



# OVERVIEW AND SCRUTINY COMMITTEE

**MONDAY 29 JANUARY 2007  
7.30 PM**

**COMMITTEE AGENDA**

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

**MEMBERSHIP (Quorum 3)**

**Chairman: Councillor Jean Lammiman**

**Councillors:**

**Salim Miah  
Mrs Myra Michael  
Richard Romain  
Anthony Seymour  
Mark Versallion**

**B E Gate  
Mitzi Green (VC)  
Jerry Miles  
Mrs Rekha Shah**

**Christopher Noyce**

**Reserve Members:**

**1. Dinesh Solanki  
2. Julia Merison  
3. Narinder Singh Mudhar  
4. Mrs Vina Mithani  
5. Jeremy Zeid  
6. Yogesh Teli**

**1. Ms Nana Asante  
2. Phillip O'Dell  
3. Archie Foulds  
4. Navin Shah**

**1. Paul Scott**

**Issued by the Democratic Services Section,  
Legal Services Department**

**Contact: Daksha Ghelani, Committee Administrator  
Tel: 020 8424 1881 E-mail: daksha.ghelani@harrow.gov.uk**

## **HARROW COUNCIL**

### **OVERVIEW AND SCRUTINY COMMITTEE**

**MONDAY 29 JANUARY 2007**

#### **AGENDA - PART I**

1. **Attendance by Reserve Members:**

To note the attendance at this meeting of any duly appointed Reserve Members.

Reserve Members may attend meetings:-

- (i) to take the place of an ordinary Member for whom they are a reserve;
- (ii) where the ordinary Member will be absent for the whole of the meeting; and
- (iii) the meeting notes at the start of the meeting at the item 'Reserves' that the Reserve Member is or will be attending as a reserve;
- (iv) if a Reserve Member whose intention to attend has been noted arrives after the commencement of the meeting, then that Reserve Member can only act as a Member from the start of the next item of business on the agenda after his/her arrival.

2. **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.

3. **Arrangement of Agenda:**

To consider whether any of the items listed on the agenda should be considered with the press and public excluded on the grounds that it is thought likely, in view of the nature of the business to be transacted, that there would be disclosure of confidential information in breach of an obligation of confidence or of exempt information as defined in Part 1 of Schedule 12A to the Local Government Act 1972 (as amended).

4. **Minutes:**

That the minutes of the meetings held on 10 October 2006, 14 November 2006 (special), 21 November 2006 and 11 December 2006 (special) be taken as read and signed as a correct record.

[Note: The minutes are published on the Council's intranet and website].

5. **Public Questions:**

To receive questions (if any) from local residents/organisations under the provisions of Overview and Scrutiny Procedure Rule 8.

6. **Petitions:**  
To receive petitions (if any) submitted by members of the public/Councillors under the provisions of Overview and Scrutiny Procedure Rule 9.
7. **Deputations:**  
To receive deputations (if any) under the provisions of Overview and Scrutiny Procedure Rule 10.
8. **References from Council/Cabinet:**  
(if any).
9. **Revenue Budget and Capital Programme 2007/08:**  
Verbal report of the Director of Financial and Business Strategy (Business Development).
  - (a) **Report of the Scrutiny Budget Challenge Panel:** (Pages 1 - 18)  
Report of the Director of People, Performance and Policy (Business Development)  
  
*[The Portfolio Holder for Finance and Business Matters will be attending the meeting for this item].*
10. **Human Resources:**
  - (a) **Strategy for People:** (Pages 19 - 22)  
Report of the Director of People, Performance and Policy (Business Development)
  - (b) **Level 4 - Equality Standard for Local Government:** (Pages 23 - 28)  
Report of the Director of People, Performance and Policy (Business Development)  
  
*[The Portfolio Holders for Finance and Business Matters and Community Development will be attending the meeting for this item].*
11. **Harrow Arts Centre and Museum:** (Pages 29 - 34)  
Report of the Director of Lifelong Learning and Cultural Services (People First)  
  
*[The Portfolio Holder for Lifelong Learning, Cultural Services and Issues Facing Older People will be attending the meeting for this item].*
12. **Engagement in the Community Plan:**  
  
*[The Portfolio Holder for Community Development will be attending the meeting for this item].*
13. **Fair Trade:** (Pages 35 - 38)  
Report of the Executive Director (Urban Living)
14. **Harrow Teachers' Centre:** (Pages 39 - 44)  
Report of the Director of Lifelong Learning and Cultural Services (People First)

15. **Any Other Business:**  
Which the Chairman has decided is urgent and cannot otherwise be dealt with.

**AGENDA - PART II - Nil**



Meeting:	Overview and Scrutiny Committee
Date:	29 <sup>th</sup> January 2007
Subject:	Report of the Scrutiny Budget Challenge Panel
Key Decision: (Executive-side only)	No
Responsible Officer:	Paul Najsarek, Director People, Performance and Policy
Portfolio Holder:	CLlr David Ashton, Portfolio Holder, Finance and Business Matters
Exempt:	No
Enclosures:	Report of the Scrutiny Budget Challenge Panel

## SECTION 1 – SUMMARY AND RECOMMENDATIONS

This report accompanies the report of the scrutiny budget challenge panel held on 18<sup>th</sup> December 2006.

### **RECOMMENDATIONS:**

Councillors are requested to:

- Note the report of the challenge panel
- Agree the findings and recommendations.
- Refer the report on to Cabinet for consideration as part of the budget setting process

## **SECTION 2 - REPORT**

### **Brief Background**

This report introduced the findings of the scrutiny budget challenge panel. Scrutiny has a key role to play in supporting effective budget planning. The budget challenge panel engaged scrutiny councillors, portfolio holders and officers in a round table discussion of the particular financial challenges facing the council at this point in time. The challenge panel's report, attached, summarises their findings and the recommendations they would make to Cabinet to ensure

### **Issue to be determined**

Scrutiny councillors are asked to endorse the findings of the panel and agree the recommendations

### **Options considered**

Not relevant to this report

### **Option recommended and reasons for recommendation**

Not relevant to this report

### **Resources, costs and risks associated with recommendation**

There are none associated with this report

### **Implications if recommendations rejected**

If the reports recommendations are rejected the Overview and Scrutiny committee will have lost the opportunity to place on record its comments on 2007/8 – 2009/10 budget.

