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**REPORT OF OVERVIEW AND SCRUTINY COMMITTEE**


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**MEETING HELD ON 3 FEBRUARY 2004**


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Chair: \* Councillor Jean Lammiman

<p>Councillors: * Blann * Currie (3) * Gate (1) * Mitzi Green * Ingram</p>	<p>* Mary John (3) * Myra Michael (1) * Osborn * Pinkus * Thammaiah</p>
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\* Denotes Member present  
(1) and (3) Denote category of Reserve Member

**PART I – RECOMMENDATIONS - NIL**
**PART II - MINUTES**
**130. Attendance by Reserve Members:**

**RESOLVED:** To note the attendance at this meeting of the following duly appointed Reserve Members:-

Ordinary Member

Councillor Ann Groves  
Councillor Marie-Louise Nolan  
Councillor Seymour  
Councillor Versallion

Reserve Member

Councillor Currie  
Councillor Gate  
Councillor Myra Michael  
Councillor Mary John

**131. Declarations of Interest:**

Councillor Currie declared a personal interest in agenda item 9(b), "Housing Revenue Account 2004/05", by virtue of being a member of the Shadow Board of the ALMO, and also in agenda item 9(a), "Budget 2004-2005 and Medium Term Revenue Budget Strategy for Consultation".

Councillor Jean Lammiman declared a personal interest in agenda item 12, "Consultation on the Draft Community Strategy for Harrow", by virtue of being a Member of the Board of the Harrow Strategic Partnership. She stood down from the chair for that item.

Councillor Mitzi Green declared a personal interest in agenda item 13, "Review of Housing Benefit Administration", by virtue of having a relative in receipt of Housing Benefit.

**RESOLVED:** To note the declarations of interest made by Councillor Currie, in respect of agenda items 9(a) and 9(b), by Councillor Jean Lammiman, in respect of agenda item 12, and by Councillor Mitzi Green, in respect of agenda item 13, and that the Members participated in the discussions and decisions on those items.

**132. Arrangement of Agenda:**

There was a desire for the Finance and Human Resources and Performance Management Portfolio Holder, who was in attendance at the meeting for agenda item 9(a), to also be in attendance for the Committee's consideration of agenda item 10, "Progress Report on the Draft HR Strategy". The Portfolio Holder needed to leave the meeting immediately following agenda item 9(a), however, in order to attend another budget consultation meeting. In light of this, it was agreed to defer consideration of agenda item 10 to the next meeting of the Committee, which would be a Special meeting on 2 March 2004.

**RESOLVED:** That (1) agenda item 10, Progress Report on the Draft HR Strategy, be deferred until the Special meeting of the Committee on 2 March 2004;

(2) in accordance with the Local Government (Access to Information) Act 1985, the following agenda items be admitted late to the agenda by virtue of the special circumstances and grounds for urgency detailed below:-

<u>Agenda item</u>	<u>Special Circumstances/Grounds for Urgency</u>
14(b) Review of the New Harrow Project: Tabled Scoping report	The scoping report was only agreed by the Review Group at its meeting on 30 January 2004.  The scoping report needs to be approved in order that the review can proceed.
17. Best Value Performance Plan and Best Value Performance Indicators	The Chair requested that this be added to the agenda after the dispatch of the main agenda.  The Committee needs to consider the report at this meeting if it is to make any comments on the proposals for changes to Best Value Performance Plans before the close of the consultation.

(3) all items be considered with the press and public present.

133. **Minutes:**

**RESOLVED:** That the minutes of the meeting held on 25 November 2003, having been circulated, be taken as read and signed as a correct record.

134. **Public Questions:**

**RESOLVED:** To note that no public questions were put at the meeting under the provisions of Overview and Scrutiny Procedure Rule 8.

135. **Petitions:**

**RESOLVED:** To note that no petitions were received at the meeting under the provisions of Overview and Scrutiny Procedure Rule 9.

