



**CABINET**  
**THURSDAY 19 APRIL 2007**  
**7.30 PM**

**COMMITTEE ROOMS 1 & 2**  
**HARROW CIVIC CENTRE**

**MEMBERSHIP** (Quorum 3, including the Leader or Deputy Leader)

**Chairman:** Councillor CHRIS MOTE (Leader of the Council)

**Councillors:**

1. David Ashton
2. Marilyn Ashton
3. Mrs Camilla Bath
4. Miss Christine Bednell
5. Susan Hall
6. Janet Mote
7. Paul Osborn
8. Mrs Anjana Patel
9. Eric Silver

Issued by the Democratic Services Section,  
Legal and Governance Services Department

**Contact:**

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Officer

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**HARROW COUNCIL**  
**CABINET**  
**THURSDAY 19 APRIL 2007**

**AGENDA - PART I**

**PROCEDURAL**

1. Declarations of Interest  
To receive declarations of personal or prejudicial interests, arising from business to be transacted at this meeting, from:
  - (a) all Members of the Committee, Sub Committee, Panel or Forum;
  - (b) all other Members present in any part of the room or chamber.
  
2. Minutes  
Of the Cabinet meeting held on 15 March 2007 to be taken as read and signed as a correct record.
  
3. Arrangement of Agenda  
To consider whether any of the items listed on the agenda should be considered with the press and public excluded.
  
4. Petitions  
To receive petitions (if any) submitted by members of the public/Councillors.
  
5. Public Questions  
To receive any public questions received in accordance with paragraph 16 of the Executive Procedure Rules.  
  
(Note: Paragraph 16 of the Executive Procedure Rules stipulates that questions will be asked in the order notice of them was received and that there be a time limit of 15 minutes.)
  
6. Councillor Question Time  
Fifteen minutes will be allowed for Members of the Council to ask a Portfolio Holder a question on any matter in relation to which the Executive has powers or duties.

**POLICY / CORPORATE ITEMS**

7. Forward Plan 1 April 2007 - 31 July 2007 (Pages 1 - 8)
  
8. Reports from the Overview and Scrutiny Committee or Sub-Committees (if any).

**URBAN LIVING**

- KEY** 9. The Harrow Integrated Property Services Partnership (Pages 9 - 28)  
Report of the Executive Director (Urban Living)

10. Water Management and Drought Planning (Pages 29 - 68)  
Report of the Executive Director (Urban Living)
- KEY** 11. Management of the Public Mortuary at Northwick Park Hospital (Pages 69 - 84)  
Report of the Executive Director (Urban Living)
- KEY** 12. Review of Fees Structure for Special Treatment Licensing (Pages 85 - 96)  
Report of the Executive Director (Urban Living)

### **BUSINESS DEVELOPMENT**

13. Annual Audit and Inspection Letter (Pages 97 - 114)  
Joint report of the Director of People, Performance and Policy and the Director of Financial and Business Strategy
14. Corporate Assessment (Pages 115 - 154)  
Report of the Director of People, Performance and Policy.
15. Service Reviews (Pages 155 - 162)  
Report of the Director of People, Performance and Policy

### **PEOPLE FIRST**

- KEY** 16. Extended Schools Strategy (Pages 163 - 200)  
Report of the Director of Lifelong Learning and Cultural Services

### **General**

17. Any Other Urgent Business  
Which cannot otherwise be dealt with.

### **AGENDA - PART II**

#### **URBAN LIVING**

- KEY** 18. Harrow's Integrated Property Services Partnership (Pages 201 - 220)  
Appendix B to the report of the Executive Director (Urban Living) at item 9 above

#### Officers in attendance

Chief Executive  
Executive Director (Urban Living)  
Director of Financial and Business Strategy (Business Development)  
Director of Legal and Governance Services

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## London Borough of Harrow

### CABINET FORWARD PLAN ( 1 April 2007 - 31 July 2007 )

#### MONTH:- April

Under the London Borough of Harrow's new Executive arrangements, the Leader must prepare a Forward Plan to cover a period of four months, beginning on the first day of each month. This Plan contains matters which the Leader has reason to believe will be subject of a key decision to be taken by the Executive, Committee of the Executive, individual Members of the Executive, officers, area committees or under joint arrangements in the course of the discharge of an executive function during the period covered by the Plan.

#### **Key Decisions – Definition**

A decision related to an executive function which will result in the council incurring expenditure which is, or the savings of which are, significant having regard to the local authority's budget for the service or function to which the decision relates.

Or

A decision which is likely to have a significant impact on 2 wards or more. Decisions which will have a significant impact on communities in 1 ward can also be key.

Please note that decision dates are indicative and occasionally subject to change. Please consult Democratic Services if you wish to check the decision date of a particular item.

Subject	Nature of decision	Decision making body	Decision date	Cabinet Member/Lead officer	Consultation required	Background Documents
<b>APRIL</b>						
Special Treatment Licensing - Fee Review	That the new fee levels be approved.	Cabinet	19 April 2007	Councillor Susan Hall  Gareth Llywelyn-Roberts, Interim Head of Community Safety Services shankar.shivashankar@harrow.gov.uk, Tel: 020 8736 6515	All businesses are being informed of the review and given 6 months to prepare for the increase in fees.	None

Subject	Nature of decision	Decision making body	Decision date	Cabinet Member/Lead officer	Consultation required	Background Documents
Harrow's Integrated Property Services Partnership	To receive and agree the recommendations of the HIPSP project board and appoint the property partnership contractor/s	Cabinet	19 April 2007	Cllr Chris Mote  Eddie Collier, Interim Head (Property and Facilities Services) (Urban Living) eddie.collier@harrow.gov.uk tel:020 8424 7670	Details of the project consultation process will be contained within the report	Harrow's Integrated Property Services Partnership report to Cabinet - 6/4/06
Extended Schools Strategy	Approve the strategy	Cabinet	19 April 2007	Cllr Janet Mote  Javed Khan, Director of Lifelong Learning and Cultural Services kashmir.takhar@harrow.gov.uk tel: 020 8420 9332	Period of consultation will have taken place during an 8 week period before the report is presented to Cabinet.	None
Management of the Public Mortuary at Northwick Park Hospital	Approval to enter into agreement with Brent Council for the management of the Public Mortuary at Northwick Park Hospital.	Cabinet	19 April 2007	Councillor Susan Hall  Andrew Trehern, Acting Chief Executive Gareth Llywelyn-Roberts, Head of Community Safety Services, gareth.Llywelyn-roberts@harrow.gov.uk, tel: 020 8736 6230,	None.	Written agreement relating to the management of a public mortuary at Northwick Park Hospital.

Subject	Nature of decision	Decision making body	Decision date	Cabinet Member/Lead officer	Consultation required	Background Documents
School Organisation	<p>To (1) approve the School Organisation Strategy;</p> <p>(2) approve the amalgamation policy;</p> <p>(3) arrangements to decide statutory proposals after the School Organisation Committee is abolished;</p> <p>(4) to note progress to establish the borough-wide Harrow Sixth Form Collegiate.</p>	Cabinet	19 April 2007	<p>Concillor Janet Mote</p> <p>Geoff Wingrove, Director of Strategic Services (People First) Chris Melly, Senior Professional Project Management and Policy Team, chris.melly@harrow.gov.uk, tel: 020 8420 9270</p>	Chairs of relevant forums regarding arrangements to decide statutory proposals after the School Organisation Committee is abolished.	Briefing note about proposed arrangements after the School Organisation Committee is abolished.
<b>MAY</b>						
Local Development Scheme - Document and Timetable Revisions	To (1) agree the revised Local Development Scheme and timetable for document preparation contained within the report;	Cabinet	15 May 2007	<p>Councillor Susan Hall</p> <p>Dennis Varcoe, Group Planner dennis.varcoe@harrow.gov.uk 020 8736 6082</p>	None required prior to Cabinet.	Reports to Cabinet on Revised Local Development Scheme – 3rd August 2006, Annual Monitoring Report 2006, draft (May) Cabinet report on Preparing

Subject	Nature of decision	Decision making body	Decision date	Cabinet Member/Lead officer	Consultation required	Background Documents
	<p>(2) submit the revised Local Development Scheme to the Secretary of State;</p> <p>(3) subject to the Secretary of State not directing any changes to the revised Local Development Scheme, that the revisions be brought into effect.</p>					the joint Waste DPD, and LDS – Saved Policies – Cabinet report 15 March 2007.
<b>JUNE</b>						
Community Development Strategy	To approve the strategy.	Cabinet	21 June 2007	<p>Councillor Anjana Patel</p> <p>Anita Luthra-Suri, Group Manager (Lifelong Learning Services) Anita.luthra-suri@harrow.gov.uk, tel: 020 8420 9331</p>	6-week consultation with voluntary and community sectors, and the public.	Sustainable Community Strategy; Community Engagement; LAA Plam: Whitepaper on Sustainable Communities; Implementation Plan; UNICEF report on well-being of Young People.



Subject	Nature of decision	Decision making body	Decision date	Cabinet Member/Lead officer	Consultation required	Background Documents
The Council's Corporate Plan 2007-2010	To approve and adopt the Plan.	Cabinet; Council	21 June 2007	Councillor David Ashton  Paul Najsarek, Director of People, Performance and Policy Mike Howes, mike.howes@harro w.gov.uk, tel: 020 8420 9637 & Ingrid Waloff, ingrid.waloff@harro w.gov.uk, tel: 020 8420 9253	Officer consultation.	Directorate Service Plans.
Outcome of Spring 2007 Statutory Consultations on Community Care Services	To receive a report on the outcome of the public consultation and to take a decision in relation to the proposals set out in the consultation document.	Cabinet	21 June 2007	Councillor Eric Silver  Penny Furness- Smith, Director of Adult Community Care Services mark.gillett@harrow. gov.uk 020 8424 1911	Subject to pre- consultation and 12 week statutory consultation	Consultation documents on three statutory consultations
Comprehensive Equalities Scheme	To adopt the Comprehensive Equalities Scheme.	Cabinet; Council	21 June 2007	Councillor Anjana Patel  Paul Najsarek, Director of People, Performance and Policy Mike.howes@harro w.gov.uk, tel: 020 8420 9637	There will be consultation with the voluntary and community Sector, staff, Trade Unions, and contractors through use of a mail-out, the Internet, and focus groups.	Existing Race Equality and Disability Equality schemes, legislation and guidance.

Subject	Nature of decision	Decision making body	Decision date	Cabinet Member/Lead officer	Consultation required	Background Documents
<b>JULY</b>						
Outcome of Spring 2007 Statutory Consultations on Community Care Services	To receive a report on the outcome of the public consultation and to take a decision in relation to the proposals set out in the consultation document.	Cabinet	19 July 2007	Councillor Eric Silver  Penny Furness-Smith, Director of Adult Community Care Services mark.gillett@harrow.gov.uk, tel: 020 8424 1911	Subject to pre-consultation and 12 week statutory consultation.	Consultation documents on three statutory consultations.

If you have comments on any of the issues raised in the Forward Plan please contact the lead officer whose details are indicated. Alternatively contact Kevin Unwin, Democratic Services Officer on telephone no. 020 8424 1265 or by email: [kevin.unwin@harrow.gov.uk](mailto:kevin.unwin@harrow.gov.uk)

## CONTACT DETAILS OF PORTFOLIO HOLDERS

Portfolio	Councillor	Address	Telephone no.	Email
Strategic Overview, External Affairs and Property	Chris Mote	Riverside Cottage 15 Eastcote Road Pinner HA5 1EA	020 8868 0315	<a href="mailto:Chris.Mote@harrow.gov.uk">Chris.Mote@harrow.gov.uk</a>
Finance and Business Matters	David Ashton	Chestnut Cottage Tanglewood Close Stanmore HA7 3JA	020 8950 7977	<a href="mailto:djashton@hotmail.com">djashton@hotmail.com</a>
Planning, Development and Enterprise	Marilyn Ashton	Chestnut Cottage Tanglewood Close Stanmore HA7 3JA	020 8950 7977	<a href="mailto:marilynashton@hotmail.com">marilynashton@hotmail.com</a>
Housing	Camilla Bath	Shelleys 14 Holland Walk Stanmore HA7 3AL	020 8954 3921	<a href="mailto:Camilla.Bath@harrow.gov.uk">Camilla.Bath@harrow.gov.uk</a>
Lifelong Learning, Cultural Services and Issues facing Older People	Christine Bednell	56 St. Edmunds Drive Stanmore HA7 2AU	020 8427 5047	<a href="mailto:Cbednell@aol.com">Cbednell@aol.com</a>
Urban Living – Community Safety and Public Realm	Susan Hall	40 Sequoia Park Hatch End PINNER HA5 4DG	Group office 020-8424 1852	<a href="mailto:susan.hall@harrow.gov.uk">susan.hall@harrow.gov.uk</a>
People First – Children’s Services	Janet Mote	Riverside Cottage 15 Eastcote Road Pinner HA5 1EA	020 8868 0315	<a href="mailto:Janet.Mote@harrow.gov.uk">Janet.Mote@harrow.gov.uk</a>

Portfolio	Councillor	Address	Telephone no.	Email
Legal Services and Issues facing young people	Paul Osborn	2 Vaughan Road Harrow HA1 4EE	Mob – 07786 968657  Bus – 020 7463 6422	<a href="mailto:Paul.Osborn@harrow.gov.uk">Paul.Osborn@harrow.gov.uk</a>
Community Development	Anjana Patel	187 The Ridgeway North Harrow HA2 7DE	07946 586017	<a href="mailto:Anjana.Patel@harrow.gov.uk">Anjana.Patel@harrow.gov.uk</a>
Adult Community Care Services and Issues facing people with special needs	Eric Silver	6 Grantham Close Edgware HA8 8DL	07812 405560	<a href="mailto:esi1023321@aol.com">esi1023321@aol.com</a>



Meeting:	Cabinet
Date:	19 <sup>th</sup> April 2007
Subject:	The Harrow Integrated Property Services Partnership
Key Decision:	Yes
Responsible Officer:	Andrew Trehern, Executive Director of Urban Living. Eddie Collier, Interim Head of Property and Infrastructure
Portfolio Holder:	Councillor Chris Mote
Exempt:	No
Enclosures:	Appendix a – Kier Supporting Information Appendix b – Tender Evaluation data (Pt 2) - Exempt by virtue of Part 3, Part I of Schedule 12A of the Local Government Act 1972 (as amended) on the grounds that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).

## **SECTION 1 – SUMMARY AND RECOMMENDATIONS**

### **SUMMARY:**

This report sets out the procurement and evaluation process undertaken, which has led to the recommendation to integrate the full range of the Council's Housing and Corporate property services, within one joint project. The Harrow Integrated Property Services Partnership (HIPSP) is the second major programme of service delivery innovation undertaken by Urban Living in the partnering field, builds on the Infrastructure partnership with Accord MP and responds to the Government's Rethinking Construction Agenda to adopt better and more constructive working relationships.

## **RECOMMENDATIONS:**

Cabinet is recommended to:

1. Approve entering into a partnering contract with Kier, with a commencement date of 1/7/07, for the provision of construction minor works, major works, design and related services, across the full range of the Council's property assets.

## **REASON:**

The desire to transform the customer experience from property related work, away from satisfaction to one of delight, is paramount in the reasoning to move away from traditional adversarial contracts. A new partnering contract with a single contractor, in a well managed genuine partnership, will enable a renewed focus on customers that can be sustained and not repeatedly lost, through the unnecessary break up of successful single project teams.

The existing repetitive multi contractor/consultant approach to construction and maintenance building work within Harrow is both significantly ineffective and represents poor value for money. The current cost to develop, procure and manage design and works programmes, represents a significant charge to revenue and capital budgets. There are over 100 major construction projects tendered within an average annual period and more than 100 maintenance contractors and numerous design consultants engaged at any one time.

The partnership with Kier will rationalise this approach, dramatically reduce the level and number of staff interfaces/overlaps with contractors, together with the risks associated with the constant introduction of new companies. In addition, it will produce cost benefits of around £1.5M in each full year of operation, primarily from Capital and HRA programmes, through the delivery of a more effective service.

## **SECTION 2 – REPORT**

### **2.1 Options Consideration**

Cabinet has previously considered the option to implement an exit strategy from the current Housing repairs contracts and ensure delivery of the Housing decent homes programmes. Members agreed to delegate authority to officers to undertake this approach and as a result, the strategy was developed further by a cross-departmental working group. Options were considered to leave Housing repairs as a separate area or encompass the works within a more cost effective, integrated approach to property services. The conclusion was that there were significant synergies to be achieved from incorporating the future repairs contracts, alongside the decent homes projects and that this would achieve a

seamless approach to property management and provide tenants with a more effective service.

Information on how this approach would be managed, together with the process for re-tendering Housing and Corporate building works, through the Harrow Integrated Property Services Partnership, was included within a report to Tenant's and Leaseholder's Consultative Forum in January 2006 and a subsequent report to Cabinet 6/4/06.

## **2.2 Background**

The Urban Living Directorate has advocated the partnership approach to service delivery in recent years and led the procurement of a new supplier for Highways engineering works and Transport planning management, through the partnership with Accord MP. This project was successfully designed, developed and implemented during 2005/6, with tangible benefits in time and cost management currently being delivered. The recent major roadwork contract in Station Road, where a complex work programme was completed on time and under budget with the use of innovative quieter surface materials, is an example of the potential advantages of a collaborative contractual relationship.

The concept of building on this partnering approach was expanded into the Property service, where the HIPSP project scope was built around Harrow's vision of integrating all phases of the construction and maintenance process, into one holistic view of property services management. Significant increases in the Council's capital programmes, through the need to accelerate decent homes work to achieve the standard by 2010 and the major influx of funding for Building Schools for the Future have accentuated the need to deliver projects as efficiently as possible.

## **2.3 Brief History**

The cabinet report informing members of the commencement of the HIPSP project in April 2006 included, in line with best practice, a project initiation document detailing the proposed project scope and procurement options. The benefits of combining Harrow's wide range of property services were clearly identified as assisting the Council to improve the quality, innovation and sustainability of its building and asset planning related services, while delivering enhanced value for money and an increased customer focus.

The key areas of improvement are likely to include:-

- The development and retention of skilled and experienced teams, able to deliver innovation, construction excellence and continuous improvement.
- The development of smarter use of resources, generating significant efficiency savings.
- An increased focus on whole life costing, moving away from short-term approaches to property management.
- The full integration of sustainability into our approach to property design.
- A move away from costly and resource intensive adversarial contracts.

- Improved financial management of capital and revenue construction projects.
- The full introduction of a performance led approach to building project management, linked to corporate priorities.
- The ability to resource and complete on time, major capital work programmes.
- The reduction of duplication and professional overlay between organisations addressing the same challenges.
- Re-structuring the supply chain and reducing complexity.
- Moving towards output and outcome based specifications to allow greater innovation in both design and construction.

This report advises Cabinet on the methodology followed to translate the ambition of the outline document into a fully EU compliant partnering agreement. In addition, it details the cross departmental approach to the project and the engagement of portfolio holders and stakeholders throughout the process.

## **2.4 Project Management**

The approach to project management was developed in line with the “Gateway” system of project delivery. A project board was set up to provide overall project direction, together with final accountability for the implementation of the project and delivery of benefits. The Board was led by the Interim Head of Property, under the strategic direction of the Executive Director of Urban Living, together with the Portfolio Holder for Housing and Assistant Portfolio Holder for Property. A project manager and representatives from Legal, Finance, Housing, Property, Procurement, People First, HR, ICT and Internal Audit attended the board, with specialist support from Trowers and Hamlin solicitors and MMBL cost consultants when necessary.

A project team was developed from board nominations and was responsible for managing the project on a day-to-day basis. This involved the creation of specialist sub groups covering risk, ICT, communications, HR issues and tender evaluation etc. The team maintained a comprehensive and up to date risk register throughout the project, which was fully considered and evaluated during the procurement and award stage. In addition, the groups developed system process maps, and project procedure plans for all areas, to enable a fully auditable, transparent procurement process to be produced.

## **2.5 Contract Area**

The contract will cover all minor works of repair and maintenance to housing, corporate and other Council buildings and schools where the Council has a maintenance obligation. This section of the project has its own form of partnering contract (the Term Partnering Contract issued by the Association of Consulting Architects) and will last for 5 years. There is provision for this term to be extended at the Council’s discretion for a further 5 years.

Also included is a major works section for the delivery of the decent homes standard and other aspects of the Housing and People First capital programmes. These will be called down on a project by project basis from a framework



agreement and will have separate contracts for each project or batch of projects governed by a standard form of Project Partnering Contract (PPC) also issued by the ACA. The duration of this agreement, in line with EU guidelines, is 4 years, although with work in progress it is expected in practice to last for 5 years.

The Council will also be able to commission Kier to carry out design and other property professional tasks including engineering and quantity surveying services on a pre-tendered basis. It is expected that this service will be used on most projects but there will be some schemes where more specialist design expertise is desirable and therefore commissioned separately.

## **2.6 Procurement Methodology**

A contract of this size and duration must comply with EU procurement directives and in line with the project plan, an advertisement was placed in the Official Journal of the European Union. This attracted 72 expressions of interest resulting in 37 completed pre-qualification questionnaires.

Short-listing criteria cited in the “Pre Qualification Questionnaire” was used by the evaluation team to deliver a final short list of 5 bidders for the minor works contract and 9 for the major works. Four companies were included on both lists and one of these withdrew late in the tender process making a bid list of 4 companies for the minor works and 8 for the major works. Tenderers on both lists were given the option to include a discount for the award of both packages reflecting the potential for economy of scale.

Financial reviews were undertaken on companies prior to confirming them on a shortlist and references sought. After a bidder’s briefing held 30/10/06, where prospective bidders were requested to confirm their interest, tender documents were dispatched 30/11/06 with a return date of 29/1/07.

All 12 tenders were returned and 11 found to be fully compliant and capable of being formally evaluated.

## **2.7 Project Team Evaluation**

Tenderers were advised in the tender documents of the evaluation process. The matrix used by the evaluation team and agreed by the project board, was decided on the basis of:-

- 40% Cost evaluation.
- 15% Delivery of efficiency savings.
- 20% Quality, including ICT proposals and the capacity to accommodate conditions for transferring staff in terms of employment protection and pension provision.
- 25% Customer and client confidence.

Part of the evaluation comprised a ‘bidder’s challenge session’, held for each bidder who had reached a pre-determined threshold level. These were held on 20-21/2/07 and formed part of the assessment by the evaluation team.

Careful consideration was given throughout the process of the benefits or otherwise of a joint contract award across both minor and major works. The summarised version of the Matrix shown below, is after taking into account all price discounts for appointment to both packages. Kier are the most competitive when aggregating major and minor service combinations and it was the view of the evaluation team that they should be recommended:-

Overall outcome - in ranking order

<u>Minor works</u>	<u>Major works</u>	<u>Score</u>	<u>Ranking</u>
Kier	Kier	143.68	1
Morrison	Breyer	138.62	2
Kier	Breyer	135.48	3
Morrison	Kier	131.72	4
Mears	Mears	111.72	5

Additional details of the matrices used for evaluation are included in Appendix B (part 2)

## **2.8 Customer and Stakeholder Evaluation**

The involvement and consultation with internal and external customers and stakeholders in the evaluation process, was essential to ensure the chosen contractor demonstrated a clear understanding of the need to improve the customer experience from property related work. The need to deliver a modern, effective and cost efficient service, in line with customer's expectations was clearly defined.

The evaluation procedures were therefore structured to enhance the involvement and relationship between the Council and its customer base. Representatives from the Harrow Tenants and Leaseholders Federation were on the evaluation team as well as a representative of school governors and a head teacher. Client budget holders for all areas were also represented.

Advanced briefings were provided by the corporate procurement representative, to ensure meaningful involvement was undertaken within an accountable framework, evenly applied to all bids under consideration. The objective was to allow future service clients and customers to influence the result, gaining their confidence that a service provided by a selected bidder would have been professionally assessed and augur well for the future

The views expressed by customer representatives assisted in the decision making process. It is intended to build on this relationship and include stakeholders in future project management structures. This will enhance the working relationship between the Council and its customers, as contract delivery commences.

## 2.9 Tender Validation

In addition to the formal tender evaluation process undertaken by the project team and agreed by the project board, including portfolio holder members, Harrow's internal audit team were engaged throughout the process and have made the following statement:-

Internal audit has undertaken a review of the contract evaluation process as part of the HIPSP project. The review ran concurrent with the evaluation process to enable proactive input from the Auditor and covered the evaluation of cost, quality and customer/client confidence. Recommendations were made and implemented during the course of the review, that mainly dealt with improving recording of evaluations/decisions, recording of explanations on spreadsheets and process improvements to ensure contractors were compared on a like for like basis. As a result, in the opinion of Internal Audit, the overall process was well managed, transparent and robust.

In addition, further tender validation was undertaken on the tender submission by Kier, which included the following:-

- A visit to Sheffield Council was undertaken by a Harrow cross departmental staff team, led by the Interim Head of Property and Infrastructure. Liaison directly with numerous Sheffield staff, concluded that Kier had made a major contribution to Sheffield's excellent/beacon council status. The corporate and housing repairs contract exceeds £700M over 10 years, decent homes projects are valued at £20M p.a. and Keir currently build one new school each year.
- A thorough review of other reference sites and work scope was also undertaken, concluding that Kier already deliver contracts of a significantly greater value than that proposed for Harrow, for other public sector clients.
- A second check was carried out by Price Waterhouse Cooper on Kier's financial standing and their parent company, concluding that they have the financial stability to undertake this scope of work.
- A full review by the Project Team of the mobilisation plan concluded that the proposed process had been thoroughly developed and provided a clear lead in to the commencement of the contract.
- Kier were additionally challenged to demonstrate adequate resource availability to deliver all of Harrow's construction and maintenance services and the submission received was considered to be comprehensive, realistic and achievable.

## **2.10 Staff Matters**

The project partnership involves the TUPE transfer of craft operatives in the housing building works DSO, which currently numbers 11 staff. Full consultation has been undertaken with Unison and the GMB over this and they have been offered monthly briefing meetings to provide full updates.

Unison have the most members affected and were offered, and took up, a question slot on the bidder's challenge day and formed part of the final customer/client review team.

Full protection of existing terms and conditions has been drafted into contract terms and the pension proposals offered by Kier have been reviewed and found acceptable subject to conclusion of formal options and terms.

The formation of the project board and teams has contributed to a significant area of staff development in procurement and project management terms.

## **2.11 Leasehold management matters**

Some areas of the work to be undertaken under this contract will have a re-charging implication for leaseholders and consultation must be undertaken in accordance with section 20 of the Landlord and Tenant Act 1985 (as amended by section 151 of the Commonhold and Leasehold Reform Act 2002).

The second notice under the above legislation has been sent out and comments are due to be received by 13/4/07. The Council then have 14 days to respond to any relevant observations. Cabinet will be briefed at its meeting on the progress of this and the partnership is flexible enough to respond to any concerns/observations.

## **2.12 Future Contract Management**

In partnering contracts a strong client, acting strategically, is key to success. Managing the HIPSP contract has been fundamental to the review of the new Environmental Services Department and the Property and Infrastructure Group, bringing together all property professionals from across the Council to ensure a fully integrated approach to property matters. The effective management of the Council's property and infrastructure assets is essential to deliver maximum value and this new co-ordinated view was successful in improving asset management to level three, in the recent Use of Resources review undertaken by the Audit Commission.

Property staff managing the HIPSP contract will delegate the maximum amount of process work consistent with an accountable service to Kier. This will free up staff for planning and value added impact, maximising customer satisfaction and building on the start made during the project's procurement for customer participation.

Project delivery will be developed closely with the contractor's professional staff and it is likely that Kier will be asked to undertake significant design and related services allowing improved target setting, value engineering and performance management.

A single service provider will allow improved contract management techniques. Minor works will now be predominately based on the National Housing Federation schedule of rates, which has the benefits of ease of benchmarking with other organisations and reductions in the risk of overcharging for works. Major works contract procurement will change, as former repeated competitive tender procedures yield several (typically up to six) tenders for specific major works projects, now there will be one.

Contract management staff will employ different but no less robust value management techniques. First Kier's profit levels will already be known via the competitive tendering process and built into prices. The Council will then be provided with a full project cost build-up, having jointly agreed with Kier a budget and required work scope. The "Agreed Maximum Price" for the project (a defined PPC 2005 contract term), will be jointly compiled with all labour, material and sub-contractor prices declared. These will be based on the cost models contained in the tender documents ensuring a competitive basis for pricing.

The Council will retain the right to undertake independent benchmarking and cost appraisals by quantity surveyors and a process of review will be agreed with Harrow's internal audit team. In addition, the Council have given no throughput guarantees to Kier and will require optimum value to be continuously demonstrated through the life of the agreement. Individual project procurement outside the partnership will still be an option to the Council, although if this occurs, a through review of the partnership will need to be undertaken.

The principle of an agreed maximum price derived from joint value engineering, is considered a far more accurate assessment of final cost than an often unrealistic and speculative tender. It should be noted that a final project cost and the traditionally tendered sum are rarely the same, with adversarial contracts often encouraging low tenders that disguise the potential level of extra charges.

Training will be required to enhance client management capacity and this has been thoroughly developed with comprehensive training plans in place jointly for in-house staff, customers where appropriate and Kier personnel.

### 2.13 Contract Spend Profile

The current capital programme identifies an indicative spending profile for the next three years and this has been developed alongside the likely minor works available funding, to produce the following tables showing the potential of spend through the property partnership up to 2010.

<b>Capital Programme Service Area</b>	<b>2007/8 (£000s)</b>	<b>2008/9 (£000s)</b>	<b>2009/10 (£000s)</b>	<b>Totals (£000s)</b>
People First	14,000	17,000	11,000	42,000
Corporate	2,500	3,500	3,000	9,000
Housing	12,000	12,000	10,000	34,000
				<b>85,000</b>

The final amount of capital work placed through the partnership, will depend on high contractor performance, continuing levels of Harrow capital investment, the level of external funding available and has the ability in 2010/11 and 2011/12 to be increased further. It should be noted that no throughput guarantees have been made to Kier, but the greater the level of work placed, the greater the cost benefits from economy of scale and spreading of overheads. Over the potential five year course of the major works contract, including Building Schools for the Future, it is anticipated that the total contract value will exceed £100M.

<b>Revenue Programme Service Area</b>	<b>2007/8 (£000s)</b>	<b>2008/9 (£000s)</b>	<b>2009/10 (£000s)</b>	<b>Totals (£000s)</b>
Corporate Repairs	1,500	1,500	1,500	4,500
Housing Repairs	3,500	3,500	3,500	10,500
				<b>15,000</b>

The level of revenue work placed through the minor works contract depends on the continued use by schools of the Council's repairs management arrangements, the level of corporate buildings retained and the funding identified in the Housing options appraisal process. The contract is for five years with an extension clause for a further five years. Over the first five year period it is anticipated that expenditure will exceed £25M.

## 2.14 Contract Performance and Cost Benefits

The table below contains current (Q3) performance data on the CPA BVPI's most likely to be influenced by the property services partnership. In discussion with Kier's continuous improvement manager and subject to the Audit Commission's anticipated threshold settings, targets have been set to achieve realistic attainment of top quartile performance by the years indicated \*.

CPA BVPI's	2006/7 (Q3)	2007/8	2008/9	2009/10
<b>H1 BV184a</b> Non Decent Homes	47% (Red)	35%	17%	1% *
<b>H4 BPSA E5</b> Urgent Repairs in Time	96% (Amber)	98% *	100% *	100% *
<b>H5 BPSA E6</b> Avg Time Non Urgent Repairs	15 Days (Amber)	12 Days	10 Days *	9 Days *
<b>H21</b> % Planned to Responsive Repairs	21% (Red)	35%	55% *	60% *

Significant efficiencies will accrue across the full range of service areas and will be seen through major reductions in the use of agency staff and duplication of effort between Council officers and contractors staff. However, indicative cost benefits can also be demonstrated through the following table, which shows the efficiencies available from the level of capital works and design/supervision services planned to be placed with Kier in the listed areas.

Cost Benefit Area	Proposed Reduction	Benefits 2007/8 (£000s)	Benefits 2008/9 (£000s)	Benefits 2009/10 (£000s)	Benefits Totals (£000s)
Housing major works site overheads	7.18%	861	861	718	2,440
Major works design fees **	3.5%	350	525	525	1,400
Major works supervision	4 Posts	170	170	170	510
					<b>4,350</b>

\*\* It is anticipated that to support the in house design team, major works design services will be placed with Kier at the level of £10M, £15M and £15M over the

next three years. On some major projects, the use of non Kier design teams will be considered.

## **2.15 Contract Mobilisation**

Effective mobilisation of the property services contract is essential to ensure a smooth transition from existing service providers and deliver service improvements as quickly as possible. One early consideration will be the termination of the arrangements currently in place for the Housing repairs service. An exit strategy is in place with Housing and Property staff, together with Legal colleagues leading negotiations with contractors.

In order to effectively contribute to the management of the process, Kier have agreed to resource mobilisation immediately at their risk, so that a comprehensive mobilisation plan will be in place by mid April, with tasks fully allocated. The Project Team has adapted its structure to work with Kier and all functions have been identified including IT integration, health and safety, personnel, as well as the technical function applicable to both the major works and minor works contracts.

An initial conference has been held with Council cross-departmental staff and a full range of Kier senior management, so that functions can be paired up between prospective partners and early consideration given to service continuity.

Contractual mobilisation will include securing formal terms to protect the Council's interests by concluding a parent company guarantee for performance and the correct application of employment law for transferring staff. This section of the mobilisation is being led by legal services with input from Trowers and Hamlin as required.

The overall mobilisation process will be managed through the project board, co-ordinated by the project team and monitored against clear milestones.

## **2.16 Legal Implications**

An EU compliant procurement process enables the Council to enter the HIPSP contract. Legal services have approved the forms of contract to be used and confirms that these give adequate legal protection, setting out the Council's rights and obligations and providing a clear allocation of risk.

The successful and unsuccessful bidders need to be formally notified first and 10 days allowed to elapse, before signing the contract with the successful bidder.

## **2.17 Equalities impact**

This is an area that the HIPSP contract is expected to deliver considerable value added benefits. The award of a very significant workload over a sustained period of time puts the Council in a better position to work with partners to enhance strategic Council objectives in areas such as this.



Kier have undertaken to provide an increased number of apprenticeships targeting “hard-to-reach” groups and young people who have not been successful in gaining employment. Kier have the training capacity to address this and are active in the development of learning academies. In addition, they have won the Contract Journal Diversity Award in both 2005 and 2006.

A positive impact is therefore expected in training, widening the scope of construction related employment, as well as adopting innovative design and better delivery techniques to enhance the quality of life of all Harrow people.