### **Staffing/workforce consideration**

There are none associated with this report

### **Equalities Impact consideration**

There are none associated with this report

### **Current KPI's and Likely impact of decision on KPI's**

There are none associated with this report

### **Legal and Financial Comments**

There are no legal or financial implications in the report.

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

There are none associated with this report

### SECTION 3 - STATUTORY OFFICER CLEARANCE

Chief Finance Officer	<input checked="" type="checkbox"/>	Name: Barry Evans
		Date: 15 <sup>th</sup> January 2007
Monitoring Officer	<input checked="" type="checkbox"/>	Name: Stephen Dorrian
		Date: 15 <sup>th</sup> January 2007

### SECTION 4 - CONTACT DETAILS AND BACKGROUND PAPERS

**Contact:** Lynne McAdam, Service Manager Scrutiny, 020 8420 9387

**Background Papers:** Revenue budget report 2007/08 – 2009/10, Cabinet 14<sup>th</sup> December

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

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



**December 2006**

**Overview and Scrutiny Committee**

Report of the Scrutiny Challenge Panel

Budget 2007/08

**Members of the Review Group**

Cllr Brian Gate (Chairman)  
Cllr Thaya Idaikkadar  
Cllr Salim Miah  
Cllr Chris Noyce  
Cllr Bill Stephenson  
Cllr Anthony Seymour  
Cllr Mark Versallion



## **TABLE OF CONTENTS**

<b>ACKNOWLEDGEMENTS</b>	Page 1
<b>INTRODUCTION</b>	Page 2
<b>DETAIL</b>	Page 3
<b>RECOMMENDATIONS</b>	Page 5
<b>FINDINGS</b>	Page 6
<b>CONCLUSION</b>	Page 10
<b>APPENDIX ONE</b> Scope	Page 11

## **ACKNOWLEDGEMENTS**

The challenge panel would like to thank the following councillors and council officers for the time they contributed to the panel's deliberations and for their constructive and candid engagement in the panel's deliberations:

Cllr David Ashton, Deputy Leader; Cllr Marilyn Ashton, Portfolio Holder Planning, Development and Enterprise; Cllr Camilla Bath, Portfolio Holder Housing; Cllr Christine Bednell, Portfolio Holder Lifelong Learning, Cultural Services and Issues Facing Older People; Cllr Eileen Kinnear, Urban Living - Community Safety and Public Realm; Cllr Chris Mote, Leader; Cllr Janet Mote, Portfolio Holder People First - Children's Services; Cllr Eric Silver, Portfolio Holder Adult Community Care Services and Issues Facing People with Special Needs; Myfanwy Barret, Director Finance and Business Strategy; Paul Clarke, Director of Children's Service; Paula Foulds, Group Manager People First Finance; Penny Furness-Smith, Director of Community Care; Jill Rothwell, Acting Chief Executive; Andrew Trehern, Executive Director Urban Living.

This report has been compiled by the Members named on the front cover. The views expressed are solely ours.

**Cllr Brian Gate, Chairman Budget Challenge Panel**

## **INTRODUCTION**

Scrutiny has an important role to play in challenging the assumptions behind the budget and supporting the executive in reaching the right decisions with regard to finances. Until this year, this challenge was delivered via the Overview and Scrutiny committee. However, this year scrutiny councillors decided to undertake this project by means of a challenge panel, as this approach was felt to be a more robust and challenging process than simply considering the document as an item on the Overview and Scrutiny committee agenda.

Challenge panels were introduced in July 2006. On many occasions – particularly when a policy is being developed – officers appreciate feedback on proposals from members. The committee environment may not be suited to this, mainly because of time constraints. Challenge panels comprise a small group of officers and members that are able to discuss a particular policy or strategy, or in this instance, preparation of the budget, more informally and in more detail. They provide an opportunity for members to provide an alternative, ‘real time’ perspective to council business, and lend additional accountability to the policy development process. This level of detailed challenge would not be possible as a single item on a packed committee agenda. The budget is a significant event, with long-term implications for the council, which merits this detailed level of consideration.

The panel took place on 18<sup>th</sup> December 2006 as a round table discussion between scrutiny councillors, executive members and council officers. At the meeting the panel was able to investigate a number of the key corporate issues relating to budget management and also used specific services to drill down and investigate the decision making process

The panel comprised:  
Cllr Brian Gate (Chairman)  
Cllr Thaya Idaikkadar  
Cllr Salim Miah  
Cllr Chris Noyce  
Cllr Bill Stephenson  
Cllr Anthony Seymour  
Cllr Mark Versallion

The scope for the investigation was agreed by the Overview and Scrutiny committee in October and is attached as Appendix One

The panel’s findings and recommendations are included in the pages that follow.

## **DETAIL**

Harrow Council is facing challenging financial situation. A combination of continuing poor grant settlement, increasing demand, existing shortfall and low level of reserves means that the council must find £18 million of savings in 2007/08, £6.7m in 08/09 and £7.5m in 09/10.

The panel received information from the Director of Finance and Business Strategy and the Deputy Leader of the Council on how this position has arisen and how it is being responded to. The major difficulty is the fact that the council is low spend/low grant authority – as part of a two year settlement the Council received only the minimum grant of 2% for 2006/2007 and 2.7%/£1.6m for 2007/2008. This has been compounded by a number of local pressures:

- Inflationary pressures of pay and pensions etc
- General inflationary pressures
- Impact of the cost of concessionary fares
- Increased demand for social care – Primary Care Trust decisions, government policy
- Reduced income from land charges

In addition to the current challenges, during 2004/05 and 2005/06 the council had sought to invest in particular services, funding this investment via efficiencies and new income streams. However, whilst the investment went ahead, the additional income and efficiencies did not materialise. This has meant that the council was forced to set a challenging budget for 2006/07, which identified £15m of savings. Not all of these savings were allocated and later on in 2006, additional pressures were identified and agreed. The ongoing shortfall in the budget is of particular concern in the context of the chronically low level of reserves (currently £1.8m)

For 2007/08 there is an £18m budget gap. Identifying savings to bridge the gap is difficult as only a small proportion of the overall budget (25%) is controllable – the schools and benefits budgets are ring-fenced and therefore cannot contribute to the savings plans. The proposed budget for 2007/08 closes this gap by:

- Reviewing risks and technical assumptions - £3.5m
- Directorate saving proposals - £10m
- Council tax increase (4.9%) £4.5m

In order to try to understand and respond to the budget challenge, 5 strategic savings projects were established at the beginning of 2006 and their findings have informed the budget for 2006/07. These projects considered:

- Organisational structure
- Service delivery
- Value for Money
- Land and property
- Finance

Two further projects are planned:

- An urgent review of the management structure to be completed and implemented by the end of March 2007, which it is anticipated will deliver significant savings. These savings will be incorporated into the 2007/08 budget.
- Programme of fundamental service reviews in order to help address an anticipated shortfall in £6.7m in 2008/09 and £7.5m in 2009/10.