136. **Deputations:**

**RESOLVED:** To note that no deputations were received at the meeting under the provisions of Overview and Scrutiny Procedure Rule 10.

137. **Budget 2004-2005 and Medium Term Revenue Budget Strategy for Consultation:**

The Committee received a joint report of the Chief Executive and the Executive Director (Business Connections) which had been submitted to Cabinet in December, and which set out a proposed base budget for consultation. The Committee also received some officer amendments and a revised Appendix A which had been tabled at the Cabinet meeting, and the relevant recommendation and minute of the Cabinet meeting. The Cabinet had approved the base budget – which would result in a 3.87% Council Tax increase - for consultation. It had also agreed to consult on nine budget options.

At the meeting, the Executive Director (Business Connections) reported that, since the December Cabinet meeting, the Council had received its final settlement from the Government, and there was no change to the level of government funding from the provisional settlement. Nor was there any change in the amount to be passported to schools, although there was a minor change in the Formula Spending Share (FSS) for the Council. This would not impact on the proposed budget. However, Cabinet had agreed at its January meeting to offer Council taxpayers who pay by direct debit the option of paying in 12 monthly instalments; this, together with other changes to the budget following further work and announcements since that time, would marginally alter the Council Tax increase from the proposed budget prior to consultation options.

The various ways in which the budget was being consulted upon, and the number of responses received so far, were outlined. In response to Members' queries, further information was provided on the budget consultation meetings and, in particular, on the issues raised at those meetings.

It was noted that the budget included a significant level of procurement and efficiency savings. Members queried why the savings had arisen this year and whether they resulted from changes in working practices. There was also concern about the achievability of the projected procurement savings, which totalled more than £6m overall for 2004/05 and 2005/06.

The Finance and Human Resources and Performance Management Portfolio Holder, who was present, advised Members that this was the first year that the Council had had a fully staffed procurement unit. The Executive Director (Business Connections) added

that the unit had already achieved some savings but 2004/05 was the first year that the full-year effect of these would be seen. The areas to which the procurement savings related were outlined, and it was advised that there was an action plan underpinning the savings which could be provided to Members if they wished. It was also confirmed that some of the efficiency savings resulted from new ways of working using IT.

The Committee agreed that it should receive a report back on procurement, and it was suggested that the procurement update report which would be submitted to the Best Value Advisory Panel the following week be circulated to Members. This was agreed.

Noting that the budget included a reduction in staff costs as a result of the NHP restructure, a Member felt there was a public perception that the NHP had added layers of management rather than reduced staff costs, and queried where these savings would arise from. It was reported that the Council had commissioned a piece of work to look at the structure of the Directorates beneath the top management teams, and that this would be working up proposals in the next six weeks. The Portfolio Holder added that the NHP had not resulted in additional layers of management but in the Council taking on more frontline staff; the aim of the reorganisation was to reduce layers of management and to focus resources on service delivery. The Member remained concerned that these figures were included in the budget, but stated that he would await the outcome of the piece of work with interest.

It was also noted that the December Cabinet meeting had been advised that figures in relation to possible redundancies and pension implications arising from the review of middle managers were not yet available. It was advised that this remained the case. The Chair requested that the Committee receive early notification of these figures.

Assurance was sought that the efficiency savings had been allocated against individual budget heads, in order that there could be some accountability for achieving them. It was confirmed that this had been done for all the efficiency savings with the exception of the savings arising from the reduction in sickness absence and the NHP restructure; these would, however, be allocated before 1 April 2004. There was also concern that the efficiency savings would be lost sight of in future years as the budget was rolled forward; it was suggested that this was a presentational issue which could be looked at, perhaps as part of the scrutiny review of budget processes.