### 2.18 Crime and Disorder section

Integration of design and service delivery in one function will enhance the security impact of design solutions. A long term single source provision will enable relations to be built with crime prevention teams, targeting solutions at areas most important to service customers and enhancing relations through consultation. The joint responsibility for the construction and future life cycle maintenance of buildings will encourage the use of vandal resistant materials.

Projected cost benefits will allow greater amounts of work to be delivered for equivalent budgets, enhancing the quality of Harrow resident’s living environments. Training schemes offered by Kier will aid efforts to reduce local youth unemployment.

## SECTION 3 - STATUTORY OFFICER CLEARANCE

Chief Finance Officer	<input checked="" type="checkbox"/>	Name: Sheela Thakrar Carol Maduka
		Date: 4/4/07
Monitoring Officer	<input checked="" type="checkbox"/>	Name: Stephan Dorrian
		Date: 3/4/07

## SECTION 4 - CONTACT DETAILS AND BACKGROUND PAPERS

**Contact:** Eddie Collier, Interim Head of Property and Infrastructure, X3675

**Background Papers:**

- TLCF Report 5/1/06 : Re-tendering the response maintenance service.
- Cabinet Report 6/4/06 : Harrow's Integrated Property Services Partnership

**Appendices**

Appendix a – Kier Supporting Information

Appendix b – Tender Evaluation data (Part 2)

**IF APPROPRIATE, does the report contain the following considerations?**

1.	Consultation	Yes
2.	Corporate Priorities	Yes
3.	Manifesto Pledge Reference Number	N/A

## **Appendix A – Kier Supporting Information**

### **Section 1: Summary**

Kier has a long history of successfully delivering customer focused services to social housing and local authority clients. We provide a range of front line services including:

- Day to day repairs
- Out of hours repairs
- Void servicing
- Gas servicing
- Planned and programmed works
- Cyclical maintenance
- Decent Homes improvements
- Grounds maintenance
- Waste management
- Facilities management
- New build.



We hope our tender demonstrates our experience and expertise of all aspects of the contract tendered by HIPSP. We also hope it highlights our potential, as a partner, to deliver far more than is currently within the scope of works advertised.

Kier has long been at the forefront of the development of collaborative working practice and we are confident that we are a market leader in the concept of partnering. We are able to demonstrate a portfolio of innovative and successful partnering contracts, large and small, across the country based on a range of contractual arrangements. We deliver partnering contracts with an annual value in excess of £200 million and are pleased to report that our portfolio of this type of work continues to grow and diversify on the back of our successful partnerships. Kier is particularly proud of our arrangements at Kier Sheffield and Kier Islington for repairs and maintenance. Both these partnerships are viewed as industry examples of 'best practice' and have achieved awards and recognition as successful partnering projects.

We are pleased that HIPSP has chosen the TPC2005 contract form on which to base the partnership. We believe it is important to make partnering contractual; and this contract actively encourages collaborative working practice and structured problem solving. We are very familiar with this document having been one of the first contractors to work with this contract form with Greenwich Council 2001. Indeed, our early exposure to this draft contract meant that we helped develop and finalise the published document, which HIPSP has chosen.

We have carefully considered HIPSP's requirements and believe we have the track record and expertise to be appointed as the contractor partner. In particular, we note the importance that HIPSP attach to customer satisfaction and we can demonstrate a customer focus across all the contracts we deliver. We actively look for opportunities to engage and participate with our customers and as demonstrated by independent audits conducted by our partners and through our own mechanisms we have been able to obtain the highest levels of customer satisfaction.

We also place considerable emphasis on meeting the equality and diversity needs of our customers and tailoring our service delivering mechanisms to meet these needs.

Indeed, our success at meeting this agenda has been recognised in Kier being the inaugural winner of the Contract Journal Diversity Award 2005 and retaining this award in 2006.

## Contract Journal Diversity Award winner 2005 and 2006



Kier understands the importance of obtaining awards and accreditations and in meeting the requirements of the Audit Commission and other external scrutinisers. We have worked with our partners and achieved many significant successes. We are particularly proud to report that all our major partners have achieved the 'star ratings' required to release Decent Homes funding to make stock improvements. We note that Harrow Council has achieved a 2 star rating for its Housing Management service (including repairs) and we look forward to working with HIPSP to improve services and to the delivery of a 3 star service. At Kier Sheffield, a 3 star rating for Repairs and Maintenance has been achieved and a recent re-inspection has resulted in the service retaining its 3 star rating. We are able to bring this experience and expertise to HIPSP to ensure that the new partnership is viewed as a market leader.

Kier also wants to emphasise its commitment to controlling and managing costs effectively and we believe the type of partnering relationship described within the contract TPC2005 will help achieve this goal. Whilst the price framework issued in the tender is a traditional Schedule of Rates, we are confident that we can work with HIPSP to embed full open book principles and more innovative price frameworks that will provide cost certainty and value for money. Should we be successful, we welcome further dialogue on these matters so that we develop a clear and open understanding of the mechanisms to be used to establish the best possible price.

### Section 2: ICT

We also want to emphasise our commitment to Information Technology (I.T.). We will allocate dedicated I.T. resources and prioritise the development of interfaces that enable the electronic transfer of data between our organisations. We have successfully achieved this in all our contracts and are committed to doing so with HIPSP to make our processes efficient. We have made significant progress in our development and roll out of hand held technology and now have operatives working 'electronically' on our contracts at Ealing, Ascham Homes, Sheffield and Islington. We will roll out this technology to all our other major contracts this year and would introduce this technology to HIPSP should we be successful.



### **Kier Personal Digital Assistant (PDAs)**

We are also implementing other forms of technology to make our services more efficient and customer focused. Again, we look forward to discussing how technology might be used to improve services in partnership with HIPSP.

It is important that discussions about the service are holistic as this will help promote the development of trust and open book principles. In all our partnering contracts, we have been able to create and quantify the genuine cashable benefits and efficiencies required by clients to satisfy Gershon targets.

### **Section 3: Previously delivered efficiencies**

Below is a list of initiatives that have delivered efficiencies across the partnering contracts we deliver:

- Reviews of the price framework and introduction of composite codes
- Profit sharing initiatives
- Considerate annual price reviews
- Constructor specified voids
- Joint training and development
- Improved void performance reducing rent loss
- Shared/joint post inspection regimes
- Delivery of capital improvements through term contract arrangements
- Co-location
- Creation of client/contractor teams
- Constructor specification
- Constructor providing CDM support
- Constructor resources to support other client duties/responsibilities
- Fixed/guaranteed prices
- Development of strategies to reduce unnecessary emergency urgent repairs
- Development of a synergy between major works, planned maintenance and reactive maintenance.

We look forward to discussing how these initiatives might meet the aspirations and requirements of HIPSP.

### **Section 4: Joint Contract**

Kier is particularly interested in a joint award arrangement, to deliver both the 'Minor Works' and 'Capital' programmes, and we have detailed our proposals in our bid. We are confident in our ability to deliver both programmes and have experience of working with both 'housing' and 'non housing' clients. There are significant opportunities and efficiencies should HIPSP decide to proceed in this way.

We ask that HIPSP carefully consider the added value benefits Kier can deliver to the local community in the award of a whole borough contract.

### **Section 5: Added Value**

Specifically, with an annual turnover for the minor works contract in the region of £6 million per annum, Kier will guarantee the following added value:

#### **Added Value:**

- To create 5 apprenticeships every year of the contract
- To provide up to 20 work experience placements for young people each year
- To deliver a 'First Start' training programme for 15 young people each year providing them with an insight into all the main trades within the building industry; as well as a health and safety overview and a certificate of achievement
- To promote local employment and seek to maximise local employment every time we have to recruit
- To establish a Repairs Forum of customers for both 'housing' and 'non housing' that meets at least 4 times per year; and which directly can discuss and influence our service delivery mechanism and techniques
- To provide members of the Repairs Forum with free mobile phones to help them fulfil their representative duties
- To undertake 100% satisfaction survey monitoring for the first 6 months of the contract
- To extend the defects liability period to 12 months for all jobs that we complete
- To ensure all our subcontractors will be clearly identified as Kier representatives and we will provide them with uniforms and mechanisms to 'livery' their vehicles
- To introduce new technology to make the contract more efficient. We will provide Personal Digital Assistants (PDA's) to all appropriate operatives and supervisors

Kier is also of the opinion that the appointment of a borough wide contractor has significant benefits and will generate the biggest efficiency gain. We are certain that there are other considerable efficiencies and service improvements to be gained over this contract duration. There are also benefits to be gained in contract administration.

Kier also believes that the appointment of a single borough wide contractor provides clarity to customers and reduces the possibility of variable service levels and confusion across the different areas and villages managed by HIPSP.

### **Section 6: Major Works**

We are particularly excited about the opportunity to integrate day-to-day repairs, Decent Homes and Capital works. Kier is one of the largest construction companies in the country and one of a few which can offer services across this full range of activities.

#### **Key facts:**

Last year Kier Completed £320m of work in the education sector alone

Over 60% of Kier's regional construction business is negotiated, a reflection of the strong long term relationships built with clients

Kier's strong strategic alliances with local authorities include Hampshire County Council where we are on track to complete the construction of the following new schools and colleges:

- Pinewood School
- Hardley Sports Hall
- Micheldever School
- Peter Symonds College

Kier is a member of the South East Centre of Excellence framework which has been established to support 74 local authorities within the South East of England in the delivery of the aims of the National Procurement Strategy and the Gershon Efficiency Review.

Last year the **Contract Journal** voted Kier:

- Major Contractor of the Year
- Training Award Winner of the Year
- Diversity Award Winner of the Year.



**Taking responsibility from design to completion enable Kier to deliver a first class service to our clients.**

Kier has a set of simple core business values that reflect the business in which we operate. Our **core values** are to:



- Be enthusiastic, open and honest
- Be proactive, committed and safe
- Be a team
- Be K I E R

We believe these simple messages reflect the values and aspirations of collaborative working as set out in the Invitation to Tender; and portray all the virtues required of a sole partner for Harrow.

We hope our tender provides the evidence that we are **a customer-focused business** committed to the highest levels of **service delivery and innovation**. We actively seek to work with our partners to create relationships that benefit from our collective strength and knowledge; and avoid the silo based working typical within the building industry. We look forward to discussing this further with HIPSP and to working in Harrow.

## **Section 7: Potential Benefits**

The benefits we can deliver in terms of economy, efficiency and effectiveness through a single contractor with Kier as the sole partner to Harrow are many and include:

### **SYNERGY AND ADDED VALUE**

- Opportunities to standardise materials and components across the Council's stock, thus increasing the number of repairs done in one visit, reducing turnaround times and increasing customer satisfaction
- Efficiency gains for the client in contract management with a reduction in the number of meetings, invoices, processes
- Opportunities to transfer responsibilities to the partner best placed to manage them; reducing duplication of effort and releasing efficiencies gains/savings
- Targeting year on year improvements across all activities
- Increased opportunities to offer training and employment to local residents and their children
- Opportunities for the Council to share profit and efficiencies savings and reinvest these in improvements to the stock
- Increased contractor involvement in the community including sponsorships, supporting local suppliers and embracing diversity initiatives in a consistent manner
- One brand
- Reduced design costs
- Buildable and maintainable designs

Harrow Council is asked to note that Kier would be particularly keen to explore opportunities for Kier's active involvement in the **Council's skills centre** currently located at its central depot. We have experience of managing our own training facilities as well as being main sponsor of a Council run centre. Kier is particularly excited at the prospect of exploring this area of added value and considers that the benefits in terms of local training and employment opportunities could be significant.





Meeting:	Cabinet
Date:	19 April 2007
Subject:	Water management and drought planning
Key Decision: (Executive-side only)	No
Responsible Officer:	Andrew Trehern, Executive Director of Urban Living
Portfolio Holder:	Councillor Susan Hall, Portfolio Holder for Public Realm and Community Safety
Exempt:	No
Enclosures:	Appendix 1 – Scrutiny Challenge Panel Water management and drought planning Appendix 2 - Reference

## **SECTION 1 – SUMMARY AND RECOMMENDATIONS**

### **RECOMMENDATIONS:**

Members of Cabinet are asked to note and endorse the content of this report. With a copy to be forward to Three Valleys Water

### **REASON:**

In accordance with Overview & Scrutiny rules, Cabinet must consider reports produced by the Committee, or one of its Sub-Committees.

## **SECTION 2 – REPORT**

### **Overview**

Harrow Council's approach to water management and drought planning needs to be developed within the wider context of the Climate Change Agenda. Whilst water shortages are likely to be an on-going issue, so is the likelihood of increased localised flooding due to weather changes. Reconciling changing climatic conditions and water conservation and use will be a challenge for us all.

The Council will continue to develop policies and guidance in the Local Development Framework (LDF) that reflect latest thinking in respect of water conservation and use in new development. Inevitably this involves thinking more holistically, for example not only will grey water recycling and sustainable urban drainage systems need to be developed, but such matters as the use of waste disposal units in new flat developments will need to be justified on sound evidence.

Whilst the Council can clearly have a major impact on new development, the most important changes will have to evolve through acceptance of the need for changing lifestyles - a longer term and on-going challenge that is critical for future water conservation and use.

The Planning Policy team has been in discussion with the Environment Agency (EA) about undertaking an in-house Strategic Flood Risk Assessment (SFRA) that is proposed by Harrow Planning and Drainage Teams. This consultation is ongoing. This will formalise the Council's holistic approach to flood reduction and prevention in a holistic manner, through the collation of in-house data, data held by the EA and relevant data held by Thames Water. Flooding from leaks and drought prevention need to be looked into carefully. Water needs to be harvested.

The Planning team requires information on foul and surface water sewer flooding in Harrow and the TWUL (Thames Water Utilities Limited) service levels standards for expected flood return on both systems. The Council would like to engage in partnership with both the EA and Thames Water in undertaking this work as some flooding is caused due to lack of capacity and/or repeat blockages in surface and foul water public sewers.

It would be helpful if data/baseline on flooding and drought and water management were shared amongst colleagues to ensure that measures being implemented and suggested approaches/mitigation decisions are consistent at a corporate level. Joint working is essential in this area of work.

Three Valleys Water have presented a sensible sympathetic view to continuing to deliver a water supply to Harrow and are generally keen to work with Harrow Council and any other partners to keep business operating and cause least disruption to customers.

It is important to maintain the links with Three Valleys and be an active partner to assist with any publicity etc and to ensure that our concerns remain addressed in

the event of another drought. Certainly at the moment Harrow is in the fortunate position where the aquifer has been hydrated (Water table volumes increasing) and we should not be in the same condition as we were last year.

The scrutiny report recommendations have addressed the services key concerns and include closer partnership working with Three Valleys, to identify service areas which may be at risk as a result of drought orders and a coordinated PR strategy to push a consistent message to our residents.

### **Comments on recommendations found in the Scrutiny Report pages:**

#### **FINDINGS**

#### **ISSUE 1 - COMMUNICATIONS AND CORPORATE RESPONSIBILITY**

##### **Finding 1: Communication generally**

**Recommendation A:** We recommend that Three Valleys and Thames should consult the Council, and that the Council should consult the water companies, over strategic planning and development for the Borough, and particularly on the development of plans such as the Economic Development Strategy, on an ongoing rather than an ad-hoc basis.

This approach should be supported. Clearly the LDF is a key Strategy - Three Valleys Water and Thames Water are statutory consultees in this process. Consultation is on going.

##### **Finding 2: Direct engagement with local people, the community and voluntary sectors**

**Recommendation B:** We recommend that Three Valleys work with Harrow (and other Councils within its service area) to develop an information base for itself that will permit it to carry out a sustained conversation with local people through residents' and amenity groups.

This approach should be supported. It would be appropriate for Harrow Council to facilitate their conversation and consultation through our communications outlets i.e., website etc., and promote key issues on a joint basis. "Sustained conversation" should be maintained across a wide number of fronts in order to continue getting the message on water conservation and use across.

##### **Finding 3: Corporate responsibility**

**Recommendation C:** We recommend that the Council support water companies' lobbying for regulatory change in the water industry, but that in the meantime all parties should be vigilant of instances where competing priorities (within a particular organisation as well as between two separate ones) might create a conflict which could adversely impact upon water conservation measures.

This approach should be supported providing that Harrow Council is not tied into support of issues where we do not agree.

## **ISSUE 2 - LEAKAGE AND REPAIRS**

### **Finding 4: Emergency work and risk planning**

**Recommendation D:** We recommend that Three Valleys consult closer with the Council and local people, where possible, when emergency works are to be carried out.

This approach should be supported.

### **Finding 5: Planned work**

**Recommendation E:** We recommend that Three Valleys should take account of the potential additional implications when developing their policy on leakage repairs, and that Three Valleys develop plans to reduce this level of loss. Additionally, we recommend that Government be lobbied to alter OFWATS rigid definition of “economic” levels of leakage.

This approach should be supported.

## **ISSUE 3 - USE AND WATER MANAGEMENT**

### **Finding 6: Water meters**

**Recommendation F:** We recommend that the Council robustly lobby the Government to allow Three Valleys to introduce compulsory water meters across the Borough, given the clear benefits they afford in terms of costs to consumers and water conservation.

This approach should be supported. Care will be needed on this issue as, although many people would benefit through accurate metering to reduce their bills, large and potentially economically deprived families could be detrimentally affected by larger bills. There is also a risk that people start to reduce water use with associated public health risks. The problem is to balance this problem with the effect it will have on reducing water use and making people repair leaks etc., in their systems.

**Recommendation G:** We recommend that such a scheme consider as paramount the interests of vulnerable users, and ensure that transactional and other costs (in particular those relating to non-payment of bills) do not under any circumstances fall to local authorities to absorb, but be dealt with on a National basis.

This approach should be supported. Care is required in relation to protecting vulnerable users.

### **Finding 7: Demand (consumer end)**

**Recommendation H:** We recommend that the Council take a lead in taking measures to reuse water on its property. The use of rainwater harvesting in Parks is an example; the Council should look at how it uses water more generally and effect a cultural change in this use, to encourage local people and businesses to do the same, thus spreading the best practice.

This approach should be supported. Reuse of water will be a component of LDF planning policy guidance. However, resourcing of this investment will need to be given consideration over the longer term.

### **Finding 8: Demand (sewage)**

**Recommendation I:** We recommend that the Council take steps to ensure Thames Water's public accountability by continued liaison over strategic plans for enhancing the sewer system, and that plans for improvement take account of concerns over storm water and groundwater contamination.

This approach should be supported.

### **Finding 9: Supply**

**Recommendation J:** We recommend that supply solutions be sought as a secondary measure, as trying to increase supply in the face of increasing demand will ultimately prove unsustainable.

This approach should be supported. It is intended that a Corporate wide water conservation project will be initiated in the future.

### **Finding 10: Wildlife and the Environment**

**Recommendation K:** We recommend that the Council's Biodiversity Action Plan (BAP) officer work with Three Valleys, Thames, regional authorities and the Environment Agency, along with area teams, to identify any areas of services, which may be at risk as a result of the drought order, on an ongoing basis.

As some work is already in place with the partners mentioned in improving water and pond life, it would be prudent if they could consider mitigation/drought prevention in their works.

### **Risks:**

1 - Operational examples include large road gully sweepers require water to damp down when sweeping, without water they cannot function, vehicle washing can be reduced but it is important that some vehicles such as dust carts are washed for sanitary reasons and fine turf areas need irrigation to maintain the grass playing surface, failure to water will lead to major disruption of sports and more seriously may lead to destruction of the sward with associated loss of income and cost of repair.

2 - Environmental impact of restrictions and coupled with reduced ground water conditions

3) Crude drought restrictions brought about by other Water Authorities last summer, which did not take account of real need of communities.

**Potential costs:**

At this time, financial commitment and cost risks are not available. The majority of recommendations will require Officer time and commitment without necessarily any other monetary investment. However the recommendations listed below may result in costs being incurred to realize maximum potential of the schemes:

**Recommendation F** – Compulsory water metering is supported, however it is unknown, at this time, if the water companies would continue with the current policy of free installation of water meters. If water companies bring in charges to install meters, it is unclear who would be responsible for that in relation to the councils housing stock and also the financial impact on large and potentially economically deprived families.

**Recommendation G** – As above. It is not know if compulsory metering would generate costs to Harrow Council and how non-payment of transactional costs would be governed.

**Recommendations H** – Rainwater harvesting is supported. However the costs involved are unknown at this time. The cost implications vary considerable from relatively simple water butts to complex subterranean storage facilities. Further investigation into the various different options would be required including cost benefit analysis.

**SECTION 3 - STATUTORY OFFICER CLEARANCE**

Chief Finance Officer	<input type="checkbox"/>	Name: Myfanwy Barrett
		Date: Friday, 23 March, 2007
Monitoring Officer	<input type="checkbox"/>	Name: Hugh Peart
		Date: Friday, 23 March, 2007

## SECTION 4 - CONTACT DETAILS AND BACKGROUND PAPERS

**Contact:** Ed Hammond, Scrutiny Officer 0208 420 92 05.  
Ed.Hammond@harrow.gov.uk

**Background Papers:** Scrutiny Challenge Panel – Water Management and drought planning

**IF APPROPRIATE, does the report include the following considerations?**

1.	Consultation	YES
2.	Corporate Priorities	YES
3.	Manifesto Pledge Reference Number	C2

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Sustainable Development and Enterprise Scrutiny Sub-Committee

## Scrutiny Challenge Panel

# Water management and drought planning

Scrutiny is an independent, councillor-led function working with local people to improve services





# London Borough of Harrow

Sustainable Development and Enterprise Scrutiny Sub-Committee

## Water management and drought planning

Final report of the Scrutiny Challenge Panel

August 2006

### **Panel members**

Cllr Jerry Miles (Chairman)  
Cllr Yogesh Teli  
Cllr Susan Hall  
Cllr Julia Merison  
Cllr Nana Asante

### **Co-opted members of the panel**

Sarah Kersey (Harrow Agenda 21)  
David Bland (Consumer Council for Water)

### **Witness**

Mike Pocock (Head of Strategic Planning, Three Valleys Water)

### **Panel support**

Ed Hammond, Scrutiny Unit

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## **Chairman's introduction**

At the time that this panel was convened, and at the time of writing, the pressure of drought and water shortage is making itself felt not only in Harrow but across the south-east.

Officers from local authorities, water authorities and other bodies are, we have learned, working hard to alleviate the immediate consequences of this situation. However, in carrying out this challenge panel, my fellow members and I did not wish to concentrate on immediate concerns which – we hope – will recede, at least temporarily, over the winter months. Our intention has been to take a long-term approach, thinking strategically about how water use and water supply is changing as a result of climate change and increasing demand, and examining how we as a borough can meet that challenge.

I was grateful for the expertise of Sarah Kersey and David Bland, external experts who sat on our panel, and especially to Mike Pocock from Three Valleys Water who attended, without whose candid evidence and assistance our investigation would have been impossible.

Thanks are also due to the officers who attended from Urban Living to provide us with valuable insight into the way that these changes might affect our residents.

Finally, a couple of words on the structure of the report. We have placed key findings and recommendations (where appropriate) in the main body of the report. More detailed evidence – gathered during the meeting and afterwards – is presented in an appendix at the back of the report. Evidence is, of course, cross-referenced throughout. In this way we hope that the casual and detailed reader alike will find something of use here.

Councillor Jerry Miles  
August 2006

## **Methodology**

The event was conducted as a challenge panel, in which Three Valleys Water were asked a number of questions on the basis of a full briefing pack which members had received beforehand. The membership and attendance was as follows:

### **Elected Members**

Cllr Jerry Miles  
Cllr Yogesh Teli  
Cllr Julia Merison  
Cllr Nana Asante  
Cllr Susan Hall

### **Portfolio Holder**

Cllr Eileen Kinnear (Portfolio Holder, Urban Living)

### **Co-opted members**

Sarah Kersey, Harrow Agenda 21  
David Bland, Consumer Council for Water (did not attend panel, evidence and comment provided subsequently)

### **Officers**

Michael Hart, Director of Strategy, Urban Living  
Gareth Llywelyn-Roberts, Head of Community Safety  
David Ward, Group Manager, Audit and Risk  
Dave Corby, Service Manager, Public Realm Maintenance

### **Witness**

Mike Pocock, Three Valleys Water

## **Where our findings and recommendations will go**

Findings and recommendations are despatched to Cabinet, who are responsible for deciding whether they will be implemented.

The timescales for implementing these recommendations, if they are approved, are at the back of this report, at Appendix 6.

Recommendations will be classified as either short, medium or long term depending on their operational and strategic importance.

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Noted minutes were made and can be made available separately – however, all relevant points have been incorporated into this report, along with explanatory and background information

This report comprises twenty-six pages in total.

## Findings

### Communications and corporate responsibility

#### **Finding 1: Communication generally**

The current drought situation has been caused predominantly by extremely low groundwater levels, a result of unusually low winter rainfall over the last two years. However, many members of the public perceive the drought to be a problem of the water companies' own making. Bad publicity garnered by a couple of water companies (predominantly on the issue of leaks and company profits) has given the water companies a bad public image. People perceive an environment of continual restrictions on the use of a resource which they feel should be plentiful. Businesses, too, feel pressure and significant uncertainty over the prospect of possible restrictions on use. We were reassured by Mike Pocock, the Head of Strategic Planning at Three Valleys, who attended the panel meeting to give evidence, that the prospect of further restrictions on water use is not significant this year. The very earliest, we were told, that a drought order<sup>1</sup> would be imposed would be the spring of next year – if there was another dry winter. However, the public have yet to hear this reassurance, and in many cases have not been informed of what a drought order is, what its implications are, what further steps that water companies can take, and are taking now, and how it is different from a hosepipe ban, or from a scarcity or severe drought order<sup>2</sup>.

This, then, is not only a problem for the water companies. It means that the public, on the whole, may well be less willing not only to comply with water restrictions (because they feel they are not getting the full picture from the water company), but to take the responsible steps to water conservation which the council and the water companies are trying to encourage.

That said, according to Mike Pocock, compliance with the current hosepipe ban (the first to be imposed on the borough since 1992) has been good. The company operates a graduated process before resorting to prosecution for contravention of a hosepipe ban<sup>3</sup>. According to them, the practice of sending warning letters to people is effective in ensuring compliance. However, we considered that there would always be a problem of covert use, or instances where neighbours would be unwilling to report on hosepipe users. All seem agreed that, although enforcement is effective to an extent, more long-term communication and engagement with the public should be encouraged.

The question is, how? It is all very well suggesting that Three Valleys “engage” with local people. To a greater or lesser extent, this already happens – an active public relations campaign has been underway for some time now, and Three Valleys have stated that consumption has reduced by 7% since the hosepipe ban came into force. However, discussions we have had with some of our constituents has shown that many residents are still not even aware of the hosepipe ban's existence.

We were pleased, then, to be able to make two concrete proposals to Three Valleys at the time of the meeting on this subject. Firstly, as a result of our discussion they will be placing advertising in Harrow People<sup>4</sup>. This is obviously useful in the short term and, since the magazine is delivered to all addresses in the borough, it will help to spread the message of water conservation. However, we do not think that closer co-operation should end there. The

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<sup>1</sup> Details of drought orders and the restrictions they impose on homes and businesses can be found at Appendix 3.

<sup>2</sup> Ibid.

<sup>3</sup> Breach of a hosepipe ban is a criminal offence under the Water Act, and perpetrators can be fined up to £1000.

<sup>4</sup> The council's regular newspaper.

cross-border “Beat the drought” campaign<sup>5</sup> is predicated on continued co-operation between local authorities and water companies, and we agree that this presents an opportunity to work much more closely at an officer-to-officer level<sup>6</sup>. Additionally, this will provide a method for the council and Three Valleys to work together more closely, and build closer relationships which will assist with strategic planning in the future. Closer, meaningful, direct communication in this fashion can only serve to improve the services provided to residents, and both organisations’ commitment to local accountability. The second proposal we were able to make related to closer engagement with local communities through the council, something which we will discuss in more detail later in this report.

This need for closer engagement must also relate to pre and post-restriction strategies. To use finite resources effectively, the borough must be involved in and party to strategies being developed by Three Valleys relating to the imposition of restrictions or regulation of supply. A drought order has the potential to cause significant difficulties for the council and the way it delivers services<sup>7</sup>. Drought orders – if introduced – can be either blanket or tailored to particular need, and in planning for the imposition of such orders the council should work closely with Three Valleys to ensure that restrictions meet everyone’s needs.

Although Thames Water are only responsible for wastewater services in Harrow, we consider it important that the council liaise with them on a similar basis.

**Recommendation A: We recommend that Three Valleys and Thames should consult the Council, and that the council should consult the water companies, over strategic planning and development for the borough, and particularly on the development of plans such as the Economic Development Strategy, on an ongoing rather than an ad-hoc basis.**

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## **Finding 2: Direct engagement with local people, the community and voluntary sectors**

Mike Pocock informed us that, at the moment, Three Valleys probably does not do enough to engage with local people at the community level. Sending out leaflets and making press statements does some good and is useful, but it does not address the fundamental lack of confidence that many people have in water companies. Obviously it is difficult for a water company serving a large area to develop a sufficiently detailed local knowledge to deal with individual community, resident and amenity groups, but the council does have this knowledge.

We were told that Three Valleys are trying to encourage people to restrict their water usage on a voluntary basis, rather than to impose blanket restrictions (which we think does not take into account local variations in supply and demand). We think that the only way they can carry this out, and the only way to develop links with local communities and open a candid dialogue with people on how Three Valleys is attempting to deal with the situation, is to meet local people and local groups directly, discussing the present and future situation with them openly and frankly – not as part of a public relations exercise, but as a conversation between two inter-reliant partners.

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<sup>5</sup> See Appendix 3

<sup>6</sup> We received some more evidence on communication between water companies and the council specific to the subject of leaks and repairs – this can be found in the next section of the report.

<sup>7</sup> Some particular issues are covered as part of the section on “Environment” below, in section 3.



**Recommendation B: We recommend that Three Valleys work with Harrow (and other councils within its service area) to develop an information base for itself that will permit it to carry out a sustained conversation with local people through residents' and amenity groups.**

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### **Finding 3: Corporate responsibility**

We briefly discussed the regulatory regime that water companies in the UK work under<sup>8</sup>. We had the impression before the meeting, which was confirmed to us by Mike Pocock, that the regulatory framework is outdated and requires change to make it suitable for a future where water is an intrinsically valuable resource. There will also be circumstances where regulation, and the requirement to fulfil performance indicators laid down by Ofwat<sup>9</sup>, might cause conflict with the priorities of the council, or those of local people. These instances are unfortunate but in the current framework, we consider them to be inevitable. For example, we were told about the inflexibility of hosepipe bans, which only control water use for watering gardens and washing cars with hoses, not other domestic use such as for filling swimming pools<sup>10</sup>. We thought that Ofwat's approach was short-term in nature. Although they require a twenty five to thirty year forward look in terms of strategic planning<sup>11</sup>, in many instances the insistence on rigid adherence to performance indicators<sup>12</sup> hinders this long term planning facility.

Notwithstanding this, we consider that Three Valleys can mitigate some of this inflexibility through more innovative and flexible ways of working – in particular, through more effective dialogue with the public, and with businesses, and by co-operating more closely with neighbouring water companies<sup>13</sup>. Although we do not of course think that Three Valleys is guilty of this, an imperfect and inflexible regulatory regime provides a catch-all excuse for various failings and potentially might be an effective external source of blame whenever performance falls below what might be expected. Three Valleys continues to lobby for change in the regulations. The council should, when and where appropriate, also lobby the Mayor and GLA, and central government for changes to be made.

**Recommendation C: We recommend that the council support water companies' lobbying for regulatory change in the water industry, but that in the meantime all parties should be vigilant of instances where competing priorities (within a particular organisation as well as between two separate ones) might create a conflict which could adversely impact upon water conservation measures.**

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<sup>8</sup> See Appendix 1

<sup>9</sup> The Office of the Water Regulator, established under the Water Act to monitor water companies' performance.

<sup>10</sup> The Water Act is quite specific on this.

<sup>11</sup> See Appendix 1 for the more detailed legal framework underpinning this.

<sup>12</sup> Targets and measures that allow performance to be assessed according to a predefined set of criteria.

<sup>13</sup> More specific evidence was gathered on this issue and can be found later in this report.

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## Issue 2

### Leakage and repairs

#### **Finding 4: Emergency work and risk planning**

Three Valleys Water visited the council in November 2005 to discuss matters relating to leakage and repairs<sup>14</sup>. Since then, we anticipated that work would have been carried out as part of this project – it seems from the evidence we received that this has been going to plan. However, other works need to be carried out outside of this framework. Emergency work in particular cannot be planned for.

Emergency work can have a significant impact upon the local area. For example, a recent mains burst in the Wealdstone area led to the Civic Centre being temporarily closed – other, similar problems have resulted in problems for businesses across the borough. Larger firms probably find these problems more straightforward to deal with, as they will have business continuity plans, but for smaller concerns uncertainty over water supply is a critical issue. Some of these problems may be unavoidable, but we did not consider that Three Valleys or Thames make sufficient effort to inform local residents and businesses when work will be necessary. We also considered that the economic decision to be made on fixing mains should be tempered by some consideration of the inconvenience to local people.

Short term risk planning – to deal with interruptions to supply more generally – is centred on Harrow on the Hill reservoir, which we learned has an important strategic role in the local water network<sup>15</sup>. We considered, in general, that Three Valleys' risk management strategies could continue to deliver an uninterrupted supply, as contingency plans are in place to bring water through from the Clay Lane treatment plant if necessary.

**Recommendation D: We recommend that Three Valleys consult closer with the council and local people, where possible, when emergency works are to be carried out.**

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#### **Finding 5: Planned work**

We were told that leakage figures in the Three Valleys area currently stand at 140,000,000 litres per day<sup>16</sup>. We found this number staggering, but apparently it is well within the annual Ofwat water leakage target. For comparison, in the Thames region, 913,000,000 litres of water is wasted per day<sup>17</sup>. Three Valleys operate some 16,000 kilometres of mains – this amounts to 8750 litres per kilometre of pipe<sup>18</sup>.

Ofwat have arrived on the figure of 15% as an economic target<sup>19</sup>. Below this point, they have judged that repairing leaks is uneconomic – that is to say, they are physically awkward to reach, or otherwise too difficult to effectively repair. The last 15% may also come from a large number of relatively small leaks which are tricky to locate. Obviously if the number of small leaks were to rise so as to put the leakage figures significantly above the 15% target, Ofwat would require that

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<sup>14</sup> The minutes of this discussion are reprinted in Appendix 5.

<sup>15</sup> It provides most of the immediate area's water (as it is gravity-fed it needs to be at the highest point, locally).

<sup>16</sup> Amounting to 17% of total water supplied. All information supplied by Ofwat.

<sup>17</sup> Amounting to 33% of total water supplied (readers are reminded that Thames serve more customers and hence pipe more water than Three Valleys).