The council is considering a number of proposals for 2007/08 to further contribute to better management of the budget.

- Addressing real social cost pressures and the impact of demand led budgets – 'Fair Access to Services' criteria will be examined to ensure their equity and consistency. Comparison will be made with other boroughs and stricter monitoring will be carried out.

- £1m per year will be contributed to the borough's reserve funds in order to safeguard against future budget shortfalls
- Fundamental service reviews and the management structure review will help to address the funding gap for 2007/8 - 10
- The council will lobby central government with local MPs with regard to the low level of government grant. This lobbying will be on the basis of the formula and will seek clarification of disparities for a long-term resolution rather than a short-term fix, e.g. the impact of diversity is not recognised in grants
- The council will also lobby, with London Councils regarding the 2.7% settlement this year
- Together with the Harrow Strategic Partnership and London Councils, the council will take a firm stance with regard to the Primary Care Trust's decisions to manage its budgets by redefining eligibility for continuing care.

## **RECOMMENDATIONS**

The text in paragraphs that follow identify those areas in which the scrutiny budget challenge panel endorses the activity proposed by the executive. The panel also makes the following additional recommendations:

1. The executive adopts a flexible and balanced approach to setting of council tax and targets for reserves in order to safeguard service delivery
2. Whilst proposals to increase external funding to the Council are welcome, a strategic approach is encouraged to minimise duplication and additional demands on staff, recognising that this approach is greatly determined by the Government's disparate and target-driven funding regime.
3. The programme of fundamental service reviews adopt an efficiencies/best value-based approach to their investigations
4. The proposed procurement transformation project considers the following possible options as part of its brief:
  - Shared services
  - Strategic partnerships
  - Super-procurement bodies
5. The proposed increased use of direct payments is coupled with safeguards particularly with regard to assessment of need, statement of needs, supporting service users to make appropriate choices and monitoring of care providers
6. As a part of the review of eligibility criteria, comparative research is undertaken to ensure that Harrow people are not treated less favourably than residents in similar authorities
7. The executive and senior management of the council identify and consider 'best practice' with regard to managing demand-led budgets
8. The executive and senior management of the council makes use of the support that can be provided by a number of other scrutiny projects:
  - **Demography review**– with regard to evidence for the purpose of lobbying central government and for managing demand-led budgets
  - **Standing scrutiny review of procurement** – to support the work regarding improved procurement processes
  - **Reviews of cultural services and obesity** – with regard to the potential preventative work that could be done to reduce demands made on local organisations by a future ageing population
  - **Standing Scrutiny Review of NHS Finances** – with regard to ongoing support from executive and senior managers to ensure the council is able to champion the needs of local people by holding local health care bodies to account
9. The executive and senior management continue to investigate the potential for income generation by identifying possible areas in which charges can be levied against local organisations.
10. The Deputy Leader and Director of Finance and Business Strategy provide the Overview and Scrutiny Committee with an update on the budget position at its next meeting on 29<sup>th</sup> January 2007

## **FINDINGS**

The panel is pleased to note that, whilst urgent savings must be delivered to secure the financial future of the organisation, the executive and senior management of the council is developing a strategic approach to the delivery of these savings and the future financial viability of the organisation. We have grouped these arrangements and commented on them under the following titles.

### **Council Tax, Services and Reserves**

The panel wished to investigate the balance that this budget is striking between council tax, service levels and reserves. We were concerned that in the light of the serious budget difficulties, the new administration would set one of these as a priority over the others and it seemed to the panel that a balanced approach to these individual components of the budget, at a particularly difficult time for the council and residents, is absolutely critical. Whilst on the one hand, the council tax needs to be set at a realistic level which will support the delivery of services to our residents, we are also of the view that the tax must be set at a reasonable level in a borough which already experiences comparatively high levels of taxation – higher than the London average. Similarly, whilst we recognise the need to replenish the council's reserve fund as, at its current level it is dangerously low, we would like this need to be balanced again to ensure that service delivery to local people can be safeguarded.

The panel was advised of proposals to increase the council tax by 4.9% in 07/08, 3% in 08/09 and 0% in 09/10 and to increase the level of reserves by £1m per year for the next 4 – 6 years in order to reach a target of between £5m - £7m. The agreed minimum level of reserves (as identified in the 06/07 budget) is £3.5m. These decisions are encouraging and the panel was pleased to hear from the Deputy Leader that an increase in the level of council tax had been decided upon as it had become increasingly clear that to increase the tax by *anything less* than the 4.9% in 2007/08 would have had significantly damaging impact on services and would have resulted in unpalatable reductions on service levels. Whilst recognising the need to reduce the tax burden on local people, the panel would hope that the executive would have a flexible approach to future tax increase in so far as, should it become apparent that the proposed 3% and zero rises in 2008 – 2010 could have a similarly damaging impact on services, these will be reviewed. The panel would also hope that rather than pursuing a zero rise council for the future as matter of principle, the executive might consider using increased funding generated through council tax rises to reinstate some of the cuts proposed in the 2007/08 budget.

Again, it is clear that the council's position with regard to reserves is untenable. As the Deputy Leader pointed out, had the tornado that hit neighbouring Brent in December 2006 crossed Harrow's borders, the impact upon the council's financial viability could have been devastating. However, the panel again feels that the reserves must be replenished in balance with the delivery of services and would thus urge a flexible and considered approach by the executive when setting the target for the level of reserves.

### **Grant levels**

The panel shares the concerns of the Deputy Leader and the Director of Finance and Business Strategy regarding Harrow's position with regard to grant funding. The level of funding that the council has secured has historically been very poor and we fully endorse the efforts proposed by the executive to try to address this. In particular we welcome the proposals to lobby along with other London boroughs, for an improved London deal. We also endorse the proposal to lobby for greater recognition to be given to the impact of diversity and the needs of transient populations in the grant formula. The executive should use the evidence generated by the scrutiny review of demography to support this lobbying position.