A Member felt that the level of reserves which the Council was seeking to accumulate should be reduced and any surplus spent on new initiatives. The Executive Director (Business Connections) advised, however, that he had a duty as the Section 151 officer to advise the Council on the level of reserves. The consequences of not having sufficient reserves, if something untoward should happen, were explained. It was also pointed out that the level of reserves was a decision of Council. The risk management process currently being carried out across the Council was highlighted.

In response to queries from Members, clarification was provided with regard to the inclusion in the budget of both budget reduction and growth items relating to special educational needs. Further information was also given on some of the growth items, and on the items of additional inflation. A Member suggested that the majority of the latter items were outside the Council's control; it was confirmed that while this was currently the case, the Council was looking at developing new procurement methods to generate improved value for money. Members also received assurances that all growth items had been subject to an officer challenge process.

It having been noted that the Council would be drawing up its business continuity plan in 2004/05, there was concern that the growth bid for a business continuity officer was only included in the budget for 2005/06. It was advised, however, that the additional resource was for the implementation of the plan; there was already sufficient expertise within the Council to draw up the plan. It was noted that business continuity planning was regularly raised at meetings of the Committee, and the Chair suggested that a regular update on this be received on the information circular.

A Member wished to raise some issues relating to education matters but in light of the requirement for church and parent governor co-optees to be present for discussions on such matters, it was agreed that these queries be put to officers in writing. The meeting was assured, however, that the education budget had been thoroughly scrutinised by the Lifelong Learning Scrutiny Sub-Committee. Whether the Council would continue to receive funding for the Gatsby Project was also queried; the Executive Director (Business Connections) undertook to provide a written response on this.

Upon assurance being sought that concerns about home care charges were being

responded to appropriately, the way in which the Council was responding to individuals and organisations was explained. It was noted that the Social Services Portfolio Holder would be holding a meeting with relevant organisations to hear their concerns; the Chair requested that the Committee be advised whether this meeting was open to other Members. There was also concern about the wording of the letter sent to clients about the proposals. The meeting was reminded that the Council had a statutory duty to consult clients on this, but it was confirmed that the wording of the letter could be reviewed. The Chair requested that it be done as a matter of priority, as this had also been an issue previously.

In response to queries from the Chair, ways in which risk to the budget had been minimised, and the major areas of risk, were outlined. On being asked to assess the overall level of risk to the budget, the Executive Director (Business Connections) felt that this was low to medium. The Finance and Human Resources and Performance Management Portfolio Holder agreed; the budget-setting process had been much more rigorous this year, and given the greater level of analysis, he felt that the risk to the budget was lower than in previous years. On being asked to assess the level of risk to the budget for 2005/06, the Portfolio Holder stated that a lot of the savings in the budget for 2005/06 would be the development of work done in 2004/05; he therefore felt that the risk to the 2005/06 budget would be slightly, but not significantly, higher.

**RESOLVED:** That the report be noted.

(See also Minute 131).

138. **Housing Revenue Account 2004/05:**

The Committee considered a report on the Housing Revenue Account for 2004/05 which had been submitted to Cabinet in January, together with an addendum and revised appendices which had been produced following the receipt of the final HRA subsidy determination, and which had also been submitted to Cabinet. The Committee additionally received the recommendation to Cabinet from the Tenants' and Leaseholders' Consultative Forum, and the Cabinet's recommendation to Council. The Cabinet had agreed a 2.7% increase in rents, fees and charges.

At the meeting, it was reported that the HRA position had changed since the production of Appendix F to the report. The report should therefore be treated as a rent increase report and Appendix F used for illustrative purposes only; a further report on the HRA would be submitted to Cabinet in February. In addition, it was advised that, in light of difficulties with the tenant consultation process due to the late notification of the HRA subsidy, officers would be looking at revising this process for next year.

