
REPORT OF OVERVIEW AND SCRUTINY COMMITTEE

MEETING HELD ON 26 APRIL 2005

Chair: * Councillor Jean Lammiman

Councillors:	* Blann	* Lavingia (4)
	* Gate	* Janet Mote (5)
	* Mitzi Green	* Pinkus
	Mark Ingram	* Thammaiah
	* Mary John (3)	* Versallion

* Denotes Member present
(3), (4) and (5) Denote category of Reserve Members

[Note: The following Members also attended this meeting to speak on the items indicated: Councillor Dighé (Minutes 279 and 280), Councillor Mrs Kinnear (Minute 282) and Councillor N Shah (Minute 277)].

PART I - RECOMMENDATIONS

RECOMMENDATION I - Annual Report of the Overview and Scrutiny Committee 2004/05

Your Committee, having been reminded of the requirement in the Constitution to report annually to Council, considered its draft annual report for 2004/05. The annual report provided an overview of the work of the scrutiny bodies over the past year, together with a flavour of the work which would be undertaken over the coming year.

Members requested a number of amendments to the draft report. In particular, it was requested that the report be updated to reflect that Cabinet had now considered and agreed the majority of the recommendations arising from the Environment and Economy Scrutiny Sub-Committee's review of household waste management, and also to reflect the current position with regard to the implementation of Phase 3 delegated funding for pupils with special educational needs. The matrix of statistics showing the amount of work undertaken by the scrutiny bodies over the past year was noted, and it was suggested that it would be useful to break this down further into the number of hours. It was also requested that the report thank those Members who had served on scrutiny committees earlier in the year.

The Chair thanked Members and officers for their work on the annual report.

The Committee, having approved the report as now amended,

Resolved to RECOMMEND:

That the Committee's annual report for 2004/05, as now amended, be noted.

(See also Minute 274).

PART II - MINUTES

265. **Chair's Opening Remarks:**

The Chair welcomed Members to the meeting, and thanked Members and officers for their support during the difficult past few months.

266. **Councillor Bluston:**

It was noted that Councillor Bluston had recently come out of hospital. All Members of the Committee joined in wishing him a speedy recovery.

267. **Attendance by Reserve Members:**

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

Ordinary Member

Councillor Mary John
Councillor Lavingia
Councillor Janet Mote

Reserve Member

Councillor Osborn
Councillor Bluston
Councillor Seymour

268. **Arrangement of Agenda:**

The Chair advised that Councillors Shah and Dighe would be attending later in the meeting for agenda items 9, "Annual Work Programme" and 11, "Scrutiny Review of Budget Processes" respectively, and that she would therefore be re-arranging the order of the agenda.

RESOLVED: That (1) in accordance with the Local Government (Access to Information) Act 1985, the following 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>
9. Annual Work Programme	The report sets out the 2005/06 work programmes agreed by the Scrutiny Sub-Committees at their recent meetings, the last of which meetings (Lifelong Learning Scrutiny Sub-Committee) only took place on 19 April 2005. The scrutiny work programme needs to be agreed at this meeting in order that the work agreed can be commenced from the start of the 2005/06 Municipal Year.
10. Annual Report of the Overview and Scrutiny Committee 2004/05	The report incorporates contributions agreed by the Scrutiny Sub-Committees at their recent meetings, the last of which meetings (Lifelong Learning Scrutiny Sub-Committee) only took place on 19 April. The annual report needs to be considered at this meeting as per the agreed work programme for 2004/05.
11(b). Report of the Pilot Community Budget Group	Consultation on the report has only just been completed. Members need to consider the report of the pilot Community Budget Group as soon as possible, and the next ordinary meeting of the Committee is not until 19 July 2005.
14. Corporate Plan 2005/2006 - Appendix 1 to the Report	Appendix 1 to the report, the Corporate Plan, was being considered by the Council meeting on 21 April 2005. The plan as agreed by Council is now submitted to the Committee for consideration, in line with the requirements of the Council's Constitution (Budget and Policy Framework Procedure Rule 3).

(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>Special Circumstances/Grounds for Urgency</u>
19. Any Other Business - Information Item on Financial Irregularities	The report contains exempt information under paragraphs 12 and 14 of Part I of Schedule 12A to the Local Government Act 1972 (as amended), in that it contains information relating to advice received, information obtained or action to be taken in connection with any legal proceedings by or against the authority, and action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

269. **Declarations of Interest:**

RESOLVED: To note that there were no declarations of interests made by Members in relation to the business transacted at this meeting.