<sup>18</sup> Or 3076 gallons per mile.

<sup>19</sup> *Report on Leakage and Water Efficiency*, Ofwat (1997)

the figure was brought down irrespective of economic considerations. Whether this would involve costs being passed on to the consumer is unclear, but Ofwat keeps a close eye on rate rises.

The economic cost/benefit analysis does, we note, only take account of immediate financial considerations. Mike Pocock stated that it was open to government to set a political target. Obviously there would be price consequences to bear for the consumer.

We were also told that some 1/3 of leaks occur on customers' pipes.

This is an extremely delicate issue, not as simple as demanding that water companies fix all their leaks no matter what the cost. One person's acceptable level might, to another, seem way too high. Consumers, unfamiliar with this balance, will naturally insist that all leaks be fixed, and that they should not have to pay for it, since fixing leaks should be an ordinary expenditure, and aggressive replacement works would reduce existing leaks and prevent new ones, actually saving money, in the long term. This is a tempting analysis but does not accord with Three Valleys' view. We have been told that it is, in fact, cheaper to continually repair a main than actually replace it (in the case of emergency repairs, that is). However, economic issues – the base cost of repair versus the base cost involved in water loss, per litre, might not be the only ones to place on cost/benefit balance. There are other significant factors which Ofwat's regulations and targets arguably do not take account of<sup>20</sup>.

We consider that a significant one of these goes back to the first issue raised in this report – that of public perception. A leaking main “looks bad”. We were pleased to note that Three Valleys attempt to repair “visible” leaks within 24 hours, and that they give priority to “clustered” leaks which indicate a fault in a particular area, but Three Valleys admit that inevitably there are instances where this does not happen. When people see water pooling on the road and running down gutters when they are meant to be conserving water, naturally they will feel less inclined to save water themselves, because clearly water is so plentiful that it is being allowed to fall back into the sewers without even reaching the taps.

**Recommendation E: We recommend that Three Valleys should take account of the potential additional implications when developing their policy on leakage repairs, and that Three Valleys develop plans to reduce this level of loss. Additionally, we recommend that government be lobbied to alter Ofwat's rigid definition of “economic” levels of leakage.**

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<sup>20</sup> Public perception is an obvious one, but the potential for leaks to worsen, and the implications on water pressure are also considerations.

## **Issue 3**

### **Use and water management**

The use of water and water management in the long term are things which, at the moment, appear less tangible. In local terms, it presents a difficult issue – once again, presenting matters over which the council, and even individual water companies, have little influence. Large scale infrastructure projects such as a national water grid or new reservoirs have been presented as options, but there are more local changes that can be made which can have a direct effect on demand and supply in the medium to long term.

Water metering has the potential to be one of these issues.

#### **Finding 6: Water meters**

Briefly, a water meter can be easily installed onto the service pipe of a property, measuring the throughput of water and allowing users to be charged according to the amount of water they use, rather than at a flat rate. Water companies are not permitted to insist that their customers consent to having water meters installed<sup>21</sup>, but Three Valleys is pursuing a campaign to encourage take-up, and anticipates that in twenty years time the majority of households in its water supply area will have water meters, because of a policy decision to fit meters when people move house.

We were pleased that Three Valleys were aggressively pursuing metering. Many people are ambivalent to its use but it provides key benefits. In particular, we were persuaded by the argument that, if metering were in place, mandatory restrictions on use might not be so central to water management in this country, since people would voluntarily regulate their use to keep costs down. While no means proven (and while restrictions would probably still be necessary under certain circumstances) this is an attractive proposition which would benefit and empower consumers.

Water companies might be dissuaded from installing meters – after all, less water used, leading to lower bills, would lead to diminished income for them. However, the regulatory (and political) pressure to implement water saving measures has enabled water companies to make this more long-term decision.

That said, within the current framework, there is a limit to the amount water companies do. Installing meters on an ad hoc basis is more expensive than doing so in one go, or in a planned way to reduce costs.

Affordability, the idea of “average” use and the protection of vulnerable groups are the key issues here. Affordability is important because of the infrastructure costs necessary to converting to metered billing for Three Valleys, as well as the cost benefit to consumers. Users need to be persuaded that their bills would indeed be reduced if metering was to be introduced across the board. Often people are told that, for an average user, prices will fall, but the concept of average use is obviously notional.

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<sup>21</sup> The exception is Folkestone and Dover Water, who are permitted to do so by virtue of being the only area in the country granted “water scarcity” status.

The protection of vulnerable groups is also critical. Currently, the law does not allow water supply to be restricted, much less turned off, to those who do not pay their bills. Mike Pocock suggested that a tariff system might be appropriate for some consumers, or that social services might act as a backstop for unpaid bills. The former is something which, without more detailed data and proposals, we are unable to comment on. The latter is something which we would not approve of. Adding another uncertain, demand-led element to social services' budgets would not be helpful, and an effective repayment scheme might end up costing more to administer than the payments themselves. We do not think that a compulsory metering regime should provide a reason to transfer supply and demand risk to the local authority, especially where water provision is regional and national issue. In any case, such a discussion, with government being unwilling to pursue a path of compulsory metering, is somewhat academic.

**Recommendation F: We recommend that the council robustly lobby the government to allow Three Valleys to introduce compulsory water across the borough, given the clear benefits they afford in terms of costs to consumers and water conservation.**

**Recommendation G: We recommend that such a scheme consider as paramount the interests of vulnerable users, and ensure that transactional and other costs (in particular those relating to non-payment of bills) do not under any circumstances fall to local authorities to absorb, but be dealt with on a national basis.**

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### **Finding 7: Demand (consumer end)**

There are, however, many steps that individual homes and businesses can take to reduce the level of demand. People can install dual-flush toilets, or spray taps that regulate water flow. Three Valleys are working in partnership with the council to make available free “hippos”, devices that sit in a toilet cistern to reduce the cistern’s capacity (although most toilets produced since 1993 have a relatively low capacity anyway). Takeup of the latter has been high as it has been a convenient and straightforward way for people to save water.

This is, perhaps, part of the problem. Developing technological, domestic solution such as these undoubtedly has an impact on use but it does not address the fundamental issue of public expectations. It also does not address an issue raised by Mike Pocock – namely, that use has dramatically increased in the last thirty years. Clothes are now washed more regularly rather than aired – people now shower or bathe every day where even thirty years ago many were still doing so only once a week. The balance is a difficult one. How people use their water in a domestic context should, we consider, ultimately be their choice. But this choice needs to be made on the basis of all the facts.

Reuse of water is another critical issue. This could be through many means – rainwater harvesting, grey water systems, sewer mining or more effective treatment<sup>22</sup>. Many other countries throughout the world have already progressed quite far down this road – notably Australia<sup>23</sup>. Britain, by contrast, is lagging behind. Some of the responsibility for this lies with water companies. But governmental lead is also lacking – on a national and local basis<sup>24</sup>. One thing that is clear is that the council has to take some part in these activities. One part it can play is in taking a lead on water conservation measures – not restricting use, but changing the way that it treats water. This could be through the installation of grey water systems at some

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<sup>22</sup> More details on each of these can be found in Appendix 4.

<sup>23</sup> See the House of Common Select Committee on Science and Technology Report on Water Management (2005)

<sup>24</sup> Currently, Ofwat’s regulatory regime provides no incentives for water companies to undertake large-scale reuse projects, or to conduct R&D to make reuse systems more effective – see Appendix 4.

sites<sup>25</sup>. It could also be the more widespread use of water butts and bowsers in some parks, allowing watering to continue even if a drought order is imposed. Taking these steps would involve an initial financial outlay<sup>26</sup>, but would result in substantial savings through less water use, and a more robust system that would be able to deal with temporary problems in supply, or more permanent restrictions such as drought orders.

**Recommendation H: We recommend that the council take a lead in taking measures to reuse water on its property. The use of rainwater harvesting in parks is an example; the council should look at how it uses water more generally and effect a cultural change in this use, to encourage local people and businesses to do the same, thus spreading this best practice.**

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### **Finding 8: Demand (sewage)**

We were disappointed that Thames Water did not provide us with any evidence in the course of this review, despite repeated requests, and repeated assurance on their part that answers to our questions would be forthcoming. However, through separate research we have been able to gather some evidence on the impact on demand of sewage and effective sewage treatment.

It is often said that water drunk in London has already been drunk by seven people, which may be apocryphal but does illustrate the importance of effective water treatment to the security of the water supply. London's sewer system, delivering effluent to treatment plants, is one hundred and fifty years old. This longevity is testament to the foresight of its Victorian designer and engineers, but the pipes' age provides unique problems which have the potential to impact upon people in the 21<sup>st</sup> century.

We have learned in particular about problems which affect the sewer system after heavy rain. London's sewers do not have separate systems for storm and foul water, which means that after heavy rain, if drains overflow they may leach effluent into the surrounding land<sup>27</sup>.

We wanted to speak to Thames about these issues, and about the potential for effluent from sewers to leach into groundwater. We also wanted to speak to them about effluent reuse. In their absence, however, our findings can only justify a relatively general recommendation on this point.

**Recommendation I: We recommend that the council take steps to ensure Thames Water's public accountability by continued liaison over strategic plans for enhancing the sewer system, and that plans for improvement take account of concerns over storm water and groundwater contamination.**

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### **Finding 9: Supply**

Increasing supply is not currently the government's preferred way of managing water use – they have preferred to pursue demand<sup>28</sup>. Supply-side solutions are, we agree, probably not

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<sup>25</sup> Although we accept that there are certain circumstances where this will not be practicable. Concerns relating to the use of water by the authority and the implications of a drought order have already been raised as part of section 1 of this report. Particular issues relating to parks are raised in the "Wildlife and Environment" section below.

<sup>26</sup> Capital costs in purchasing bowsers and rain harvesting equipment would not be insignificant, although precise costs are difficult to come by as industrial or commercial harvesting systems vary in cost by requirement, and would be bespoke-designed.

<sup>27</sup> Foul water also flowed into the Thames in one incident two years ago – BBC News Online, 10 August 2004



exclusively the way forward – trying to keep pace with demand rather than reduce it is unsustainable and it does not take account of the significant climatic and geographical reasons for supply failing to outpace demand<sup>29</sup>

However, there are some steps which we briefly examined which are of some interest. The construction of new reservoirs is one. Three Valleys have proposed the construction of a new reservoir at Abingdon<sup>30</sup>. Thames Water also propose a reservoir in South Oxfordshire. That said, it is difficult, especially in the crowded south-east, to envisage large areas of land being made available for reservoirs, especially considering the fact that surface water stocks make up a very small proportion of available resources. Smaller schemes are in the offing, which may have more impact. For example, in some places the raising of existing reservoirs' banks to increase capacity has been proposed.

We have also discussed the construction of a national water grid. At the moment there are no plans to build a series of interconnecting pipelines to draw water from the more rainy north to the southeast<sup>31</sup>. A national system would most likely be costly, energy-intensive and subject to significant planning difficulties. However, we consider that there is more scope for regional connections. Three Valleys currently connect to Anglian Water. These kind of local bridges could help deal with peaks in supply and demand.

Desalination has been proposed as an option by Thames Water. A planning application for a desalination plant at Beckton has been refused by Newham Council at the direction of the Mayor of London, who considered the plant to be costly, energy-inefficient and not in keeping with a sustainable approach to water management. A desalination plan would extract water from the sea (or in this case the brackish water in the Thames Estuary) and remove the salt, rendering it safe for domestic use. A desalination plant would probably not have an impact on water in Harrow but the refusal of the application reflects the trend to consider demand issues over those of supply.

**Recommendation J: We recommend that supply solutions be sought as a secondary measure, as trying to increase supply in the face of increasing demand will ultimately prove unsustainable.**

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## **Finding 10: Wildlife and the Environment**

Low rainfall obviously means that watercourses will be running lower than usual and more slowly, which will affect waterborne life. Currently, Three Valleys abstracts a significant quantity of water from the Thames<sup>32</sup>, but should it apply for a drought order it would be able to abstract from elsewhere. Cross-border abstraction also has an impact – Thames currently operate under a drought order<sup>33</sup>. Environmentally, the effects of additional abstraction do not adhere to the borders between local authorities, or between separate water companies. We are not persuaded that sufficient work has been carried out to examine how this will affect local wildlife.

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<sup>28</sup> Hansard, 16 March 2006, Cols 1699-1702 outlines the general approach taken by the government.

<sup>29</sup> See "Rich Countries, Poor Water", World Wildlife Fund (2006), particularly p18

<sup>30</sup> Information on the sources of Three Valleys' water currently can be found at Appendix 2.

<sup>31</sup> The Government remains sceptical – Hansard, HC Col 484 WH.

<sup>32</sup> Precise abstraction figures are available at Appendix 2

<sup>33</sup> Ofwat regulations permit the drawing of water from water courses if a drought order is in operation. More details are available in the appendix.



Wildlife away from rivers is also affected. Although many trees have deep root systems, given that there has been a dryer than average last two years some species (particularly beech) may be especially susceptible.

A drought order would impose significant extra burdens. Increase abstraction from water courses could be authorised. We have been told that the surface of “fine turf” sports areas such as bowling greens or cricket pitches could be irreparably damaged if the council is not permitted to water them. Street trees would be adversely affected. Council vehicles could not be washed – not on the face of it a critical problem, but something with significant public health implications in respect of refuse lorries in particular.

Lowering of groundwater levels only exacerbates the problem – as does the continued abstraction from depleted boreholes. However, we must accept that fundamentally the continued delivery of water to customers will, in most circumstances, take precedence over the risk of temporary damage to some local ecosystems. The Environment Agency are responsible for continued monitoring in this area and will take action where there is a significant risk to the environment. This does not prohibit ongoing monitoring on a local level, however.

**Recommendation K: We recommend that the council’s Biodiversity Action Plan (BAP) officer work with Three Valleys, Thames, regional authorities and the Environment Agency, along with area teams, to identify any areas or services which may be at risk as a result of the drought, or a drought order, on an ongoing basis.**

## Conclusion

Some of the recommendations that we have made as part of this short report relate to Three Valleys, Thames, and to partnership between these two local companies, the council and local people. We hope that Three Valleys and Thames will take these recommendations on board as part of their forward planning exercises. We are particularly aware, throughout this report, of the stringent regulations that water companies are bound to fulfil, which sometimes can appear to conflict

The challenge panel, and the evidence gathered both before and after the meeting, have enabled us to draw two overarching conclusions.

Firstly, the delivery of water is not simple for water companies. It is not as straightforward as abstracting more to cover demand, or fixing all the leaks it knows about. Water companies are private, profit-making undertakings, and decisions that they make have to be economically justified. This has led to a series of cost-benefit analyses, which have given rise to many of the popular misconceptions of the water industry. What is an “acceptable” level of leakage is one of these issues. “Common sense” would dictate that all leaks should be plugged. On the other hand, repairing all leaks would cost water companies a disproportionate amount of money, and would result in higher prices for consumers. But, again, can the public be expected to accept phlegmatically Ofwat’s contention that a leakage figure of 17% - in Three Valley’s case corresponding to a daily leakage rate of 140,000,000 litres of water – is in any way satisfactory? These are the economic and political tensions that have come to expose the shortcomings in the current national regulatory regime. Another example lies in the cost of implementing measures to manage demand. It is easy to approve of the installation of grey water systems in people’s homes, but is this really feasible when doing so means effectively replacing an entire domestic plumbing system? Again, it comes down to economic, social and environmental cost, and the value we as public bodies and consumers alike are willing to place on water as a resource.

Secondly, leading on from this, the environmental pressures are changing, but people’s expectations are not. Understandably, people expect that they should be able to turn on the tap and get cheap, clean, safe water. It has been one of the necessities of life – especially in urban areas – for at least the last 100 years. For the same amount of time, people have expected their waste water to be flushed away safely and hygienically. Essentially, people have learned not to think about water any more.

We are going to have to appreciate more and more that this approach – especially for domestic consumers – will have to change. We will have to treat water more as a precious resource that should be conserved where possible. Such an impulse may lead to the cost/benefit analysis mentioned above tipping in favour of measures to preserve water wherever physically practicable. We may have to adapt our homes and the way that we use water.

However, water companies need to take a lead in this process. Currently, they seem remote and unaccountable organisations. Three Valleys, which seems to have had success in keeping leakage down and doing all that it is legally obliged to do, has not taken any great steps in building a dialogue with the local community. This seems to be a problem common to the entire sector.

These issues have long term implications – but should be resolved soon to deal with the present situation. Often the current drought is compared with that in 1976, when water restrictions were widespread. However, the situation is very different in topographic and political terms. Topographically, we are currently experiencing a groundwater drought – a lowering of

the water table and of the water available through boreholes. The 1976 drought was a surface water drought, a more short term problem. Politically, in 1976 the country was divided up into ten regional water authorities, effectively directly controlled by central government. The command approach was obviously of great use in national water conservation measures. The industry is now a patchwork of private companies – although regulated, they are in many sense more autonomous. Although lessons can be learned from the 1976 experience, we would caution against any direct comparison as a result of these differences.

Clearly, the pressures and challenges are significant. Hopefully this report will provide a catalyst not only for further thought and discussion on this topic, but for direct action to alleviate the imminent threat of further restrictions.

# **Appendices**

## **1 – Legislative information**

The UK water industry was privatised in 1989. Before this date, water was (largely) controlled by a number of Regional Water Authorities (“water boards”), which themselves were created from the patchwork of local authority controlled, semi-private and sub-regional water authorities that existed before 1974.

### **Water Act 1989**

Under the Water Act 1989, a regulator for the newly privatised companies were established, to be led by a Director General of Water Services<sup>34</sup>. The Director is given numerous regulatory powers by the Act. He can set price limits, set leakage targets, and put in place financial penalties to fine companies who breach certain regulation. He also adjudicates on hosepipe bans and drought orders (see below).

The privatisation of the regional water and sewage authorities (of which there were, and are, ten) did not affect the operation of the water-only authorities, where they had been run hitherto as going concerns. Three Valleys Water was one such company. Recently it was bought by Vivendi, a French company.

Thames Water is one of the ten regional water and sewage authorities. It is owned by RWE.

There are a number of other more recent Acts which affect the water industry in this country<sup>35</sup>: the following is intended to provide a brief guide, and is not comprehensive.

### ***Water Industry Act 1991***

This brought together sewerage legislation and consolidated the 1989 Act.

### ***Competition and Service (Utilities) Act 1992***

The Act applies to the regulatory bodies dealing with privatised utilities. It gave Ofwat increased powers to determine disputes and to increase competition in the industry.

### ***Environment Act 1995***

This placed a duty on the companies to promote the efficient use of water by customers.

### ***Competition Act 1998***

The Director General of Fair Trading has the main responsibility for administering this Act. The regulators for each of the utilities share this responsibility for the sectors they regulate. The Act outlaws any agreements that have a damaging effect on competition. It prohibits agreements between businesses that, or are intended to, prevent, restrict or distort competition. And conduct that amounts to the abuse of a dominant position in a market that may affect trade in the UK.

### ***Water Industry Act 1999***

The Act made several important amendments to the Water Industry Act 1991. It removed the companies' ability to disconnect household customers for non-payment of charges. It also outlawed the use of budget payment units that cut off customers' water supplies where

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<sup>34</sup> At s5(1)

<sup>35</sup> Information reproduced from Ofwat Information Note No. 18 (2002), with additional data where appropriate.

customers had insufficient credit on their payment cards. It also limited the circumstances in which companies can compulsorily meter customers.

It gives the Director the task of approving companies' charges schemes. It also allows the Secretary of State to issue regulations setting out requirements that should be included in companies' charges schemes. This legislation also secured that companies were able to continue to charge customers on the basis of rateable value.

It also allows the Secretary of State to provide guidance to Ofwat on the treatment of vulnerable customers. This is set out in 'Water Industry Act 1999 – Delivering the Government's objectives', a guidance document following the 1999 Act.

## 2 – Introductory information on Three Valleys

Three Valleys covers a large and disparate area. It supplies over 900 megalitres (million litres) of water every day to 3.2 million customers, through 16,000 kilometres of mains.

60% of its water comes from groundwater, with the rest from surface water (reservoirs) and abstraction from the Thames (Three Valleys' region bisects the Thames). A small amount also comes from a treatment works at Bushey.

## 3 – Hosepipe bans and the drought order

Hosepipe ban and drought – Three Valleys have used 1997 as a basis for their drought planning<sup>36</sup>. Since the hosepipe ban was brought in, consumption has dropped by around 7%, the expected level.

Drought order – Hosepipe bans forbid the use of mains-connected hosepipes by residential consumers. This includes sprinkler systems and power hoses. However, public bodies and industry are generally exempt from these provisions.

A drought order or non essential user ban, is the next level of restrictions. It means a company can apply to DEFRA for an order to prevent customers from using water in various ways (these ways are specified in the order and can differ from company to company). DEFRA then considers the application and does or does not grant them a ban. A non essential user ban covers things such as filling swimming & paddling pools, watering public parks and pitches etc. As with the hosepipe ban, there are statutory obligations re: communicating with customers that must be abided by. Three Valleys will know by the end of the year whether it will be necessary to apply for a drought order for 2007.

A drought order allows water companies to ban the use of water for the following:

- Using sprinklers or hosepipes to water gardens (apart from market gardens), lawns, verges, allotments, parks or sports or recreation grounds, whether publicly or privately-owned
- Filling privately-owned swimming pools other than for medical treatment
- Filling ornamental ponds other than fishponds
- Operating mechanical car washes
- Washing cars, boats, trains or aircraft for any reason apart from safety or hygiene
- Cleaning the outsides of buildings apart from windows
- Cleaning industrial premises or plants, apart from for safety or hygiene reasons

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<sup>36</sup> This year came at the end of the 1995-1997 drought.

Using hosepipes or sprinklers to clean windows  
Running ornamental fountains and cascades  
Running automatically-flushing toilet cisterns during times when buildings are unoccupied

A water company can choose not to enforce any of its powers.

A drought order is also a first step to implementing other scarcity measures. In a worst case scenario, a water company can apply to Ofwat to cut off domestic supplies and order the use of standpipes – although this is highly unlikely at the moment or in the future.

Beyond the effects of a drought order, local business would probably not be affected by the current situation, although obviously there is scope for examining how businesses can become more efficient and use water more responsibly.

Beat the drought – “Beat the drought” is a publicity campaign funded and carried out jointly by a number of local authorities and water companies in the south-east. The campaign is aimed at water-saving measures in the short term, centred on changing public attitudes towards water through public events and information. The Environment Agency are also involved.

#### 4 – Supply-side issues

Some are regional ones and others principally local (or neighbourhood-based) in nature. They are:

- 1 Grey water treatment, locally (in individual properties)
- 2 Sewer mining
- 3 Desalination
- 4 New reservoirs
- 5 Rainwater harvesting
- 6 National water grid

It has often been thought – and it was noted by the HC Select Committee report into Water Management (as supplied) – that Australia leads the field in waste management, and the SC report contains a great detail of detailed information reflecting “best practice” in the field as evidenced from activities both in Australia and the UK. Members might want to consider how this kind of “best practice” might best be used to inform current developments.

Policy 4A.11 of the London Plan (Water Supplies) states that there will be a presumption against large-scale treatment for water with the emphasis being put on methods such as rainwater harvesting.

R&D and new technology – before moving onto specific themes, the impact of new technology should be mentioned – it features heavily in the following. The stringent efficiency requirements placed upon water and wastewater service companies has meant that there has been a marked decrease in the amount of money available<sup>37</sup>. Any efficiency savings made from the implementation of new technology end up being lost when Ofwat come to reassess prices in their price review every five years – making research and innovation even less attractive<sup>38</sup>. Although there is nothing that the council can do about this members should bear it in mind

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<sup>37</sup> Although there is a UK-wide water industry research body which carries out some innovative work.

<sup>38</sup> This was among the findings of the S&TSC’s report on Water Management.

when considered the pressures on water companies and the feasibility of large-scale efficiency savings and potential of new technology.

Grey water treatment – for the purposes of this briefing this includes rainwater harvesting. It relates to the use of water which has been used (usually in baths, showers and sinks) for other purposes – for example, watering gardens or flushing toilets.

Some steps have been taken in Harrow to promote the installation of grey water systems (they have been present in some small housing developments recently approved). Installation in older buildings (involving conversion of unified plumbing systems) would obviously be a more complicated matter, and expensive without subsidies being made available.

Sewer mining – this is another method of treatment and reuse, which is used more widely in Australia. There, private companies operate sewer mining as a profit-making concern, extracting water from sewers to treatment plants. Again, this is energy-intensive and it is uncertain whether the regulatory framework would permit it here.

Desalination – Thames Water have proposed building a desalination plant at Beckton. A planning application was refused by Newham Council at the direction of the Mayor, who considered the plant to be costly, energy-inefficient and not in keeping with a sustainable approach to water management. A desalination plan would extract water from the sea (or in this case the brackish water in the Thames Estuary) and remove the salt, rendering it safe for domestic use. The construction of a desalination plant would not have an immediate impact upon Harrow but members might want to consider to what extent

New reservoirs – the construction of new reservoirs in south east England is difficult for planning reasons and the high cost of land. However, proposals have been made. Thames are planning to construct a reservoir in Oxfordshire; South East Water in Kent have been (for some years) planning to construct a reservoir at Broad Oak. Smaller schemes are also in the offing - for example, raising the banks of existing reservoirs, which does not require additional planning permission but which significantly increases capacity.

Rainwater harvesting – the Mayor of London has mentioned rainwater harvesting as a key area for development in terms of water supply. The most obvious form of use is for water butts fed by drains in domestic properties, for use in gardens, but integration could be possible with household and business grey water schemes.

National water grid - the construction of a “national grid” for water supplies, constructed via large interconnector pipes, is something which has been frequently raised as a national response to the current drought situation. The Government remains sceptical on this point however (although they have not ruled it out), pointing out that it would be costly, energy intensive and there would be significant planning implications (in respect of pipelines)<sup>39</sup>.

More likely is sub regional interconnection, allowing adjacent water companies to share supplies.

## 5 – Minutes of previous meeting

Three Valleys Water attended a meeting of the Environment and Economy Sub-Committee in November to provide evidence. The minutes are reproduced below.

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<sup>39</sup> Hansard, HC Col 484 WH



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The Sub-Committee received a presentation by Three Valleys Water, which briefed Members on the mains renewal work undertaken for the period 2005 to 2010. Members were informed that the renewal of the mains distribution network was required to reduce the incidence of burst water mains and leakage in line with OFWAT's performance targets. Work would also offer better management of resources, improved security of supply and customer service, and a reduction in emergency works and disruption. The presentation explained that the particular renewal work undertaken was targeted to achieve the maximum benefit in terms of reducing bursts and leakage; this meant focusing on the mains distribution network, though selected service pipes would also be renewed.

In the section of the presentation allocated to questions, the following points were raised:

in the case of a burst pipe on private property, it was the water provider's responsibility, and not that of the Council, to address the matter by issuing a Waste Notice and seeking payment from the owner of the property for the water wasted;

Three Valleys Water offered a 'Leakage Hotline' service to ensure leaks were reported in as timely a fashion as possible;

the map of the Borough used in the presentation to indicate the location of pipes would be beneficial for other Committees, for example the Traffic Advisory Panel;

Three Valleys Water liaised closely with the Highways Authority, and would be willing to work proactively with other utilities companies in future renewal works to ensure disruption was kept to a minimum;

OFWAT had published official guidance to govern increases in water rates.

**RESOLVED:** That the above be noted<sup>40</sup>.

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<sup>40</sup> Reproduced from official minutes of E&E Scrutiny Sub, 29 November 2005



## **APPENDIX 6**

### **RECOMMENDATION ACTION SHEET WATER MANAGEMENT AND DROUGHT**

Key: ED, UL = Executive Director, Urban Living  
 PH = Portfolio Holder  
 BAPO = Biodiversity Action Plan Officer  
 CE Officer = Community Engagement Officer

<b>Recommendation</b>	<b>Timescale</b>	<b>Identified officer/member to action</b>	<b>Action taken</b>	<b>Measure of success</b>
Three Valleys and Thames should consult the council, and the council should consult the water companies, over strategic planning and development for the borough, and particularly on the development of plans such as the Economic Development Strategy, on an ongoing rather than an ad-hoc basis.	Short term	ED, UL Three Valleys		Consideration of water resourcing issues in council planning / strategy documents.  Concerns of local people given due prominence, with steps taken to address this, in Three Valleys planning.
Three Valleys should work with Harrow (and other councils within its service area) to develop an information base for itself that will permit it to carry out a sustained conversation with local people through residents' and amenity groups	Medium term	Three Valleys CE Officer Comms		More public consultation between Three Valleys and local community, with commitment shown by Three Valleys' contribution to council community engagement activities.

<p>We recommend that the council support water companies' lobbying for regulatory change in the water industry, but that in the meantime all parties should be vigilant of instances where competing priorities (within a particular organisation as well as between separate ones) might create a conflict which could adversely impact upon water conservation measures.</p>	<p>Lobbying – long term</p> <p>Competing priorities – short / medium term</p>	<p>ED, UL PH</p> <p>ED, UL Three Valleys</p>		<p>Response from government setting out options and possible timetable for change.</p> <p>Plans put in place to deal with potential conflicts before they occur.</p>
<p>Three Valleys should consult closer with the council and local people, where possible, when emergency works are to be carried out.</p>	<p>Short term</p>	<p>Three Valleys</p>		<p>Council and local people given timely information before work is to be carried out, or if impossible to be kept regularly informed of nature and duration of works while they are under way.</p>
<p>Three Valleys should take account of the potential additional implications when developing their policy on leakage repairs, and they should develop plans to reduce this level of loss. Additionally, government should be lobbied to alter Ofwat's rigid definition of "economic" levels of leakage</p>	<p>Leakage – medium term</p> <p>Ofwat – medium term</p>	<p>Three Valleys</p> <p>ED, UL PH</p>		<p>Leakage policies to reflect social impacts and public perception, and identify possible economic methods to reduce leakage.</p> <p>Government to provide information on potential options in terms of changing definitions.</p>
<p>The council should robustly</p>	<p>Short term</p>	<p>PH</p>		<p>Government to respond,</p>

lobby the government to allow Three Valleys to introduce compulsory water metering across the borough				addressing policy issues and laying out options.
Such a scheme should consider as paramount the interests of vulnerable users, and ensure that transactional and other costs do not under any circumstances fall to local authorities to absorb, but be dealt with on a national basis.	Long term (contingent on success of above)	PH		Not applicable for the moment (contingent on success of recommendation above)
The council should take a lead in taking measures to reuse water on its property. The use of rainwater harvesting in parks is an example; the council should look at how it uses water more generally and effect a cultural change in this use, to encourage local people and businesses to do the same, thus spreading this best practice.	Short term	ED, UL PH Comms		Strategy drafted and put in place to guide council's use of water, and steps put in place by officer to introduce water saving measures into parks management plans, as appropriate.  Continuation of "Beat the Drought" communications campaign.
We recommend that the council take steps to ensure Thames Water's public accountability by continued liaison over strategic plans	Medium term	ED, UL PH Thames Water		Thames Water and council frequently communicating to jointly develop strategies and policies.

for enhancing the sewer system, and that plans for improvement take account of concerns over storm water and groundwater contamination				
Supply solution should be sought as a secondary measure, as trying to increase supply in the face of increasing demand will ultimately prove unsustainable.	Medium term	Three Valleys		Three Valleys' strategic documents to emphasise controlling demand rather than supply (eg building new reservoirs)
The council's BAP officer should work with Three Valleys, Thames, regional authorities and the Environment Agency, along with area teams, to identify any areas or services which may be at risk as a result of the drought, or a drought order, on an ongoing basis.	Short term	BAPO Three Valleys Thames		Key areas of risk to be identified in co-operation, and action proposed to alleviate situation.



**Scrutiny**

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**LONDON BOROUGH OF HARROW****CABINET****THURSDAY 19 APRIL 2007**

**Challenge Panel - Water Management and Drought Final Report**  
**Reference from the Sustainable Development and Enterprise Scrutiny Sub-Committee**  
**Meeting**  
**held on 25 September 2006**

1. The Sub-Committee received a report of the Director of People, Performance and Policy, which introduced the final report of the Water Management and Drought Challenge Panel.
2. The Chairman of the Challenge Panel highlighted some of the key findings of the Panel, which included the need for improved consultation between the water companies and the Council, and the need to introduce compulsory metering to help save water.
3. The Sub-Committee thanked the Scrutiny Officer for his research and organisation, and noted that a press release had been issued on the report. The Sub-Committee also expressed its dissatisfaction with Three Valleys Water's definition of 'permitted' or 'acceptable' loss, which amounted to an astonishing 140 million litres of water per day.
4. **RESOLVED:** That, inter alia, the report be submitted to the Cabinet at the next available opportunity.

**FOR CONSIDERATION****Background Papers**

1. Minutes of the Sustainable Development and Enterprise Scrutiny Sub-Committee Meeting
2. Report of the Director of People, Policy and Performance, considered at the meeting held on 25 September 2006.

Contact: James Chamberlain, Democratic Services.

Tel: (Direct Line) 020 8424 1264. email: james.chamberlain@harrow.gov.uk

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Meeting:	CABINET
Date:	19 <sup>th</sup> April 2007
Subject:	Management of the Public Mortuary at Northwick Park Hospital
Key Decision:	Yes
Responsible Officer:	Andrew Trehern, Executive Director of Urban Living
Portfolio Holder:	Councillor Susan Hall, Portfolio Holder for Public Realm and Community Safety
Status:	Part I
Encs:	Appendix 1 – Agreement for the Management of a Public Mortuary at Northwick Park Hospital

## SECTION 1 – SUMMARY AND RECOMMENDATIONS

Brent and Harrow Councils wish to continue to jointly operate and manage the Public Mortuary at Northwick Park Hospital by virtue of the Public Health Act 1936 and the Local Authorities (Goods and Services) Act 1970, under a refreshed Agreement.

### **RECOMMENDATIONS:**

The Cabinet are requested to:

1. Agree that Brent and Harrow Councils continue their arrangement whereby Brent Council shall provide services to Harrow Council under The Local Authorities (Goods and Services) Act 1970, relating to the management of the public mortuary as set out in the Agreement at Appendix 1.
2. Agree that Director of Legal and Governance Services or delegate is authorised to take all necessary steps to seal and complete the Agreement.

**REASON:** If Cabinet does not agree the recommendations the Agreement cannot be completed and alternative arrangements will need to be made for the provision of a Public Mortuary in Harrow.