We are also please to see that the council will be increasing efforts to identify and exploit as many funding sources as possible. However we would recommend that a strategic and co-ordinated approach to this be adopted to ensure that there is no duplication of effort, that time is not wasted pursuing pointless areas of funding and that it does not create additional pressures on an already over-extended workforce.

## **Efficiencies**

Income generation/grant funding, whilst important is not the only means by which the council should address financial difficulties. The council must address some of the more fundamental issues of efficiencies that might improve the budget position and overall performance. It is clear that a number of the proposals being considered by the executive are focusing on a more strategic approach and the panel welcomes this more measured/evidence-based approach to securing reduced costs. In this context the panel offers the following observations/comments.

- **Programme of fundamental service reviews** – We would urge that the proposed fundamental service review programme adopt an efficiencies-based approach to its deliberations, investigating how service delivery can be improved through smarter working and more efficient use of resources to deliver long-term strategic improvements to service provision. The panel, on behalf of the Overview and Scrutiny committee would welcome sight of the terms of reference for these reviews and would also offer scrutiny support to this programme as appropriate.
- **Shared services** – the Deputy Leader made reference to proposals for the collective provision of transport services and commented that discussions are underway between NW London Chief Executives to investigate the feasibility of this. The panel notes this as an interesting proposal and would recommend that the council identify other services that could be provided on a cross-borough basis. This may be something that the proposed procurement transformation project could consider. It is also something that could be monitored via Overview and Scrutiny committee's standing review of procurement.
- **Smart procurement** – the panel was advised of opportunities for procuring savings through strategic partnerships. In particular, and following the example of the strategic partnership with Accord MP, the Executive Director of Urban Living cited the possibility of further savings accruing from similar strategic partnerships. Again this is something that could be considered by the proposed procurement transformation partnership.
- **Direct Payments** – the panel heard that the council is considering providing cash to service users to purchase transport and generally promoting the use of direct payments by residents. This is a prudent suggestion and is an area in which the council's performance could be improved. However, we would suggest that care be taken, whilst encouraging choice and potentially securing savings, to protect vulnerable service users by:
  - ensuring that detailed and accurate assessment of need are undertaken and clear statement of this need are provided
  - supporting service users in their decision-making process and
  - monitoring the quality of the care being purchased.
- **Staffing** – the panel was advised of the need for the council to have a fundamental rethink of its structures, in particular the proposal to review the management structure of the organisation. Whilst this may be timely, particularly in the light of the programme of fundamental service reviews, the panel would seek reassurance that the lessons of the MMR have been taken into account in order that this review is delivered as constructively as possible. In the context of this review and of the overall reduction in staffing levels, the panel would encourage the executive and senior management of the council to ensure that the viability of the organisational structure is maintained and that staff reconfigurations do not put at risk the council's statutory responsibilities.

## **Demand-led budgets**

Demand-led services, in particular social care services, have the potential to create significant pressure on a number of the council's budgets. The panel heard of a number of instances where a single case has massively distorted a budget. The activities of the Primary Care Trust in redefining the criteria for continuing care has been a significant contributor to such pressures – these are discussed in more detail below. Despite unpredictability in these areas, the council must consider how this can be managed and a number of options were put to the panel.



We were interested to hear about the review of eligibility criteria for adult services, in particular the proposal to introduce a more consistent process to address current weaknesses that suggest that the assessment of need depends upon who undertakes the assessment. We recognise that in the interest of equity it is important that there is consistency in assessment and welcome the proposals to ensure this happens. We also applaud the efforts of the Director of Community Care in identifying financial resources to train staff to improve their assessment skills and achieve this consistency.

We are concerned however, that the criteria are to be toughened and that only those assessed as having 'critical' needs will in future be eligible to receive services. The panel feels that this removes the authority's potential to undertake preventative work thus inevitably increasing the number of people whose conditions deteriorate. We are also concerned that provision of services at the 'heavy' end is more expensive in the longer-term – effectively this decision is simply putting off the inevitable of more expensive implications further down the line. We acknowledge that the executive is aware of these potential contradictions. Bearing in mind the stated concerns regarding the toughening of the criteria, we welcome the executive's proposal to undertake further work regarding the operation of eligibility criteria in other boroughs to ensure Harrow residents are not unfairly treated in comparison.

We would also suggest that there may be useful learning to gather from those authorities that have managed to address some of the unpredictability of demand led services, the impact of these services has been felt in a number of boroughs and it is probable that there is useful experience that could benefit the authority's management of these budgets.

There may also be benefit from forming 'super procurement' bodies to secure best value from contract for demand-led services. Again this might be something that the proposed procurement transformation project could address.

We would also draw to the executive's attention the potential for the work of the demography review to inform future service planning and help minimise at least some of the unpredictability of demand-led services.

### **Income Generation**

During the panel's deliberations a number of comments were made about generating income. For instance greater efforts should be made to access European and Government funds. This has been done successfully in other councils and last year by a dedicated fundraiser in People First. A number of comments were made regarding the possibility of generating income by charging realistic prices for services that were currently provided on a subsidised or free basis. This is in relation contract/block services rather than for individuals, for example, schools. The panel considers this is something that should be explored further but would suggest that an appropriate level of charges must be found in order that there will be sufficient uptake and to ensure that they do not damage other Council objectives such as working in partnership. The Director of Children's Services informed the panel of experiments in Kent and Rotherham of delivering the advisory services through an educational trust. This could lead to a more efficient and cost-effective service that was more attuned to what schools wanted. The panel would recommend that the council consider the results of these experiments and their applicability to Harrow. The panel would also recommend that the council investigate the possibility for charging in other areas of contract/block service provision.

### **Partners**

#### **PCT funding**

A significant concern for the council is the Primary Care Trust's decision to address some of its own financial difficulties by redefining the eligibility criteria for continuing care and thus 'shunting' the costs for the care of some of the most vulnerable residents in the borough onto the council. The panel deplores this behaviour, not simply because of the impact on the council's own budget but most significantly because of the potentially devastating impact this can have on those most dependent upon the health and social care facilities in the borough. We fully support the executive's proposal to take a firm stance in challenging the decisions of the Primary Care Trust through the Harrow Strategic Partnership and London Councils.

