
REPORT OF OVERVIEW AND SCRUTINY COMMITTEE

MEETING HELD ON 31 JANUARY 2005

Chair: * Councillor Jean Lammiman

Councillors:	* Blann	* Osborn
	* Bluston	* Pinkus
	* Gate	* Seymour
	* Ingram	* Thammaiah
	* Lavingia (4)	* Versallion

* Denotes Member present

(4) Denotes category of Reserve Member

[Note: Councillor Dighé also attended this meeting to speak on the item indicated at Minute 255 below].

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

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

<u>Ordinary Member</u>	<u>Reserve Member</u>
Councillor Mitzi Green	Councillor Lavingia

248. Declarations of Interest:

Councillor Seymour declared a personal interest in agenda item 11, "Report of the Benefit Fraud Inspectorate on the Administration of Housing Benefits", by virtue of having a relative who was in receipt of Housing Benefit.

Councillor Gate declared a personal interest in agenda item 16, "Joint (Overview and Scrutiny) Committee on the Re-development of Northwick Park Hospital", by virtue of his wife being a health professional.

RESOLVED: To note the interests declared by Councillors Seymour and Gate in relation to agenda items 13 and 16 respectively, and that the Members participated in the discussions and decisions on those items.

249. Arrangement of Agenda:

RESOLVED: That (1) 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>
13. Scrutiny Review of Budget Processes: Report of the Director of Organisational Performance and Report of the Scrutiny Review Group	Consultation on the report had only just been completed. The Committee needed to receive and endorse the report of the Review Group at this meeting in order that it could be referred onto the February Cabinet meeting for consideration.
15. Recommendation 1 of the Lifelong Learning Scrutiny Sub-Committee meeting on 12 January 2005: Progress Reports on Reviews – Members' Verbal Updates	Consultation on the Recommendation had only just been completed. Measures to ensure more effective communication between the Scrutiny function and the Directorates needed to be implemented as soon as possible.

<u>Agenda item</u>	<u>Special Circumstances/Grounds for Urgency</u>
16. Joint (Overview and Scrutiny) Committee on the Re-development of Northwick Park Hospital	<p>Consultation on the report had only just been completed.</p> <p>The process for the appointment of Harrow's representatives onto a Joint (Overview and Scrutiny) Committee on the Re-development of Northwick Park Hospital needed to be agreed in time for the representatives to be appointed at Council on 24 February 2005.</p>

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

<u>Agenda item</u>	<u>Reason</u>
18. Report of the Benefit Fraud Inspectorate on the Administration of Housing Benefits	The report contains exempt information under Paragraph 14 of Part I of Schedule 12A to the Local Government Act 1972 (as amended), in that it contains information relating to action taken or to be taken in connection with the prevention of crime.

250. **Minutes:**

RESOLVED: That the minutes of the meeting held on 24 November 2004, having been circulated, be taken as read and signed as a correct record.

251. **Public Questions:**

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

252. **Petitions:**

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

253. **Deputations:**

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

254. **Civic Budget 2005-06:**

The Committee considered a report of the Executive Director (Business Connections) which had been submitted to Cabinet on 16 December 2004, together with the relevant recommendation and minute of the Cabinet meeting. The report set out the draft budget for 2005/06 for consultation, and the draft Housing Revenue Account (HRA) for 2005/06. In addition, Members received a report of the Director of Financial and Business Strategy which had been submitted to Cabinet on 13 January 2005, and which set out the draft capital programme for 2005-06 to 2007-08. The relevant minute of the January Cabinet meeting had also been circulated.

At the meeting, the Committee received a presentation from the Director of Financial and Business Strategy, which provided an overview of the draft budget for 2005/06 and the budget consultation process.

Members sought further information on a number of issues, including the areas of greatest risk within the budget, and the savings arising from the Business Transformation Project. In addition, clarification was provided with regard to the Planning Delivery Grant, licensing fees and interest rates. Officers' views were sought on the recommendation arising from Phase 1 of the Scrutiny Review of Budget Processes that information provided to Members on the budget proposals include comparative data from previous years. Some of the difficulties with producing this information, including system limitations and resource implications, were outlined, but it was confirmed that this could be considered for future years.

Members expressed concern at the saving of £200K relating to Housing Benefits included in the budget proposals, and that the budget for Housing Benefits administration was being cut shortly after a dramatic improvement in the performance

of the service. Members felt that this was a disincentive for maintaining or further improving the performance of the service, and that the Council should instead be rewarding staff for the improvement achieved, although not necessarily financially. The Committee was advised, however, that the saving did not arise wholly from budget cuts, but also from extra income and increases in efficiency resulting from IT and business process re-engineering. Officers agreed that there was a need to promote a culture which encouraged staff to report underspends, and that the Council should explore ways of ensuring that services were not penalised for being efficient. In addition, it was agreed that staff should be rewarded for improving performance, and it was advised that this would be addressed by the move towards contribution-based pay agreed as part of the Single Status agreement, more work on which would be undertaken during 2005/06.