## **SECTION 2 - REPORT**

### **2.0 Brief Background**

- 2.1 The Public Health Act 1936 grants local authorities the power to provide a mortuary for the reception and storage of dead bodies together with facilities for post mortem examination in their respective areas and if the Secretary of State requires, local authorities must provide a mortuary. Brent and Harrow council's are respectively required to provide a Mortuary by the Secretary of State and a provision must therefore be made.
- 2.2 The Local Authorities (Goods and Services) Act 1970 ("the LAGS Act") provides that local authorities may enter into contracts to provide goods and services to public bodies defined as such by the LAGS Act.
- 2.3 A lease dated 10 June 1982 was entered into by the then Secretary of State for Social Services and the Councils under which that Secretary demised the land described in the lease (being an area on which the Northwick Park Hospital is sited) to the Councils for a 99-year term commencing on 25 December 1981. The lease permitted the Councils to erect and operate a public mortuary on that land.
- 2.4 The Councils subsequently entered into an agreement dated 1 March 1984 for the management of the public mortuary built by the Councils at Northwick Park Hospital ("the First Agreement"). The Mortuary was operated through a consortium agreement under the First Agreement. Due to new administrative arrangements, which came into effect under the Local Government Act 2000, we are no longer able to undertake the arrangements in the manner set out in the 1984 agreement.
- 2.5 A report went to Cabinet in July 2001 asking Members what they wanted to do about the three joint committees we had with Brent and Hillingdon. It was agreed that the Mortuary should be delegated to Brent with costs and services controlled through an annual service level agreement to oversee services.
- 2.6 The draft Service Level Agreement, attached at Appendix 1, has been agreed by the Head of community Safety Services, who acts as the Harrow Commissioner, and the Head of the Cemetery & Mortuary Service at Brent. The Legal & Governance Services of each boroughs have also agreed the content of the Agreement.
- 2.7 The Councils wish to continue their arrangement whereby Brent Council shall provide services to Harrow Council under the LAGS Act relating to the management of the public mortuary as set out in this agreement which shall confirm and vary the provisions of the First Agreement.
- 2.8 The provision of a Mortuary in partnership with Brent delivers against our Corporate Priority to make Harrow Safe Sound and Supportive in enabling delivery of effective efficient services that people want. In developing this innovative partnership arrangement we are also implementing best practice to deliver joint services on a regional basis across local authorities.

### **3.0 Duration of the Agreement**

- 3.1 The Agreement shall commence on the date that it is sealed and at this time the First Agreement shall be entirely replaced by the provisions of the new Agreement. This Agreement shall continue only during the subsistence of the Lease and shall end immediately on the date that the Lease expires, being 24 December 2080 unless terminated earlier in accordance with clause 10.
- 3.2 The Agreement can be terminated by the Councils by mutual agreement at any time throughout the duration of the Agreement, or either Council may terminate the Agreement before the Expiry Date subject to giving the other Council at least 12 months' prior written notice that they wish to terminate the Agreement.

### **4.0 Management of the Mortuary**

- 4.1 From the Commencement Date, the Councils shall continue to jointly operate and manage the Mortuary by virtue of the Public Health Act 1936 in accordance with the provisions of this Agreement. The Chief Officers shall provide such advice and information to the Councils on the operation and management of the Mortuary as may be necessary. Each Council shall consider any suggestion and/or proposal by the other concerning the efficiency, the operation, the management or staffing of, and the public service provided at, the Mortuary. The Councils shall only implement any such suggestion or proposal by mutual agreement.

### **5.0 Consultation**

- 5.1 There is no relevant direct consultation on the provision of the Public Mortuary identified which is relevant to this decision. There is regular consultation with the Coroner's Office on the operation and management of the Mortuary, stakeholders and users as part of the quality management systems in place.

### **6.0 Options considered (statutory requirement for Executive-side reports)**

- 6.1 There is an obligation placed on the Council to provide a Public Mortuary and there is no discretion or alternative option in this respect. The only alternative option would be for the Council to provide a stand alone Mortuary dedicated to and operated independently by Harrow Council.
- 6.2 The 'consortium' arrangement is recognised as providing a high quality service which has been awarded ISO9000 and the Charter Mark for the Bereaved. The site is also the West London Centre in the case of a regional or significant emergency. The capacity to provide the current level of service could not be maintained by each borough acting independently.
- 6.3 The start up costs of withdrawing from the arrangement would be very significant, if a suitable location could be found, and this is not considered a viable option within current service and budgetary pressures. There has been no justification identified to make what would be a major change and introduce the inevitable risks that would follow.

## **7.0 Financial Implications**

- 7.1 The report is not seeking additional financial resources and there are no financial implications relating to the agreement of the recommendations by cabinet.
- 7.2 The financial arrangement for the costs to be attributed to each council remains the same as in the First Agreement with the net expenditure Brent Council incurs for the purposes of this Agreement in each financial year (ending on 31 March) being attributed to and borne by the Councils in proportion to the population figure of their respective areas according to the most recent population estimates issued by the Registrar General's estimate (CIPFA statistics) before each financial year.
- 7.3 The financial arrangements and controls in place are detailed in section 6 of the agreement at Appendix 1. These have been strengthened to ensure that the financial reporting is made on a regular basis to enable formal monitoring to ensure that it coincides with Harrow's budget making processes.

## **8.0 Legal Implications**

- 8.1 Pursuant to the Public Health Act 1936, the council may (and if required by the Minister shall) provide a mortuary for the reception of dead bodies before interment.
- 8.2 Two local authorities may enter into an agreement under section 1 of the Local Authorities (Goods and Services) Act 1970 for the supply or provision by one to the other of goods or materials, or any administrative, professional or technical services.
- 8.4 Before entering into such an agreement, the council must have regard to whether doing so will be likely to promote or improve the well-being of Harrow (in whole or in part) or some or all of the people within Harrow.

## **9.0 Equalities Impact consideration**

- 9.1 The Mortuary provision is strictly controlled by statutory guidance and there is little discretion in this respect. However, the service has invested in customer service and is one of a very few Mortuaries to be awarded the Charter Mark for the Bereaved, which includes strict criteria regarding meeting the needs of diverse users and religions.
- 9.2 The service is subject to Brent's Equalities Impact assessment regime on an annual basis and issue identified are built into the service development element of the annual service planning process.

## **10.0 Community Safety (s17 Crime & Disorder Act 1998)**

- 10.1 The Mortuary is fully compliant with the requirements of the Police and Criminal Evidence Act and Coroners Rules with regard to sudden or unexplained deaths and as such serves to underpin the delivery of crime reduction strategy priorities, specifically with regard to violent crime and as such directly support section 17 key objectives.

### SECTION 3 - STATUTORY OFFICER CLEARANCE

Chief Financial Officer	<input checked="" type="checkbox"/>	Carol Maduka
Monitoring Officer	<input checked="" type="checkbox"/>	Jessica Farmer

### SECTION 4 - CONTACT DETAILS AND BACKGROUND PAPERS

#### Contact

Gareth Llywelyn-Roberts, Head of Community Safety Services, 020 8736 6230, [gareth.Llywelyn-roberts@Harrow.gov.uk](mailto:gareth.Llywelyn-roberts@Harrow.gov.uk)

#### **Background Papers:**

1. AGREEMENT - For the management of a public mortuary at Northwick Park Hospital - dated 1 March 1984
2. The Public Health Act 1936

**IF APPROPRIATE, does the report include the following considerations?**

1.	Consultation	Yes
2.	Corporate Priorities	Yes
3.	Manifesto Pledge Reference Number	No

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**DATED**

**2007**

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**THE MAYOR AND BURGESSES OF THE LONDON BOROUGH OF BRENT**

**AND**

**THE MAYOR AND BURGESSES OF THE LONDON BOROUGH OF  
HARROW**

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**AGREEMENT**

**For the management of a public mortuary at Northwick Park Hospital**

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Borough Solicitor  
Brent Legal Services  
Brent Town Hall Annexe  
Forty Lane  
Wembley  
Middlesex HA9 9HD

Ref: ALA/604/4/CON





“Agreement”	Means this agreement which confirms and varies the First Agreement;
“Annual Account”	Means the annual account of income and expenditure as described in clause 6.5;
“Assets Jointly Owned”	Means any assets purchased by the Councils pursuant to the First Agreement or this Agreement for use in the operation of the Mortuary including but not limited to furnishings, equipment, stores, office equipment but excluding the Mortuary building itself and any fittings or fixtures thereof;
“Capital Costs”	Means those expenses described at clause 6.2.2;
“the Chief Officers”	Means the Director of Cemeteries and Mortuary Service of Brent Council and the Chief Environmental Officer of Harrow Council;
“the Commencement Date”	Means the date of this Agreement;
“the Expiry Date”	Means the date that this Agreement expires, as stated in clause 2.3;
“the First Agreement”	Means the initial agreement entered into by the Councils for the management of the Mortuary dated 1 March 1984;
“the Lease”	Means the lease dated 10 June 1982 of the area at Northwick Park Hospital on which the Mortuary is sited;
“the Mortuary”	Means the public mortuary jointly operated by the Councils and located on the grounds of Northwick Park Hospital;
“the Mortuary Staff”	Means those persons who are employed by Brent Council to work at the Mortuary; and
“Revenue Costs”	Means those costs described at clause 6.2.1.

1.2 Words in the singular include the plural and vice versa.

- 1.3 Words importing masculine shall be deemed also to include the feminine and vice versa.
- 1.4 Headings are included for ease of reference only and shall not affect the construction of the Agreement.
- 1.5 Any references to clauses and schedules are references to clauses and schedules of this Agreement.
- 1.6 A reference to any Act of Parliament, or to any Order, Regulation, Statutory Instrument or the like shall be deemed to include a reference to any subsequent amendments or re-enactments.

## **2. DURATION OF THE AGREEMENT**

- 2.1 This Agreement shall commence on the date set out above (“the Commencement Date”).
- 2.2 As at the Commencement Date, the First Agreement shall be entirely replaced by the provisions of this Agreement.
- 2.3 This Agreement shall continue only during the subsistence of the Lease and shall end immediately on the date that the Lease expires, being 24 December 2080 or such earlier date that the Lease determines in accordance with the terms of the Lease (“the Expiry Date”) unless terminated earlier in accordance with clause 10.
  - 2.3.1 The expiry of this Agreement shall not prejudice any right that either Council may have against the other arising from this Agreement.
  - 2.3.2 Clause 10.3 shall apply on the expiry of this Agreement.

## **3. MANAGEMENT OF THE MORTUARY**

- 3.1 From and on the Commencement Date, the Councils shall continue to jointly operate and manage the Mortuary by virtue of the Public Health Act 1936 and in accordance with the provisions of this Agreement.
- 3.2 Any legal advice related to the operation and management of the Mortuary that is required shall be sought and paid for by Brent Council.
- 3.3 The Chief Officers shall from time to time provide such advice and information to the Councils on the operation and management of the Mortuary as may be necessary and shall attend meetings of the Councils, or any other relevant meetings, as and when required.
- 3.4 Each Council shall consider any suggestion and/or proposal by the other concerning the efficiency, the operation, the management or

staffing of, and the public service provided at, the Mortuary. Any such suggestion or proposal shall only be implemented by the Councils by mutual agreement.

#### **4. MORTUARY STAFF**

- 4.1 Brent Council shall pay the Mortuary Staff's remuneration and shall employ them on Brent Council's employment conditions and on such other conditions of service and employment practices that Brent Council may from time to time apply to its employees.
- 4.2 The number, categories and scales of remuneration of the Mortuary Staff shall be determined by Brent Council.
- 4.3 Brent Council shall be solely liable for any disputes, grievances or claims resulting in any liability, loss or damage arising from the employment of the Mortuary Staff at any time throughout the duration of the Agreement, save where Harrow Council has directly contributed to any such liability, loss or damage in which case it shall also be liable to the extent that it has directly contributed to the liability, loss or damage.

#### **5. SUPPLIES, EQUIPMENT AND FITTINGS**

- 5.1 Brent Council shall provide, maintain and replace such stores and equipment as may be required for the operation of the Mortuary and shall make arrangements for and pay the costs of the furnishing, fittings, heating, lighting, cleaning, water, telephone and facsimile, refuse collection, property insurance, computer systems and equipment, security and non domestic rates of the Mortuary.
- 5.2 Brent Council shall be responsible for the daily operation and management of the Mortuary and for making any arrangement with the North West London Strategic Health Authority concerning the operation and use of the Mortuary either by the Councils, the London Mass Fatality Plans or by the North West London Strategic Health Authority.

#### **6. FINANCE**

- 6.1 In respect of financing the management and operation of the Mortuary, Brent Council shall:
  - 6.1.1 Keep a separate record of the income and expenditure it incurs for the purpose of this Agreement and provide a copy of such record to the Chief Officer of Harrow Council in the form of a monitoring report on a quarterly basis within 30 days of the end of the relevant quarter including the final quarter in the form of an end of year outturn.

- 6.1.2 Calculate the net estimated expenditure it incurs for the purposes of this Agreement in accordance with the current recommendations of the Chartered Institute of Public Finance and Accountancy (“CIPFA”); and
  - 6.1.3 Ensure that its Director of Finance submits an estimate of the net expenditure to be incurred in the subsequent financial year for the purposes of this Agreement to the Chief Officer of Harrow Council by the 30<sup>th</sup> September in each year which includes a detailed estimate of all revenue and capital costs including programmed forward maintenance, and shall send a copy of that estimate to the Director of Finance of Harrow Council, and shall provide such details and explanations as may reasonably be requested.
- 6.2 The net expenditure Brent Council incurs for the purposes of this Agreement shall include Revenue Costs and Capital Costs.
- 6.2.1 Revenue Costs are the general running costs of the Mortuary and shall include but not be limited to: staff costs, cleaning, refuse collection, heating, lighting, water, telephone and facsimile charges, printing and stationery, telephones, facsimile machines, computer equipment, other office expenses, stores, building maintenance, fittings, rates, property insurance and legal costs.
  - 6.2.2 Capital Costs shall include but not be limited to: moveable furnishings and equipment.
- 6.3 The net expenditure Brent Council incurs for the purposes of this Agreement in each financial year (ending on 31 March) shall be attributed to and borne by the Councils in proportion to the population figure of their respective areas according to the most recent population estimates issued by the Registrar General’s estimate (CIPFA statistics) before each financial year.
- 6.4 Harrow Council shall pay Brent Council nine tenths of Harrow Council’s proportion of the estimated net expenditure attributed to it (per clause 6.3 above) no later than the 30 September in the financial year to which the estimated expenditure relates.
- 6.5 Brent Council shall prepare an audited annual account of income and expenditure at the end of each financial year (“Annual Account”) for submission to Harrow Council as soon as possible and no later than 30 November following the end of each financial year for Harrow Council’s approval. Such approval shall be confirmed, or refuted, no later than four calendar weeks after submission.
- 6.6 If the Annual Account shows that the net expenditure attributable to Harrow Council per clause 6.3 has exceeded the sum payable by

Harrow Council per clause 6.4 above, then Harrow Council shall pay to the Director of Finance of Brent Council, within 30 days after receipt of the Annual Account, that residual amount of unpaid net expenditure.

- 6.7 However, if the Annual Account shows that the sum payable by Harrow Council per clause 6.4 above exceeds the net expenditure attributable to Harrow Council (per clause 6.3), then Brent Council shall promptly repay Harrow Council such overpayment.
- 6.8 On an annual basis, Brent Council shall provide Harrow Council with a copy of its accounts relating to the Mortuary Staff or kept for the purposes of this Agreement that are subject to audit by a District Auditor.

## **7. ANNUAL REVIEW**

- 7.1 There will be an annual meeting scheduled between the Councils to review and discuss quality standards, performance standards, the financial position and any other matter relevant to the operation and management of the Mortuary that the Councils may wish to discuss. The annual meeting shall take place at the beginning of January each year.
- 7.2 The Chief Officers shall attend the annual meeting.
- 7.3 The annual meeting shall be held at each Council's premises on alternate years (i.e. Brent Council's premises one year and Harrow Council's premises the next year and so on) and shall be run in accordance with a meeting process to be agreed between the Councils.

## **8. COMPLAINTS**

- 8.1 Complaints about the service provided by the Mortuary Staff or the arrangements under this Agreement shall be handled in accordance with the appropriate complaints procedure of Brent Council.
- 8.2 Harrow Council shall be advised of any substantive complaints received, as and when required.

## **9. LIABILITIES AND INSURANCE**

- 9.1 Brent Council shall be solely liable for all proceedings, claims, damages, demands, fines, penalties, expenses, compensation, court or tribunal orders (including any order for reinstatement or re-engagement), awards, costs and all other liabilities whatsoever payable or incurred which arise out of or are connected with this Agreement ("the liabilities") save where Harrow Council has directly contributed to the liabilities in which case it shall also be liable for the liabilities to the extent that it has directly contributed to the liabilities

- 9.2 Brent Council shall be responsible for maintaining the insurance policy against loss or damage by fire required by the provisions of the Lease.

## **10. TERMINATION**

- 10.1 The Agreement may be terminated by the Councils by mutual agreement at any time throughout the duration of the Agreement.

- 10.2 In addition to clause 10.1, either Council may terminate this Agreement before the Expiry Date subject to giving the other Council at least 12 months' prior written notice that they wish to terminate the Agreement.

- 10.3 Upon the termination of this Agreement pursuant to clause 10.1 or clause 10.2 above, or on the Expiry Date:

10.3.1 The Councils shall fully cooperate to ensure that there is an orderly wind down of their joint activities as set out in this Agreement and/or to ensure that there is an orderly transition to the arrangements that will supersede this Agreement;

10.3.2 In respect of the Mortuary Staff, the Councils agree to be jointly liable for all claims, costs, expenses, damages, compensation, redundancy costs, fines and other liabilities that may arise from the termination of this Agreement;

10.3.3 In respect of any Assets Jointly Owned, the Councils agree that ownership of such assets shall be determined by calculating the percentage of the net expenditure attributed to and borne by each Council per clause 6.2 (with reference to the population figure of their respective areas current at the date of termination or on the Expiry Date) and applying such percentages to the total market value of the Jointly Owned Assets as at the date of termination or the Expiry Date; and

10.3.4 If the effective termination date or Expiry Date of the Agreement is part way through a financial year, Brent Council shall promptly repay Harrow Council any over payment proportionate to its financial contribution per clause 6.3 above.

## **11. DISPUTE RESOLUTION**

- 11.1 If any dispute arises in respect of the interpretation of any of this Agreement's provisions, the Annual Account, any suggestion or proposal raised by one of the Councils, or any matter relating to the Agreement, such dispute shall be referred in the first instance to the Chief Officers who shall use all reasonable efforts to resolve it by agreement within 28 days.

11.2 If the Chief Officers cannot reach a unanimous agreement on the resolution of any matter referred to it in accordance with clause 11.1, then the dispute shall be referred to the Director of Environment & Culture (Brent Council) and the Executive Director of Urban Living (Harrow Council) who shall endeavour to resolve the dispute within a further 28 days.

11.3 If the dispute cannot be resolved pursuant to clause 11.2 above, then the Councils may terminate the Agreement in accordance with clause 10.1 or 10.2.

**12. VARIATION**

This Agreement shall only be varied in writing and by signature of the duly authorised representatives of each Council. Any such variation shall be annexed to this Agreement.

**13. GOVERNING LAW AND JURISDICTION**

This Agreement shall be governed by and construed and interpreted in accordance with English law and the parties submit to the exclusive jurisdiction of the English Courts.

**IN WITNESS WHEREOF** this Agreement has been executed as a deed on the date set out above.

THE COMMON SEAL OF the MAYOR )  
AND BURGESSES OF THE )  
LONDON BOROUGH OF BRENT )  
was hereunto affixed to this Deed in )  
the presence of: )

.....  
Authorised Signatory

THE COMMON SEAL OF the MAYOR )  
AND BURGESSES OF THE )  
LONDON BOROUGH OF HARROW )  
was hereunto affixed to this Deed in )  
the presence of: )

.....  
Authorised Signatory

**DATED**

**2007**

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**THE MAYOR AND BURGESSES OF  
THE LONDON BOROUGH OF  
BRENT**

**AND**

**THE MAYOR AND BURGESSES OF  
THE LONDON BOROUGH OF  
HARROW**

---

**AGREEMENT**

**For the management of a public  
mortuary at Northwick Park Hospital**

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**Borough Solicitor  
Brent Legal Services  
Brent Town Hall Annexe  
Forty Lane  
Wembley  
Middlesex HA9 9HD**

**Ref: ALA/604/4/CON**





Meeting:	Cabinet
Date:	19 <sup>th</sup> April 2007
Subject:	Review of Fees Structure for Special Treatment Licensing
Key Decision: (Executive-side only)	Yes – Affects all Wards
Responsible Officer:	Andrew Trehern, Executive Director (Urban Living)
Portfolio Holder:	Councillor Hall, Environment
Exempt:	No
Enclosures:	Appendix A - List of Special Treatments Appendix B – Fee comparison with other authorities.

## **SECTION 1 – SUMMARY AND RECOMMENDATIONS**

This report informs Cabinet of the existing circumstances with regard to Special Treatment Licensing and makes proposals to review the Licensing fees structure for this area of work to enable the development of the Service to better support Special Treatments Practitioners and those accessing the treatment provided.

### **RECOMMENDATIONS:**

1. To agree to implement the new fee structure from January 2008 as proposed in section 4.0 of the report.

## **SECTION 2 - REPORT**

### **2.0 Brief History**

- 2.1 Prior to 1<sup>st</sup> April 1992 the Council licensed or registered persons and premises for the carrying out of certain treatments under the provisions of either the Middlesex County Council Act 1944 or The Greater London Council (General Powers) Acts 1981 depending on the type of licence or registration. Licences were annually renewable but registrations ran for the length of time the person and business existed in the premises.
- 2.2 The London Local Authorities Act 1991, when enacted, contained new provisions for the control of premises offering special treatments. The Act is adoptive and Councils can choose whether or not to adopt and use provisions within the Act. This Council chose to adopt the provisions relating to special treatments and the adoption of the Act and provisions became effective from the 1<sup>st</sup> April 1992.
- 2.3 These provisions require that specified special treatments may only be carried out within establishments if the premises are licensed. The license is renewable annually. A full list of special treatments is given in **Appendix A**.
- 2.4 Within the provisions of the Act a power is given for the Council to prescribe regulations governing the details to be supplied by the applicant, the means of determining the application and the placing of conditions or restrictions upon any licence granted.
- 2.5 It was considered that Harrow Council would set two tiers of fees structure according to risk element. The first low risk reduced fee was for Ear Piercing only and the second tier was for the remaining treatments.

### **3.0 The Case for Change**

- 3.1 Licenses were previously issued for one year from 1<sup>st</sup> April and were renewable on 31<sup>st</sup> March every year. As a result premises that applied later in the year did not benefit from the full 12 months period as licenses had to be renewed on 31 March. As a result the license date was changed to start the licence from the date of application for a 12 months period with the renewal falling on the anniversary of the license.
- 3.2 The London Local Authorities Act 1991 (LAA 1991) was amended in the year 2000 with a limited number of amendments regarding the exemptions, renewals and transfer of licences with the majority of clauses remaining unaffected. However since the enactment of LLA 1991, the beauty industry has made vast advances with new technologies and new treatments being introduced at a rapid rate. This has impacted on the cost of the licensing enforcement regime as officers are required to research these new technologies and treatments with a view to public health and safety. There are also increasing numbers of enquiries from members of public, as well as from existing and potential new businesses.

- 3.3 Due to the complexity of the new treatments the risk to customers has increased e.g. in artificial nail extension some chemicals used can severely damage the natural nails, the electrical filing process may pose a risk to the natural nails, and in addition dust and vapours can adversely affect nail technicians if ventilation and personal protective equipment are not adequate. In tattooing premises some pigments used for tattooing may be harmful to skin, and tattooists may illegally use anaesthetics prior to tattooing. In body piercing premises infections caused by poor hygiene conditions and cross contamination are becoming increasingly common and a significant cause of concern.
- 3.4 There are no prescribed qualifications for tattooists and body piercers so officers are required to give new operators a provisional license as a trainee for 3 months and then undertake a follow up interview to judge their knowledge and experience in order to issue a full license. The number of enquiries and complaints related to these treatments has also increased in recent years e.g. tattoos performed on under age children, complications after nail extension treatments etc. The officers are required to investigate these complaints, research new technologies to identify the cause and suitable controls in order to advise concerned parties accordingly.
- 3.5 There is an identified direct need for training for beauty therapists in Health and Safety, Infection Control and the current legislation relating to their business. It is therefore proposed that this Section would hold free seminars for beauty therapists twice a year covering training in Health & Safety, Infection Control and the Council's policies and procedures for issuing a special treatments license. This would not only benefit the Special Treatments Practitioners and businesses but also serve to protect those using these services.
- 3.6 The current fees structure does not reflect these changes, as it has remained the same for the past 15 years with only minimal increase at the rate of inflation. Appendix B shows the fee comparison with neighbouring authorities. However, these fees are likely to change as they all are in the process of reviewing their fee structure to reflect the new types of inspection regime and cost recovery. Our current fee level falls well short of cost recovery and the new proposed level will not only address some of these matters but also would enable us to raise standards of training to the industry through free seminars and competency assessment schemes.

#### **4.0 Proposed Fee Structure**

- 4.1 In order to support the costs of service delivery and enforcement activities and to enable the enhanced service provision and training the following fee structure is proposed:

**Band A (£150) - Ear piercing only.**

These premises are mostly ancillary premises to Hairdressing, Chemists or Accessory shops. Most chemists are exempted from licensing as they come under professions supplementary to medicines. (LLA 1991 Part II [3.004] 4 (b) & (c). However some chemists shop assistants carry out the piercing and therefore need to be trained in ear piercing and the use of sterile pre packed jewellery. These operators are not members of exempted bodies they require a licence. The Council inspects the premises for Health & Safety, infection control and personal hygiene of the operators and premises Qualifications, equipment and customer record cards are also inspected.

**Band B (£300)**

***Aromatherapy, body massage, bleaching, Champissage (Indian Head massage), eyebrow/eyelash tinting & shaping, Fairbairn therapy/Tangent therapy, facials (basic only), Thermo auricular therapy ( Hopi ear candles), holistic/remedial/therapeutic massage, Infra red, manicure (NOT NAIL EXTENSION), Marma therapy, Metamorphic Technique, pedicure ,Polarity therapy, Qi Gong, Reiki, Reflexology, Shiatsu, Sports massage, Thai massage and waxing.***

These premises are mostly small scale self employed individuals undertaking a business at a low volume, often within their own residence. Although the treatments are generally low risks if managed properly and given by qualified technicians and increasing number of applications for licence are being received from therapists who are either newly qualified or with overseas qualifications. The individuals often do not understand the statutory requirements of running a business i.e. planning permission, registering their business, health & safety, fire precautions and indemnity insurance. This has a significant impact on the cost element of licensing, as Officers must invest time explaining and advising on these requirements and checking compatibility in case of overseas qualifications.

### **Band C (£450)**

***Acupressure, Acupuncture, Anthroposophical Medicine, Ayurvedic Medicine, Body Wraps, Bowen Technique, Colour therapy, Electrolysis, Advance electrolysis, Endermologie, Faradism, Foot Detox, Galvanism, Gyrotory Massage – G5, High Frequency, Korean Hand Therapy, Manual lymphatic drainage, Micro current therapy (non surgical face lifts), Micropigmentation (Semi Permanent Makeup), Moxabustion, Nail extensions, NAET, Rolfing, Sclerotherapy, Spray tanning, Stone therapy, Trichology, Tui – na, Ultra sonic & including Band A & B except D.***

These premises are mostly High Street based commercial premises with high volume passing trade. The Environmental Health service receives a growing number of enquiries and complaints and the introduction of new treatments has a major impact on Officers' time to research and investigate these complaints and enquiries.

It is also recommended that where appropriate samples are collected and sent to the public analyst to support inspection and investigation with resultant direct costs. The proposed increase in fees will enable us to investigate complaints and send samples of chemicals used to Public Analyst's Laboratory to analyse and test as standard procedure.

**BAND D (£600)** - (Where a premises holds a registration with Health Care Commission, a reduction of 50% of the fee will be applicable provided the inspection by the Health Care Commission includes the whole premises and all treatments offered.)

***Body piercing, beading, Bio Skin Jetting, Botox, Chiropody & Chiropractic (if state registered a license is not required) Collagen Implants (Cosmetic fillers (by medical practitioner only), Osteopathy, Physiotherapy (if state registered a license is not required) Tattooing, Tattoo removal, Steam & Sauna Baths, Spa, Jacuzzi, Floatation tank, Hydrotherapy, Thalassotherapy & Ultra violet Tanning (Sun beds).***

These premises require extra officer's time as in tattooing premises some pigments used for tattooing may be harmful to skin, some tattooist use anaesthetics prior to tattooing that is illegal. In body piercing premises infections caused by poor hygiene conditions are becoming increasingly cause of concern. Cross contamination between clients and body piercers is another risk that if not been managed properly may cause dangerous illness. There are no prescribed qualifications yet for tattooist and body piercers so Officers have to give new recruits provisional license as trainee for 3 months and then interview them to judge their knowledge and experience in order to include them on the license. The number of enquiries and complaints for these sorts of premises has also increased e.g. parents complaining about tattoos performed on their under age children and complications after nail extension treatments etc. Officers have to investigate these complaints and research into new technologies to find the cause of the problem and advise concerned parties accordingly.

## **5.0 Consultation**

- 5.1 All business affected will be informed of the proposed changes to the Fee Structure and will be given 8 months notification of the fee increases due to the licensing annual cycle. All businesses will also be invited for a free seminar in August 2007 to outline the fee increases and the additional benefits and services to be provided in the future years.

## **6.0 Financial Implications**

- 6.1 The additional income generated has been built into the medium term budget strategy agreed at Council in February 2007 based on the following assumptions:

Band A	5 x 150 = £ 750
Band B	28 x 300 = £ 8400
Band C	72 x 450 = £32400 less 2250 for dual registration
Band D	21 x 600 = £12600
<u>Total</u>	<u>£ 51900</u>

It is predicted that predicted income level will be maintained in 2008/09 and year on year thereafter subject to unforeseeable changes in the number of premises requiring licensing. It is likely that with improved regulation and enforcement some growth will be obtained as previously unlicensed operators are brought into the regime but this cannot be built into budget predictions with confidence at this time.

- 6.2 If the proposed fee increases are not approved the income will not be achieved and a compensatory saving will be required within the service budget. This may adversely affect the service delivery of the licensing service at a time of implementing new legislation and projects i.e. Gambling Act 2005, Smoke free public places, Review of the Licensing Policy and Town Centre Stress Zone.

## **7.0 Legal Implications**

The London Local Authorities Act 1991 requires applicants for the grant, renewal or transfer of a special treatment licence to pay a reasonable fee determined by the council. The power to determine fees for such applications is an Executive function. Before adopting the proposed fee structure, the Executive must be satisfied on the material put forward that the proposed fees are reasonable.

## **8.0 Equalities Impact**

- 8.1 The proposed service and licensing regime will be applied equally to everyone and will provide direct support to small and medium sized businesses and those seeking to start in business providing equal access to all.
- 8.2 The proposed regime will also provide a better understanding of and direct guidance to qualifications and experiences gained outside the UK as well as providing direct access to training and advise. Hence it will be an improvement in the way this service deals with minority communities and their expectations.

**9.0 Section 17 Crime and Disorder Act 1998 Considerations**

9.1 These measures support existing crime and disorder initiatives and would improve proactive enforcement of unlicensed establishments. It also has the potential to further integrate the work of police and community support staff with local authority enforcement.

**SECTION 3 - STATUTORY OFFICER CLEARANCE**

Chief Finance Officer	<input type="checkbox"/>	Name: Carol Maduka
		Date: .....3 April 2007.....
Monitoring Officer	<input type="checkbox"/>	Name: David Galpin.....
		Date: 3 April 2007.

**SECTION 4 - CONTACT DETAILS AND BACKGROUND PAPERS**

**Contact:**

Gareth Llywelyn-Roberts, Head of Community Safety Services, 020 8736 6230, [gareth.Llywelyn-roberts@Harrow.gov.uk](mailto:gareth.Llywelyn-roberts@Harrow.gov.uk)  
Sivashankar, Service Manager, Community safety Services, Urban living, 020 8736 6237 [shankar@harrow.gov.uk](mailto:shankar@harrow.gov.uk)

**Background Papers:**

List of Special Treatments

**IF APPROPRIATE, does the report include the following considerations?**

1.	Consultation	Yes
2.	Corporate Priorities	Yes
3.	Manifesto Pledge Reference Number	A5; B2; D3; D5;

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**A full list of Special Treatments**

**Appendix A**

<b>Acupressure</b>	<b>Acupuncture</b>
<b>Advance electrolysis</b>	<b>Anthroposophical Medicine</b>
<b>Aromatherapy</b>	<b>Ayurvedic Medicine</b>
<b>Beading</b>	<b>Bio Skin Jetting</b>
<b>Bleaching</b>	<b>Body massage</b>
<b>Body piercing</b>	<b>Body Wraps</b>
<b>Botox</b>	<b>Bowen Technique</b>
<b>Champissage (Indian Head massage)</b>	<b>Chiropody &amp; Chiropractic (if state registered a license is not required)</b>
<b>Collagen Implants (Cosmetic fillers (by medical practitioner only)</b>	<b>Colour therapy</b>
<b>Ear piercing</b>	<b>Electrolysis</b>
<b>Endermologie</b>	<b>Eyebrow/eyelash tinting &amp; shaping</b>
<b>Facials (basic only)</b>	<b>Fairbane therapy/Tangent therapy</b>
<b>Faradism</b>	<b>Floatation tank</b>
<b>Foot Detox</b>	<b>Galvanism</b>
<b>Gyratory Massage – G5</b>	<b>High Frequency</b>
<b>Holistic/remedial/therapeutic massage</b>	<b>Hydrotherapy</b>
<b>Infra red</b>	<b>Jacuzzi</b>
<b>Korean Hand Therapy</b>	<b>Manicure</b>
<b>Manual lymphatic drainage</b>	<b>Marma therapy</b>
<b>Metamorphic Technique</b>	<b>Micro current therapy (non surgical face lifts)</b>
<b>Micropigmentation (Semi Permanent Makeup)</b>	<b>Moxabustion</b>
<b>NAET</b>	<b>Nail extensions</b>
<b>Osteopathy (if state registered a license is not required)</b>	<b>Pedicure</b>
<b>Physiotherapy (if state registered a license is not required)</b>	<b>Polarity therapy</b>
<b>Qi Gong</b>	<b>Reflexology</b>
<b>Reiki</b>	<b>Rolfing</b>
<b>Sclerotherapy</b>	<b>Shiatsu</b>
<b>Spa</b>	<b>Sports massage</b>
<b>Spray tanning</b>	<b>Steam &amp; Sauna Baths</b>
<b>Stone therapy</b>	<b>Tanning (Sun beds)</b>
<b>Tattoo removal</b>	<b>Tattooing</b>
<b>Thai massage</b>	<b>Thalassatherapy</b>
<b>Thermo auricular therapy (Hopi ear candles)</b>	<b>Trichology</b>
<b>Tui – na</b>	<b>Ultra sonic</b>
<b>Ultra violet</b>	<b>Waxing</b>

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**Other Local Authorities' Special Treatment License Fees**

<b>Local Authority</b>	<b>Blanket Fee Or Fee Bands</b>	<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>
<b>Brent</b>	<b>Bands</b>	<b>£70</b>	<b>£216</b>	<b>£368</b>	<b>£840+£64</b>
<b>Barnet</b>	<b>Bands</b>	<b>£120</b>	<b>£270</b>	<b>£346</b>	<b>346</b>
<b>Hillingdon</b>	<b>Bands</b>	<b>£170</b>	<b>£339</b>	<b>£510</b>	<b>510</b>
<b>Ealing</b>	<b>Blanket Fee</b>	<b>£252</b>	<b>£252</b>	<b>£252</b>	<b>£252</b>
<b>Westminster</b>	<b>Tier 1 &amp; Tier 2</b>	<b>£606+£12 pp / pt</b>	<b>£3725+£79pp / pt</b>		
<b>Hammersmith &amp; Fulham</b>	<b>Various levels</b>	<b>£95 one treatment only £147 multiple treatment</b>	<b>£325 1 treatment only £355 + multiple Band A</b>	<b>£670</b>	<b>£975</b>
<b>Harrow</b>	<b>Bands (see Fees Structure for treatments in Bands)</b>	<b>£150</b>	<b>£300</b>	<b>£450</b>	<b>£650</b>

**Note;**

**All neighbouring authorities are in the process of reviewing their licence fees to reflect the changes in practices and new challenges. However, they were unable to furnish with their proposed fee levels at this time.**

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Meeting:	Cabinet
Date:	19 April 2007
Subject:	Annual Audit and Inspection Letter
Key Decision:	No
Responsible Officer:	Paul Najsarek, Director of People, Performance and Policy Myfanwy Barrett, Director of Finance & Business Strategy
Portfolio Holder:	David Ashton, Business Development
Exempt:	No
Enclosures:	Appendix - Annual Audit and Inspection Letter

## **SECTION 1 – SUMMARY AND RECOMMENDATIONS**

This report sets out the details of the Annual Audit and Inspection letter.