We would also draw the executive's and senior managers' attention to the Scrutiny Standing Review Group of NHS Finances that has been established to:

- 'review the effectiveness of respective financial recovery plans;
- receive regular financial updates from the respective Chief Executives on the delivery of these plans;
- consider strategic proposals of the trusts
- gather evidence of the specific experiences of local people; and
- investigate the impact of financial difficulties at the interface between health and social care'<sup>1</sup>

On behalf of the Overview and Scrutiny committee, the panel would recommend that the executive and senior managers of the council continue to participate in this project to ensure that scrutiny's statutory function to hold NHS bodies to account on behalf of local people is carried out to the best effect.

### **Preventative work**

We were pleased to hear from the Portfolio Holder Lifelong Learning, Cultural Services and Issues Facing Older People that the council is adopting a definition of older people as those over the age of 50. A focus on this group of people by the council and our partners could go some way to reducing the demands of the older population in years to come. It will however necessitate smart thinking by both organisations at what is a critical financial time for us in order to ensure services are put in place. Again, investment in this area can have some significant longer term benefits, short term reductions will potentially have some longer term costs. In this context, on behalf of the Overview and Scrutiny Committee the panel would draw the executive's attention to the scrutiny reviews of cultural services and obesity.

### **Ongoing management**

Perhaps the most important, and obvious, recommendation that the panel would like to make to the executive is that monitoring of the budget outturn and the potential and actual implications of any changes is an integral part of their regular business. The impact of potential difficulties if identified early enough, can be minimised. We welcome the reassuring comments made by the Director of Finance and Business Strategy and the Deputy Leader in this context and would encourage them to ensure that this monitoring and ongoing management of the budget situation is maintained. We would also invite the Director of Finance and Business Strategy and the Deputy Leader to provide an update of the budget situation to the next meeting of the Overview and Scrutiny Committee on 29<sup>th</sup> January 2007.

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<sup>1</sup> Scope for the Scrutiny Standing Review of NHS Finances

## **CONCLUSION**

This is a difficult time for Harrow Council. We are facing a significant financial challenge, the resolution of which can have long-term consequences for the borough and its residents. We have welcomed the opportunity to meet with the executive to discuss their proposed budget and hope that the observations that we have made are helpful.

The panel would again like to thank the members of the executive and senior management of the council for their honest assessment of the difficulties that face the council.

**Members of the Scrutiny Budget Challenge Panel.**

## APPENDIX ONE

### SCOPE FOR THE BUDGET CHALLENGE PANEL

1	<b>SUBJECT</b>	Budget
2	<b>COMMITTEE</b>	Overview and Scrutiny Committee
3	<b>REVIEW GROUP</b>	To be confirmed
4	<b><u>AIMS/ OBJECTIVES/ OUTCOMES</u></b>	To challenge the assumptions behind the budget setting process and analyse the impact of changes in the budget
5	<b>MEASURES OF SUCCESS OF REVIEW</b>	Scrutiny panel able to input into the budget setting process
6	<b>SCOPE</b>	<ul style="list-style-type: none"> <li>• Analysis of context within which the budget is being set – including policy drivers</li> <li>• Analysis of service finances</li> <li>• Investigation of particular areas of concern</li> </ul>
7	<b>SERVICE PRIORITIES (Corporate/Dept)</b>	Tackling waste and giving real value for money
8	<b>REVIEW SPONSOR</b>	Director People, Performance and Policy
9	<b>ACCOUNTABLE MANAGER</b>	Director of Finance and Business Strategy
10	<b>SUPPORT OFFICER</b>	Service Manager Scrutiny
11	<b>ADMINISTRATIVE SUPPORT</b>	Scrutiny Review Administrator
12	<b>EXTERNAL INPUT</b>	External Auditor The committee might like to consider the involvement of the Open Budget Group and the cross cutting portfolio holders
13	<b>METHODOLOGY</b>	<p><b>Pre panel meeting</b> To receive:</p> <ul style="list-style-type: none"> <li>• Contextual information regarding the budget including key policy drivers</li> <li>• Analysis of service finance performance <ul style="list-style-type: none"> <li>○ <i>What are the priorities</i></li> <li>○ <i>What are the 'hot spots'</i></li> <li>○ <i>How are 'hot spots' being addressed</i></li> <li>○ <i>What are the risks in the budget</i></li> <li>○ <i>How are these being addressed</i></li> <li>○ <i>Impact of previous year's budget decisions</i></li> <li>○ <i>How does service measure value for money and how does it compare.</i></li> </ul> </li> <li>• Development of specific lines of enquiry for the panel meeting</li> </ul> <p><b>Panel meeting</b></p> <ul style="list-style-type: none"> <li>• Information from auditor re use of resources judgement</li> <li>• Presentation from Director of Finance and Business Strategy re context and key policy drivers</li> <li>• Investigation of specific lines of enquiry</li> </ul> <p><b>Post panel meeting</b> To consider evidence and formulate initial findings</p>

14	<b>EQUALITY IMPLICATIONS</b>	The panel should consider the impact that the budget has on equalities in its considerations
15	<b>ASSUMPTIONS/ CONSTRAINTS</b>	
16	<b>SECTION 17 IMPLICATIONS</b>	The panel should consider the impact that the budget has on section 17 responsibilities in its considerations
17	<b>TIMESCALE</b>	October/November 2006
18	<b>RESOURCE COMMIMTENTS</b>	See attached
19	<b>REPORT AUTHOR</b>	Panel members Service Manager Scrutiny
20	<b>REPORTING ARRANGEMENTS</b>	Outline of formal reporting process: To Service Director <input checked="" type="checkbox"/> When November 2006 To Portfolio Holder <input type="checkbox"/> When..... To CMT <input checked="" type="checkbox"/> When December 2006 To Cabinet <input checked="" type="checkbox"/> When January 2007
21	<b>FOLLOW UP ARRANGEMENTS (proposals)</b>	Annual event

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Meeting: Overview and Scrutiny Committee  
Date: 29 January 2007  
Subject: Strategy for People  
Key Decision: No  
Responsible Officer: Director of People Performance & Policy  
Portfolio Holder: Councillor David Ashton  
Exempt: No  
Enclosures: Strategy for People 2006-2009 (circulated to Members of the Committee)

The Strategy can also be viewed on the Council's website at <http://www.harrow.gov.uk/ccm/content/jobs-and-careers/jobs-at-the-council/strategy-for-people-06-09.en>

## SECTION 1 – SUMMARY AND RECOMMENDATIONS

A review of the Strategy for People 2004–2008 was scheduled when it was implemented in 2004. The revised Strategy:

- takes on board the Local Government Pay and Workforce Strategy 2005;
- incorporates our vision and plans to deliver Learning and Development initiatives
- aligns with the new Corporate Priorities.

