

---

**REPORT OF OVERVIEW AND SCRUTINY COMMITTEE**


---

**MEETING HELD ON 1 JULY 2004**


---

Chair: \* Councillor Jean Lammiman

Councillors: \* Nana Asante (2) \* Marie-Louise Nolan  
 \* Blann Osborn  
 \* Gate (1) \* Pinkus  
 \* Ann Groves \* Seymour  
 \* Lavingia (3) Versallion

\* Denotes Member present  
 (1), (2) and (3) Denote category of Reserve Member

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

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

<u>Ordinary Member</u>	<u>Reserve Member</u>
Councillor Mitzi Green	Councillor Nana Asante
Councillor Ingram	Councillor Lavingia
Councillor Thammaiah	Councillor Gate

**186. Councillors Mitzi Green and Thammaiah:**

It was noted that Councillors Mitzi Green and Thammaiah were both absent due to ill health. All Members joined in conveying their best wishes for a speedy recovery to Councillor Mitzi Green and Councillor Thammaiah.

**187. Declarations of Interest:**

Councillor Jean Lammiman declared a personal interest in agenda item 10, Question and Answer Session with the Leader and the Chief Executive, by virtue of her membership of the Board of the Harrow Strategic Partnership.

During consideration of agenda item 14, Contract for Management of the Council's Leisure Facilities, Councillor Jean Lammiman also declared a personal interest in that item by virtue of being a Member for the Ward in which Hatch End pool is situated.

**RESOLVED:** To note the declarations of interest made by Councillor Jean Lammiman in respect of agenda items 10 and 14, and that the Member participated in the discussions and decisions on those items.

**188. Arrangement of Agenda:**

It was agreed that agenda item 10, Question and Answer Session with the Leader and the Chief Executive, be taken as the first substantive item of business, followed by agenda item 14, Contract for Management of the Council's Leisure Facilities.

**RESOLVED:** That (1) the above be noted; and

(2) all business be taken with the press and public present, with the exception of the following item for the reason set out below:-

<u>Item</u>	<u>Reason</u>
17. IT Strategic Partnership	The report contained exempt information under Paragraph 8 of Part I of Schedule 12A to the Local Government Act 1972 (as amended) in that it contained information about expenditure proposed to be incurred by the Authority under a particular contract.

**189. Minutes:**

**RESOLVED:** That the minutes of the last ordinary meeting held on 27 April 2004, and

of the Special meeting held on 17 May 2004, having been circulated, be taken as read and signed as correct records.

190. **Public Questions:**

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

191. **Petitions:**

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

192. **Deputations:**

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

193. **Question and Answer Session with the Leader and the Chief Executive:**

The Committee welcomed the Chief Executive to the meeting. (The Leader of the Council, also invited to this meeting, was present from 7.50 pm for the greater part of this item. See also Note below).

A Member began by querying whether there would be costs arising from the implementation of the Middle Management Review through staff leaving the Council, and how these costs would be met. The Chief Executive confirmed that there would be costs, which would have to be offset against any gains accrued, but that it was difficult at this stage to provide a firm estimate of the costs. However, there was £2m set aside in this year's budget for management of the changes, and this would be carefully managed; a similar budget last year had been underspent. In addition, this issue would be monitored by the Licensing and General Purposes Committee, to which all applications for severance were submitted. Members also queried the current level of staff morale. The Chief Executive advised that this varied across the organisation. Low morale in some parts of the organisation was not necessarily due to the organisational changes - a critical SSI report, for example, had had an effect on morale in Social Services - but the impact of the changes on staff morale was acknowledged.

The Committee having taken a keen interest at previous meetings in issues relating to the Council's ICT services, the Chief Executive's current assessment of those services was requested. She felt that ICT services had improved in the last two years, and outlined a number of developments that had taken place, including significant investment in both people and hardware. It was acknowledged, however, that the improvement was relative to the state of ICT services two years ago, and that a great deal more investment was needed in order to deliver the level of further improvement required; for this reason the Council was seeking to procure a strategic partner. Cabinet at its meeting on 15 June 2004 had authorised officers to commence the procurement process, and had also agreed additional investment in the Council's financial system. The Council was aiming to complete the procurement process within 12 months, 6 months earlier than normal. This was welcomed by Members.