### **RECOMMENDATIONS:**

The Cabinet is requested to:  
Note the recommendations of the Annual Audit and Inspection letter.  
Request that officers incorporate responses to the letter in the Council's new improvement programme which will be reported to June Cabinet.

**REASON:** The Council is required to report the Annual Audit and Inspection letter to Cabinet, Overview and Scrutiny and Audit Committees.

## **SECTION 2 - REPORT**

### **2.1 Brief History**

In February 2007 the Audit Commission published the latest local government CPA classifications. Harrow is now a '2 star' council and is 'improving adequately'. On March 13<sup>th</sup> 2007 the reports of our recent Corporate Assessment and Joint Area Reviews were published. The Corporate Assessment is reported elsewhere on the agenda. These reports both score the Council as 2 out of 4. These scores will not change the Councils star rating. The attached Annual Audit and Inspection Letter summarises the Audit Commission and Auditor view of the Councils improvement progress. Most Councils with the same functions as Harrow are rated as 3 or 4 star.

The scores in each service area, which go toward the overall classification, are mainly based on our performance on key performance indicators as at 31st March 2006.

It is pleasing that the Audit Commission acknowledges our improvements as an organisation over the last year with two thirds of our performance indicators improving. However, they suggest that we need to do further work to clarify our priorities and improve our financial standing, develop members and officer capacity and speed up service improvement.

Work arising from the Audit and Inspection letter for 2007/8 will be planned, managed and monitored through the Councils new improvement programme which will be presented to June Cabinet.

### **2.2 Options considered**

Not applicable.

### **2.3 Consultation**

The Audit Commission provided the Council with a draft of the letter for comment prior to finalising it.

### **2.4 Financial Implications**

None.

### **2.5 Legal Implications**

Section 99 of the Local Government Act 2003, places the Audit Commission's role in conducting Comprehensive Performance Assessment onto a statutory footing. The Audit Commission must publish a report which categorises authorities according to their performance in carrying out their functions.

Compliance with the recommendations made following the annual inspection by the Audit Commission is conducive to improving the Council's score.

2.6 Equalities Impact

The CPA assessment includes a focus on diversity issues.

2.7 Section 17 Crime and Disorder Act 1998 Considerations

The corporate assessment in November 2006 assessed how the Council is meeting its obligations under the Act.

2.8 Cost of Proposals

Within existing budgets

2.9 Risks

Progress against regulatory priorities is important for the Council's improvement. The Council's reputation is affected by annual CPA assessments.

2.10 Implications is recommendations rejected

Next year's CPA assessment of the Council would suffer and improvement work would be hindered.

**SECTION 3 - STATUTORY OFFICER CLEARANCE**

Chief Finance Officer	<input type="checkbox"/>	Name: Myfanwy Barrett..... Date: 3/4/07.....
Monitoring Officer	<input type="checkbox"/>	Name: Jill Travers..... Date: 5/4/07.....

**SECTION 4 - CONTACT DETAILS AND BACKGROUND PAPERS**

**Contact:** Paul Najsarek, Director of People, Performance and Policy

**Background Papers:**

**IF APPROPRIATE, does the report include the following considerations?**

1.	Consultation	YES/ NO
2.	Corporate Priorities	YES / NO
3.	Manifesto Pledge Reference Number	



# Annual Audit and Inspection Letter

**London Borough of Harrow**

**Audit 2005/2006**

External audit is an essential element in the process of accountability for public money and makes an important contribution to the stewardship of public resources and the corporate governance of public services.

Audit in the public sector is underpinned by three fundamental principles:

- auditors are appointed independently from the bodies being audited;
- the scope of auditors' work is extended to cover not only the audit of financial statements but also value for money and the conduct of public business; and
- auditors may report aspects of their work widely to the public and other key stakeholders.

The duties and powers of auditors appointed by the Audit Commission are set out in the Audit Commission Act 1998 and the Local Government Act 1999 and the Commission's statutory Code of Audit Practice. Under the Code of Audit Practice, appointed auditors are also required to comply with the current professional standards issued by the independent Auditing Practices Board.

Appointed auditors act quite separately from the Commission and in meeting their statutory responsibilities are required to exercise their professional judgement independently of both the Commission and the audited body.

### **Status of our reports**

This report provides an overall summary of the Audit Commission's assessment of the Council, drawing on audit, inspection and performance assessment work and is prepared by your Relationship Manager.

In this report, the Commission summarises findings and conclusions from the statutory audit, which have previously been reported to you by your appointed auditor. Appointed auditors act separately from the Commission and, in meeting their statutory responsibilities, are required to exercise their professional judgement independently of the Commission (and the audited body). The findings and conclusions therefore remain those of the appointed auditor and should be considered within the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission.

Reports prepared by appointed auditors are:

- prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission; and
- addressed to members or officers and prepared for the sole use of the audited body; no responsibility is taken by auditors to any member or officer in their individual capacity, or to any third party.

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## Our overall summary

- 1 This report provides an overall summary of the Audit Commission's assessment of the Council. It draws on the findings and conclusions from the audit of the Council, from the Corporate Assessment and from a wider analysis of the Council's performance and its improvement over the last year, as measured through the Comprehensive Performance Assessment (CPA) framework.
- 2 The report is addressed to the Council, in particular it has been written for councillors, but is available as a public document for stakeholders, including members of the community served by the Council.
- 3 The main messages for the Council included in this report are as follows.
  - The corporate assessment concluded that the Council is performing adequately overall, only meeting minimum requirements. Among the areas for development are:
    - a clearer hierarchy of priorities to guide service planning, and definition of clear outcome goals which are realistic and measurable;
    - Councillor capacity to support target-setting and the performance management of services and activities;
    - more systematic use of intelligence, including consultation with the public, to inform service changes necessary to respond to changing needs in the borough;
    - improve comparative position in areas of highest priority to deliver good quality services for local people; and
    - strengthening the Council's focus, with partners, on the wider well-being of older people, by agreeing a clear strategy to improve well-being across services.
  - The Joint Area Review of children's services undertaken in December 2006 assessed local services as 2 overall – adequate performance.
  - Your appointed auditor provided an unqualified opinion on your 2005/06 accounts.
  - Your overall Use of Resources score remained a two which indicates that you are 'at only minimum requirements – adequate performance'.
  - Your appointed auditor gave a conclusion on your arrangements for use of resources to say that these arrangements are adequate, except for the failure to put in place a medium term financial strategy, budgets and a capital programme that were soundly based and designed to deliver the Council's strategic priorities and arrangements to ensure that the Council's spending matched its available resources.

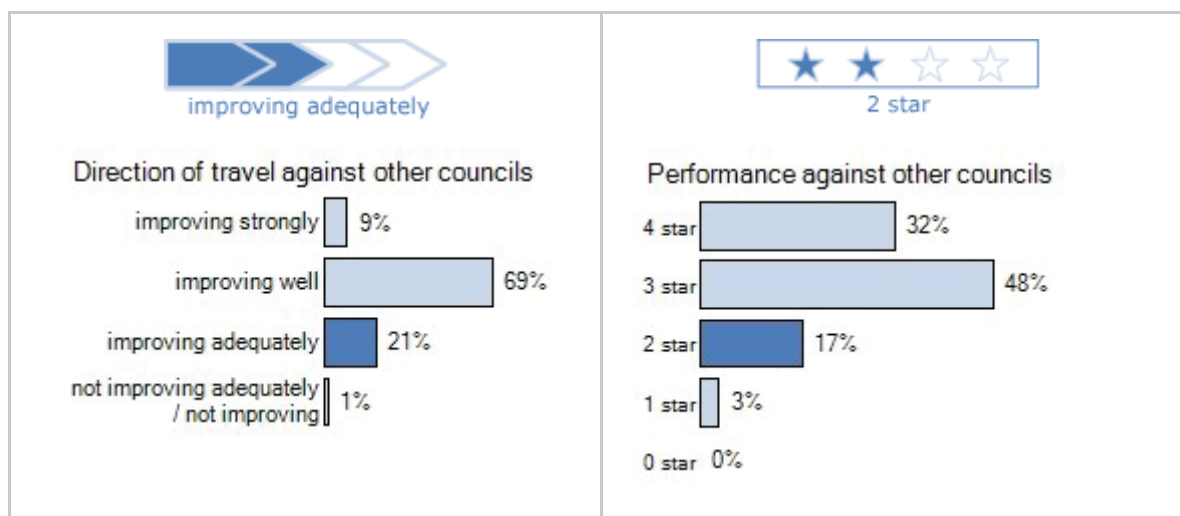
## Action needed by the Council

- 4 Harrow's general fund reserves were very low at 31 March 2006 and, at £1.8 million, outside its minimum reserves policy of £3.5 million. The Council faces significant financial risks, including successful delivery of an 'in year' savings plan of £8.7 million and resolution of disputed debtor amounts, as well as ongoing demand pressures on existing budgets. The Council needs as a matter of priority to agree a medium term budget strategy through the current budget round which rebuilds reserves and stabilises its financial position.
- 5 The Corporate Assessment report (February 2007) includes the following areas for improvement.
  - The Council should clearly identify the key issues which are most important in delivering its longer-term ambitions and link these to a clear vision which sets out how the Council and partners will maintain and improve the special characteristics of Harrow as a place. To deliver this vision, the Council needs to create a clearer hierarchy of priorities to guide its service planning and define clear outcome goals which are realistic and measurable. The corporate plan needs to make these priorities clear including where financial pressures have led to the creation of lower priorities.
  - Councillor capacity needs to be strengthened to enable better definition of long term strategy and associated long-term outcomes. Councillors need support in target-setting and the performance management of services and activities.
  - The Council should aim for continuous improvement in areas of highest priority and seek to improve its comparative position in these areas to deliver good quality services for local people.
  - The Council needs to use systematically its range of profile data and regular public polling to inform service changes necessary to respond to changing needs in the borough.
  - With partners, the Council should strengthen its focus on the wider well-being of older people, by drawing up a clear and agreed strategy to deliver well-being across services and by providing officer leadership to drive its delivery.
- 6 The Joint Area Review draft report (February 2007) contains a number of recommendations for improvement in the short, medium and longer term. The recommendations requiring immediate action were:
  - ensure that all partner agencies have safe procedures and practices for vetting staff, volunteers and contractors for persons having contact with children and young people;
  - consult all partner agencies in a review of the threshold criteria for social care assessments and service provision; and
  - ensure direct payments are promoted in compliance with the statutory requirement.

## How is Harrow Council performing?

- 7 The Audit Commission’s overall judgement is that Harrow Council is improving adequately and we have classified Harrow Council as two-star in its current level of performance under the Comprehensive Performance Assessment. These assessments have been completed in all single tier and county councils with the following results.

**Table 1**



Source: Audit Commission

- 8 The detailed assessment for Harrow Council is as follows.

### Our overall assessment - the CPA scorecard

**Table 2 CPA scorecard**

Element	Assessment
Direction of Travel judgement	Improving adequately
Overall	2 star

Element	Assessment
Current performance	out of 4
Children and young people	2 out of 4
Social care (adults)	2 out of 4
Use of resources	2 out of 4
Housing	3 out of 4
Environment	2 out of 4
Culture	2 out of 4
Benefits	4 out of 4
Corporate assessment/capacity to improve	2 out of 4

(Note: 1=lowest, 4= highest)

## The improvement since last year - our Direction of Travel report

- 9 Harrow has made some improvements in its key priorities. Overall, nearly two-thirds of key performance indicators have improved with strong performance maintained in attainment at GCSE level, and further improvement in recycling levels. Partnership working has helped to deliver regeneration benefits in town centres and to reduce fear of crime. Harrow is a low crime area but recent trends show a significant increase in certain crimes such as robberies. Improvement is less consistent in core services such as adults' social care and street cleaning.
- 10 Financial standing is weak and this is impacting on the Council's ability to deliver priorities such as environmental services. The Council provides adequate value for money and there is now an appropriate focus on achieving greater financial stability. The Council continues to refine its performance management framework and is using partnerships with the private sector to improve areas such as customer access and use of information and communications technology.
- 11 As well as rebuilding its finances effectively, the Council needs to now increase the pace of improvement across all key services so that quality services are delivered.

## Corporate Assessment

- 12 The following is taken from the executive summary of the Corporate Assessment report - February 2007
- 13 The Council's ambition for the borough is to 'be a place which offers the best of capital and country and is loved by its residents'. It has a good understanding of its communities and local need and shares this intelligence with partners. It has developed a shared medium term vision for the future but a longer term strategic vision reflecting the distinctive nature of the borough is not clearly articulated. The immediate financial pressures faced by the Council and some of its partners drive a short term approach at the expense of articulation of a clear longer term strategic vision. This also affects priorities to improve. Harrow's priorities are focused upon achieving greater financial stability but this is drawing heavily on senior councillor capacity, which reduces strategic leadership. Priorities are a collection of short term and medium term improvements, and targets are not always challenging or clear.
- 14 The Council is adopting a stronger user focus through the redesign of service delivery such as Access Harrow, its one-stop shop and call centre. It uses a wide range of user surveys to gauge satisfaction at a high level and consults on policy change, though how the Council uses this in service planning is not always clear. The Council has structures in place to involve users at a strategic level, including for older people, sustainable development and enterprise work; but not all of these are sufficiently representative of the local population. There are fewer examples of users being involved in service monitoring and in reviewing the performance of services.
- 15 Harrow understands the diversity within its communities and has responded with effective changes in some but not all services. The Council has good systems to keep it updated on the profile and diversity of its communities, and regularly monitors local opinion on priorities and levels of satisfaction, including by different ethnic groups. It understands the changing nature of its communities such as the increase in the Somali and Eastern European population. The borough enjoys positive community cohesion and recent projects seek to strengthen this, such as third-party reporting of racial incidents. The Council's service responses to diversity are strongest in its work with schools and children's services. Council staffing figures show a reasonable reflection of the local community though the Council wants to do more. Good work with the voluntary sector and in projects such as Rayners Lane regeneration are also providing for diverse needs. But the Council does not routinely use its data to develop services, and some areas such as leisure do not yet offer mainstream services which respond to new needs.



- 16 The political leadership team provides clear direction but gaps in senior managerial leadership have meant they are more occupied with short term issues than long term strategic direction. It has a clear view of the need to achieve good overall political leadership, with a clear view of the need to achieve a stable financial position and take swift action on plans to achieve this. Portfolio leads bring some useful professional backgrounds but they do not yet provide sound strategic direction in some areas, such as children and young people (CYP) and housing. Managerial leadership is not consistent throughout the Council. The executive management team has suffered significant gaps over the last year, creating additional workloads and delays in organisational change. Leadership is clearest in Children's Services and these provide some of the best examples of using systems such as performance management to drive improvement. Organisational change has not always been effectively led in Harrow, though the Council has learned from this and recent changes have been more successful. Capacity through staff is stretched in size of establishments, rising sickness levels and reductions in posts.
- 17 Current financial capacity is weak. For two years the Council has not met the minimum level of reserves defined by its own policy, and there is little prospect of it doing so in 2007/08. Improving value for money is a top priority for the Council, but the auditor's latest assessment shows that current work to improve the cost and performance relationship has not yet produced an overall improvement. Harrow's recent business partnering exercises have resulted in improved systems and expertise and it is using these to address previous areas of weakness such as procurement. For example, a partnership with Accord MP for highways services is bringing additional expertise for town centre scheme design and planning.
- 18 Overall achievement and outcomes for local people in Harrow are adequate. The contribution of the Council to outcomes for children and young people are adequate overall, with some areas of high achievement as education attainment. It has shown an ability to target resources on meeting the needs of different areas, for example responding to neighbourhood issues in South Harrow and co-ordinated work to regenerate Rayners Lane. Service improvement is, however, often related to one aspect of service and it can be difficult to see the overall impact the Council wants. For example, performance on the environment is mixed and stretching targets for improvement are not always in place. There remain key challenges in transport congestion and housing in Harrow and in the Council's ability to balance the economic, social and environmental needs of the area. Harrow enjoys low crime rates and has worked with partners to reduce the fear of crime and provide more assurance and support to those most at risk of disadvantage. In other areas of the national shared priorities, older people and health, the Council's work to broaden its approach and refocus its services to contribute to these shared aims is at an early stage.

- 19 The Joint Area Review of children’s services - February 2007 assessed local services as 2 overall – adequate performance. Key messages included:
- 20 Outcomes for children and young people in Harrow are good overall. Children and young people are generally safe, mostly in good health, achieve very well, make a good and positive contribution to society, and enjoy good economic well-being.
- 21 The contribution of council services and social care services for children to improving outcomes is adequate. The work of the council in keeping children and young people safe is adequate and outcomes are adequate. The education service is good. Harrow has an inadequate youth service - it does not deliver minimum requirements for users.
- 22 The management of the council services for children and young people is adequate at a time of significant organisational change and uncertainty in the council. The capacity of the council to improve the management and quality of services is adequate but the budget situation in the council and health economy and the establishment of a formal structure for integrated working across partners remain a significant challenge.
- 23 An important aspect of the role of the Relationship Manager is to work with other inspectorates and regulators who also review and report on the council’s performance. Relationship Managers share information and seek to provide ‘joined up’ regulation to the Council. During the last year the Council has received the following assessments from other inspectorates.
- 24 The Commission for Social Care Inspection assessed the Council’s Adults Services as ‘serving some adults well’ with ‘uncertain capacity to improve’ in 2006. This is a rating of one-star overall.
- 25 The Benefit Fraud Inspectorate has scored the Council as 4 for CPA purposes as detailed below.

<b>Figure 1.1: Performance Standards theme scores</b>			
<b>Theme</b>	<b>2005</b>	<b>2006</b>	<b>Change</b>
Claims administration	4	4	=
Security	4	4	=
User focus	4	4	=
Resource management	4	4	=
Overall score	4	4	=

Source: BFI analysis

## Financial management and value for money

- 26** Your appointed auditor has reported separately to the Audit Committee on the issues arising from the 2005/06 audit and has provided:
- an unqualified opinion on your accounts;
  - a conclusion on your arrangements for use of resources to say that these arrangements are adequate, except for the failure to put in place a medium term financial strategy, budgets and a capital programme that were soundly based and designed to deliver the Council's strategic priorities and arrangements to ensure that the Council's spending matched its available resources; and
  - a report on the Best Value Performance Plan confirming that the Plan has been audited.
- 27** The findings of the auditor are an important component of the CPA framework described above. In particular the Use of Resources score is derived from the assessments made by the auditor in the following areas.
- Financial Reporting (including the preparation of the accounts of the Council and the way these are presented to the public).
  - Financial management (including how the financial management is integrated with strategy to support council priorities).
  - Financial Standing (including the strength of the Council's financial position).
  - Internal Control (including how effectively the Council maintains proper stewardship and control of its finances).
  - Value for money (including an assessment of how well the Council balances the costs and quality of its services).
- 28** For the purposes of the CPA your auditor has assessed the Council's arrangements for use of resources in these five areas as follows.

**Table 3**

<b>Element</b>	<b>Assessment</b>
Financial reporting	2 out of 4
Financial management	2 out of 4
Financial standing	1 out of 4
Internal control	3 out of 4
Value for money	2 out of 4
Overall assessment of the Audit Commission	2 out of 4

*(Note: 1=lowest, 4=highest)*

- 29** The key issues arising from the audit, as reflected in the above judgements where appropriate, are set out in the following paragraphs.
- 30** The Council recorded an overspend of £4.4 million in 2005/06. This eroded reserves to £1.8 million, outside its minimum reserves policy level of £3.5 million. A savings plan of £8.9 million was agreed at the Cabinet meeting on 3 August 2006 to meet pressures which emerged after the original budget for 2006/07 was set, to allocate previously unallocated savings targets in the original budget to specific savings projects and to start to rebuild reserves. The Council will not close the current gap to its minimum reserves policy level unless it identifies and delivers further savings and is able to deliver the existing savings plan in full. The Council will need, through the current budgeting round, to update its medium term budget strategy with a view to re-stabilising its finances.
- 31** The Council has agreed additional processes to monitor progress on its savings plans and believes that recent system changes should provide a platform for improvements to financial monitoring information.
- 32** Whilst there were unforeseen circumstances which contributed to the Council's financial position, it has also been significantly affected by the inclusion of savings targets within successive budgets over the last three years which were initially not supported by detailed savings plans which have been only partially delivered. The savings plan agreed on 3 August 2006 was supported by a detailed list of specific projects.

- 33** There were improvements to financial reporting processes which enabled your auditors to issue their opinion by the statutory deadline for the first time in three years. As last year, adjustments were needed to the Housing Revenue Account (HRA) presented in the draft accounts submitted for audit which, although small in the context of the Council's overall operations, were material to the HRA (a statutorily ring fenced fund). On the General Fund side, there were accounting issues, in particular in relation to bad debt provisions, where your auditor considered the Council's approach was not unreasonable based on the information available at that time, but which nevertheless represent ongoing financial uncertainties which are significant in the context of the Council's financial position and will need careful monitoring alongside more routine financial information.
- 34** The Council has taken steps to strengthen its system of internal controls, including implementing a new management assurance process. It has also implemented a range of, in some cases, innovative initiatives aimed at improving the management and monitoring of value for money. These include undertaking a benchmarking exercise to measure the Council's baseline performance at delivering value for money; devising and including measures within its performance management system to specifically monitor value for money; and establishing improvement boards to review the performance of services. The Council should monitor to ensure that demonstrable and measurable improvements to value for money flow from these new initiatives.

## Conclusion

- 35 This letter has been discussed and agreed with the Director of Resources and Director of Strategy. A copy of the letter will be presented at the Cabinet on 19 April 2007.
- 36 The Council has taken a positive and constructive approach to our audit and inspection I would like to take this opportunity to express my appreciation for the council's assistance and co-operation.

## Availability of this letter

- 37 This letter will be published on the Audit Commission's website at [www.audit-commission.gov.uk](http://www.audit-commission.gov.uk) and also on the council's website.

Jackie Barry-Purssell  
Relationship Manager



Meeting:	Cabinet
Date:	19 April 2007
Subject:	Corporate Assessment
Key Decision: (Executive-side only)	No
Responsible Officer:	Paul Najsarek – Director People, Policy & Performance
Portfolio Holder:	Cllr David Ashton
Exempt:	No
Enclosures:	Corporate Assessment Final Report March 2007

## SECTION 1 – SUMMARY AND RECOMMENDATIONS

This reports sets out the findings from the final Corporate Assessment report.

### **RECOMMENDATIONS:**

The Cabinet/Committee/Portfolio Holder is requested to:

1. Note the Corporate Assessment final report (attached)
2. Request officers to develop an improvement plan for agreement at **June 07** Cabinet.

### **REASON:**

To enable the council to respond to the improvement recommendations made through the Corporate Assessment.

## SECTION 2 - REPORT

### Background

The Comprehensive Performance Assessment methodology was revised in 2005/06 and is known as the 'Harder Test' – it is a more stringent assessment with greater emphasis on outcomes for local people and value for money.

In November 2006 the Audit Commission (AC) carried out the Corporate Assessment (CA) inspection at Harrow Council.

We have now received the final report from the AC based on the new methodology (see attached).

### Key findings

The report has given the council an overall final score of **2 (adequate performance)** and the Joint Area Review was labelled with **good** outcomes, and a council score of **2**. These scores do not change our overall CPA position, which rates us as **2 - Improving Adequately**.

The council has opted not to appeal the score, but is taking a positive view that the findings from the report will be a key driver for change. The breakdown of scores against each of the themes are illustrated below:

Headline Questions	Theme	Score
What is the Council, together with its partners, trying to achieve?	Ambition	2
	Prioritisation	2
What is the capacity of the Council, including its work with partners, to deliver what it is trying to achieve?	Capacity	1
	Performance Management	2
What has been achieved?	Achievement	2
Overall Corporate Assessment Score		2 Adequate Performance

The key messages from the report are:

### **What we do well**

1. We demonstrate effective community leadership through well-developed partnerships and therefore have a good understanding of our community.
2. We take account of local people's views to prioritise and have well developed plans in priority areas. We have given priority to improving the financial situation
3. Our political leadership team provides clear direction and there are professional and positive relationships between officers and members.
4. We have a clear performance management framework and have improved areas of weak performance in a timely way, with good IT systems in place to enable effective monitoring.



5. We use innovation and have good outcomes to regenerate neighbourhoods, significant improvement in recycling and positive outcomes in fear of crime and community cohesion.
6. There are good examples of performance improvements, but from a low base
7. We have a good strategy for people
8. We make good use of partnerships to increase capacity i.e. BTP. AccordMP

### **Areas for improvement**

1. We need to be clearer, with our partners, about the long-term vision for Harrow and build on the 'distinctiveness' of Harrow. Our priorities must be clear and contribute to this long term vision
2. We need to clarify our priorities and say what is not a priority, communicate this to local people and apply measurable targets more consistently across services using a simplified service planning process.
3. We need to strengthen our financial position and senior leadership capacity is mixed and we therefore need to provide members with more strategic development. We need to embed workforce planning across the organisation.
4. We need to increase the pace of improvement and support this with more ambitious improvement targets.
5. We need to develop service user involvement in services and member challenge in reviewing performance.
6. We need to integrate health in Harrow across council plans and extend services for older people (50+) beyond health and social care.

### **Improvement Planning**

The findings from the Corporate Assessment and the Joint Area Review are recognised as key drivers that will contribute to the council's wider improvement programme alongside the organisation review, savings plan and fundamental service reviews.

An audit is currently taking place to identify projects and initiatives that are already taking place to address the improvement areas highlighted in the report.

Additionally, an overall improvement programme is being developed with the new Chief Executive, Michael Lockwood. The focus of the improvement programme is to making our corporate vision a reality. We are now clearer about where we need to focus resource and effort to make a real difference to the services we offer and local people.

### **Equalities**

The Audit Commission has noted in the final report positive work on equalities.

**Consultation**

The Audit Commission met with the Senior Members and Officers on 23 February 2007 to provide formal feedback prior to publishing the report on 13 March 2007.

**Legal and Financial Comments**

Legal & Finance have cleared this report with no additional comments.

**SECTION 3 - STATUTORY OFFICER CLEARANCE**

Chief Finance Officer	<input checked="" type="checkbox"/>	Name: Myfanwy Barrett.... Date: 29 March 2007.....
Monitoring Officer	<input checked="" type="checkbox"/>	Name: Hugh Peart..... Date: ...29 March 2007.....

**SECTION 4 - CONTACT DETAILS AND BACKGROUND PAPERS**

**Contact:** Paul Najsarek, Director People, Policy & Performance, Ext 5252

**Background Papers:**

Corporate Assessment Final Report – March 2007.

**IF APPROPRIATE, does the report include the following considerations?**

1.	Consultation	YES
2.	Corporate Priorities	NO
3.	Manifesto Pledge Reference Number	

# Corporate Assessment

London Borough of Harrow

The Audit Commission is an independent body responsible for ensuring that public money is spent economically, efficiently and effectively, to achieve high quality local services for the public. Our remit covers around 11,000 bodies in England, which between them spend more than £180 billion of public money each year. Our work covers local government, health, housing, community safety and fire and rescue services.

As an independent watchdog, we provide important information on the quality of public services. As a driving force for improvement in those services, we provide practical recommendations and spread best practice. As an independent auditor, we ensure that public services are good value for money and that public money is properly spent.

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## Introduction

- 1 Comprehensive Performance Assessment (CPA) is the means by which the Audit Commission fulfils its statutory duty under section 99 of the Local Government Act 2003 to make an assessment, and report on the performance, of local authorities. Corporate assessment is one element in the overall assessment that leads to a CPA score and category.
- 2 The purpose of the corporate assessment is to assess how well the Council engages with and leads its communities, delivers community priorities in partnership with others, and ensures continuous improvement across the range of Council activities. It seeks to answer three headline questions which are underpinned by five specific themes.

What is the Council, together with its partners, trying to achieve?

- Ambition
- Prioritisation

What is the capacity of the Council, including its work with partners, to deliver what it is trying to achieve?

- Capacity
- Performance management

What has been achieved?

- Achievement

Considered against the shared priorities of:

- sustainable communities and transport;
- safer and stronger communities;
- healthier communities;
- older people; and
- children and young people.

- 3 Corporate assessments are normally aligned with a joint area review of services for children and young people (JAR). In practice this means that the Council's achievements in relation to children and young people are assessed using the evidence provided from the JAR. In addition, examples of outcomes and activity, which are relevant to the other themes and which are identified through the JAR, are considered within the corporate assessment.

- 4 The JAR covers all services for children and young people that are directly managed or commissioned by the Council, as well as health and youth justice services provided by other bodies. It focuses on the contributions made by services to improving outcomes. The separate JAR report covers the leadership and management of services for children and young people and, in particular, the way that such services work together to improve outcomes. The description and judgement in respect of children and young people in this report is summarised from the JAR report.

## Executive summary

- 5 Harrow Council is performing adequately overall, meeting minimum standards.
- 6 Its ambition is for the borough to be 'loved by its residents offering the best of capital and country'. It has a good understanding of its communities and local need and shares this intelligence with partners. It has developed a shared medium term vision for the future but a longer term strategic vision reflecting the distinctive nature of the borough is not clearly articulated. The Council is tackling the immediate financial pressures it faces and developing more sustainable spending plans over the medium term led purposefully by senior councillors. This involves some difficult choices which impacts on plans with partners, some of whom have similar resource problems. The net result is a focus on short term and medium term improvements which are not always challenging or clear.
- 7 The Council is adopting a stronger user focus through the redesign of service delivery such as Access Harrow, its one-stop shop and call centre. It uses a wide range of user surveys to gauge satisfaction at a high level and consults on policy change, though how the Council uses this information in service planning is not always clear. The Council has structures in place to involve users at a strategic level, including for older people, sustainable development and enterprise work; but not all of these are sufficiently representative of the local population. There are fewer examples of users being involved in service monitoring and in reviewing the performance of services.
- 8 Harrow understands the diversity within its communities and has responded with effective changes in some but not all services. The Council has good systems to keep it updated on the profile and diversity of its communities, and regularly monitors local opinion on priorities and levels of satisfaction, including by different ethnic groups. It understands the changing nature of its communities such as the increase in the Somali and Eastern European population. The borough enjoys positive community cohesion and recent projects seek to strengthen this, such as third-party reporting of racial incidents. The Council's service responses to diversity are strongest in its work with schools and children's services. Council staffing figures show a reasonable reflection of the local community though the Council wants to do more. Good work with the voluntary sector and in projects such as Rayners Lane regeneration are also providing for diverse needs. But the Council does not routinely use its data to develop services, and some areas such as leisure do not yet offer mainstream services which respond to new needs.



- 9 The political leadership team provides clear direction but gaps in senior managerial leadership have meant they are more occupied with short term issues than long term strategic direction. It has a clear view of the need to achieve a stable financial position and has taken swift action on plans to achieve this. Portfolio leads bring some useful professional backgrounds but they do not yet provide sound strategic direction in some areas, such as children and young people (CYP) and housing. Managerial leadership is not consistent throughout the Council. The executive management team has suffered significant gaps over the last year, creating additional workloads and delays in organisational change. Leadership is clearest in Children's Services and these provide some of the best examples of using systems such as performance management to drive improvement. Organisational change has not always been effectively led in Harrow, though the Council has learned from previous experience and recent changes have been more successful. Capacity of staff is stretched due to small establishments, rising sickness levels and reduction of posts in some services.
- 10 Current financial capacity is weak. For two years the Council has not met the minimum level of reserves defined by its own policy, and there is little prospect of it doing so in 2007/08. Improving value for money is a top priority for the Council, but the auditor's latest assessment shows that current work to improve the cost and performance relationship has not yet produced an overall improvement. Harrow's recent business partnering exercises have resulted in improved systems and expertise and it is using these to address previous areas of weakness such as procurement. For example, a partnership with Accord MP for highways services is bringing additional expertise for town centre scheme design and planning.
- 11 Overall achievement and outcomes for local people in Harrow are adequate. The contribution of the Council to outcomes for children and young people is adequate overall, with some areas of high achievement such as education attainment. It has shown an ability to target resources on meeting the needs of different areas, for example responding to neighbourhood issues in South Harrow and co-ordinated work to regenerate Rayners Lane. Service improvement is, however, often related to one aspect of service and it can be difficult to see the overall impact the Council wants. For example, performance on the environment is mixed and stretching targets for improvement are not always in place. There remain key challenges in transport congestion and housing in Harrow and in the Council's ability to balance the economic, social and environmental needs of the area. Harrow enjoys low crime rates and has worked with partners to reduce the fear of crime and provide more assurance and support to those most at risk of disadvantage. In other areas of the national shared priorities, older people and health, the Council's work to broaden its approach and refocus its services to contribute to these shared aims is at an early stage.