The Committee also expressed concern at the HRA subsidy loss of £4m. It was agreed that Members should receive a briefing note on this matter and, if necessary, a more detailed report to a future meeting.

Members thanked the Director of Financial and Business Strategy for the clarity of her report and for her effort in putting together the presentation.

RESOLVED: That (1) Members receive a briefing note on the HRA subsidy loss and, if necessary, a more detailed report on this matter to a future meeting; and

(2) the reports be noted.

255. **Annual Report of HR Portfolio Holder for 2003/04:**

The Committee considered a report of the Business Connections, Finance and Performance Management Portfolio Holder, who had also previously had responsibility for Human Resources (HR). The report set out the HR work of the Council, performance against key indicators, and progress made against key service objectives, for the year 2003/04.

The Business Connections, Finance and Performance Management Portfolio Holder, who was in attendance at the meeting, outlined what he considered to be the key achievements of the personnel service in 2003/04. These included the development of the Council's relationship with UNISON, the UNISON Branch Secretary's role in which was commended. He also highlighted that the service had been without a Director during 2003/04, and Members agreed to place on record their appreciation of the work undertaken by the Group Manager (HR Strategy) during that time in his capacity as Interim Head of Personnel. In addition, the Portfolio Holder outlined areas where there was still further work to be done.

Members asked detailed questions on a number of issues arising from the report. In particular, further information was sought on the recommendations arising from the Asian Applicants Review Group, and the extent to which these had been successful in addressing the issues identified. An officer undertook to give a presentation on this at a future meeting. He also undertook to raise a Member's query with regard to on-going pensions-related projects with the relevant officer.

The Committee was pleased to note that an induction process had been developed for Members elected at by-elections. There were some reservations, however, about the cost-effectiveness of in-house leadership programmes for Members; it was suggested that those Members wishing to undertake such training should do it externally.

There was a discussion with regard to sickness absence. It was noted that the 2005/06 budget proposals included a £200K saving arising from reduced sickness absence, and the Committee received an assurance that this was considered achievable. The Portfolio Holder outlined the cashable and non-cashable benefits of reduced sickness absence, and the steps being taken to address sickness absence were also outlined. Members felt, however, that the Committee required more detailed information, specifically a breakdown of sickness absence by area of work, and by nature and grade of staff, in order to be able to consider this issue fully. In addition, Members requested that future reports expand on the work of the attendance management project group, and report on the performance of the new contract for Occupational Health services.

There was also concern about the number of staff leaving or taking early retirement, particularly as a result of the Middle Management Review (MMR), and about the lack of detailed information on this in the report. Members requested that the Committee receive this information broken down by pay band, and that these issues be incorporated into the scope of the scrutiny review of MMR. In addition, it was noted that the report did not bring out the results of the staff survey, and reference was made

to problems with the consultation on single status and the effects thereof on the morale of junior staff. In response, the Portfolio Holder highlighted that every request for early retirement was submitted to the Early Retirement Sub-Committee for consideration. Officers added that the number of staff taking early retirement was quite small, and undertook to provide the Committee with anonymised statistics. The Portfolio Holder also agreed that there had been problems with the consultation on single status, but gave an assurance that lessons had been learnt and the problems would be addressed.

The Chair requested that the concerns raised by Members be taken forward by officers and forwarded to the Communications, Partnership and Human Resources Portfolio Holder, and that the Committee be kept fully informed of the outcome. It was noted that the Committee needed to consider how it dealt with the issue of sickness absence, and it was agreed to bring this forward as an area to be looked at as part of the considerations on the Committee's work programme for 2005/06.

RESOLVED: That the report be noted.

256. **Report of the Benefit Fraud Inspectorate on the Administration of Housing Benefits:**

Further to the Committee's consideration, at its last meeting, of the draft Benefit Fraud Inspectorate (BFI) report on the re-inspection of the Housing Benefits service, Members now received a report of the Director of Business Services which set out the final BFI report.

Members congratulated officers on the BFI report and felt that it should be publicised. The Committee had previously undertaken a scrutiny review of Housing Benefits administration, and it was suggested that the Lead Member for that review make a statement to the press.

The importance of organisational learning, and of the lessons learnt by the Housing Benefits service being applied elsewhere in the Council, was highlighted. Members were also concerned that the level of performance of the Housing Benefits service be maintained. The Committee received an assurance that the new IT system, without which the improvement in performance would not have been possible, was continuing to work well, and that officers were now seeking to further improve the service in order to achieve an "excellent" rating.

RESOLVED: That the report of the Benefit Fraud Inspectorate be noted.

(See also Minute 248).

257. **IT Strategy Progress and IT Improvement Report:**

The Committee considered a report of the Director of Business Services, which set out progress against the key objectives in the service plan for Harrow IT Services (HITS) for 2004/05, and against the ICT strategy. The Director of Business Services also gave a verbal update at the meeting on the progress of the Business Transformation Project.