270. **Minutes:**

RESOLVED: That the minutes of the meeting held on 31 January 2005, having been circulated, be taken as read and signed as a correct record.

271. **Public Questions:**

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

272. **Petitions:**

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

273. **Deputations:**

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

274. **Annual Report of the Overview and Scrutiny Committee 2004/05:**

Further to Recommendation I above, it was

RESOLVED: That the Committee's annual report for 2004/05, as now amended, be approved.

275. **Corporate Plan 2005/2006:**

The Committee received a report of the Director of Organisational Performance, which set out the Corporate Plan 2005/2006 for Members' consideration.

It was noted that the Corporate Plan met most of the statutory requirements for a Best Value Performance Plan, and that the remaining mandatory content would be published in a separate Best Value Performance Plan in June. It was also noted that a summary of the Plan would be distributed to all households.

Members asked a number of detailed questions on issues arising from the Corporate Plan, in response to which further information was provided. With regard to the summary to be distributed to all households, it was suggested that this be referred to the Publications Advisory Panel and the Communications, Partnership and Human Resources Portfolio Holder for consideration. It was also suggested that it would be useful to refer the Plan to some of the Scrutiny Sub-Committees. It was advised, however, that if key issues were extracted from the Plan for referral to the Sub-Committees, the thread to the corporate priorities would be lost. It was agreed that the Chairs and Vice Chairs of the Scrutiny Sub-Committees discuss this proposal further.

RESOLVED: To (1) note that the Corporate Plan met most of the requirements for the Best Value Performance Plan, and that additional information on out-turn Best Value Performance Indicators and three year targets would be included in the Best Value Performance Plan;

(2) note that Council, at its meeting on 21 April 2005, had adopted the Corporate Plan as its Best Value Performance Plan subject to the necessary adjustments to content, and had authorised Cabinet to approve these modifications;

(3) note the draft quarter one strategic performance report;

(4) note that, as well as publishing the Corporate Plan, a summary of the Corporate Plan would be distributed to all households within the Borough.

276. **Strategic Performance Report - Quarter 3 2004/05:**

Members considered a report of the Director of Organisational Performance, which set out the Strategic Performance Report for the third quarter of 2004/05.

At the meeting, officers outlined the issues affecting performance and the actions being taken to improve performance in the areas of equalities and diversity, the capital programme and budget monitoring. Additionally, in response to Members' concerns, further information was provided on performance in a number of other areas, including the Local Public Service Agreement, customer satisfaction ratings and the implementation of single status. Members were also concerned to note that improvement in capacity was not translating into service improvement, but were advised that this would be addressed with the embedding of new systems for strategic and performance management, and the roll out of the new individual performance appraisal and development system (IPAD).

Members made a number of other comments on issues arising from the report. In particular, it was requested that relevant extracts from the Strategic Performance Report, with up-to-date figures, be referred to the Scrutiny Sub-Committees in order that Members could look at them in more detail. Officers advised that the report only covered key issues so may not include all the issues that the Sub-Committees were interested in, but undertook to do this.

The Chair thanked the Director of Organisation Performance for the Strategic Performance Report, which, she felt, enabled the Committee to get a much better overview of the performance of the Council than it had before.

RESOLVED: That the performance report and the actions being taken be noted.

277. **Annual Work Programme for 2005/06:**

Members received a report of the Director of Organisational Performance, which advised of the work programmes agreed by the Scrutiny Sub-Committees for the coming year, and set out potential areas for inclusion in the Overview and Scrutiny Committee's own work programme for 2005/06.

The report identified a number of areas for in-depth review by the Committee in 2005/06, including community engagement, the Middle Management Review, and improving service delivery. It was proposed that the latter review would encompass service accessibility, equalities in service delivery and the development of area-based working. It was also suggested that the Committee consider different ways of working, such as individual challenge panels.

The Leader of the Council, who was in attendance, endorsed the approach taken to the formulation of the work programme and, in particular, the requirements for scrutiny work to add value to the Council's corporate priorities and to engage the public. He suggested various areas which, in his view, would merit examination by the scrutiny function, such as work on crime-related issues and the fear of crime, and the Council's Constitution. It was confirmed that issues around the Constitution would be picked up in the regular reports to the Committee on corporate governance, and that crime-related issues would be part of the work programme of the Strengthening Communities Scrutiny Sub-Committee. Members also highlighted the need for the Executive to advise scrutiny bodies as early as possible of key issues arising within their areas, and for scrutiny bodies to be informed if the Executive decided to undertake a piece of work in an area which was to be the subject of a scrutiny review, in order to avoid the duplication of work. The Leader agreed to take this on board.