## Areas for improvement

- 12 There are some areas for improvement in the way the Council works.
- 13 The Council should clearly identify the key issues which are most important in delivering its longer-term ambitions and link these to a clear vision which sets out how the Council and partners will maintain and improve the special characteristics of Harrow as a place. To deliver this vision, the Council needs to create a clearer hierarchy of priorities to guide its service planning and define clear outcome goals which are realistic and measurable. The corporate plan needs to make these priorities clear including where financial pressures have led to the creation of lower priorities.
- 14 Councillors need to ensure long term outcomes are clearly defined and understood. Councillors need support in target-setting and the performance management of services and activities.
- 15 The Council should aim for continuous improvement in areas of highest priority and seek to improve its comparative position in these areas to deliver good quality services for local people.
- 16 The Council needs to use systematically its range of profile data and regular public polling to inform service changes necessary to respond to changing needs in the borough.
- 17 With partners, the Council should strengthen its focus on the wider well-being of older people, by drawing up a clear and agreed strategy to deliver well-being across services and by providing officer leadership to drive its delivery.

## Summary of assessment scores

Headline questions	Theme	Score*
What is the Council, together with its partners, trying to achieve?	Ambition	2
	Prioritisation	2
What is the capacity of the Council, including its work with partners, to deliver what it is trying to achieve?	Capacity	1
	Performance management	2
What has been achieved?	Achievement	2
<b>Overall corporate assessment score**</b>		<b>2</b>
<b>*Key to scores</b>		
1 – below minimum requirements – <b>inadequate performance</b>		
2 – at only minimum requirements – <b>adequate performance</b>		
3 – consistently above minimum requirements – <b>performing well</b>		
4 – well above minimum requirements – <b>performing strongly</b>		

### \*\*Rules for determining the overall corporate assessment score

Scores on 5 themes	Overall corporate assessment score
Two or more themes with a score of 4 None less than score of 3	4
Three or more themes with a score of 3 or more None less than score of 2	3
Three or more themes with a score of 2 or more	2
Any other combination	1

## Context

### The locality

- 18 Harrow is the twelfth largest borough in London, with a population of 219,000 and an area of 5,047 hectares (50 square kms). It has an average density of 41 people per hectare which is below the London average of 46, but above the Outer London average of 35 people per hectare.
- 19 Harrow is ethnically and culturally diverse, with over 41 per cent of the population from ethnic minority groups. The Asian community (consisting of Indian, Pakistani, Bangladeshi and other Asians) makes up 30 per cent of the borough's total population, of which Indians comprise 21 per cent. There is a sizeable Irish population, with a lower proportion of black Caribbean and black African people. The most recent arrivals are from Africa, such as Somalis, but also include smaller numbers from southern Asia such as Tamils and from Eastern Europe. The different groups have distinct settlement patterns. The white population is most highly concentrated in the north and west of the borough. Asians are well-established in the southern part, while black groups are more dispersed and spread through the south and middle of the borough. The borough is the most religiously diverse region in the United Kingdom, with a high density of Hindus across the borough and a significant Jewish population in the north.
- 20 The borough's population is forecast to grow to around 220,000 by 2021 and this growth is projected to be mostly in the BME population.
- 21 Another feature of the borough's population is the characteristics of its older people households. These comprise 22 per cent of all households, largely based to the west and north of the borough. Half of all single occupancy households (thus 13 per cent of households) are headed by older people. Predominantly in the north of the borough, this section of the population is often typified as 'asset rich, cash poor'. Although the overall proportion of people over 65 is not as high as nationally, it is slightly higher than the London average. In Harrow the proportion of over 60's is due to increase by approximately one third by 2023, so that this group will then comprise almost one quarter of the total population.
- 22 Overall there are low levels of deprivation in Harrow, with the borough ranking 232 out of 354 in the country (1 is most deprived). However, there are extremes - while the borough has some of the country's most affluent wards, for example Stanmore Park and Hatch End, some wards such as Marlborough and Wealdstone are among the country's most deprived. Overall Harrow is a prosperous borough with high levels of income and low levels of general unemployment and of young people not in employment, education or training (NEET).

## The Council

- 23** Harrow Council is led by a majority Conservative administration elected in May 2006. Since the election the Conservatives have 37 councillors, Labour have 24 councillors and there are two Liberal Democrats. Before May 2006, no party had overall control of the Council but it was led by the then-largest group which was Labour. The borough has 21 wards with three councillors in each.
- 24** The Council is managed through a Chief Executive and three Executive Directors responsible for People First (children and young people, adult social care and leisure and life long learning); Urban Living (environment including cleansing and waste, planning, transport and highways, community safety, housing and property); and Business Development (finance, human resources, performance and policy, revenues and benefits, and the Business Transformation Project (BTP)). Each directorate has a number of service leads at Director level, with decentralised strategic and financial support. The Council has been without a permanent Chief Executive since March 2006. The current structure is due to change. The Executive Director posts are to be removed and replaced by a Director tier under the Chief Executive.
- 25** Harrow's net revenue budget is £254 million and the average council tax level is £1,300 per annum. Due to its low levels of overall deprivation Harrow receives lower government grant compared to nearby councils and attracts lower than average specific and special grants. Its council tax is high compared to other London councils. The Council needs to reduce its spending by £19 million in 2006/07 to both break even and start to increase its reserves, which are low at £1.8 million and below its stated policy of having a minimum £3.5 million reserve. The Council's medium term budget strategy for the next three years reflects the need to reinstate an acceptable level of reserves.
- 26** The Council is part of the Harrow Strategic Partnership (HSP) which comprises key partner agencies as well as the voluntary sector in the borough. It has recently agreed a new Community Plan for 2006-2020 and is implementing a Local Area Agreement (LAA) through the partnership, which has now had its first six month review.

## What is the Council, together with its partners, trying to achieve?

### Ambition

- 27 Harrow is performing adequately in this area. It has a good understanding of its communities and local need and mechanisms to share this intelligence with partners. It demonstrates effective community leadership. It has developed a shared medium term vision for the future but a longer term strategic vision reflecting the distinctive nature of the borough is not clearly articulated. The immediate financial pressures faced by the council and some of its partners drive a short term approach which is realistic but at the expense of articulation of a clear longer term strategic vision.
- 28 The Council has a good understanding of its communities. For example it has effective methods of assessing local need through its detailed vitality profiles which map a good range of demographic and outcome information at ward level across the borough. It regularly assesses local views through consultation with a range of key stakeholders and the community, and uses annual quality of life surveys to assess changes in public views. This approach was used again recently in revising the Community Strategy, thus ensuring that the strategy is rooted in local people's perceptions of need.
- 29 The Council shares this information with its partners and has used it to good effect. For example it targeted regeneration projects, such as in Wealdstone, and the location of the first children's centres, based on an analysis of need and levels of deprivation. Profiles are applied also in community safety work to address issues such as cohesion. This provides for effective local consultation and identifying the right improvement.
- 30 The Council's consultation arrangements are adequate. The Council has recently consulted effectively on budget savings to deal with its finances, and taken extra steps to explain directly to the public the difficult choices it is making between competing demands. Recent feedback on social care changes reflects this increased emphasis. There are good examples of involving local people, including those at risk of disadvantage, such as the Rayners Lane housing renewal programme and involving young people in the re-design of parks. However, the Council does not consistently feed back on the changes made as a result of consultation. There is therefore a risk that citizens are uncertain that their voices are being heard.
- 31 Engagement with BME and groups at risk of disadvantage is variable. For example representation of BME groups in the cohesion management group of the HSP is good but the older peoples group has low representation in the context of high proportion of BME locally and a growing older population limiting the effectiveness of planning improvement.



- 32** Harrow has developed a medium term vision with partners but does not articulate a clear vision of Harrow in the long term. The new community strategy was developed promptly with partners following the change in administration. Its overall ambition is for the borough to be 'loved by its residents offering the best of capital and country'. This is supported by 14 longer term ambitions which place most emphasis on the sustainability of Harrow's communities by offering improved opportunities for living, working and leisure in the borough and avoiding any decline to a 'dormitory' borough. The plan recognises the context of the borough including high level goals on reducing health inequalities, strengthening cohesion and reducing pockets of deprivation. The high level goals are clear but broadly stated so do not fully reflect the distinctive nature of the borough. These goals are to be delivered over the next four to six years by specific aims in each theme of: Sustainable Communities; Stronger Communities; Safer Harrow; Healthier Harrow and Young Harrow. These aims include some challenging objectives, for example in relation to cohesion. Other objectives are less challenging, reflecting the financial position of key partners and their short term financial constraints. For example the partnership decided very few stretch targets would be pursued under the healthier communities and older people block of the LAA. The community strategy therefore provides a shared sense of direction and realistic ambition for the medium term but does not articulate a comprehensive longer term vision for Harrow.
- 33** The Council's corporate plan reflects the key areas of the community strategy but it too is broad in nature and addresses improvement in the short to medium term. Whilst improvements include some significant plans such as the Town Centre redevelopment, they also cover a range of shorter term, localised improvement and some less defined plans across a broad range of issues. In addition the weak financial position of both the Council and its partners has restricted ambitions for some services so that the aim is to only deliver statutory services to those who most need them. As a result it is not clear how the various elements of the plan come together to deliver a clearly understood ambition for the whole Borough in the longer term.
- 34** The lack of long term strategic focus contributes to variability in the level of ambition and specificity of major Council strategies. For example, in education there are some challenging targets for improving achievement in schools in the longer term. In contrast, waste and transport strategies do not express clear long direction through a commitment to challenging targets. The transport plan has clear targets for the future through London wide planning but the Council is doubtful these can be achieved putting emphasis is on shorter term actions such as increasing the speed of traffic at key points in the borough. Waste includes impressive challenge for increasing recycling rates, but not for areas which could support this aim, such as the target for access to kerbside recycling, currently reflecting worst 25 per cent performance. This lack of long term strategic focus creates a gap in planning to achieve the Council's ambitions.

- 35 The Council in its work with partners in the HSP demonstrates effective community leadership. It has well structured and integrated decision making bodies which involves key statutory partners as well as the voluntary and community sectors. The partnership has matured beyond a useful information exchange and is now working more collaboratively around the joint commitments in the LAA. Agreeing a compact has given a sound basis for involving the voluntary sector, which helps the partnership's smooth running, for example when allocating resources. The Council is taking a visible role in community leadership through its new priority action teams (PATs) which are ward-based and provide funding for local improvement although it is too early to determine the impact these have made. Leadership on regeneration of deprived neighbourhoods demonstrate good impact on quality of life.

## Prioritisation

- 36 The Council is performing adequately in this area. Its priorities link with key areas of the community strategy and reflect local people's views. It has given priority to improving its financial position and identifying more areas of saving but also to increasing efficiency. It has made clear choices, such as reductions in funding for older people's services. Some priority areas are supported by well developed plans like community safety but others vary such as the 'empowering young people' priority, and all reflect a mix of short and medium term improvements. There have been some good responses to meeting diverse needs. However the system for service planning is complex which reduces the clarity of action planning. The revised MTFs indicates a further changed emphasis on eligibility for service provision which is a further development on the priorities set out in the corporate plan.
- 37 The Council has clear plans to address its weak financial position and this is a high priority understood by councillors, senior management and staff. It is planning a sustainable budget for the next three years so that reserves can build to the minimum level. This priority occupies the political leadership and senior staff to a significant degree. They have put resources into progressing key review areas such as changing organisational structures, so that the budget overspend can be reduced as quickly as possible. Increased staff training in financial awareness and management also supports this high priority area.
- 38 The corporate plan clearly sets out the Council's medium-term actions in support of its priorities and the pledges made in May 2006 and links with key areas of ambition in the revised community strategy, reflecting residents' views. The current six priorities are; Making Harrow safe, sound and supportive; Tackling waste and giving real value for money; Protecting our precious environment; Empowering Harrow youth getting Harrow moving; and Giving more choice in sport, leisure and amenities.



- 39 The absence of a longer term focus for improvement in Harrow means that the priorities comprise a collection of short term and medium term improvements with several areas in which strategies to support priorities are still in development. Priorities in addressing safety and increasing efficiency represent the clearest and most robust priorities with clear plans and outcome targets. Priorities within environment and the empowering young people themes are not fully supported by clear strategies or clear joint strategies such as the aims to increase youth facilities and develop an open space strategy. Giving more choice in sport, leisure and amenities includes some specific plans such as the new Gayton library but the overall strategy for future provision in sport and amenities is at a formative stage. The absence of robust plans limits the Council's ability to deliver on its stated priorities.
- 40 The medium term financial strategy reflects the Council's plans to improve its financial position, taking some difficult decisions but trying to accommodate local people's views. It seeks to stabilise its finances not solely through service reductions but also greater efficiencies such as reducing back office costs and rationalising office accommodation. There is evidence the Council takes account of local people's views in devising its savings programme. For example with the reductions in care costs for older people the Council intends to use consultation results to refine exactly how the restructuring of subsidies will be applied. The Council's search for savings and efficiencies is not confined to services previously identified as low priority. Children's health and social care services will be an early review in 2007/08. This will determine a clear savings target, reflecting the Council's position that it will meet its statutory duties but make savings on more discretionary areas.
- 41 Older people and the provision of adult social care is a lower priority for the Council. The new political leadership has stated clearly that it does not intend to provide for those who can afford to make their own choices. Planned reviews of the eligibility for care services signal the Council's direction on future levels of provision. Consultation exercises on social care have made the Council's direction more explicit to stakeholders and this is now reflected in savings plans. However, these lower priorities are not explicit in the corporate plan so Council policy will not yet be clear to local people.

- 42 There is a lack of clear outcome targets in plans supporting priorities. For example some important local targets are missing such as Access Harrow, which aims to improve call waiting but lacks clear targets to do so. There is measurement of activities but few targets for levels of customer service. The corporate plan includes a number of broad objectives with few targets, for example 'ensure proper funding of Harrow's open spaces'. CPA-related targets and standards steer many areas of service delivery such as adult social care. These provide a useful basis for setting annual priorities but place more emphasis on national priorities rather than achieving a balance between local and national issues. Detailed plans in community safety provide most locally-derived targets as well as cohesion targets in the LAA. The detailed action plans and targets to deliver the revised community plan have not yet been drawn up. There are some key outcome gaps therefore in guiding delivery of the Council's priorities making it difficult for staff to understand if they have achieved what is wanted.
- 43 The Council's service planning structures are complex and the required financial resources are not clearly specified. A complex structure of plans links the community plan and corporate plan through directorate and group level plans to team plans. The higher-level plans generally reflect the corporate priorities but not all team plans reflect these explicitly, so that it is not clear how they contribute to delivery. For example, team plans in community safety are fairly clear but not those in some children's services and social care teams. These layers of plans are confusing. As a result, some staff find it difficult to use them to drive improvement. Although service planning is linked to the financial planning cycle, the resources needed for some outcome areas are not specified or consistent in plans such as in Children's Services and Urban Living. This leaves it unclear whether these are funded or the costs understood.
- 44 Service planning which reflects the diverse needs of the local community is good in several areas but not consistent across the Council. There are very good examples of work to address disadvantage such as work with refugees in children's services and initiatives on meeting diverse needs of local disabled people. Libraries provision has met BME needs such as materials for the Tamil community. Work with the voluntary and community sector has also provided for diverse need such as the 'Blossom' group supporting Asian women's health through fitness. A more strategic and systematic approach on diversity is called for in mainstream service planning such as in adults social care. Involvement of new user groups in leisure is starting to identify appropriate service responses to diverse needs.

## What is the capacity of the Council, including its work with partners, to deliver what it is trying to achieve?

### Capacity

- 45 The Council is performing inadequately in this area - below minimum requirements. The level of the Council's financial resources is weak with inadequate reserves in a climate of challenge over financial responsibilities with the PCT. Managerial leadership has not been consistent and staffing levels are stretched in several areas. The workforce plan does not have SMART targets for future staffing across the Council and there are skill gaps, for example in procurement. Work on increasing value for money has not yet been successful, and risk management is at a formative stage. Private sector partnerships and improved use of voluntary sector partnerships add to the Council's capacity to deliver its priorities. However, overall the Council's capacity is insufficient to achieve its priorities.
- 46 The capacity of the Council and its principal partners to achieve its plans is restricted by its weak financial position. The Council needs to achieve savings of £19 million in 2006/07. For two years it has failed to achieve its minimum reserves policy, and it is unlikely to do so next year. The PCT also has financial difficulties, needing to save £13 million this year. This has led to the Council and PCT re-examining their funding responsibilities, which is putting additional pressure on the Council's financial plans. Plans for more pooled budgets with the PCT have not been implemented and work to develop a joint commissioning strategy in children's services has been delayed. The impact of the reduced financial capacity is already evident in service delivery such as environment services, and further savings will affect work on safer neighbourhoods.
- 47 The management of change to improve capacity in Harrow has not been effective in key areas. Key priorities to improve financial stability and value for money have not been achieved over the medium term. There have been negative staff reactions to a slow reorganisation which impacted on the staff survey in 2005 with no appreciable improvement from that of 2003. Managerial leadership is weakened in the absence of a permanent Chief Executive, creating additional demands on senior councillors to manage short term pressures such as the budget. This means that the Council's capacity to develop a strategic direction has been reduced at a time when it is most needed to inform the budgeting process and ensure continuity in delivering its highest priorities.

**18 Corporate Assessment | What is the capacity of the Council including its work with partners, to deliver what it is trying to achieve?**

- 48** The capacity of the Council's senior political leadership is mixed, with strong financial awareness, strategic thinking and attention to public communications by the leadership team but under-developed strategic direction provided by newly appointed executive councillors to children's services and housing. The defined portfolios reflect the Council's priorities and there are clear officer links. Portfolio holders bring useful knowledge and experience, such as in customer service, but currently there is a mix of operational and strategic contributions from councillors which means roles between managers and councillors are not clearly differentiated. Relations between officers and councillors are professional and positive, allowing the Council to now respond purposefully to the financial position. The work of the Standards Committee promotes the adoption of high ethical standards, and councillors and officers work effectively within the ethical framework. Councillor development opportunities rightly focus on governance issues and induction but do not currently cover other complex areas of their role such as performance management, which lessens internal challenge.
- 49** Staff capacity is insufficient to meet priorities. Despite some good work on staff development, the Council's staffing resources are restricted. The size of teams is small in some areas so staff can be overstretched such as in speech and language therapy, and delays in filling posts have slowed development work, for example in recreation and sports. Access Harrow has modified staffing levels due to financial pressures. Worsening sickness absence rates reduce capacity. The Commission for Social Care Inspectorate (CSCI) assesses prospects for improvement in adult social care as uncertain in due to the vulnerability of resources and the slow pace of improvement.
- 50** The Council's use of private sector partnerships to increase capacity is good. The highways partnership with AccordMP has increased strategic as well as operational capacity. The BTP partnership with Capita has brought expertise such as good project management, support to implement major IT enhancements as well as helping to define future strategy for example, by examining the potential for future web-based services. The partnership is helping build expertise in the in-house procurement team following inconsistent performance in successful procurement. The Council is in the process of seeking a partnering arrangement for property management which will help support its priorities on efficiency such as improving performance against the Decent Homes Standard (DHS).
- 51** The Council is moving to a more strategic use of grants to support the community plan priorities, and its use of the voluntary sector is effective in places. It has a new compact with the voluntary sector and agreed longer-term Service Level Agreements with some groups. The home visiting scheme with the Department for Work and Pensions (DWP) and Age Concern has led to increasing benefit take-up by older people. Partners report some problems in locating the right lead officer in the Council and that the level of join-up between services is not strong; but they consider that - once identified - staff are helpful and responsive.

- 52 Risk management is embedded and effective at strategic level and in high level directorate planning, but is not yet fully extended and embedded at service level. Risk management in partnership arrangements is embryonic in some high-risk areas such as with the PCT, but has been introduced in other partnership areas such as the BTP agreement with Capita. This inconsistency in risk assessment increases the risk of exposure to service and financial failures.
- 53 Value for money is judged as adequate, meeting minimum standards by the external auditor. It is a high priority for the Council but efforts to increase overall value for money as measured by the external rating have not resulted in improvement. The Council has recently developed some value for money indicators as a result of the work it commissioned to target improvement. These mainly measure the relationship between satisfaction and cost. Monitoring at the end of quarter two indicated that several of these were underperforming. The Council is working to achieve better value for money such as the through the AccordMP partnership.
- 54 Harrow has a good basis for ensuring equality of access to its services through its policies and procedures and has achieved level 3 of the Equality Standard. This approach is starting to impact on Council plans. It is now using equality impact assessments in service planning. For example, the Youth Justice Plan was influenced by a race audit and an equalities impact assessment of choice-based lettings was undertaken to ensure equality of access. The Council subsequently provided extra training for voluntary groups to support applications on behalf of local BME applicants. It provides interpretation services although overall there are limited out of hour's services available. The Council's work under the race equality scheme has resulted in support for BME older people with physical disabilities, expanded specialist day services for Asian elders, and specialist meals for BME elders.
- 55 The Council has established a good overall employee strategy, but this is not yet complemented by directorate level plans and SMART (specific, measurable, achievable, realistic and time bound) targets to support workforce planning. The Strategy for People provides a clear vision for the future which fits well with the corporate plan, and several supporting projects are planned such as the equal pay review and succession planning strategy. Detailed progress is evident in some areas of staff shortage such as the implementation of the children's social care workforce strategy, but there is no overarching strategy for children's services. Urban Living has made less progress in workforce planning and has difficulties in recruiting staff such as planners. This means the Council does not have a clear view of what staffing requirements it is working towards in the long term limiting effective service and financial planning.



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- 56** Overall use of IT to support the Council's priorities is effective, and management systems are now starting to support service delivery. IT developments such as Frameworki used in children's and adult social care and the HOST domiciliary care system have led to user benefits. Access Harrow is supported by a customer relationship management system which has the potential to deal even more effectively with customer enquiries. Implementation of major systems as part of the BTP programme is proceeding to plan, and the Council provides good support to staff to enable change.

## **Performance management**

- 57** The Council is performing adequately in this area. A clear performance management framework is in place across the Council and applied very well in some areas. The framework provides timely information which the Council is using more effectively and, with greater internal challenge, some very weak service areas have improved as a result. The overall pace of improvement is slow however, due to unambitious improvement targets. Performance management with partners is developing well. Councillor scrutiny and challenge of performance is not fully effective and external challenge is limited, with few examples of service user involvement although some new arrangements are being set up.
- 58** The corporate performance management framework operates across the Council using a system of scorecards to provide clear links and accountability for corporate objectives down through directorate plans to team level and individual plans to steer performance. The Council aims for all staff to have personal targets under the Individual Performance Appraisal and Development (IPAD) system by the end of year. At September 2006 it had achieved 61 per cent coverage against a target of 80 per cent. The Council has good IT systems in place to enable more effective monitoring and analysis of performance, at service level and also by geography, allowing performance to be compared between areas of the borough.
- 59** The framework has been implemented with good effect in some areas. For example in CYP performance management of the Children and Young People's Plan is based on a scorecard for each outcome monitored by the relevant sub-group of the Children and Young People's Strategic Partnership (CYPSP) and by the CYPSP itself. In children's social care, reports monitor performance, show trends over time, benchmark against national comparators and good practice, and identify action to improve performance where necessary. With clear managerial leadership the framework is utilised fully and helps prevent previous problems of slipping to unacceptable levels of poor performance.

- 60 The Council has increased its determination to use performance information together with greater organisational challenge to improve its weakest areas of performance. As a result this has driven improvement in benefits (which was at risk of intervention by DWP) and children's and adults' social care. The system provides clear and timely top-level performance information which identifies under-performance against target. Quarterly 'Strategic Performance Reports' are prepared using a traffic light system that identifies key areas for improvement and are considered by Cabinet as well as the Corporate Management Team (CMT). Targets are also monitored at Improvement Board level, on weekly, monthly and quarterly bases as necessary. Performance measures include BVPIs and progress on key projects, and are aligned with corporate priorities. These mechanisms have been effective in driving improvement and provide a sound basis for managing performance across the Council.
- 61 The level of improvement can vary however within one service and the overall pace of improvement of the Council's services has been slow, resulting in static service assessments in major areas for four years. Performance against the latest basket of indicators for all single tier councils shows 63 per cent of PIs between 2004/05 and 2005/06 have improved. However, this is below the average for all councils at 67 per cent and performance against the Council's own targets for priority areas is mixed although there is some improvement from a low base. While the Council is taking action on its most critical areas of under-performance its targets to improve elsewhere are not stretching. The level of challenge in targets is further constrained by the tighter financial position. This means that local people will not benefit from a range of high performing services in the short to medium term.
- 62 The Council has effective performance management arrangements with partners for the LAA and systems are developing in key partnership groups of the HSP. For example, the CYSP is now receiving progress reports against priorities though some targets and baseline are still being developed. Council officers and councillors meet with the police on a fortnightly basis and review information down to ward level, as the basis for active monitoring of performance and assist tasking. The framework for the new Community Plan is developing, awaiting the formation of medium term plans and objectives. The Council's new business warehouse aims to allow partners to input their data on performance directly into the Council's system in the future to help support greater joint review.
- 63 Performance management by councillors is not fully effective. A key aim of the scrutiny committees is service improvement but it is not clear what impact local scrutiny has made. For example, while the Hearsay review led to a new community engagement strategy it is not clear whether this has made the Council's engagement more effective. There is mixed knowledge of some service areas which limits councillor challenge to officers and partners, such as in sustainable communities and housing. Performance monitoring information is provided but there is lack of skill in interpreting the content. Portfolio holders are now involved in target-setting and are giving increased attention to public-facing performance, but in places targets have been set by officers so direction in improvement has not been fully shared. Without a clear input from councillors on what is required, performance cannot be effectively managed.

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- 64** Involving users in service monitoring and review is under-developed. Some services involve users at a strategic level such as the adult and social care management group of the HSP. Some of these have made an impact such as a better links between housing and adult social care. User forums have recently been set up to provide feedback on services in arts and culture and the Council has a new compact with tenant and leaseholder representatives but these are as yet untested. The Council gathers user feedback in many services and through its annual MORI polls, but it is difficult to assess how this shapes performance targets or how it is used to gain more localised perspectives and steer improvement.



## What has been achieved?

- 65** The Council is performing adequately this area. Council priorities and those of the Community Plan and LAA reflect local and national priorities and shared priorities, but progress against them and national performance indicators is mixed.
- 66** There are positive signs that the introduction of the LAA is increasing the effectiveness of joint working against shared priorities. However delivery of national and local priorities is often based on short term plans and objectives. The lack of key outcome measures such as with congestion means it is difficult to judge progress. In this context, performance has improved for 63 per cent of PIs between 2004/05 and 2005/06. However, this is below the average for all councils, while performance against the Council's own targets for priority areas is mixed and some improvement is from a low base. Furthermore, since the introduction of the CPA rating scheme four years ago, assessments show no improvement in the children, adults and environment blocks, and adult social services are still subject to intensive improvement support by CSCl.
- 67** Achievement in sustainable communities demonstrates some innovative work and good outcomes in some areas of the borough and good improvement in recycling, but other improvement is limited and major challenges remain in transport congestion and housing. Performance on safer and stronger communities remains good and fear of crime has reduced, but it is too early to see clear outcomes from some local initiatives. There are some improving health outcomes, but the Council's contribution to these except for supportive work in schools is not clearly evident. Older people are not a priority so while there are some services available there is no clear emphasis on preventative work to maintain a high quality of life. The Council's contribution to outcomes for children and young people are adequate overall with some high achieving areas such as education.

## Sustainable communities and transport

- 68** The Council's performance in achieving sustainable communities and transport has had some positive results but overall outcomes are mixed and some key challenges in the borough are yet to be met. The Council demonstrates some innovative work and good outcomes to regenerate neighbourhoods, there has been a significant improvement in recycling, but outcomes in relation to transport and housing are mixed.

- 69 There is some evidence of Harrow knitting together its economic, environmental, and housing work to create a sustainable community, particularly in physical projects. One example of joined-up working is the Wealdstone centre, where the sale of land resulted in new affordable housing, a new library, youth centre, and healthy living centre. Another is the Rayners Lane redevelopment which involved housing and environment improvement but also set up a local labour and construction scheme. These projects demonstrate effective working with a range of partners, and major improvements for local communities and the life chances of people at risk of disadvantage.
- 70 A focus on open space builds on the work to use parks more constructively as a leisure opportunity and facility for young people but also build public confidence that they are safe to enjoy. Latest national surveys indicate comparatively low satisfaction with the Council's parks and open spaces as well as most leisure facilities except for libraries. The Council's own survey this year indicated residents were more positive about access to nature and parks but more critical of sports and leisure facilities. The condition of footpaths, now the public's top priority, remains good with good disability access.
- 71 Transport congestion is a high priority of the Council and local people but clear improvement is not yet evident. Car ownership is high with lower than average use of public transport, cycling or walking compared to London overall. Recent schemes reflect the new administration's priority on reducing congestion and lower focus on cycling and road safety measures such as zoning. As yet, however, the Council can not demonstrate improvements such as reduced school car journeys, road priority to public transport or regeneration which seeks to change transport patterns. This is also a product of the lack of outcome measures to assess if the Council is achieving what it set out to do. Some important schemes to improve travel flow are underway involving good partnership working such as improving a major bottleneck at Petts Hill Bridge, controlled parking zones, and better co-ordination of streetworks by utilities to reduce the need for trenches and thus disruption. Road safety performance is good but the condition of principal roads is below average nationally although better against London boroughs.

- 72 The Council's progress in addressing the housing needs of residents of Harrow is mixed. The Housing Strategy 2002-2007 aims to increase the availability of affordable homes for local people. It outlines how the Council will ensure new homes via the planning system, engage the private sector in re-using existing private sector property, and make better use of social stock to free up existing affordable housing for those in need. Latest data shows the Council has not met delivered on its preferred ratio of new affordable to other homes, nor met its targets to provide larger, 4+ bed properties. Only three became available for rent in 2005 for 367 families on the waiting list. However the Council is continuing to work towards these stated aims and there are additional larger properties in the pipeline up until 2010 to address local need. There has been progress on more shared ownership schemes to address key worker shortages and the first units built under the new policy are coming through at Honeypt Lane. Completion of affordable homes has increased this year and use of brownfield redevelopment is good. The Council is providing better information on housing options to support those looking for homes and its homelessness service performs well overall. The Council has made slow progress towards achieving the Decent Homes Standard (DHS). It is reviewing its housing plans following a tenant vote to keep the Council as landlord, and is hoping to increase its capacity to deal with DHS by use of a partnering agreement. In line with other out of London boroughs, the waiting list remains high: an estimated 1,900 existing households on the housing waiting list cannot afford market housing. Challenges remain in meeting the Council's aims for housing.
- 73 Harrow is working to promote business, job creation and skills in its overall ambition to avoid it becoming a dormitory area but the impact of this is mixed or at an early stage. The Council provides effective vocational training, supported by a good 14-19 education and training policy and good work experience scheme with 2,000 work experience placements made each year. The new Skills Centre provides enhanced opportunities for vocational training. Retention and pass rates are generally good, but poor for work based learning. The town centre strategy shows good links between improving transport hubs, housing, education (such as the new Harrow College) and retail alongside issues such as improved access for people with disabilities. Planning service performance has worsened in comparative terms with performance on major applications, vital to supporting local development worsening in absolute and comparative terms.

- 74 There is a mixed picture of achievement in the areas of waste and a clean environment. Recycling rates have improved significantly and are ahead of target, but the future long term direction on waste management is not clear. The recycling rate has improved from 19 to 27 per cent (against a target of 24 per cent) between 2004/05 and 2005/06. The 'slash the trash' campaign effectively linked environmental and social aims, and 65 per cent of Harrow residents think recycling has improved in the last three years. The Council accepts that it badly managed the introduction of its new refuse collection scheme in summer 2006, and had to find significant extra resources to respond to complaints. Recycling targets remain high, but the target for access to kerbside recycling was lowered and performance is now in the lowest performing group. The amount of waste collected has improved though is in the worst performing group and latest targets are less stretching than actual performance. The standard of cleanliness in Harrow's streets fell in 2005/06 and is amongst the worst performing group. Public satisfaction has increased in the latest national survey in late 2006 although the level of satisfaction is low compared to other boroughs. This reinforces the overall unclear direction on the environment in Harrow, as performance had dropped before the Council reduced the level of service.

## **Safer and stronger communities**

- 75 Performance in safer and stronger communities shows some positive results in the context of low crime and some improvement on local priorities. There has been a reduction in the fear of crime and concerns about indicators of anti-social behaviour have dropped. Outcomes as a result of recent investments in local and neighbourhood working are not yet clear. There has been improvement in several crime priorities though progress to achieve the PSA1 target, a CDRP target, is not on track. Levels of cohesion are positive in a climate of changing communities. The partnership can respond well to changes in crime levels and types and has produced some good schemes to increase safety and assurance. Work on accident prevention is not yet co-ordinated across the Council and partners.
- 76 The Council's understanding of crime and the fear of crime is clear and reflected as a priority in the Corporate Plan, Community Plan and LAA targets. The local CDRP, Safer Harrow, is a management group in the HSP structure and an effective delivery mechanism, The Council's partnership with the police is strong and the Safer Neighbourhood Teams being established will increase local visibility and aim to improve problem solving, intelligence and responsiveness through joint tasking. The Council shows good commitment to community safety priorities by funding posts to support projects to combat anti-social behaviour, domestic violence and hate crime.

- 77 Harrow enjoys low rates of crime overall and local people feel safer. CDRP partners can evidence some reductions in levels of crime and an understanding and a strategy for addressing fear of crime levels. The CDRP performs well in four out of six national crime priorities which continue to improve and significant improvement has been achieved in local priorities such as burglary. The partnership is not on target to reduce crime levels in its PSA1 target of 15 per cent. Robbery is the biggest problem - latest available figures show this is increasing and the borough ranks among the poorest performers on all comparison groups. The targeted use of Anti-Social Behaviour Orders on illegal DVD selling in the town centre and joint work with trading standards shows an emphasis on dealing with regular nuisance crime. The public consider that most forms of anti-social behaviour are less of a problem than three years ago. However, the Council's recent reductions to area working and street cleaning budgets will make it difficult to sustain its joined-up approach.
- 78 The Council is keen to promote partnership working with the police, and has made some positive impacts in service delivery to residents. Innovative projects have resulted such as Borough Beat involving council staff volunteers, the Sanctuary Project and Miss Dorothy.com (to support families who are victims of domestic violence), and the Community TV initiative. The Safer Neighbourhood Teams are being rolled-out ahead of schedule and are supported at local ward level, as are joint approaches to tackling anti-social behaviour. The impact of the local teams is not yet established. The CDRP recognises the importance of communicating effectively with local residents, and is examining joint approaches to funding the Council magazine.
- 79 Sustaining community cohesion is a priority in the community strategy. Outcome measures show a mixed level of performance, but a number of arrangements are being put in place to support local cohesion. Measures of BME and non BME communities feeling positive about their neighbourhoods are consistent at 61 per cent. Attitudes to younger people are less positive. Three quarters of residents consider they have been the victim of some form of anti-social behaviour and nuisance from teenagers was cited most often. Levels of racial incidents (BVPI 174) and those which have led to action (BVPI 175) are in the worst performing group compared nationally. The newly-launched third party reporting scheme will help reveal the true level of incidents as measured by (BVPI 174) but the Council's target to improve on the action taken is not challenging, leaving it amongst the worst performing group. The HSP's Community Cohesion management group involves a range of representatives from different BME communities, including some of the newest groups, and its work is supported by good systems and data sources. The Council is taking a more corporate approach through a new community development strategy, community development worker and new portfolio holder.