The Strategy for People 2006-2009 was agreed by Cabinet on 3<sup>rd</sup> August 2006.

**RECOMMENDATIONS:** To note the revised Strategy for People.

## **SECTION 2 - REPORT**

### **Brief History**

2.1 The Council's first Strategy for People 2004-2008 was introduced in 2004. In January 2006 a process of reviewing the Strategy commenced in order to take on board the Local Government Pay and Workforce Strategy 2005, incorporate our vision and plans to deliver Learning and Development initiatives and to align the Strategy with the new Corporate Priorities.

2.2 A project team, led by the Strategic Workforce Planning Manager, was established to develop the revised Strategy for People. The Corporate Management Team agreed the Project Outline and Initiation Document in February 2006.

2.3 The expressed aim of the project was to develop an HR Strategy, which 'clearly states the Council's people management, learning and development objectives and demonstrates the links to the Council's vision and corporate objectives'. The project scope was to develop a corporate revised Strategy for People creating a framework for all people management and development actions in line with the Corporate Plan 06-09.

### **Options considered**

2.4 There is a requirement for the Council to produce a workforce development plan. Failure to do so would result in the Council not being able to meet the requirements of the Local Government Pay and Workforce Strategy and would adversely affect the Audit Commissions Corporate Assessment.

### **Consultation**

2.5 Consultation workshops for key partners and stakeholders were held in March and April 2006, these included employee representatives, Trade Unions, Councillors and local strategic partners. Further Consultation took place in June.

### **Financial Implications**

2.6 There are no additional financial implications as it is intended that any cost e.g. printing and marketing will be met from existing resources subject to finance approval.

### **Legal Implications**

2.7 There are no legal implications to be considered.

### **Equalities Impact**

2.8 When undertaking the project we consulted widely with internal and external stakeholders including Disability Advice Information and Support (DAIS), Harrow



Council Black Workers Group (CBWG), Harrow Association of Disabled People (HAD), Harrow Commission for Racial Equality (HCRE).

2.9 The revised Strategy addresses a number of equalities issues including:

- Under representation of people with disabilities and minority ethnic groups
- Under representation of women at senior levels
- The council's ageing workforce profile
- Age discrimination legislation and future anticipated equalities legislation.

Impact will be monitored through the Councils workforce monitoring arrangements

### **SECTION 3 - STATUTORY OFFICER CLEARANCE**

Chief Finance Officer	<input checked="" type="checkbox"/>	Name: Barry Evans
		Date: 12 January 2007
Monitoring Officer	<input checked="" type="checkbox"/>	Name: Jill Travers
		Date: 12 January 2007

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

**Contact:** Jon Turner, Head of HR – 020 8424 1225

**Background Papers:**

- Strategy for People 2004 - 2008
- Strategy for People Report to Cabinet in Aug 2006

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

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

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Meeting:	Overview and Scrutiny Committee
Date:	29 January 2007
Subject:	Level 4 - Equality Standard for Local Government
Key Decision:	No
Responsible Officer:	Director of People Performance & Policy
Portfolio Holder:	Councillor Anjana Patel
Exempt:	No
Enclosures:	None

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

The Equality Standard for Local Government is a framework that sets up a way of working within local authorities, which makes mainstreaming equalities into service delivery and employment an issue for all aspects of the council's work. Using five levels it introduces a comprehensive and systematic approach to dealing with equalities covering all aspects of policy-making, service delivery and employment.

Harrow has achieved Level 3 of the Equality Standard and is committed to achieving Level 4 by the end of 2006/07.

### **RECOMMENDATIONS:**

To note the Council's process for assessment against Level 4 of the Equality Standard.

## **SECTION 2 - REPORT**

### **Brief History**

2.1 The Equality Standard for Local Government (the Standard) was developed by Local Government Employers in partnership with the Commission for Racial Equality, the Disability Rights Commission and the Equal Opportunities Commission. It was launched in 2001 and is now adopted by 90% of all local authorities.

2.2 The Standard recognises the importance of fair and equal treatment in local government services and employment and was developed primarily as a tool to enable local authorities to mainstream age, disability, gender, race, religion or belief and sexual orientation into council policy and practice at all levels

2.3 The Standard is a self-assessment tool that councils can use to measure their own progress, it is also a Best Value Performance Indicator – councils report what level of the Standard they have reached. Local authorities are able to assess their progress based on five levels:

- Level 1:** Commitment to a Comprehensive Equality Policy
- Level 2:** Assessment and Consultation
- Level 3:** Setting equality objectives and targets
- Level 4:** Information systems and monitoring against targets
- Level 5:** Achieving and reviewing outcomes

Harrow assessed itself as having achieved Level 3 in March 2006. This self-assessment was subject to an independent audit/review and confirmed by an external assessor.

2.4 Harrow's assessment for 2005/06 and targets for 2006/07 and 2007/08 are reported in the Best Value Performance Plan Supplement 2005/06. Harrow has a target of achieving Level 4 by the end of 2006/07.

### **Achieving Level 4 of the Standard**

2.5 Level 4 of the Standard is concerned with information systems and monitoring against targets. To achieve level 4 Harrow will have to demonstrate that:

- We have developed information and monitoring systems that allow progress to be assessed in achieving targets
- Targets are realistic and achievable and that our action plans are clear
- We are measuring progress against targets and effectively using our information and monitoring systems
- We are producing monitoring reports at specified intervals and which are circulated to designated consultation and scrutiny groups
- Our monitoring systems are providing useful information about progress towards specific targets

2.6 Examples of evidence of information systems and monitoring against targets include:

- Documentation giving details of monitoring for specific performance indicators
- Monitoring reports on each specified performance indicator
- Report to community and employee representatives in line with Best Value process
- Documentary evidence of time-series monitoring reports on indicators
- Review of series of monitoring reports and consideration of progress
- Quantitative and qualitative consumer feedback

2.7 To demonstrate achievement the Council will be able to draw on the following sources of evidence:

- Equality performance scorecard
- Council's Annual Equality Reports
- Equality Impact Assessments and Action Plans
- Reports to the Corporate Equality Group
- MORI Quality of Life survey

2.8 The published guidance that accompanies the Standard includes an audit and self-assessment checklist. This checklist will be used to collect relevant evidence for Harrow's self-assessment.