It was noted that Appendix F to the report did not provide a very detailed breakdown of the HRA. It was advised that Appendix F met the statutory requirements in terms of the information that the Council was required to produce. There would be a review of the HRA later in the year, however, which would go into more detail. In addition, officers were seeking to tie the HRA in more closely with the General Fund and the Medium Term Budget Strategy, and there was also a need to develop a 3-year HRA; presentational issues could be looked at in the course of both these pieces of work. A Member also felt it would be helpful to see how the annual figures tied in with the 30-year HRA Business Plan; it was suggested that this could be done as part of the review of the HRA.

The Chair highlighted that there was a need to determine how the HRA would be built into scrutiny's consideration of the budget in future. She suggested that this be considered as part of the scrutiny review of budget processes which was currently ongoing. The Lead Member for the review undertook to take this on board.

**RESOLVED:** That (1) the report be noted;

(2) the Scrutiny Review Group on budget processes consider how the HRA would be built into scrutiny's consideration of the budget in future.

(See also Minute 131).

139. **Review of Housing Benefit Administration:**

The Committee received the final report of the review of Housing Benefit Administration.

The Lead Member for the review, Councillor Ingram, stated that there had been a dramatic improvement in the performance of the Housing Benefit service during the period in which the review had been carried out. Staff were to be commended on this, as it had only been achieved through radical action and radical cultural change. As a result, however, the recommendations arising from the review were relatively minor

issues, mainly relating to vulnerable claimants. The Lead Member for the review was confident that these could be addressed.

Officers welcomed the review report and the level of interest shown by scrutiny in this matter. All the recommendations were being taken on board, and the way in which they were being addressed was outlined. This included the production of a regular “traffic light” monitor of the key housing benefits performance indicators for both the Corporate Management Team and the Overview and Scrutiny Committee. The report would include a brief summary of the issues facing the service, and a mechanism to trigger exception reports. Information was also provided on actions being taken in relation to risk management, and it was confirmed that a lunchtime seminar on the lessons from Project Phoenix would be built into the programme of management seminars for the year.

In response to a query from a Member, details were provided of the percentage of claims submitted without all the necessary information. The Member believed that the Citizens’ Advice Bureau (CAB) was receiving an increased number of complaints about Housing Benefits. It was advised that officers had regular meetings with the CAB, but it was acknowledged that the service still needed to improve.

In response to further questions, actions currently being taken to support vulnerable claimants were outlined. New ways to further support such claimants, which the service would be seeking to introduce in future, were also outlined, including community surgeries, working from the offices of Registered Social Landlords and carrying out remote assessments in claimants’ own homes.

It having been noted that the service was currently implementing a new IT system, there was concern that this might undo the improvements which had been achieved in the performance of the service. It was advised, however, that at the time at which the review report had been written, there had been a number of performance issues with the new system; officers had since seen how these had been addressed in other authorities. In addition, there had been significant testing of the system. All staff had received training on the new system, and extra temporary staff had also been taken on to help out during this period.

**RESOLVED:** That (1) the report be endorsed and a watching brief be maintained on the performance of the department via the “traffic light” indicators;

(2) the report and recommendations be referred to the Portfolio Holder for consideration.

(See also Minute 131).

140.

**Corporate Plan:**

Members considered a draft of the Corporate Plan.

Members raised a number of issues which they felt were lacking from the priorities and outcomes set out in the draft Plan. A Member was concerned that there was no mention of Neighbourhood Watch under priority 2C, developing stronger partnerships with other service providers. It was advised, however, that this would fall under priority 2B, reducing anti-social behaviour and making Harrow safer. It was also explained that if items were not explicitly mentioned, this did not mean that they would be ignored; Members needed to make a judgement on the level of detail required in the plan.

It was suggested that not enough priority had been given to arts and sports and in particular the provision of facilities, for example in parks. It was advised that this was addressed by priority 1C, improving parks and open spaces, but that it would also be addressed in the community strategy; a significant percentage of the responses to the consultation on the community strategy related to the provision of services for young people.