- 80 Performance in reducing drugs and alcohol abuse is around average, with 57 per cent of drug users remaining in treatment for at least 12 weeks. Targets to get drug users into treatment showed good performance in 2005/06 and targets for problem drug users exceeded. The Council participates effectively in this work, the Drugs Action Team is co-located with other CDRP services, and it jointly commissions pooled treatment budgets with the PCT. The National Treatment Agency has commented favourably on the partnership working. The Council has made positive use of its new licensing powers, has introduced an alcohol exclusion zone in the town centre and runs training in licensing issues. The result is a reduction in alcohol-related crime.
- 81 The Council has a number of good approaches to preventing accidents but there is scope for strengthening accident prevention across council services. Good multi-agency preventative work is targeted towards families living in areas with higher rates of childhood accidents. Road safety performance has met targets well for some time. Preventative work with older people is not a high priority but targeted fire checks in homes of over 65's are available. The new Telecare grant will provide support for about 20 people suffering dementia or at risk of falling. Voluntary sector work has added services such as the handyman scheme to reduce hazards and prevent accidents at home.
- 82 The Council has put serviceable emergency planning arrangements in place, which it has tested through Exercise Adelaide, and has undertaken risk assessments. It is part of the West London Resilience Forum and has a mutual aid agreement with councils in the West Midlands. Business continuity planning is underway, but the business continuity strategy is yet to be agreed by the Council and plans have not been completed in all areas although services are prioritised by level of risk.

## Healthier communities

- 83 There are some positive health outcomes in Harrow and LAA performance is good but the Council's contribution to health outcomes overall is not yet clearly evident. With its partners the Council is developing greater priority for the health agenda as part of the new Community Plan. The previous plan set the scene for addressing local needs but was a collection of individual partners' strategies rather than a joint approach, so that many actions on health were National Health Service (NHS) responsibilities.
- 84 Overall the local population is a comparatively healthy one, with deaths from cancer and chronic heart disease (CHD) falling and within target, and there is good GP provision locally. However the local profile of Harrow shows a high prevalence of diabetes (the second highest nationally) and CHD among its BME communities. The emerging integrated health strategy and associated well-being strategy are aiming to reduce these problems by promoting healthier lifestyles via diet and exercise. The strategy recognises that more community-based health training through volunteers and front line staff could help address these problems.



- 85** The Council's role and input into improving the health of local communities has not been fully effective or integrated across its plans. An emphasis on health is clearest for children and young people. There is good collaboration between the PCT and schools in health assessments and promotions and healthy eating, and there is good engagement with young people on sexual health services. Progress on achieving the Decent Homes Standard is slow, while the energy efficiency of council housing is showing some improvement but from a low base. The Council is reviewing how its own strategies such as sports and recreation can support the wider review with partners of the priorities for integrated health work. To date, it has not made a clear contribution and impact on the healthier agenda.
- 86** However, outcomes against local health priorities are on track or performing well. Key health priorities identified in the LAA include reducing smoking, increasing breastfeeding rates and reducing obesity levels. The partnership is on track to meet its stretch targets for both the level of sign-up to smoke-free homes and numbers of four-week smoking quitters. Targets to reduce obesity are also on track, especially increasing levels of active participation in exercise which is in the highest Sport England group.
- 87** Work to reduce health inequalities and meet diverse needs is not yet effective. Life expectancy has improved overall from a good level but work to address health inequalities such as differences in ward level life expectancy is not yet showing results. Infant mortality improved in 2003 but is high in comparison to regional and national rates, and reflects the diversity in Harrow where low birth weight is common in some BME communities. There is some provision to meet diverse needs such as dedicated health visitors for asylum seekers, and children's centres sited in the areas of highest need. Extended schools offer their local communities parenting support, including accessing health advice and services.
- 88** Although rates of teenage pregnancy in Harrow are relatively low, the rate of increase is one of the highest nationally which means the national target is unlikely to be achieved. The Council provides supported accommodation for young mothers, and practical and social help is available through targeted groups with effective links between agencies. Further developments are underway to support children with special needs, such as through children's centres, but families with disabled children do not routinely receive co-ordinated family-centred assessment and services.

## Older people

- 89 The Council's approach to older people's services does not yet extend beyond care services. Services are currently too focused on over-65's requiring health and social care support. However, councillors, partners and the Council's senior managers recognise the need to improve and widen the services for older people as far as resources permit. The Council has a strong partnership with the PCT and voluntary sector, and clear governance arrangements to deliver the community strategy and LAA outcomes which are aligned with those for children's services. Once agreed, the new commissioning strategies and pooled budgets should provide a good basis for these developments.
- 90 Engagement with older people is effective through some very active consultation and reference groups and representation on partnership boards. The powerful main consultative group is organised by older people themselves. The partners have recognised that there are few BME members of these groups and has appointed additional BME representatives to the partnership boards overseeing delivery of the HSP outcomes for older people. Parts of the voluntary sector also have active involvement in strategy and oversight through representation on key HSP boards, and through providing a range of services for older people.
- 91 Two portfolio holders have complementary briefs leading on wider cross-service issues for older people and the statutory services respectively. The former acts as the older people's champion. Their cross-service work is at an early stage for example the Council is exploring use of external bids to fund improvement, but they recognise that cross service work should be strengthened. They have considerable contact with the public, and with the two main consultation and user groups.
- 92 However, major challenges remain which restrict investment in a wider and more preventative approach. Older people's services are not a key priority for the Council, so funding for new initiatives must be found from within existing services. There is no overarching older people's strategy and the well-being strategy, intended to bring together initiatives across the Council and partners, is in draft. Officer leadership lies currently with the Director of Adult Social Care, so does not reflect a wider strategic approach. The joint commissioning strategy with the PCT focuses primarily on the health needs of over-65 year olds, while the health economy faces strong financial pressures and older people's well-being is not a major focus of the Healthy Harrow strategy. The Council is currently consulting on reduced subsidies for home care and the meals on wheels service and from amalgamating two day centres for the elderly - which may all affect some older people's independence. As a result of these pressures, and the slow rate of improvement in adult social care, CSCI recently assessed adult social care services as one star with uncertain prospects for improvement.



- 93** The Council and its partners offer an increasing range of activities for older people though they are beginning from a low base. These include adult education, family learning at the extended schools, and some sport and leisure activities such as healthy walks and over-50s sessions at a leisure centre. Some activities are focused specifically on BME groups such as English language lessons in day centres and specialist Asian residential care. There is floating housing support from Supporting People funding. The older people's day centres offer a good range of different activities under one roof such as advice on avoiding falls, exercise sessions, demonstrating assistive technology equipment and IT classes - but they are focused at those in need of high levels of support and their capacity is limited.
- 94** A range of services is offered in partnership. The Council and police are tackling fear of crime among older people through the safer homes project which provides advice and support on home safety and crime prevention to first-time elderly victims of burglary. This has led to a clear reduction in repeat burglaries. Other effective joint work includes work with the Pensions Service, which has increased the take-up of benefits by older people, and the joint voluntary sector and Council-run Trans-age project which brings together older and younger people at schools and in the day centres. The Council and PCT use a pooled budget to commission a joint equipment service run by the Council.

## Children and young people

- 95** Social, educational, health and economic outcomes for children and young people in Harrow are good overall as the majority are above national averages. The contribution of council services overall to improving outcomes is adequate. The education service is good and the contribution of the council social care service is adequate. The capacity of the council to improve the management and quality of services is adequate but the budget situation in the council and health economy and the establishment of a formal structure for integrated working across partners remain a significant challenge.

- 96 The management of the council services for children and young people is adequate at a time of significant organisational change and uncertainty in the council. The recent election of a new administration has led to a re-consideration of some strategies and priorities, a clear focus on financial savings to balance the budget and build reserves, a rolling programme of large-scale service reviews and a sharp focus on the impact of the financial pressures within the health economy. Notwithstanding this challenging environment, relations at a senior level between the council and the local health service and police service are good. Where partnerships were once fragile, problematical and under-developed, they are now increasingly evident at a strategic and operational level. The impact of this improvement is beginning to be seen in greater joint working and co-location of staff. The council has led the production of the Children and Young People's Plan on behalf of the Children and Young People's Strategic Partnership and, though comprehensive, the plan does not make sufficiently clear which of the many, cross-agency actions is a key priority. The impact of the council's serious financial position on its services to children in need, at risk and looked after is being risk managed effectively so as to retain a focus on the statutory and regulatory duties being discharged at least adequately. However, given the history of fragile partnerships in Harrow, the council has made only limited progress in leading partners towards more formal frameworks and processes to support greater partnership working as a way of developing capacity. Value for money is adequate and performance management is good based on an effective framework and IT system.
- 97 The contribution of council services in partnership with the commissioners and providers of the health services to improve the health of children and young people in Harrow is adequate with some good features. Health outcomes are mostly good. This is reflected in many of the national health indicators such as low and falling rates of smoking among pregnant mothers, high rates of initiation of breast-feeding and the percentage of looked after children with timely health checks. Where outcomes are less good the council is working closely and effectively with the PCT to review the commissioning arrangements and, as a result, some key services have been re-commissioned and are beginning to show improvements. Children and Adolescent Mental Health Services (CAMHS) are now adequate and Sexual Health Services have improved. Whilst there are a number of good community health services the school nursing and community midwifery service are under developed and now subject to review. The PCT with the council has prioritised appropriately areas for development for this year and next year.

- 98 The work of the council in keeping children and young people safe is adequate. Outcomes are adequate. The incidence of deaths and serious injuries is below the national average as are the numbers of children and young people on the Child Protection Register and the numbers looked after. However, too many children are placed in residential care and outside of Harrow and too many looked after children continue to experience an unacceptable number of changes of placement although this improving. The council's leadership of the Local Safeguarding Children Board is effective and this has laid a foundation for effective multi-agency working particularly with the local police. Children and young people at risk of significant harm are safeguarded adequately but social care services to children looked after, whilst under review and improving, remain variable. There is a good range of advice, information and initiatives to enable parents and carers to keep children safe and the work to combat bullying and domestic violence is beginning to make an impact. Support to safeguard children and young people with learning difficulties and/or disabilities is adequate overall, but there is insufficient social care provision.
- 99 The contribution of council services to helping children and young people enjoy their education and recreation and achieve well is good with some outstanding features. Children and young people achieve very well. Attainment in 2006 was above national averages and in line with other similar areas despite significant movement of pupils in and out of Harrow. Attendance at school is well above national averages and was the best among London Boroughs in 2005/06. Permanent exclusions from school remain high although they are reducing. The progress of children and young people with statements of special educational needs at all key stages is in line with expectations. However, looked after children do not make sufficient progress in school. Children and young people achieve well through sports, music and arts activities. However, within the Youth Service, young people's achievements are poor overall. The council and its partners give a high priority to ensuring children and young people enjoy and achieve. This is evident in the effective support and good services provided to parents, carers and schools, particularly those in the more disadvantaged neighbourhoods. School improvement and the council's overall relationships with schools are a particular strength. The strategy for child-care and early years is good and the development of the Children's Centres and Extended Schools is progressing well. The range of recreational opportunities for children and young people, including those with special needs is good, although some young people feel these are not sufficiently well promoted.

- 100** The contribution of the council services to helping children and young people make a positive contribution to society is good. Empowering the youth of Harrow is a clear corporate priority. Services and outcomes are good with young people developing good personal qualities such as confidence and self-esteem. There is a wide range of activities provided by the council and voluntary groups. Whilst the Youth Service has provided some effective activities during the summer it has not used these to identify young people who would benefit from continued participation. Mentoring opportunities and activities to combat anti-social behaviour, prevent offending and re-offending are helping improve motivation, learning skills and behaviour amongst children and young people at risk of under-achievement or social exclusion. Through such initiatives, young people have developed new skills in activities such as cricket and football. However, the first time offending rates and rates of re-offending have risen although youth crime in Harrow is low. The contribution of the Youth Offending Team (YOT) is variable. Many young people take advantage of opportunities to give their views on the design and quality of specific services and are benefiting from this experience. This includes children and young people looked after but similar opportunities for children and young people with learning difficulties and/or disabilities are less developed. Vulnerable children and young people receive good practical and personal help but the services to those with learning difficulties and/or disabilities are less developed.
- 101** The council's contribution to helping children and young people achieve economic well-being is good. Outcomes are good with high rates of participation and progression in education and training by young people post 16. Retention and pass rates are generally good but less so for work-based learning. The council works effectively with the Local Learning and Skills Council and there is a clear and cohesive strategy for the development of education and training for those young people aged 14-19 years. The council works well with the Connexions Services and most schools in providing objective advice and guidance. Help and support to families to achieve economic well-being is good as is the support to young people leaving care and children and young people with learning difficulties and/or disabilities. Regeneration initiatives are focused on the three areas of greatest deprivation and are having a positive impact on opportunities for young people to achieve economic well-being and on the built environment.

## Appendix 1 – Framework for Corporate Assessment

- 1 This corporate assessment was carried out under section 10 of the Local Government Act 1999, under which the Audit Commission has power to inspect local authorities' arrangements for securing continuous improvement. The results of the corporate assessment contribute to the determination of the overall CPA category for an authority, which the Audit Commission is required to assess and report on under section 99 of the Local Government Act 2003.
- 2 The Council's self assessment provided a key resource in focusing the assessment activity which included consideration of:
  - key documentation, including the Council's improvement plan;
  - updated performance indicators and performance data; and
  - interviews and meetings attended.
- 3 The assessment for London Borough of Harrow was undertaken by a team from the Audit Commission and took place over the period from 27 November to 8 December 2007.
- 4 This report has been discussed with the Council, which has been given the opportunity to examine the Audit Commission's assessment. This report will be used as the basis for improvement planning by the Council.

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Meeting:	Cabinet
Date:	19 April 2007
Subject:	Service Reviews
Key Decision: (Executive-side only)	No
Responsible Officer:	Paul Najsarek – Director People, Policy & Performance
Portfolio Holder:	Cllr David Ashton
Exempt:	No
Enclosures:	None

## SECTION 1 – SUMMARY AND RECOMMENDATIONS

This reports provides an update on service reviews.

### **RECOMMENDATIONS:**

The Cabinet is requested to:

1. Note the outline scopes for each project review.
2. Agree the service review framework.

### **REASON:**

To enable the delivery of **phase 1** fundamental service reviews for 2007-08.

## SECTION 2 - REPORT

### 1. Background

The following report provides a proposed approach to implementing the programme of service reviews, agreed by Cabinet in December 2006. This paper provides a framework within which service reviews can operate. The programme will run as follows:

Phase	Service Area	Timescale
<b>1</b>	Children's health & social care	2007/08
	Culture, sport & leisure	2007/08
	Public realm services	2007/08
	Information & communication	2007/08
<b>2</b>	Adults health & social care	2008/09
	Planning & development	2008/09
	Visiting teams	2008/09
<b>3</b>	Support services	2009/10

This programme has been agreed following a service delivery review, which took place in 2006 and made recommendations for where in depth service review work should take place.

### 2. Aims & Objectives

The service review programme will focus on making service improvements and savings over the course of our next corporate plan and MTBS period. The programme also seeks to ensure that we have a clear plan of each service area for the medium to long term and how we will achieve these plans bearing in mind resource implications. Additionally, it is essential that all service plans make clear links between service priorities and the council vision and priorities so that the whole council is clear about its direction of travel.

The service reviews should also seek to achieve:

- a. **Coordination – avoid duplication of other reviews / inspections**
- b. **Customer focus - provide a channel for using community input/consultation**
- c. **Improving actual performance and value for money**
- d. **Direct impact on savings and efficiency**
- e. **Best practice – researching best practices, benchmarking and implementing as appropriate**
- f. **Ownership –wide involvement of members, managers and staff in the process**
- g. **Coordinated outputs – coordinate and plan support required**
- h. **CPA improvement – demonstrate that we challenge and improve**

Additionally, it will tie in with the wider improvement programme as a result of our recent Corporate Assessment and Joint Area Review Inspections.

### 3. Project Scopes

The service review programme will focus on making service improvements and savings over the course of our next corporate plan and MTBS period. The reviews will be whole council projects, which will involve cross-organisational input. Initial meetings with service directors have indicated the following scopes for each review:



<b>Service Area</b>	<b>Outline scope</b>
Children's health & social care	Children with disabilities – Direct payments, and increasing 'in borough' placements for children with special needs.
Culture, sport & leisure	This review will cover libraries, sport and leisure.
Public realm services	Improved delivery of public realm services – Quality of street care and public land, waste, maintenance, common areas.
Information & Communication	A fundamental review of the council's internal and external communications is being completed by Westminster Council.

Detailed scopes for each of the above are currently being developed and will be agreed by relevant Portfolio-holders.

#### **4. Links to Organisational Review**

The organisational review will result in significant changes to service structures in some areas. In light of this, the service review will support the identification of crosscutting themes in order to maximise the savings across the council.

#### **5. Service Review Framework**

For service reviews to be implemented in a structured and consistent way, the following section briefly describes the proposed framework.

##### **a. Definition**

A service review is a major one off exercise that may be repeated periodically. The ongoing management of the recommendations that come out of a review should take place through processes that currently exist within the organisation such as performance management, service planning programme management, budgeting, workforce development and procurement.

In addition the service review materials developed should strongly support 'self help' reviews by being available to Directorates on an ongoing basis.

##### **b. Process**

The approach developed for service improvement needs to coordinate with the ongoing processes that the council has developed for managing improvement. The key stages will include:

- **Commission & Define**
- **Gather evidence, analyse & diagnose**
- **Identify options & analyse**
- **Plan selected option**
- **Implement selected option**
- **Monitor selected option**

All reviews will consider user satisfaction; value for money, benchmarking information, the services place in the wider market of services available to residents, property issues, ICT options and alternative delivery arrangements

An illustration of how this fits into the wider continuous improvement model for the council is illustrated in **Appendix 1**.

### **c. Governance**

The governance arrangements for each review will be structured to ensure that progress is appropriately managed and steered. It is crucial that members drive the review programme. A member steering group will guide the progress of the review, with members acting in an advisory role. All decisions will be taken by Cabinet or by Portfolio Holders.

**Appendix 2** suggests draft terms of reference for a member steering group.

**Appendix 3** describes the governance and project management of the reviews

Work is underway to ensure that the future Overview and Scrutiny programme fits within the service review programme and supplements it.

### **d. Resources**

Work is currently underway to identify suitable project managers for each service review. One project manager will be sourced from the Strategy & Performance team, and two additional project managers will be sourced externally, funded by Capital Ambition. Discussions are taking place with Capital Ambition, PriceWaterhouseCooper and Eden Brown to identify suitable candidates. Service directors will be involved in selecting the most suitable candidates. It is envisaged that project managers will be in place by the end of April. The services will require resource from across the council to be successful, e.g. performance, finance, ICT, BTP, property.

### **e. Timescales**

It is crucial that reviews are purposeful and focused. The stages from scoping through to implementation planning should be concluded in six months. Implementation timescales will depend on the review. Given that different areas of the Council's business are being reviewed it should be possible to carry out all the reviews simultaneously subject to support services being available to cover all 3 reviews. All reviews in 2007/08 will report in the Autumn to inform service and budget planning.

### **Equalities**

Each review will incorporate a full equalities impact assessment.

### **Consultation**

Each review will gather stakeholder views as appropriate for the service concerned.

**Legal and Financial Comments**

Legal & Finance have cleared this report.

**SECTION 3 - STATUTORY OFFICER CLEARANCE**

Chief Finance Officer	<input checked="" type="checkbox"/>	Name: Myfanwy Barrett.... Date: ...3 April 07.....
Monitoring Officer	<input checked="" type="checkbox"/>	Name: ...Hugh Peart... Date: ...4 April 07.....

**SECTION 4 - CONTACT DETAILS AND BACKGROUND PAPERS**

**Contact:** Paul Najsarek, Director People, Policy & Performance, Ext 5252

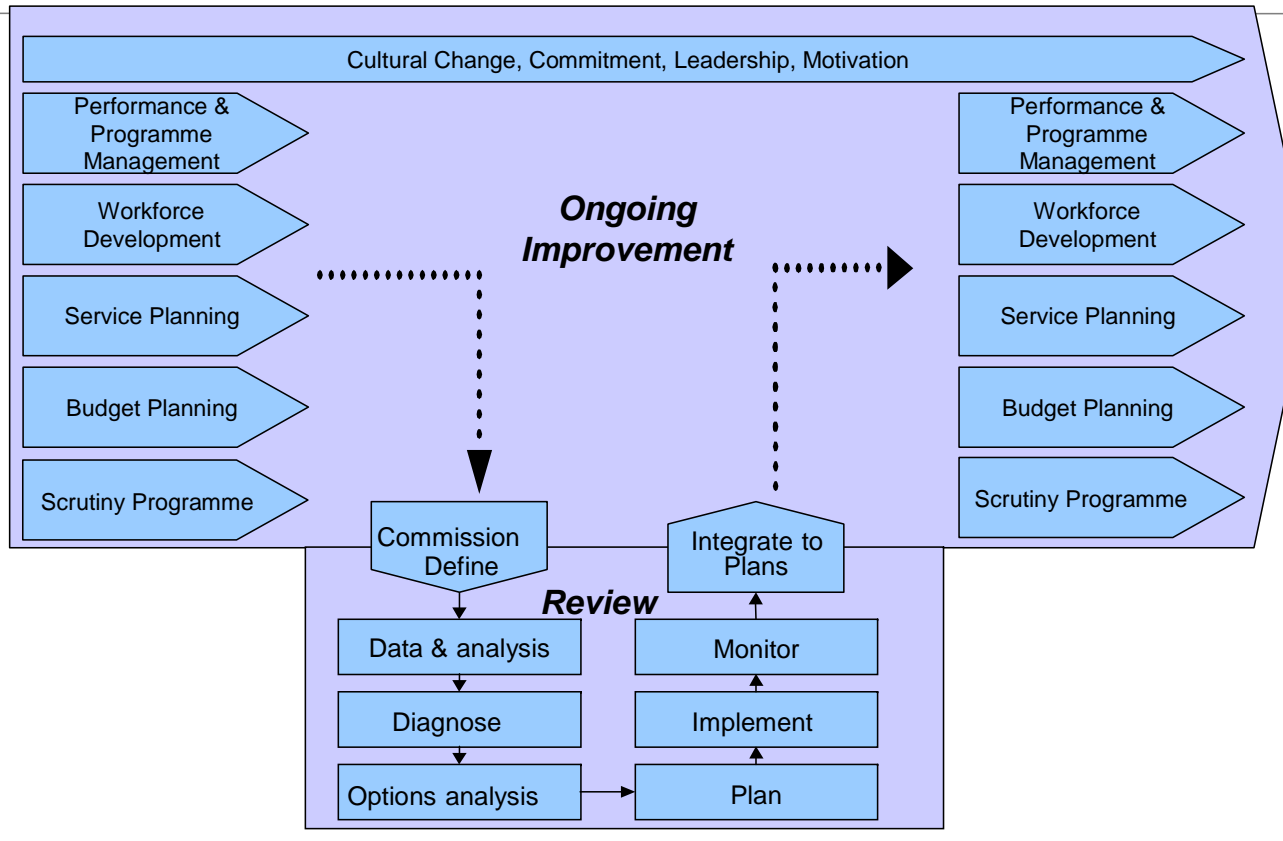
**Background Papers:**

Cabinet Report – Revenue Budget 2007/08 to 2009/10 – 14 December 2006.

**IF APPROPRIATE, does the report include the following considerations?**

1.	Consultation	YES
2.	Corporate Priorities	YES
3.	Manifesto Pledge Reference Number	D

# Continuous Improvement Model



## Service Review Steering Group

### Terms of Reference

#### 1. Objectives

- To provide leadership, challenge and support to the Service Review Programme
- To steer the reviews during their life prior to final reports to cabinet
- To ensure synergies between reviews are realised
- To ensure that review programme is well integrated with the rest of the council's change programme
- To monitor progress on review completion

#### 2. Membership

- Deputy Leader (Chair)
- Relevant Portfolio Holder (i.e. those portfolio holders leading on the reviews in progress)
- Opposition member (to be nominated by Labour Group)
- Chief Executive
- Lead Directors
- Directors of People, Performance and Policy (or equivalent in new structure)
- Group Manager: Strategy & Performance
- Project Manager

#### 3. Support

The Group Manager, Strategy and Performance (or equivalent in new structure) will support the Steering Group with the necessary input from their team.

#### 4. Meeting Schedule

Monthly meetings are suggested given that 3 major reviews will be in progress simultaneously

**Governance & Resources**

Role	Who	Responsibilities
Steering group	<ul style="list-style-type: none"> <li>- Deputy Leader</li> <li>- Service portfolio holder</li> <li>- Opposition member</li> <li>- Chief Executive</li> <li>- Service director</li> <li>- Director: People, Performance &amp; Policy</li> <li>- Group Manager: Strategy &amp; Performance</li> <li>- Project Manager</li> </ul>	<ul style="list-style-type: none"> <li>• To provide leadership, challenge and support to the Service Review Programme</li> <li>• To steer the reviews during their life prior to final reports to Cabinet</li> <li>• To ensure synergies between reviews are realised</li> <li>• To ensure that review programme is well integrated with the rest of the council's change programme</li> <li>• To sign off draft reports at key stages of the review.</li> <li>• To monitor progress on review completion</li> </ul>
Review sponsor	<ul style="list-style-type: none"> <li>- Service director</li> </ul>	<ul style="list-style-type: none"> <li>• Accountable for the project to the steering group.</li> <li>• Develops the business case and ensures the benefits are achieved</li> <li>• Supports the project manager by removing blockages</li> <li>• Receives and signs off all project documentation as appropriate</li> <li>• Update progress to steering group at critical stages in the process</li> </ul>
Project manager	<ul style="list-style-type: none"> <li>- 1 x Project Manager (PPP)</li> <li>- 2 x Project Managers (funded through Capital Ambition)</li> <li>- Future: internal secondments</li> </ul>	<ul style="list-style-type: none"> <li>• Reports to service director</li> <li>• Responsible for the delivery of the project within the constraints of time, cost and quality</li> <li>• Produces all project documentation throughout</li> <li>• Day to day management of the project and the team</li> </ul>
Project Team	<ul style="list-style-type: none"> <li>- Finance</li> <li>- Learning &amp; Development</li> <li>- Service area lead (s)</li> <li>- Performance management</li> <li>- ICT/BTP</li> <li>- Procurement</li> <li>- Property</li> <li>- Administrator</li> </ul>	<p>Depending on the scope of each review, these are unlikely to be full time roles but will require significant input from relevant individuals:</p> <ul style="list-style-type: none"> <li>• Carries out the work set out in the project plan in order to meet the project objectives.</li> <li>• Provides administrative support and information for project documentation as required</li> <li>• Helps the project manager control project risks and issues</li> </ul>
Peer Support	<ul style="list-style-type: none"> <li>- Peer support from neighbouring boroughs</li> </ul>	<p>This will consist of 5 days support per review from expert peers secured through Capital Ambition.</p>



Meeting:	Cabinet
Date:	19 <sup>th</sup> April 2007
Subject:	Extended Schools strategy
Key Decision: (Executive-side only)	Yes
Responsible Officer:	Javed Khan Director of Lifelong Learning and Cultural Services
Portfolio Holder:	Councillor Christine Bednell Portfolio Holder for Lifelong Learning and Cultural Services
Exempt:	No
Enclosures:	Extended Schools strategy and updated guidance.

## **SECTION 1 – SUMMARY AND RECOMMENDATIONS**

This report sets out the background to the development of an extended schools strategy for Harrow. The strategy contributes to three corporate priorities; Making Harrow safe, sound and supportive; empowering Harrow youth and giving more choice in sport, leisure and amenities. In addition, the strategy links to the Children's Centre strategy and contributes to achieving targets set out in the Harrow Children and Young People's Plan.

### **RECOMMENDATIONS:**

Cabinet is asked to approve the Extended Schools strategy.

**REASON:** (For recommendation - Executive-side reports only)

## **SECTION 2 - REPORT**

### Brief Background

The Extended Schools strategy provides a framework for the development of extended schools in Harrow. It sets out the Harrow approach to develop the initiative in a way that streamlines provision and develops shared understanding. It makes explicit the link between extended schools and children's centres providing the strategic direction for the development of integrated, extended services in Harrow.

In October 2006 a report was prepared for the Children and Young People Scrutiny sub-committee that provided an update on progress regarding extended schools since the Community Schools Pilot Evaluation in November 2005. The report stated that a draft extended schools strategy had been drawn up and was available for consultation during October to December 2006.

The Extended Schools strategy has been developed in conjunction with the Children's Centre strategy that received cabinet approval in November 2005. The Children's Centre strategy sets out a commitment to work with extended schools to ensure a full range of locally accessible services are available to meet needs identified.

A progress report on Extended School developments was presented at Cabinet in December 2005. The report included an evaluation of the pilot schools and addressed recommendations made in the Scrutiny Review Group Report of July 2004.

The Scrutiny Review group prepared a report on the Community Schools Pilot in July 2004. The report commented positively on developments that had taken place and made some recommendations for the future roll-out of the pilot.

Roll-out options for Extended Schools were approved at a cabinet meeting in July 2004

### Issue to be determined

To approve the extended schools strategy.

### Options considered

Key stakeholders were consulted on the development of the strategy. The draft strategy was circulated widely and feedback was invited. The circulation included all headteachers, chairs of governing bodies, voluntary sector representatives, members of the Early Years and Childcare Partnership, Cluster Co-ordinators, Councillors and senior managers across all council departments. A number of responses were received and where appropriate these were incorporated in to the final document.



### Option recommended

It is recommended that the Extended Schools strategy is approved as it will provide the strategic direction for the further development of this initiative in Harrow.

### Resources, costs and risk associated with recommendation

Delivery of extended schools in 2007-08 is financed through four funding sources; (1) General Sure Start grant of £232,348 (2) Standards Fund £377,00 (3) council funding £294,000 and (4) £75,000 from the Direct Schools Grant.

A risk associated with the recommendation is that grant funding is only confirmed until March 2008.

### Staffing/workforce consideration

A number of staff are currently employed to deliver extended schools. The staff are employed by the Local Authority on fixed term contracts due to the uncertain nature of the funding.

### Equalities impact

The adoption of the strategy will ensure that we can meet the needs of disadvantaged members of the community.

The strategy contributes to the Corporate equalities plan and race equality scheme in a number of ways. The strategy aims to build through extended schools cohesive communities, provide opportunities to succeed, achieve aspirations, provide access to services, combat disadvantage and promote social inclusion.

### Legal and financial comments

Section 27 of the Education Act 2002 gives power to schools to provide services and facilities for the benefit of the community. The governing bodies of the schools will retain responsibility for the control of the school premises, unless agreements to transfer control are entered into.

The strategy includes updated guidance that provides information on matters relating to extended schools including legal and other requirements. The updated guidance reflects information provided by the DfES in its recent publication *Planning and funding extended schools: A guide for schools, local authorities and their partner organisations*.

### Section 17 Crime and Disorder Act 1998 considerations

The strategy will enable extended schools to contribute to the Crime, Disorder & Drugs Strategy (2005-2008) Priority Area 4 *Young People and a Safer Harrow*, to develop partnership working with young people and encourage their participation in all Safer Harrow initiatives, including promoting the development of Youth

Inclusion Support Panels, support voluntary sector services and parenting support programmes and encourage increased access to youth services. Developments will also contribute to the cross-cutting theme of support for community cohesion.

**SECTION 3 - STATUTORY OFFICER CLEARANCE**

Chief Finance Officer	<input type="checkbox"/>	Name:.....Donna Edwards..... Date: .....3/4/07.....
Monitoring Officer	<input type="checkbox"/>	Name: ...Helen White..... Date: .....29/3/07.....

**SECTION 4 - CONTACT DETAILS AND BACKGROUND PAPERS**

**Contact:** Kashmir Takhar, Group Manager Community Development

**Background Papers:**

DfES, Extended Schools: Access to opportunities for all Children and Young People Scrutiny Sub-Committee, 18 October 2006, Update on Extended Schools  
 Cabinet, 15 December 2005, Community (Extended) Schools Roll-Out  
 Cabinet, 10 November 2005, Children’s Centres  
 Cabinet, 29 July 2004, Extension of Community Schools Programme  
 Scrutiny Review Group Report (July 2004), NHP Community Schools Pilot  
 Harrow Children and Young People’s Plan, 2006-09  
 DfES, Planning and funding extended schools: A guide for schools, local authorities and their partner organisations

**IF APPROPRIATE, does the report include the following considerations?**

1.	Consultation	YES
2.	Corporate Priorities	YES
3.	Manifesto Pledge Reference Number	

# **EXTENDED SCHOOLS STRATEGY**

**2007-2010**

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## Extended Schools Strategy

### 1. Introduction

This strategy sets out the Harrow approach to the extended schools initiative to streamline provision of the extended schools core offer<sup>1</sup> through shared understanding. It makes explicit the links between partners with related agendas, especially the development of Harrow's Children's Centres. The strategies for extended schools and children's centres<sup>2</sup> should be read together as they provide the strategic direction for the development of extended services<sup>3</sup> in Harrow,

### 2. Vision

Harrow schools will be centres' providing high quality teaching and learning focused on high standards of attainment, as well as being 'community hubs' offering access to support for children and families. Additional support may often be delivered by partners, and is what children and their families need in order to thrive and achieve. Schools will contribute to wider plans to ensure that children and young people stay safe and healthy, enjoy and achieve, achieve economic well-being and make a positive contribution

### 3. Underlying principles and beliefs.

- Higher standards of attainment go hand in hand with promoting the well-being of children and young people.
- School improvement strategies are linked with the development of extended services.
- Educational change must be owned and driven by schools and parents.
- Extending the range of services on offer to children, young people and their parent's helps schools to identify and overcome barriers to attainment early on.