Information was sought on the way in which the communications strategy was being implemented. The Chief Executive advised that upon submitting this to Cabinet in 2003, she had considered it to be a fairly short-term document, and she outlined a number of objectives of the strategy which had already been achieved, such as the development in-house and at minimal cost of the new corporate branding, and improvements in the Harrow Update and the intranet. There was also some discussion about Harrow People and area newsletters, and how they could be best used to achieve the aims of the strategy; the Chief Executive advised that officers were looking into this.

The Leader, having arrived and been welcomed to the meeting, also highlighted the importance of the new corporate image, and stated that the Council could have more impact as a corporate entity, not just locally but also nationally.

A Member felt that there were still some issues which required a lot of further work, for example regarding responsibility for the website, and she suggested that the communications strategy be updated to include these. The Chief Executive agreed that the role of the communications unit was changing, and advised that Cabinet would be receiving a report on this in due course which would set out proposals to strengthen communications and also develop services relating to tourism. This was welcomed. The issue of internal signage in the Civic Centre having been raised, the Chief

Executive reported that measures were also being taken to improve this. Another Member commended the improvement of the website, particularly the information now available on Committee meetings, and suggested some other ways in which ICT could be used as a tool for communication with the community.

In response to a query from a Member regarding the Harrow Strategic Partnership (HSP), the Leader stated that the first year of operation of the HSP, which had just ended, had been a year for capacity-building, the production of the community strategy, and taking on board issues raised through work on the Harrow Vitality Profile. A number of issues had been identified to be taken forward over the next two years, and additional funding to undertake that work now needed to be secured. The Chief Executive outlined the way in which priorities had been identified, and highlighted, in particular, the involvement in the HSP of the Chief Executive of the Harrow Association of Voluntary Service (HAVS). There was a need for all partners to sign up to the priorities and to use them to drive the way in which they approached issues such as area work and grant-funding.

A Member expressed concern that there was ignorance, particularly in the voluntary sector, about what the Harrow Strategic Partnership was and what it did. The Leader felt it was understandable that the HSP was not yet as widely recognised as the previous Harrow Partnership, although there were representatives of the voluntary sector on both the Board and the Executive. With regard to the work of the HSP, he reiterated the need to secure funding for projects in order to address identified issues, and stated that a number of potential projects were in the pipeline. The Chief Executive added that some key partners had had issues that they needed to address – the PCT, for example, had been without a permanent Chief Executive – but these were now being overcome, and there was a need for partners to work together to bid for funding.

Members were pleased to note that the HAVS Chief Executive was taking a more proactive role in the HSP, but there was some concern with regard to the compact which had been agreed for partnership working with the voluntary sector. The Chief Executive advised that the use of compacts as a way of managing the interface with the voluntary sector was now commonplace. This was endorsed by a Member, who stated that communication with the voluntary sector was difficult because it was so diverse, and that where they had been introduced, such compacts had been found to be very effective.

Members were concerned about the sustainability of the New Harrow Project (NHP). The Chief Executive agreed that this was an issue given the demands on the different strands of work which made up the NHP as a whole. Further information was provided on progress to date and the next steps in implementing each of the strands of the NHP. In particular, it was highlighted that the Middle Management Review would be completed by the end of the year, and People First was currently preparing to extend the roll out of the community schools pilot. Actions being taken in relation to performance management were outlined. The Leader added that the funding requirement for the implementation of the NHP was built into the Medium Term Budget Strategy. It was acknowledged, however, that there was a need to maintain momentum and ensure that the changes were embedded.

A Member stated that the scrutiny review of the community schools pilot had found that a lot of exciting progress was being made, but there remained issues on the ground, particularly with regard to budgets and line management. The Chief Executive outlined ways in which these issues would be addressed, including the upgrade of the finance system and the completion of the Middle Management Review. Members requested feedback on the observations and recommendations set out in the review report, particularly in relation to the additional costs for delivering the roll-out in this financial year, when this was considered by Cabinet.

The views of the Leader and the Chief Executive were sought on the effectiveness of the communication of the NHP, both internally and externally. The Chief Executive felt that communication within organisations could always be improved, but stated that a lot of effort had been put into communicating with staff via different methods. The Leader felt that recognition of the NHP had increased in the last 18 months, and that the Council was getting its message across. External consultations on the NHP had had a higher than average response. There was a need to review which methods of communication had been most effective. Members were concerned that any gaps in communication should be addressed.