It was agreed that single status and the individual performance appraisal and development system (IPAD) should be included in the work programme for 2005/06, and that the Committee should continue to receive regular reports on IT, the Business Transformation Project and performance. It was also agreed that, following the conclusion of the review on improving service delivery/access, the Committee undertake a review of the effectiveness of the New Harrow Project, as the findings of the first review could feed into the second. In response to Members' concern, the meeting was informed that it was anticipated that there would be sufficient officer support for the Committee's reviews, and an update on the staffing situation in the Scrutiny Unit was provided.

RESOLVED: That the work programme, as amended to incorporate the issues outlined above, be agreed.

278. **Corporate Governance:**

The Committee received a report of the Director of Corporate Governance, which provided an update on the development of the Council's corporate governance arrangements and outlined proposals for further work in this area.

Members noted that towards the end of 2004, the Independent Commission on Good Governance in Public Services had published "The Good Governance Standard for Public Services". The report of the Director of Corporate Governance set out the Council's current governance framework using the six core principles identified in the new standard, and the recommended questions for Members to consider when assessing their own Council against the new standard.

At the request of Members, the Director of Corporate Governance undertook to ensure that the corporate governance framework made reference to scrutiny, or to work undertaken by scrutiny, where appropriate. Members also had concerns about some of the recommended questions for assessing the Council against the new standard, and officers undertook to review them. It was noted that a further update would be submitted to the Committee in due course.

RESOLVED: That the current position on corporate governance and the proposals for further work be noted.

279. **Scrutiny Review of Budget Processes - Comparison of Employee and Councillor Survey Findings 2004:**

The Committee considered a report of the Director of Organisational Performance, which set out the findings of a survey of Members and staff conducted as part of the scrutiny review of budget processes. The survey had sought to investigate the perceptions and understanding of budget processes and budget management in the Council, and had found that there was a disparity between the views of Members and staff, and the views of senior management.

The Portfolio Holder for Business Connections and Performance Management, who was in attendance, outlined work being undertaken which would address the issues arising from the survey, specifically, the work on integrating service and financial planning. He also acknowledged the need to engage staff at all levels. It was noted that the Council had already carried out a programme of financial management training, in which around 500 members of staff had taken part, and that there had also been some Member training sessions, more of which were planned.

On behalf of the Committee, the Chair thanked the Scrutiny Review Group and, in particular, Councillor Mark Ingram and co-opted member Jane Walker, for their work on the survey report.

RESOLVED: That (1) the report on the comparison of employee and Councillor survey findings be noted; and

(2) the report be referred to Cabinet as additional information from the scrutiny review of budget processes.

280. **Report of the Pilot Community Budget Group:**

Members considered a joint report of the Director of Organisational Performance and the Director of Financial and Business Strategy, which set out the report of the pilot Community Budget Group (CBG). The pilot CBG had been established as part of the Scrutiny Review of Budget Processes, and had considered how the presentation of the Council's budget material could be improved in order to make it more accessible to the public.

At the meeting, three members of the pilot CBG, Ruth Boff, Cliff Lichfield and David Page, outlined some of the issues relating to the Council's budget material which they had identified, and introduced the group's recommendations. These included the development of budget summary sheets, the format of which had been devised by the pilot CBG, and the grouping of budgets into approximately 40 service areas. It was recommended that the budget material should focus on those areas of the budget that the public could influence, and that the public should not be consulted on areas of the budget over which the Council had no control. It was also recommended that the budget material should use more meaningful ratios for the costs of services, such as the cost per dwelling or the cost per service user.

The Portfolio Holder for Business Connections and Performance Management welcomed the work of the pilot CBG. He endorsed recommendations 5, 6 and 7 of the group's report and added that he would extend recommendation 5 so that the information was available to everyone, not just the CBG. With regard to the other recommendations relating to the development of the budget summary sheets, there was a need to look at what could be done in the short term and what would need to be done to improve management information systems in the longer term; the Portfolio Holder considered that the CBG's work would be helpful in drawing up the specifications for new systems.

The Portfolio Holder also responded to some of the other issues raised by the CBG. In particular, he agreed that the cost per dwelling would be a more useful and meaningful ratio for the cost of services, but suggested that cost per service user would be more difficult to define, although it was worth exploring.

There was some discussion of how the work of the group would be taken forward and their involvement in the budget for 2006/07. It was noted that the pilot group had recommended that future CBGs be involved in monitoring the current year's actuals before being required to start work on the following year's budget.

The pilot Community Budget Group were thanked for all their hard work.