The Corporate Equality Group will review the self-assessment and the result will be reported in the Best Value Performance Plan 2006/07

### **Revised Equality Standard**

2.9 The Standard was reviewed in 2005/06 and a revised Standard is due to be introduced early in 2007. Within the revised Standard, there will be a requirement that local authorities reporting level 3 or level 5 have undertaken an agreed external assessment.

### **Options considered**

2.10 Best Value Performance Indicator (BVPI) 2a measures councils' progress against the Equality Standard and is monitored by the Audit Commission. Harrow has set targets for and reports performance against the Standard. Failure to continue to report progress against the Equality Standard will adversely affect the Council's Corporate Assessment.

### **External assessment**

2.11 The revised Standard will require an external assessment at Level 3 and 5. Harrow has had its Level 3 assessment reviewed by an external assessor and therefore a further external assessment is not proposed until Level 5.

## **Consultation**

2.12 The Council's targets and performance against key equality indicators including the Equality Standard are the subjects of reports to the Corporate Equality Group and Employees Consultative Forum, which are subject to consultation with internal and external stakeholders.

## **Financial Implications**

2.13 Any staffing costs will be contained within approved budgets and no additional resources are sought as a result of this report.

## **Legal Implications**

2.14 Assessing progress against the Standard will help to ensure that the council complies with its statutory duties under equalities legislation.

## **Equalities Impact**

2.15 The Standard is a self-assessment tool that Harrow uses to measure its progress in mainstreaming age, disability, gender, race, religion or belief and sexual orientation into council policy and practice at all levels. Progress in achieving the Standard will assist the Council achieve its equality targets and objectives

## **SECTION 3 - STATUTORY OFFICER CLEARANCE**

Chief Finance Officer	<input checked="" type="checkbox"/>	Name: Barry Evans Date: 16 January 2007
Monitoring Officer	<input checked="" type="checkbox"/>	Name: Stephen Dorrian Date: 16 January

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

**Contact:** Jon Turner, Head of HR – 020 8424 1225

### **Background Papers:**

Best Value Performance Plan Supplement 2005/06

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

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

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Meeting:	Overview and Scrutiny Committee
Date:	Monday 29 January 2007
Subject:	Harrow Arts Centre and Museum
Key Decision: (Executive-side only)	No
Responsible Officer:	Javed Khan Director, Lifelong Learning & Cultural Services
Portfolio Holder:	Councillor Christine Bednell
Exempt:	No
Enclosures:	None

## SECTION 1 – SUMMARY AND RECOMMENDATIONS

This report sets out to describe the current situation in regards to the Harrow Arts Centre, Harrow Museum and Headstone Manor, together with a background summary of events leading up to the closure of Arts Culture Harrow.

### **RECOMMENDATIONS:**

The Committee is requested to note the content of the report.

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

## **SECTION 2 - REPORT**

### **Brief Background**

The Harrow Arts Centre and Harrow Museum & Headstone Manor provision has historically been managed through a Service Level Agreement by the Lifelong Learning & Cultural Services department.

The SLA has been with Arts Culture Harrow (ACH), a charitable Trust, since 2000.

ACH activities attracted 183,000 visits per year across the Museum and Arts Centre.

ACH ceased to trade by voluntary liquidation on 7<sup>th</sup> December 2006.

The Council is not responsible for any debts of the former ACH, and all such matters are being dealt with by the officially appointed liquidator, Ian Holland & Co.

### **SLA Management**

The SLA provided for management of heritage assets, arts lifelong learning provision, audience development, theatre programming and arts festival events. A formal quarterly review of achievement against SLA commitments involved senior officers and Trustees of ACH. The relevant Portfolio Holder attended the mid-year and end of year review meetings too.

The SLA was managed by a structured monitoring process and additionally, in 06/07 a Partnership Advisory Group with Officers and ACH members met monthly to review and discuss the financial position of ACH and its options forward.

The timing of ACH's closure was a surprise to the Council as we had been led to believe that ACH would produce a recovery plan in what had been yet another difficult financial period for the organisation, similar to many previous years.

### **Current Situation**

Lifelong Learning & Cultural Services staff have secured the buildings and placed temporary security in place to safeguard assets.

An official liquidator firm was appointed at a creditor's meeting held on the 20th December.

The Council is owed approx. £103K by ACH, which almost certainly will not be repaid.

The Council has negotiated the purchase of ACH assets as a means to reopening the sites. The funding for this purchase has come from existing resources within the remainder of the SLA payments that were scheduled to be given to ACH in January.

Plans are underway to reopen the sites as quickly as possible and they will be completed and will keep within the SLA funding. The schedule of reopening to the public is expected to be:

- the museum: Thursday 25<sup>th</sup> January
- the arts centre: Thursday 1<sup>st</sup> February

### Reopening the Museum

The museum will be reopened on a 3-day week public access (Thursdays, Fridays, Saturdays, 10am to 5pm) commencing January 25th. Library Services will be managing the museum with a view to integrating additional information services on site.

Staff will be available on January 25th to answer questions and recruit volunteers needed to support the activities at the museum and Headstone Manor.

The Harrow Heritage Trust has graciously offered to accept any donations the public feels obliged to make in support of heritage and arts. Information and donations will be accepted on the day.

### Reopening the Arts Centre

The arts centre buildings will be reopened to the public on February 1st, operated by the Arts & Leisure Service. The reopening will occur in phases, commencing first with hire of classroom and performance spaces, then introducing lifelong learning classes and expanded arts programming in April.

A series of public and user meetings will be held during February and March to gather further public comment. Taster workshops will commence in late March during an open house where the public can sign up for the April courses.

Anyone wishing to hire space will be able to contact staff at the site from February 1st to get assistance in the rescheduling of rooms and performance space bookings. A rate card and booking information will be available for all hirers wishing to inquire about facility rentals.

The box office would reopen at the arts centre as a point of reception, but would operate limited hours for the first few months. These hours will be posted on the day of opening and further details will be found on the council's website.

Arts officers will be based on site to support the reintegration of the user groups, creative businesses and clubs who wish to return, ensuring that they are supported during the transition. The officers will also work on development of

further funding options with Arts Council England (ACE) and others. The site is recognised as having a strong presence with visual arts and dance, which fits well with current ACE funded audience development programmes, and the site is ideal for development under Olympics initiatives, a top priority for the Council's Corporate Plan.