Upon it being noted that the plan did not refer to the Council giving priority to public transport, cyclists and pedestrians, Members’ attention was drawn to the outcome under priority 1D relating to less reliance on car use. In addition, it was suggested that this could be followed up at the Environment and Economy Scrutiny Sub-Committee. Members also felt that reference should be made under priority 4B, improving the health of residents, to raising the fitness level of the population and, in particular, that of young people. Officers undertook to look at this.

With regard to references made in the CPA/IDeA Improvement Plan, which was

appended to the Corporate Plan, to Members acting as ambassadors for the Council and selling and explaining decisions, a Member felt that this was a role for Cabinet Members only and that it was inappropriate to expect other Members to do this. It was advised, however, that scrutiny members should be acting as ambassadors for scrutiny. In response to a further comment about the reference to scrutiny under priority 5 of the Improvement Plan, it was stated that scrutiny itself had to be subject to scrutiny, and there would be a review of scrutiny in the next few months. A Member suggested that the Committee should examine its effectiveness prior to the review, but the Chair stated that this was under consideration by the scrutiny Chairs, who had met recently. The Chair also reported that she and the Sub-Committee Chairs had been interviewed as part of the re-inspection by the IDeA peer review team; the outcome of that inspection, like all external inspections, would be reported to scrutiny in due course.

Noting that one of the outcomes under priority 1D was better public transport, the way in which this would be achieved was queried. It was stated that this was a question for the relevant Portfolio Holder or Executive Director, but the Council would probably seek to achieve this through work with relevant partners. It was stressed, however, that the purpose of the Corporate Plan was to outline the long-term direction for the Council; the detail of how the priorities would be achieved would be set out in relevant service plans.

Members remained unsure as to the usefulness of the document without links to relevant key performance indicators and LPSA targets and without a period of delivery attached to the outcomes. How success against the Plan would be measured was queried. It was confirmed that many of the outcomes were based on key performance indicators and LPSA targets; earlier versions had included relevant indicators and timescales, but it had been considered that these versions went into too much detail. It was reiterated that the purpose of the Plan was to set out what the Council wanted to achieve; the way in which it would do this would need to follow in other plans.

The Chair suggested that it would be helpful to have a map or diagram which showed links to performance indicators and targets. Members also felt that where possible reference should be made to specific plans with precise recommendations, as had been done under priority 3E, improving the Borough's library provision, with the reference to the Library Position Statement.

**RESOLVED:** That the draft Corporate Plan be noted, and the Committee's comments forwarded to the Cabinet.

141. **Extensions of the Meeting:**

At 9.57 pm, during discussion of the above item, and subsequently at 10.27 pm, during discussion of the Best Value Performance Plan and Best Value Performance Indicators, the Chair drew the attention of the meeting to the time.

**RESOLVED:** That, under the provisions of Overview and Scrutiny Procedure Rule 6.7(ii)(b), the meeting be extended to 10.30 pm and 10.35 pm respectively.

142. **Consultation on the Draft Community Strategy For Harrow:**

(Note: Councillor Jean Lammiman declared a personal interest in this item and therefore stood down from the chair. The Vice Chair, Councillor Mitzi Green, took the chair.)

The Committee received a report of the Executive Director (Organisational Development) which provided an update on the process of consultation on the draft community strategy for Harrow, and the main issues raised through the public consultation undertaken up to December 2003.

A Member who had been present at one of the focus group meetings expressed concern at the level of attendance at the meeting. In response, the way in which the meetings had been extensively publicised was outlined. Consideration was being given, however, to carrying out a further consultation event in the town centre on a Saturday. It was also confirmed, in response to a query from a Member, that tenant representatives had been invited to participate in the consultation.

A Member questioned the extent of balance between the issues emerging from the community strategy and the resources needed to address them. It was advised that the member organisations of the Strategic Partnership would be identifying actions that they would be taking in the next two to three years which would address some of the issues, and this would highlight the issues which would not otherwise be addressed. In the light of competing priorities, however, the Council was not obliged to deliver on every desire which had been expressed.