There was concern about the effect of the implementation of single status on staff retention, and the arrangements for informing staff about it were queried. The Chief

Executive pointed out that single status was not an initiative of Harrow but a national agreement. She outlined ways in which staff had been informed about single status, including a letter sent to all staff at their home address, and a number of meetings. She also advised that the result of the ballot of UNISON members was now known, and 60% had accepted the agreement. There was no evidence that the agreement was affecting staff retention, but it had not yet had an effect on staff pay packets, nor had the job evaluation process started.

The Leader added that the administration was very concerned to listen to the anxieties of staff, and to respond sensibly. Cabinet on 24 June had therefore amended the recommendations set out in the report on single status: it had asked officers to explore ways to minimise the impact on those employees who were most adversely affected, and to report back to Cabinet with options for further consideration. A Member was concerned about the extent to which Cabinet's decision had been communicated to staff, and highlighted the importance of ensuring that all staff, including schools and Governing Bodies, were kept informed.

On behalf of the Committee, the Chair thanked the Leader and the Chief Executive for attending.

(Note: At the commencement of this item, the Chief Executive advised that the Leader would not be able to arrive until later and had sent apologies for lateness. It was noted that the Leader was also due to attend the Committee's meeting on 23 November 2004, and it was agreed that a letter be sent to the Leader, requesting that he ensure that this arrangement was in his diary).

(See also Minute 187).

194. **Contract for Management of the Council's Leisure Facilities:**

Members considered a report of the Director of Professional Services (Urban Living) which set out details of the progress and the content of the agreement with Leisure Connection plc for the management of the Council's leisure facilities at Harrow Leisure Centre, Bannister Sports Centre and Hatch End Swimming Pool.

In response to Members' queries, further information was provided on issues around the use of the Harrow Leisure Centre, and the responsibilities of Leisure Connection with regard to Hatch End Pool. Members welcomed the report, and looked forward to the speedy implementation of the agreement with Leisure Connection.

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

(See also Minute 187).

195. **External Audit Plans for 2003-04 (5 months) and 2004-05:**

The Committee received a report of the Director of Financial and Business Strategy, which provided information on the External Audit work programme. The detailed audit plans were attached at Appendices 1 and 2 to the report.

The Chair welcomed Mr Angus Fish of Deloitte to the meeting. Mr Fish introduced the audit plans. Two plans were being submitted together due to a change by the Audit Commission in the audit year.

A Member queried the effectiveness of the relationship management arrangements. The way in which the external auditors and the Relationship Manager liaised with the Council and with each other was explained. There was a feeling overall that relationships had improved as a result of the introduction of the Relationship Manager role, as Authorities had previously found it very difficult to manage relationships with inspectorates such as Ofsted and the SSI.

Discussion focused on the fees for audit and inspection. In response to Members' queries, Mr Fish provided further information on the way in which the scale of audit fees was set by the Audit Commission, and on the factors taken into consideration when calculating the audit fee for Harrow. He confirmed that risk was a factor, and highlighted the challenging programme of change being undertaken by the Council. In addition, there were pieces of audit and inspection work arising from the change programme which had to be done quickly. Audits also took longer where there was a devolved finance function.

Members noted that the overall cost of audit and inspection for 2004/05 was £586,000, and were keen to know whether this would be reduced in future years. Mr Fish stated that he could not account for the whole of that amount as it was calculated by the

Relationship Manager, but that there were two main variable elements within it: the inspection fees, which were £96,000 for 2004/05, and the element of the audit fee relating to performance management work, which constituted £90,000 of the fee for 2004/05. It would not be known whether the latter would increase or decrease in 2005/06 until next year, once the external auditors had carried out their risk assessment and met with the Relationship Manager. Mr Fish anticipated that the level of audit work in 2005/06 would remain about the same as in 2004/05, although there were a number of projects arising from the CPA which would be finishing in 2004/05. The charge for grant claims work should decrease, as the Audit Commission was taking steps to reduce the amount of audit time spent on grant work.

Officers stated that, while they shared Members' concerns, the audit and inspection fees of £0.5m were in the context of an overall budget of £450m. Members requested that officers provide comparative data on the level of audit fees paid by other Authorities. Members also felt that as the external audit team accumulated knowledge about the organisation, they should need to spend less time in future seeking information from Members and officers, with a consequent impact on their fees.

