the differing needs and experiences of the population. The council must ensure that adverse equalities implications for staff or residents are identified and where possible, mitigated. The review will monitor the extent to which the organisation is taking due regard to its duties under all equalities legislation.
15	ASSUMPTIONS/ CONSTRAINTS	
16	SECTION 17 IMPLICATIONS	This could be a component of the project in so far as the Better Together stream is implemented.
17	TIMESCALE	Ongoing
18	RESOURCE COMMITMENTS	The project will be delivered from within the existing scrutiny budget
19	REPORT AUTHOR	Lynne Margetts
20	REPORTING ARRANGEMENTS	<p>Quarterly reports on progress to the Overview and Scrutiny Committee</p> <p>Final report to the Overview and Scrutiny Committee at end of project</p> <p>Outline of final formal reporting process:</p> <p>To Service Director [] TBC</p> <p>To Portfolio Holder [] TBC</p> <p>To CMT [] TBC</p> <p>To Cabinet [] TBC</p>
21	FOLLOW UP ARRANGEMENTS (proposals)	TBC

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