It was noted that the second draft of the community strategy would be submitted to the

Strengthening Communities Scrutiny Sub-Committee on 30 March 2004, and that the Chair of the Sub-Committee had agreed that any members of the Overview and Scrutiny Committee wishing to backbench at that meeting were welcome to do so. Members were also urged to attend the Member seminar on the community strategy and the annual report of the Director of Public Health, which would take place at 6.30 pm on 18 February 2004.

**RESOLVED:** That the consultation process so far, and the early results received, be noted.

(Note: Following the conclusion of this item, Councillor Jean Lammiman resumed the chair).

(See also Minute 131).

143. **Progress Reports on Reviews - Members' Verbal Updates:**

(i) Review of Budget Processes

The scoping report for this review had been approved by Urgent Action since the last meeting of the Committee, and circulated on the current information circular. The Lead Member for this review, Councillor Ingram, confirmed that the review would consider how the HRA would be built into scrutiny's consideration of the budget in future, as agreed during the earlier discussion on the HRA (Minute 138 refers), and advised that there was nothing further to report.

(ii) Review of the New Harrow Project

The Committee considered a draft scoping report for this review, which had been tabled. This was agreed.

It was stated that the input of any other Members wishing to get involved in this review would be welcomed. The dates of the Review Group meetings would be circulated to all Members and Reserve Members of the Committee.

**RESOLVED:** That (1) the scoping report for the review of the New Harrow Project be agreed;

(2) the verbal updates be noted.

144. **Urgent Action:**

**RESOLVED:** To note, and insofar as is necessary, to confirm the following Urgent Action taken with the approval of the Nominated Members since the last Ordinary meeting of the Committee:-

Scrutiny Review of Budget Processes

Approval was given to the scope for the Scrutiny Review of Budget Processes.

145. **Best Value Performance Plan and Best Value Performance Indicators:**

The Committee considered a report of the Executive Director (Organisational Development) which set out the ODPM's proposals for Best Value Performance Plans (BVPPs) and Best Value Performance Indicators (BVPIs) for 2004/05 onwards, and a draft response to the proposals, both of which had been tabled. It was advised that the deadline for submission of responses to the ODPM was the day following the meeting.

A Member was unhappy at being asked to endorse a draft response which he had not had sufficient time to consider. Another Member felt, however, that since the Committee was being given the opportunity to comment on the response, it should do so.

It was noted that the draft response commented on which elements of the BVPP were considered useful or not, and it suggested that the inclusion in the BVPP of key performance indicators (KPIs) for the last three years was not useful. Members disagreed with this suggestion; while it was acknowledged that the KPIs changed frequently, it was felt that where a trend could be established, this was helpful. Officers were therefore requested to remove this paragraph from the response.

**RESOLVED:** That the report be noted.

146. **Issues Relating to Forthcoming Meetings of the Committee:**

The Chair, having raised this as an item of any other business, reminded Members that the next ordinary meeting of the Committee would be held on 27 April 2004. It was suggested that the Leader and the Chief Executive be invited to this meeting as part of their regular attendances and also to brief the Committee of forthcoming key work areas and challenges for use in formulating the 2004/05 scrutiny work programme. This was agreed. It was also agreed that there would be a planning session to prepare for the meeting, to which all Members and Reserve Members of the Committee would be invited.

Members were also reminded that there would be a Special meeting of the Committee on 2 March 2004 to consider the Medium Term Capital Budget Strategy, and that if there were any items on the Information Circular which they would like brought onto the agenda, they should contact the Committee Secretary.

**RESOLVED:** That the Leader and the Chief Executive be invited to attend the next ordinary meeting of the Committee on 27 April 2004.

(Note: The meeting, having commenced at 7.31 pm, closed at 10.31 pm).

(Signed) COUNCILLOR JEAN LAMMIMAN  
Chair