The Director of Organisational Performance reported that the Audit Commission's stated intention was that fees should be proportionate to performance; if performance improved but the fee did not decrease, Members would be right to be concerned.

On behalf of the Committee, the Chair thanked Mr Fish for attending.

**RESOLVED:** That the External Audit Plans for 2003/04 and 2004/05 be noted.

196.

**Establishment of an Audit Committee:**

At its last ordinary meeting on 27 April 2004, the Committee had considered a report which advised of the reasons for establishing an Audit Committee, and set out three options for the structure of the proposed Committee. Members had deferred a decision on the structure of the Committee pending further consideration of various issues. Members now received a report which set out further information on the three options.

At the meeting, clarification was provided with regard to the pool of Members from which the membership of the Audit Committee could be drawn. It was advised that the membership of a Sub-Committee of the Overview and Scrutiny Committee could be drawn from all non-Executive Members of Council, of which there were 44.

It was noted that at the last meeting the majority of Members had favoured the option of a stand-alone Committee of Council; this was not reflected in the officer report. Many of the concerns expressed at the last meeting had related to the membership of the proposed Committee, and in particular the need to avoid placing an additional burden on existing Scrutiny Members; this was reiterated. Members were also concerned that the Audit Committee may need to meet more than the three times a year anticipated by officers, in light of the wide-ranging Terms of Reference proposed for the Committee. However, clarification of the membership issues having now been provided, it was suggested that a decision on this issue should be deferred pending further consultation on memberships within Groups. Members felt it was important that the membership of the Audit Committee include Members with knowledge of audit matters.

It was agreed that a decision on this issue be deferred to the Committee's next meeting. It was highlighted that there were also unresolved issues relating to the Terms of Reference of the proposed Committee, and the impact on the Terms of Reference of the Overview and Scrutiny Committee. A Member felt that it may be more appropriate for the Overview and Scrutiny Committee to retain some of the wider functions in the proposed Audit Committee Terms of Reference, such as monitoring the Council's corporate governance and anti-fraud arrangements. Officers were requested to provide a further report to the next meeting exploring the options for the Terms of Reference of the Audit Committee, and the effects on the Terms of Reference of the Overview and Scrutiny Committee.

**RESOLVED:** That (1) a decision on this matter be deferred pending further consultation on memberships within Groups; and

(2) officers be requested to provide a further report exploring the options for the Terms of Reference of the Audit Committee to the next meeting.

197.

**Extensions of the Meeting:**

At 10.02 pm, during discussion of the above item, and subsequently at 10.28 pm and 10.35 pm, during agenda item 15, Progress Reports on Reviews - Members' Verbal

Updates, and prior to consideration of agenda item 17, IT Strategic Partnership, 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, 10.35 pm and 10.45 pm respectively.

198. **CPA 2004 and 2005:**

The Director of Organisational Performance introduced a report which assessed the Council's potential score in the Comprehensive Performance Assessments (CPAs) for both 2004 and 2005, highlighted the key changes to the methodology for CPA 2005, and advised of the actions being put in place to positively influence the outcome of the 2004 and 2005 CPAs.

There was concern at the decrease in public satisfaction with the overall service provided by Council. In response, it was advised that MORI had done some analysis of the different influences on public satisfaction, and their view was that it had been affected by national issues such as the speed of public service improvement and above-inflation increases in Council Tax. There had been a decrease in public satisfaction with Councils generally, and with outer London boroughs specifically.

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

199. **CPA/IDeA Improvement Plan Progress Report:**

The Committee received a report of the Executive Director (Organisational Development), which provided an update on the progress of the implementation of the Council's Improvement Plan in response to the Improvement and Development Agency's (IDeA) and Comprehensive Performance Assessment reviews. The report also provided information on the Improvement Plan for 2004/05, which was currently being finalised.

At the meeting, it was advised that work was still on-going in relation to some of the tasks in the Improvement Plan which were marked with a tick as completed. The HR strategy, for example, had been developed but work was still on-going to implement it; this would be included in the Improvement Plan for 2004/05.

With regard to the tasks relating to the role of elected Members, a Member felt it was unclear what progress had been made with realigning the Portfolio Holders' responsibilities with the new management structure. She suggested that the format of the progress report proforma be amended to include another column setting out the next steps to be taken. She also felt it would be helpful if the proforma set out more information on the progress being made with implementing the Communications Strategy. Another Member suggested that the proforma make reference to where that information could be found in another document. Officers undertook to take Members' comments into account when considering future reporting processes. There was also some discussion about the audience for whom the proforma was intended.