Members were pleased to note the amount of work on-going in this area, and the amount of progress that had been made. In response to Members' queries, further information was provided on planned improvements to Member IT provision, and on the business process re-engineering team. It was noted that it was intended to produce a communications strategy for HITS, and it was suggested that this be submitted to the Publications Advisory Panel in due course. In addition, progress with regard to business continuity planning was noted, and the importance of thorough testing in identifying gaps was highlighted. The importance of stakeholder input into the development of the business portal was also highlighted.

With regard to the Business Transformation Project, it was noted that a seminar to provide Members with a detailed update on this would be arranged shortly, and Members requested that this also provide an update on the First Contact initiative.

RESOLVED: That the report be noted.

258. **Extensions of the Meeting:**

At 10.00 pm, during discussion of the above item, and subsequently at 10.26 pm and 10.43 pm, following discussion of the above item and of agenda item 15, "Recommendation 1 of the Lifelong Learning Scrutiny Sub-Committee meeting on 12 January 2005: Progress Reports on Reviews – Members' Verbal Updates", 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, 10.45 pm and 11.00 pm respectively.

259. **Scrutiny Review of Budget Processes:**

The Committee received the final report arising from phase 1 of the scrutiny review of budget processes.

It was noted that the final report did not differ in content to the draft version which had been considered by the Committee at its last meeting on 24 November 2004, but had now been put into a format which was consistent with that of other scrutiny review reports. It was therefore agreed to endorse the report, and refer it to Cabinet for consideration.

The Lead Member for the review, Councillor Ingram, gave an update on the progress of Phase 2 of the review. It was noted that the pilot Community Budget Group (CBG) had been established, but that this still required more members and, in particular, a nomination from the Labour Group.

It was also noted that the Scrutiny Support Officer for the review, Lopa Sarkar, would be leaving the Council's employ later in the week, and Members expressed their appreciation of all the work she had done to support the review.

RESOLVED: That (1) the report of the Review Group be endorsed; and

(2) the report of the Review Group be referred to Cabinet for consideration.

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

(a) **Review of the New Harrow Project**

The Chair, who was the Lead Member for this review, reported that the next phase of the review would examine the Middle Management Review, organisational performance, and would also include a light-touch review of the area structure. It was hoped to arrange a briefing from the Area Directors on the operation of the area structure, and to open this up to all Members of Council.

(b) **Review of Public Engagement**

The Chair reported that Members would be working with the Policy and Partnership Service, which was currently developing a community engagement strategy. This review could be part of the overall review of the New Harrow Project, or a separate review. The Review Group was keen to co-opt community representatives and members of the public onto the Group, and had invited the Chief Executive of the Harrow Association of Voluntary Service to serve on the Review Group.

Members suggested that this review should include consultation on traffic schemes. It was noted that this had also been the subject of an earlier review by the Environment and Economy Scrutiny Sub-Committee.

RESOLVED: That the verbal updates be noted.

261. **Recommendation 1 of the Lifelong Learning Scrutiny Sub-Committee meeting on 12 January 2005: Progress Reports on Reviews - Members' Verbal Updates:**

Further to Recommendation 1 of the meeting of the Lifelong Learning Scrutiny Sub-Committee held on 12 January 2005, it was

RESOLVED: To explore further procedures to ensure more effective communication between the Directorates and the Scrutiny function.

262. **Joint (Overview and Scrutiny) Committee on the Re-development of Northwick Park Hospital:**

The Committee received a report of the Director of Legal Services which advised of the need to establish a Joint (Overview and Scrutiny) Committee to consider the proposals for the re-development of Northwick Park Hospital, and sought approval to the proposed process for appointing Harrow's representatives on the Joint Committee.

There was some concern about the resource implications arising from participation in the Joint Committee, and the need for the London Borough of Brent to also provide support to the Joint Committee was stressed.

RESOLVED: To (1) note that a Joint (Overview and Scrutiny) Committee will be established to consider the proposals for the re-development of Northwick Park Hospital; and

(2) approve the process for appointing Harrow's representatives on the Committee, as set out in paragraph 2.2.1 of the officer report.

(See also Minute 248).

263. **Strategic Performance Report and Updates on Corporate Governance:**
Further to this having been raised as an item of any other business, Members noted that the Committee had not received the regular Strategic Performance Report at this meeting but that it would be submitted to the Committee's next meeting. Members also requested that the Committee start receiving regular updates on corporate governance, and the Director of Organisational Performance undertook to raise this with the relevant Director.

RESOLVED: That the above be noted.

264. **External Audit Review of Scrutiny:**
Further to the Chair having raised this under any other business, she gave an update on the position with regard to the External Audit review of scrutiny.

Concern was expressed about the contents of the draft report and other issues relating to the review. It was noted that the scrutiny Chairs and Vice Chairs would be having a meeting about the review on 10 February 2005.

RESOLVED: That the above be noted.

(Note: The meeting, having commenced at 7.30 pm, closed at 10.55 pm).

(Signed) COUNCILLOR JEAN LAMMIMAN
Chair