RESOLVED: That (1) the findings of the pilot Community Budget Group be noted; and

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

281. **Extensions of the Meeting:**

At 9.59 pm, during discussion of the above item, and subsequently at 10.30 pm, following discussion of agenda item 17, "Audit and Inspection Letter for 2004", 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.

282. **Scrutiny Review of Middle Management Review:**

The Committee received a report of the Director of Human Resources and Organisational Effectiveness, which advised of the findings of the scrutiny review of the Middle Management Review (MMR).

Councillor Gate, the Lead Member for the review, introduced the review group's recommendations. These included setting an end date for the MMR, and revisiting the support arrangements for unsuccessful internal candidates, about whom the review group had been particularly concerned. There had also been disappointment that the Overview and Scrutiny Committee had not been informed of the external consultant's review at an early stage, and the review group had therefore requested that all similar planned activities be flagged up in future. The Chief Executive's response to the review group's findings had been positive, and the Lead Member was now receiving monthly monitoring information. It was proposed to undertake a further review of the second phase of the MMR later in the year.

Another Member of the Review Group, who was present, suggested that there were a number of issues arising from the MMR which still needed to be looked at. In particular, she expressed concern that some unsuccessful candidates from Phase 1 of the MMR were still in limbo, and suggested that the review group should be scrutinising the action being taken to bring Phase 1 of the MMR to a close. Other issues which could be examined included: the cost of the process, both financial and in terms of stress; whether the process had been too ambitious and the risks greater than perceived; and whether the MMR had been successful in increasing capacity of middle management. It was suggested that there should be a rolling review of the MMR rather than a discrete review later in the year.

It was agreed that the Review Group Member, the Lead Member and the Director of Human Resources and Organisational Effectiveness discuss the issues raised outside of the meeting, and that the Committee be advised of the outcome.

RESOLVED: That the scope of the scrutiny review of the Middle Management Review be endorsed, and the findings of the first phase of the review be noted.

283. **Progress Reports on Reviews - Members' Verbal Updates:**(a) **Scrutiny Review of Community Engagement**

The meeting received a verbal update on the progress of this review.

It was reported that the review group had been established, and that it was being co-chaired by Julia Smith, Chief Executive of Harrow Association of Voluntary Services. The review group had already had a briefing from the Policy and Partnership Service on the development of the Community Engagement Strategy and would be looking at best practice both nationally and internationally; further meetings of the review group had been arranged.

It was proposed that the Committee's approval of the scope of the review would be sought in July, and the final report of the review would be presented to the Committee in January 2006.

RESOLVED: That the verbal update be noted.

284. **Audit and Inspection Letter for 2004:**

Members considered a joint report of the Executive Director (Organisational Development) and the Executive Director (Business Connections), which set out the annual audit and inspection letter for 2004. Officers considered that, overall, the letter was very positive and the improvement of the Council had been recognised.

It was noted that the Council had been issued with an unqualified opinion on its Best Value Performance Plan but would be receiving suggestions for further improving the Plan under separate cover. At Members' request, officers undertook to circulate the suggestions to all Members of the Committee, once they were received.

RESOLVED: That the report be noted.

285. **External Audit Review of Scrutiny:**

The Committee received a verbal update on the External Audit review of scrutiny.

It was reported that the additional work suggested for this review had now been completed and an updated draft report was expected in early May. A meeting between the auditors and the Chair and Vice Chair of the Committee had been arranged for 24 May.

RESOLVED: That the verbal update be noted.

286. **Scrutiny Training:**

Further to this having been raised as an item of any other business, the meeting was advised that it was intended to organise some Member training on scrutiny, which would cover community engagement, standards of Overview and Scrutiny and the 'pinpoint' facilitation technique.

RESOLVED: That the above be noted.

287. **Scrutiny Away-Days:**

Further to this having been raised under any other business, the Committee was informed of a proposal to arrange joint "away-days" for scrutiny Members and staff in the Scrutiny Unit. It was anticipated that the first away-day would be held in autumn 2005. A Member requested that the away-days be held at the weekend, in order to enable Members in full-time employment to attend.

RESOLVED: That the proposal for Scrutiny Away-Days in autumn 2005 be noted.

288. **Information Item on Financial Irregularities:**

A Member, having raised this as an item of any other business, requested a written response to a query about the confidential report on the Information Circular, and that the response be copied to all Members of the Committee. The Director of Financial and Business Strategy undertook to provide this.

(Note: The meeting, having commenced at 7.31 pm, closed at 10.35 pm).

(Signed) COUNCILLOR JEAN LAMMIMAN
Chair