**RESOLVED:** That (1) the progress report proforma at Appendix A to the officer report be noted;

(2) a further report be made to the Committee with an amended Improvement Plan for the coming year.

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

(i) **Review of Budget Processes:**

In the absence of the two Lead Members, the Chair gave a verbal update on this review.

Some changes to the membership of the Budget Processes Review Group were reported: Councillors Currie, Choudhury and Myra Michael were no longer serving on the review, but Councillors Arnold and Mary John had joined the Review Group.

(ii) **Review of the New Harrow Project:**

The Chair, who was the Lead Member for this review, gave a verbal update on the main review and also on the review of the community schools pilot.

The final report of the main review was scheduled to be submitted to the Committee in October. However, it was intended to make the draft report available to appropriate officers in order that it could feed into the work which would be starting in the autumn on the CPA self-assessment.

With regard to the review of the community schools pilot, the Review Group owed its thanks to the people who had hosted the visits to the pilots. A Member suggested that a letter of thanks be sent to the pilot co-ordinators and headteachers; this was agreed. The report of this review was currently being drafted and it was intended to submit the report to the July Cabinet meeting for consideration alongside an officer report on the extension of the pilot. However, in order for the report to be submitted to Cabinet it needed first to be endorsed by the Overview and Scrutiny Committee: the draft report therefore would be circulated to all Members of the Committee for comment, before being signed off by the Chair and Vice Chair under the Urgent Action procedure.

Councillor Blann, the Lead Member for the review of the public realm maintenance roll-out, gave a verbal update on some of the issues emerging from that review.

The Chair added that the much of the work on the review overall would be used to inform a future review of the Council's consultation strategy.

Some changes to the memberships of the NHP Review Groups were reported. Councillor Marie-Louise Nolan had joined the Review Group carrying out the main review. Councillors Mrs Bath, Jean Lammiman and Marie-Louise Nolan had served on the review of the community schools pilot, and four co-optees had also been appointed to this Review Group: Julie Brown of Kids Can Achieve, Jean Headley and Tricia Kelly, both Health Visitors, and Trevor McCarthy, a school governor. Councillors Ann Groves and Vina Mithani had joined the Review Group on the public realm maintenance roll-out, and three co-optees had also been appointed to this Review Group: Paul Kehoe of Bridgen Enterprises, and Bernard Archer and Pam Gershon, residents of Wealdstone and Kenton respectively.

**RESOLVED:** That (1) the changes in the memberships of the review groups, including the appointment of the co-optees, be noted;

(2) the procedure for the approval of the report of the review of the community schools pilot be noted; and

(3) the verbal updates be noted.

201. **Submission of Scrutiny Review Reports to Cabinet:**

Further to the Chair having raised this as an item of Any Other Business, it was noted that, at its meeting on 28 June, the Lifelong Learning Scrutiny Sub-Committee had agreed to make a request that the Constitution be amended in order that all reports of substantive scrutiny reviews be automatically referred to Cabinet for consideration.

**RESOLVED:** That the Lifelong Learning Scrutiny Sub-Committee's request to amend the Constitution be supported and endorsed.

202. **Staffing in the Scrutiny Unit - Update:**

This having been raised by the Chair as an item of any other business, the Director of Organisational Performance gave an update on the staffing of the Scrutiny Unit.

Members were reminded that the officer who had previously headed up the Unit was now part-time and focusing on project work. The role profile for the new Service Manager of the Scrutiny Unit had been drawn up, and the post had been advertised. A number of temporary appointments had also been made to supplement the two existing permanent staff.

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

203. **IT Strategic Partnership:**

The Committee considered a confidential report of the Executive Director (Business Connections) relating to the IT strategic partnership.

It was advised that a Member briefing session on this would be held before the summer recess, but Members' views on any other ways in which they would like to be kept informed were sought.

Members requested that the Committee receive further updates on progress at appropriate intervals.

**RESOLVED:** That (1) the Committee receive further updates on the progress of the procurement at appropriate intervals; and

(2) the report be noted.

(Note: The meeting, having commenced at 7.30 pm, closed at 10.45 pm).

(Signed) COUNCILLOR JEAN LAMMIMAN  
Chair