---

<sup>1</sup> The core offer is described in the DfES publication 'Extended Schools: Access to opportunities for all', 2005

<sup>2</sup> Harrow Children's Centre strategy approved by Cabinet in November 2005

<sup>3</sup> The term Extended Services is used in this document to refer to both the extended schools core offer and the children's centre core services described in the Sure Start Children's centres Practice Guidance.

- Additional activities and services enable children and young people to pursue wider interests, develop new skills and access any specialist help that they might need to resolve difficulties and fulfil their potential.
- Parents and local communities benefit, from advice and support; and from opportunities to improve not only their parenting skills, but also their skills for employment.
- Particular emphasis is placed on those who are among the most disadvantaged.

#### **4. Over-arching aims**

- Improve achievement and raise standards.
- Address the particular needs of under-achieving and disadvantaged groups.
- Increase parental involvement.
- Meet the requirements of the Every Child Matters (ECM) agenda.
- Provide improved services for children, families and local communities.
- Establish partnerships with other services to support respective targets.
- Services will be developed which are sustainable, affordable, meet local needs and contribute to making communities stronger.

#### **5. Core offer of extended schools**

By 2010 Harrow's aim is that all schools will have developed the five 'core' services:

- Varied menu of activities including study support.
- Access to high quality, affordable childcare year round.
- Swift and easy referral to a wide range of specialist support services.
- Parenting support, including family learning.
- Wider community access to ICT, sports and arts facilities, including adult learning.

#### **6. Targets**

- By 2010 every school can provide access to core extended services and every community will also have access to a Children's Centre, providing multi-agency support for children up to age five and their families.

- By 2008 core services will be provided by 50% of first and middle schools and 33% of high schools.
- By 2006, core services will be provided by at least 11 schools.

## **7. Development of Services**

- Services will be provided with the support of governing bodies.
- Schools and children's centres will work together in clusters to plan, coordinate and deliver services.
- Cluster co-ordinators and children's centre managers will work with the Local Authority, head teachers, partner agencies, the private sector and community, voluntary and faith sector to deliver extended services.
- Services will be funded primarily through Government funding, Council specific funding and supported through school's own delegated budgets where appropriate.

## **8. Strategic Support**

- The Local Authority Schools Leadership Team (Appendix 1) takes a strategic lead in co-ordinating and auditing extended services and ensures corporate support across Council Services.
- The Extended Services Partnership links in to the Children and Young People's Strategic Partnership (CYPSP) (Appendix 2).
- The work of the Extended Services Partnership takes place within the six working groups which are: Family Support and Learning, Training and Quality, Health and SEN (Special Educational Needs), Commissioning Services, Childcare Development and Marketing and Information Services. Each group works to agreed terms of reference (Appendix 3) and provides regular reports to the Extended Services partnership.
- Support is available from Harrow's Extended Schools Remodelling Adviser (ESRA), Council officers from People First Directorates and other council directorates, particularly Urban Living.
- Support and advice is also sought from other statutory services including health and police as well as the voluntary, faith and community sector.

## **9. Local Authority specific support for extended services**

- Information about existing patterns of provision and service gaps in local areas, including the current demand for, and provision of, childcare in each local area.
- Information and provision of lifelong learning opportunities.
- Advice about the funding available and how it might be used.
- Training, skills, advice and support on all aspects of extended services.
- Information about other children's services and providers who are willing to work with extended schools.
- Model policies on charging for services such as childcare.
- Advice on working with third party providers and model contracts.
- Advice on health and safety and safeguarding.
- Advice on how to consult effectively and what resources are available to support the consultation process.
- Advice on establishing community based arts and sports activities and links to existing provision.
- Regularly updated guidance on developing extended schools provision (see Extended Schools Updated Guidance, January 2007).

## **10. Quality Assurance**

Impact will be measured against:

- Pupil achievement.
- Evidence of participation of young people, parents, carers and the local community in shaping activities.
- Participation in extended school activities as a percentage of the school population.
- Numbers of parents entering, being retained or progressing in learning.
- Impact that services have on pupils, parents and the local community.
- Extended school clusters will also set their own targets and impact measures as part of their annual action planning cycle.
- Clusters are expected to incorporate monitoring and evaluation procedures in all their activities.



The statutory purposes for school inspection already include a requirement to evaluate and report on schools' contributions to the *Every Child Matters* outcomes. This includes an evaluation of the extent to which enrichment activities and extended services contribute to children's and young people's enjoyment and achievement. Questions could include:

- Why did the school decide to offer these particular extended opportunities?
- How are they impacting on standards and achievement?
- How well are the activities and services used?

## Local Authority Schools Leadership Team

Remit of the group:

- To focus on work in and with schools.
- To focus on leadership and lead on strategic matters.
- Finding out about and pre-empting issues that will impact on schools.
- Being aware of concerns affecting schools from other services.
- To make a joined-up response to issues.
- High-level coordination at an early stage to potential issues and concerns.
- To lead on and co-ordinate service development.
- High-level coordination of services provided to schools.
- To promote Foundation Stage issues.
- Communication with Schools.

Cross cutting issues to include:

- School workforce development.
- Extended services (includes Extended Schools and Children's Centre developments).
- SEN.
- School performances.
- School organisation.

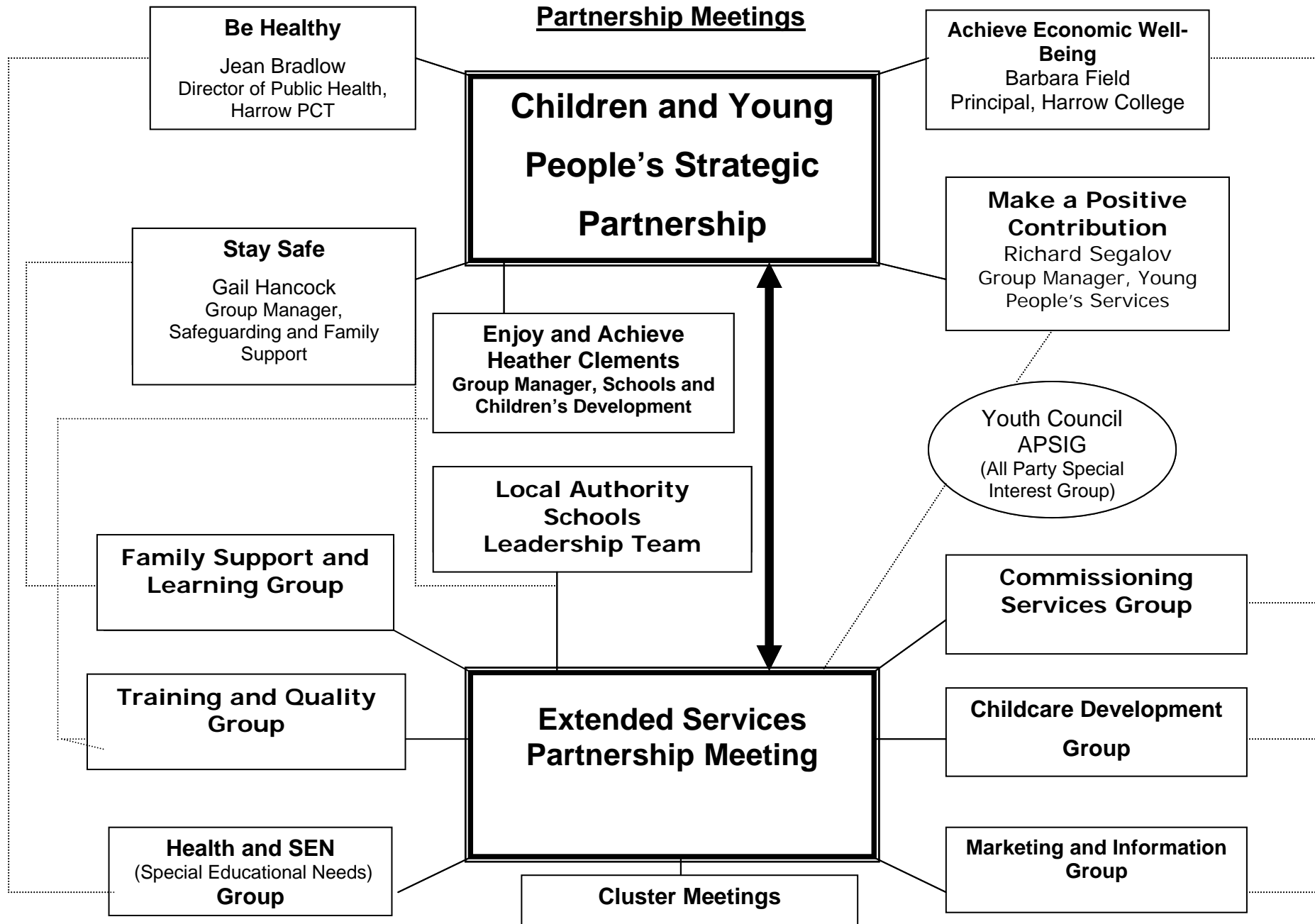
Membership to be drawn from:

- HR
- Finance
- Special Needs
- Buildings and Maintenance
- Admissions.
- Data Services
- Legal services
- Early Years and Parenting
- Community and Area Development
- Social Care

Meetings to take place half termly.

The focus of each meeting to be clear and the agenda set two or three weeks in advance in case attendance by other officers in the LEA is required. If an agenda item is proposed that requires another officer being invited, the responsibility lies with the proposer.

**The Children and Young People’s Strategic Partnership – links with Extended Services**



## Appendix 3

### Extended Services Partnership Meeting

#### DRAFT Terms of Reference

Extended Services are a range of services provided by the statutory, voluntary or private sector through schools, Children's Centres or other community venues to provide children, young people and their families with access to early intervention, prevention and support services in a timely way and in a way which limits bureaucracy.

The aims is to share and discuss issues relating to extended services best practice and service delivery. To discuss issues around:

- equity of access to provision
- ensuring services met the identified needs of children, families and communities in local areas
- quality, where appropriate services should be quality assured by the relevant body
- distribution of service delivery (expectation is that this should only occur where data or consultation shows it to be necessary)
- identification of training needs

The groups will:

- Analyse and interpret data to inform service delivery and planning
- Report to the Children and Young Peoples Strategic Partnership and other key strategic partnerships
- Ensure evaluation of service delivery takes place to measure impact
- Maximise the potential for interdepartmental working

Operational Partnership meetings to be:

- held termly
- chaired by elected chair or relevant Group or Service Manager
- minuted by administrators from the Early Years, Childcare and Parenting Services
- agenda to be set by Chair, relevant officers and partners and sent out 1 weeks before the meeting date

#### Attendance to be drawn from:

- Community and Area Development
- Extended Schools and Children's Centres
- Early Years Childcare and Parenting Services:
- Lifelong Learning and Library Services:
- Social Care
- Head Teacher representatives – Primary, Secondary and Special
- Governing Body Representatives
- Achievement and Inclusion Group
- Parent Representatives
- FE Representatives and training provider representatives
- Voluntary Sector Representatives
- Business Representatives
- Youth Service Representative
- Health Representatives
- Day Care Providers
- Educational Psychology Representatives

**Extended Services Partnership**  
**Commissioning Services Group**  
**DRAFT Terms of Reference**

- To map current extended services commissioning activity.
- To discuss and reach agreement about the services that will be commissioned from other agencies to provide families with local access to early intervention and prevention services.
- To reach agreement about how the commissioned services will be funded and monitored.
- To receive reports from commissioned services on progress, issues and concerns.
- To report to the Extended Services Partnership on activity and progress.
- To ensure all commissions are equitable and enable positive action and support for under-represented and disadvantaged groups and communities.

**The Extended Services Commissioning Group to:**

- Meet Termly.
- Be chaired by the person elected annually by the group.
- Open, transparent and accountable in procedures and decision-making.

**Attendance to be drawn from:**

- Children's Centres
- Extended Schools
- Community and Area Development
- Others to be confirmed

## Extended Services Partnership

### Health and Special Educational Needs (SEN) group

#### DRAFT Terms of Reference

- To discuss and reach agreement about the early intervention and prevention health services to be provided in each area of Harrow through Extended Schools and Children's Centres.
- To pool data and knowledge about children and families health needs in each area of Harrow.
- To use the data to make decisions about where early intervention and prevention health services will be provided.
- To develop a service delivery plan for each of the following:
  - Breastfeeding
  - Oral Health
  - Speech and Language Therapy
  - Health Visiting Services
  - School Nursing
  - Antenatal Care
  - Healthy Living
- To receive reports from health services on progress, issues and concerns.
- To ensure links are made with developments impacting on the health of adults.
- To strategically overview the Common Assessment Framework and the implications for Extended Services in relation to children with SEN.
- To strategically overview the roll out of Early Support and to consider the learning and its wider impact on Early Years provision.
- To provide a forum where all professionals providing services to children with Special Educational needs in the Early Years and within Extended Schools can meet together to discuss issues and agree actions to address the issues.
- To provide an overview to the integrated training programme.
- To ensure early intervention and identification processes meet the needs of the child, parents and practitioners.

#### Attendance to be drawn from:

- Health Visiting service
- Therapy Services
- Community Midwifery
- Children's Centres
- Early Years Childcare and Parenting Services
- Educational Psychology
- Community and Area Development
- Cluster Co-ordinators

## **Extended Services Partnership**

### **Marketing and Information Group**

#### **DRAFT Terms of Reference**

To act on behalf of the partnership –

1. To ensure that the partnership has a coherent and comprehensive Marketing and Publicity Strategy and Recruitment Plan.
2. To attempt to reach under-represented groups to raise the profile of the CIS (Children's Information Service), extended services and of childcare as a career.
3. To identify any new opportunities to raise the profile of extended services in general, and to raise the profile of childcare careers in Harrow.
4. To consider and ratify any decisions made by the Marketing and Information Manager and Chair of this project group to use new methods of advertising, promoting extended services and the Recruitment Campaign within Harrow.
5. To monitor expenditure on advertising and publicity to ensure that budget is not over spent and full use is made of the budget allocated
6. To report regularly to the Extended Services Partnership.
7. To ensure that consideration is given to equal opportunities in all aspects of work undertaken.

#### **Attendance**

To be confirmed

**Extended Services Partnership****Childcare Development Group****DRAFT Terms of Reference**

The Early Years Childcare and Parenting Services have set childcare targets based on research to meet the needs of children and families in Harrow. These targets are broken down into a three year period.

1. To develop a childcare strategy which incorporates the Business Plan and is clearly linked with the development of extended schools.
2. To monitor and evaluate the Business Plan to develop childcare in Harrow.
3. To liaise with the training and quality project group to ensure the training programmes meet the needs of childcare providers in Harrow.
4. To liaise with the marketing and publicity project group to ensure that information is widely circulated about new and existing childcare places.
5. To ensure that registered childminders, out of school, day care and pre school provision are linked to one of the nine children's centres in Harrow.
6. To report the progress of the childcare development project group to the Extended Services Partnership.



## **Extended Services Partnership**

### **Training and Quality Group**

#### **DRAFT Terms of Reference**

- To ensure comprehensive training programmes are in place for early years and childcare practitioners and those working in extended services
- To ensure an inter agency training programme is developed for all practitioners working in and with Harrow's Children's Centres and extended schools
- To monitor, through officer reports the uptake on the training programmes provided by partnership funding
- To advise the partnership on actions to remedy any shortfall in attendance on the training programmes
- To receive reports regarding the number of partnership bursaries awarded.
- To receive officer reports on Ofsted returns for settings offering a Foundation Stage curriculum and support officers in taking appropriate actions
- To receive regular reports from the Quality Assurance Focus Group ensuring the partnership is working towards meeting its target.
- To work with officers on developing other strategies which will promote high standards of early years education and childcare and extended services in all settings.
- To report regularly on all work and activity connected with quality and training to the full meeting of the Extended Services Partnership

It is the role of the Training and Quality Project Group to monitor all training and quality activity to ensure that set targets are met

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# **EXTENDED SCHOOLS**

## **Updated Guidance**

**January 2007**

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## Extended Schools Updated Guidance

### 1. Introduction

- 1.1 This updated guidance builds on previous guidance: *Guidance for Extended Schools Activities in Harrow (2004) and Updated guidance on safeguarding - amendments (2005)*. It provides updated information on Harrow's approach to extended school developments. It makes explicit the links between partners with related agendas, especially the development of Harrow's Children's Centres. It should be read in conjunction with the strategies for extended schools and children's centres as they provide the strategic direction for the development of extended services<sup>1</sup> in Harrow.
- 1.2 This guidance builds on the excellent work carried out across the borough by schools and services which has already begun to improve the quality of life for families and communities.
- 1.3 The provision of extended services is not new and many schools have been involved in linking with the community as part of school improvement planning. In some situations delivery of the core offer is a matter of putting a structure on what already exists; for other aspects of core delivery new systems may need to be put in place as appropriate.
- 1.4 The content of this guidance is particularly influenced by DfES (2005) *Extended Schools: Access to opportunities and services for all* and HM Government and DfES Guidance (2006) *Planning and funding extended schools: A guide for schools, local authorities and their partner organisations* which set out a shared understanding of what schools can be: a place providing high quality teaching and learning focused on high standards of attainment, and also acting as 'community hubs' offering access to the support, often delivered by partners, that children and their families need in order to thrive and achieve.

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<sup>1</sup> The term Extended Services is used in this document to refer to both the extended schools core offer (described in *Extended Schools: Access to Opportunities for all*, DfES, 2005) and the children's centre core services described in the *Sure Start Children's centres Practice Guidance*.

1.5 Extended schools services are seen as part of a wider movement to ensure that children and young people stay safe and healthy, enjoy and achieve, achieve economic well-being and make a positive contribution. They support the development of local, community-based services. They will form part of the overall local authority delivery on ECM (Every Child Matters) which will be judged through the Joint Area Review and OFSTED inspections.

## **2. Underlying principles and beliefs**

2.1 There are a number of underlying principles which underpin the development of extended services. These include the following:

- Higher standards of attainment go hand in hand with promoting the well-being of children and young people.
- School improvement strategies are linked with the development of extended services
- Educational change should be owned and driven by schools and parents.
- Extending the range of what is on offer to children, young people and their parents helps schools to identify and overcome barriers to attainment early on
- Additional activities and services enable children and young people to pursue wider interests, develop new skills and access any specialist help that they might need to resolve difficulties and fulfil their potential.
- Parents and local communities benefit, from advice and support; and from opportunities to improve not only their parenting skills, but also their skills for employment.
- Particular emphasis is placed on those who are among the most disadvantaged

2.2 The development of the extended schools initiative in Harrow aims to:

- a. Improve achievement and raise standards.
- b. Address the particular needs of under-achieving groups.

- c. Increase parental involvement.
- d. Meet the requirements of the Every Child Matters (ECM) agenda.
- e. Provide improved services for children, families and local communities.
- f. Establish partnerships with other services to support respective targets.
- g. Develop services that are sustainable, affordable, meet local needs and contribute to making communities stronger.

### **3. Key elements to the development of extended services**

- 3.1 Attainment and Personalisation:** Study support activities such as homework clubs, arts activities, special interest clubs etc. will offer opportunities for children to pursue wider interests, develop new skills and access extra help, where needed. Swift, early referral to wider support services, where necessary, also helps overcome other barriers to learning. Schools are encouraged to design services in ways that support school improvement and where appropriate do so in consultation with their School Improvement Partners.
- 3.2 Planning and Partnership Working:** Extended services can be developed only by schools working in partnership with parents, children and young people, local authorities, children's centres other children's services and the private, community and voluntary sectors. The aim is to complement, not duplicate existing provision, avoid competition and where possible reduce costs and administrative burdens.
- 3.3 Workforce reform:** Extended schools should be developed in ways that minimise burdens on headteachers and staff. Teachers are not expected to deliver activities and services. Schools are encouraged to consult their staff and professional associations before drawing up staffing plans for extended activities. Some staff, for instance support staff, may be interested in taking up new opportunities; but there may also be a need to employ additional staff.
- 3.4 Consultation:** Schools are legally required to consult about any extended services they plan to offer and about any proposed charging arrangements.

As a minimum, schools must consult parents of children registered at the school; the children and young people themselves; the staff; and the Local Authority. Schools should set up on-going consultation on the extended services needed by pupils, families and the local community, especially local residents.

- 3.5 **Sustainability:** Services provided should be realistically costed. Affordable charging enables schools to enhance the quality and frequency of the extended opportunities they offer and to make these more sustainable and so more reliable for families in the long term.
- 3.6 **Planning Services to meet needs:** There is no one model of extended services. Schools will be expected to plan and fund their extended opportunities in ways that will best support children, young people and their families, reflect local needs and build on or link with existing provision offered by their partners in the voluntary and private sectors. For schools and clusters there will be a variety of approaches that adhere to the basic extended schools principles. Local knowledge, particular needs and the position of individual schools will dictate the development of the core offer. Local differences will impact on the timescale for implementation and the level of training required.

#### 4. Core offer of extended schools

By 2010 Harrow's aim is that all schools will have developed the five 'core' services described in DfES Extended Schools: Access to opportunities and services for all (2005). These 'core' offer categories may sometimes overlap.

- 4.1 **Varied menu of activities (including study support):** This describes the very wide range of activities and opportunities offered by schools around their 'normal' day, which may take place at school or elsewhere, enhancing and enriching children's experience and contributing to their higher attainment. These activities may be provided by schools direct or by third-party providers, and can include homework clubs; 'catch up' provision; gifted and talented provision; sport (at least two hours a week beyond the school day for pupils



who want it); music tuition; dance and drama; arts and crafts; special interest clubs such as chess and first aid courses; visits to museums and galleries; learning modern foreign and community languages; volunteering; and business and enterprise activities.

- 4.2 **High quality, affordable childcare:** This means access to childcare, 8am-6pm, five days a week, 48 weeks a year in accordance with community needs. This can be delivered either on the school site, or at a nearby school or provider, with supervised transfer arrangements where appropriate.
- 4.3 **Swift and easy referral to a wide range of specialist support services:** This includes access to specialist services including the Child and Adolescent Mental Health Service, speech and language therapy and other health support and social care. Swift and easy referral developments will link with the Common Assessment Framework implementation in Harrow.
- 4.4 **Parenting support:** This includes access to local and national information on parenting support services, transition programmes, family learning opportunities and access to parenting groups using structured evidence-based parenting programmes as well as more informal opportunities for parents to engage with the school and each other.
- 4.5 **Wider community access to ICT, sports and arts facilities, including adult learning:** Where the school has facilities suitable for use by the wider community, it should look to open these up, where possible, to meet wider community needs. The school should take a role in supporting the development of the youth offer in the community by opening up its facilities to youth organizations as appropriate. The school should also offer access to adult learning programmes.

## 5. Targets

- › By 2010 every school can provide access to year-round extended services.

- › By 2008 50% of first and middle schools and 33% of high schools will be providing this access.
- › By 2006, at least 11 schools will be providing the full core offer access to extended services.
- › By 2010, every community will also have access to a Children's Centre, providing multi-agency support for children up to age five and their families. Five of these centres (Whitefriars, Kenmore Park, Pinner Wood, Grange and Cedars) will be co-located with first and middle schools.

## **6. Governors**

The governing body of each school has ultimate responsibility for deciding whether it should offer additional services and activities and what form these should take. Governing bodies must also consult and take into account advice from the Local Authority on any plans to provide extended services under their community facilities power.

## **7. Cluster Working**

- 7.1 Harrow's provision of extended services will be made through extended school clusters working together in partnership with the nine children's centres (see Appendix 1 and 2). The clusters are: Canons Cluster Project (south east Harrow), Children First (north west Harrow), CH Unite (central Harrow), HA2cando (south Harrow), Pinner Cluster (west Harrow), Stanmore-Kenton Cluster (east Harrow) and West Cluster (west and south west Harrow). Decisions are made co-operatively within these clusters regarding which activities and services are most appropriately provided on an individual school basis and which will be most effectively delivered through the cluster.
- 7.2 Co-ordinators are managed by management teams of headteachers and supported in their role by Community Development Managers who are responsible for matters relating to employment practices. Cluster co-ordinators and Community Development Managers work together to produce an annual action plan for the development of extended schools for each respective cluster.

## **8. Children's Centres**

8.1 The development of nine children's centres across the borough will provide venues and opportunities for clusters to link aspects of the extended schools core offer. They will offer swift and easy access to specialist services, including counselling, parenting support and advice, health visiting services, support groups for parents and carers, antenatal and postnatal support, adult learning opportunities, early years care and education, childminders' support and information about care, education, training and benefits.

## **9. Charging**

9.1 Schools should define (through the governing body) when and how remission from charging arrangements should come into force.

- Schools should charge for: (a) all childcare (except for where there is a free entitlement). Parents on lower incomes may be eligible to reclaim up to 80% of the costs of childcare through the childcare element of the working tax credit; (b) community access
- Schools may also charge for some study support (which does not take place within the school day – with the exception of music tuition)
- Extended services offer particular benefits for the most disadvantaged children and young people, so it is important that they have free access to at least some study support activities, especially those designed for children who have fallen behind in attainment, to enhance their achievement and enjoyment and support personalized learning.

## **10. Transport**

10.1 Cluster schools will need to consider at the outset, in consultation with the Local Authority, whether new transport arrangements need to be put in place to extended services. Where a service (childcare for example) is provided other than on the school site, schools (with their partner providers) will need to devise supervised transfer arrangements where appropriate, such as 'walking buses'. Costs of relevant transport (for example, transfer costs to another school or other location for childcare provision) may be included in charges to parents.

## **11. Legal and other Requirements:**

11.1 In setting up extended services, schools and children's centres and their partner providers are required to ensure that they take account of all relevant legal requirements on, for example, staffing; premises; health and safety; Criminal Records Bureau checks and insurance. This will require

- ensuring satisfactory CRB checks for the wide range of adult providers and participants, activities and locations
- having clear, written agreements with partners which set out accountabilities and appropriate insurance arrangements to cover all extended activities. Where services are to be provided by third partner providers (whether on the school site or elsewhere), there must be clear written agreement about responsibilities for insurance, and the relevant policies must be available to all partners. Schools may need to communicate to parents that headteachers and governors will not always have day-to-day accountability for services offered by other providers using the school or other sites.

## **12. Funding for extended schools**

12.1 Until at least 2008, the Standards Fund and the General Sure Start Grant, will support the development of extended services. Funding is made available to Harrow's seven extended school clusters based on factors which include size of the pupil population and eligibility to free school meals.

12.2 Funding has also been made available to first and middle schools to enable them to develop some small scale capital projects aimed at improving extended services.

12.3 Harrow Council also provides specific funding on an annual basis to support extended school services. Expectations regarding the above funding are set out in appendix 3.

12.4 Schools can use their delegated budgets to support or subsidise extended activities that bring an educational benefit to children, but not to support extended activities that are solely community facilities such as sports activities for the local community. Schools may also choose to use other funding streams such as funding for personalised learning. Schools can use this funding to support access for their most disadvantaged children and young people to extended activities (some of which might otherwise be charged for), particularly 'catch up' intervention support in literacy and numeracy and gifted and talented provision.

12.5 Extended school clusters may wish to work with their co-ordinator and partner organizations to access funding from the Lottery and private sponsorship. However clusters need to be aware that such funding is often time-bound, so services should aim to be sustainable by other means in the long-term.

### **13. Local Authority support for developing extended services**

13.1 The Local Authority Schools Leadership Team along with the Extended Services Partnership will lead in strategically planning and auditing extended services.

13.2 An extended services support system is being established to ensure that the Local Authority, schools and other partners have a coherent approach to joint working between extended schools and children's centres. Partners will work together to ensure that there is best use made of resources, commissioning services and strategies link with other plans e.g. the link between the use of school buildings, planning developments in local areas and best use of other buildings and spaces.

13.3 Harrow has an Extended Schools Remodelling Adviser (ESRA) who works with the Community Development Group, the Early Years, Parenting and Childcare Group, Lifelong Learning Services, the Achievement and Inclusion Group, Young People's Group and Cluster Co-ordinators to support extended services developments.

#### 13.4 Other support is or will be provided through:

- making available information about existing patterns of provision and service gaps in local areas
- advice about how to use the funding available
- training, skills, advice and support on all aspects of extended services, including planning, funding and accounting issues, and costing sustainable activities and services
- advice on the current demand for, and provision of, childcare in each local area
- information about other children's services and providers who are willing to work with extended schools
- model policies on charging for services such as childcare
- advice on working with third party providers and model contracts
- advice on health and safety and safeguarding
- advice on how to consult effectively and what resources are available to support the consultation process
- advice on establishing community based arts and sports activities and links to existing provision.

### 14. Quality Assurance

#### 14.1 The overall success of Harrow's extended schools will be judged through the gathering of measurable outcomes relating to:

- Pupil achievement.
- Evidence of participation of young people, parents, carers and the local community in shaping activities.
- Participation in extended school activities as a percentage of the school population.
- Numbers of parents entering, being retained or progressing in learning.
- Impact that services have on pupils, parents and the local community.
- Extended school clusters will also set their own targets and impact measures as part of their annual action planning cycle.

14.2 Clusters are expected to incorporate monitoring and evaluation procedures in all their activities

14.3 The statutory purposes for school inspection already include a requirement to evaluate and report on schools' contributions to the *Every Child Matters* outcomes. This includes an evaluation of the extent to which enrichment activities and extended services contribute to children's and young people's enjoyment and achievement. Questions could include:

- Why did the school decide to offer these particular extended opportunities?
- How are they impacting on standards and achievement?
- How well are the activities and services used?

**The above guidance is influenced by:**

DfES (2006) *Schools for the Future. Designing Schools for Extended Services*

DfES (2005) *Extended Schools: Access to opportunities and services for all*

DfES/NRT (2006) document *Extended Schools – a Guide for Governors 1*.

HM Government and DfES (2006) *Planning and funding extended schools: A guide for schools, local authorities and their partner organisations*

## Appendix 1

## EXTENDED SCHOOL CLUSTER GROUPS

**Ha2Cando**

Alexandra  
 Grange First  
 Grange Middle  
 Earlsmead First + Middle  
 Newton Farm First + Middle  
 Rooks Heath High  
 Roxbourne First  
 Roxbourne Middle  
 Roxeth Manor First  
 Roxeth Manor Middle  
 Welldon Park First  
 Welldon Park Middle

**Stanmore-Kenton Cluster**

Bentley Wood High  
 Kenmore Park First  
 Kenmore Park Middle  
 Park High  
 Priestmead First  
 Priestmead Middle  
 St Joseph's R C First + Middle  
 Stanburn First  
 Stanburn Middle  
 Whitchurch First  
 Whitchurch Middle

**Pinner Cluster**

Cannon Lane First  
 Cannon Lane Middle  
 Moriah Jewish First + Middle  
 Nower Hill High  
 Pinner Park First  
 Pinner Park Middle  
 Pinner Wood First  
 Pinner Wood Middle  
 St John Fisher R C First + Middle  
 West Lodge First  
 West Lodge Middle

**Canons Cluster Project**

Aylward First + Middle  
 Canons High  
 Glebe First + Middle  
 Little Stanmore First + Middle  
 St Bernadettes R C First + Middle  
 Stag Lane First  
 Stag Lane Middle  
 Woodlands First + Middle

**CH Unite**

Belmont First  
 Belmont Middle  
 Elmgrove First  
 Elmgrove Middle  
 Harrow High  
 Harrow Tuition Service  
 Norbury First + Middle  
 Whitefriars First + Middle

**West Cluster**

Longfield First  
 Longfield Middle  
 Roxeth First + Middle  
 St Anselm's R C First + Middle  
 St George's R C First + Middle  
 Vaughan First + Middle  
 Whitmore High

**Children First**

Cedars First  
 Cedars Middle  
 Grimsdyke First + Middle  
 Hatch End High  
 Kingsley High  
 Marlborough First + Middle  
 Sacred Heart Language College  
 Salvatorian College  
 Shaftesbury  
 St John's C of E First + Middle  
 St Teresa's R C First + Middle



Weald First  
Weald Middle

**Appendix 2****Table showing links between clusters and children's centres**

<b>Extended School Cluster</b>	<b>Children's Centre</b>
Ha2cando	Grange First School
West Cluster	Hillview Children's Centre
Pinner Cluster	Pinner Wood school
Children First	Cedars First School
CH Unite	Whitefriars School
Stanmore-Kenton	Kenmore Park First School
Canons Cluster	Chandos Children's Centre

**Appendix 3****Extended School Clusters  
Funding Allocation Expectations**

- All funding should be used to support the development and delivery of extended schools and the delivery of the core offer as set out in the *DfES Extended Schools: Access to opportunities and services for all prospectus*, June 2005
- Cluster developments should support school improvement plans and the strategic vision which governing bodies have for extended schools and the standards agenda.
- Cluster development should also support the *Every Child Matters* Framework as well as local initiatives such as Harrow's Children's Centres Strategy, Children and Young People's Plan etc.
- Clusters are expected to provide an annual action plan that sets out how funding will be used to develop extended schools across the cluster. This plan should be submitted for endorsement to the Local Authority *via* the Community and Area Development Manager prior to the commencement of any expenditure by the cluster.
- Funding should be held by one nominated school on behalf of the cluster and a separate cost centre should be set up within the school budget to manage all transactions related to this funding.
- The nominated school should provide, as required, regular reports to the cluster management team and relevant Community and Area Development Manager regarding this funding. Overall accountability for extended school expenditure remains with the Local Authority and reports must be made available to allow proper monitoring to occur.
- Clusters are expected to provide annual and half-yearly reports to their Community and Area Development Manager on funding and progress against the action plan. This should include monitoring and evaluation data that demonstrates impact and outcomes.
- Funding should be used to support cluster-wide projects. This may include projects that are developed for a group of schools which could be based in individual schools. However it is not expected that extended schools funding would be delegated to individual schools for use outside the agreed cluster action plan. Funding can be used in conjunction with any other external funding bids that support the development of extended schools provision.
- Clusters have a duty to ensure that all provision for children, young people and families meets health and safety, child protection and quality

requirements (separate information has been provided in the attached guidance).

- Clusters have a duty to ensure that consultation takes place and informs developments. They are encouraged to work in partnership with the voluntary, faith and community sector through service level agreements or other arrangements.
- Clusters are encouraged to think about targeting provision to meet the needs of vulnerable groups and those most at risk of social exclusion e.g. low income families, children in need, children with special educational needs, children looked after, children at risk of school exclusion etc.
- Specific support is provided from Community and Area Development Managers to cluster co-ordinators and their management teams which includes support for employee support, capacity building and training, monitoring and evaluation. Other support arrangements are set out in the attached guidance.
- Schools will be supported with integrating their monitoring and evaluation of extended school outcomes to other self-assessment processes such as the Self-Evaluation Framework. The Local Authority will monitor the overall level and quality of provision, evaluating progress towards the national targets for extended schools, and outcomes reported to the Council.

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