#### Temporary Staff Recruitment

A series of fixed term posts will be needed to reopen the sites. Information will be available on Harrow Council's website at [www.harrow.gov.uk](http://www.harrow.gov.uk), or in local newspapers. A Recruitment Fair will be held on Tuesday January 23rd and again on January 30th, from 10am to 1pm at the Harrow Arts Centre for anyone interested in applying for a temporary position at either site.

#### Future Development Planning

During this interim phase between January reopening and March 31<sup>st</sup>, a fully costed development plan and budget are to be prepared for a full year business plan. This will be based on an operating assumption within the MTBS funding for 2007/2008.

**Legal Comments:** I note that there are no background papers listed.  
I can see no obvious information in the report regarding consultation.

### SECTION 3 - STATUTORY OFFICER CLEARANCE

Chief Finance Officer	<input checked="" type="checkbox"/>	Name: Paula Foulds
		Date: 19 Jan 07
Monitoring Officer	<input checked="" type="checkbox"/>	Name: ...Rosemarie Martin
		Date: .....19 Jan 07

## SECTION 4 - CONTACT DETAILS AND BACKGROUND PAPERS

**Contact:** Javed Khan  
Director, Lifelong Learning & Cultural Services  
People First, Room 224, 2<sup>nd</sup> Floor, West Wing  
Telephone: 2365  
Email : javed.khan@harrow.gov.uk

**Background Papers:** *No background papers listed.*

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

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

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Meeting:	Overview & Scrutiny
Date:	29 January, 2007
Subject:	Fairtrade
Key Decision: (Executive-side only)	No
Responsible Officer:	Andrew Trehern, Executive Director, Urban Living Russell Beech, Service Manager, Urban Living
Portfolio Holder:	Councillor David Ashton, Business Development
Exempt:	No
Enclosures:	None

## SECTION 1 – SUMMARY AND RECOMMENDATIONS

This report sets out give an outline regarding the Council's position regarding Fairtrade progress.

### **RECOMMENDATIONS:**

The Committee is requested to consider and comment on the report.

**REASON:** To update the original report submitted on 25 April, 2006

## **SECTION 2 - REPORT**

### Benefits

Working with local business, schools and communities in mutual promotion.

Civic pride from local residents.

Impact on performance measures of engagement etc.

### Cost Proposals

There is no current cost to Harrow, but expansion of Fair Trade products may lead to an increase in costs, if those goods were more expensive than similar items not subject to Fair Trade.

### Risks

Resources, budget, partners, community involvement, public uptake and sense of priority.

### Implications if Rejected

Disgruntled and disappointment from key community groups who are backing Fairtrade.

### **History since last report on 25<sup>th</sup> April 2006**

#### **What has happened from May to December 2006**

- Three Fairtrade Steering Group meetings have taken place chaired by Councillor Barry Macleod-Cullinane.
- At least one or more stalls were available at the Under One Sky event in July 2006.
- Community Steering Group Meetings – Two further meetings have taken place since the last report on 14 & 28 June 2006.
- Civic Centre restaurant continues to use Fairtrade products for tea, coffee, sugar and milk portions, as well as other snack items.

The Teachers Centre restaurant now uses Fairtrade products, which consist of general snack items.



### **Where the Council is with its aims on Fairtrade**

To become a *Fairtrade Town*, Harrow must meet the following 5 goals must be met:

1. The local council must pass a resolution supporting Fairtrade, and serve Fairtrade coffee and tea at its meetings and in offices and canteens

**We now serve tea and coffee and are encouraging staff that buy their own to buy Fairtrade.**

2. A range of Fairtrade products must be readily available in the area's shops and served in local cafes and catering establishments (targets are set in relation to population)

**Members of the Steering Group have been tasked with compiling a list of establishments who stock and sell Fairtrade products.**

3. Fairtrade products must be used by a number of local work places (estate agents, hairdressers etc) and community organisations (churches, schools etc)

**Members of the Steering Group have been tasked with compiling a list of establishments who stock and sell Fairtrade products.**

4. The council must attract popular support for the campaign

**There is no funding available from the Council for this part but some members of the steering group were going to attempt to obtain sponsorship from the major retail outlets.**

5. A local Fairtrade steering group must be convened to ensure continued commitment to *Fairtrade Town* status

**This has been set up and meets every two months (it comprises local community and church groups, voluntary sectors and businesses). As above two further meetings were held in June 2006.**

### **Areas to note:**

The initial progress has been tempered by the need to focus available resources on the management of resources in the current year, critically resource planning for the medium term and the development of BTP system benefits.

Many Fairtrade products are more expensive to purchase and this taken alongside the reduction of hospitality within the Council has led to a reduction of Fairtrade products purchased for the Civic Centre.

One Harrow school has been represented at the Steering Group Meetings and the representative is attempting to recruit more schools to embrace Fairtrade products.

Unfortunately there are many other priorities competing with members and officer's time at the moment and the in house catering section is currently undergoing a complete review of all its services.

**Financial Implications**

If Members are minded to ask officers to take forward the delivery of this initiative, there will be financial implications, as it will not be possible to resource this activity from existing budgets.

**Legal Implications**

Section 2 of the Local Government Act 2000 gives the local authority the power to do anything which they consider is likely to achieve promotion or improvement of the economic, social or environmental well being of the area.

**SECTION 3 - STATUTORY OFFICER CLEARANCE**

Chief Finance Officer	<input checked="" type="checkbox"/>	Name: Anil Nagpul Date: January 2007
Monitoring Officer	<input checked="" type="checkbox"/>	Name: Hugh Peart Date: January 2007

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

**Contact:** Russell Beech, Service Manager, Urban Living, 020 8424 1481

**Background Papers:**

Please note original report presented at the meeting dated 25 April 2006.

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

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



Meeting:	Overview And Scrutiny Committee
Date:	Monday 29 January 2007
Subject:	Harrow Teachers' Centre
Key Decision: (Executive-side only)	No
Responsible Officer:	Anita Luthra-Suri Group Manager Lifelong Learning & Acting Group Manager Community Development Team
Portfolio Holder:	Councillor Christine Bednell
Exempt:	No
Enclosures:	None

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

This report sets out to describe the current budget position of the Harrow Teachers' Centre budgets together with the potential management realignment that could take effect from 1<sup>st</sup> April 2007.

### **RECOMMENDATIONS:**

To note the future actions proposed to improve the financial position of the Harrow Teachers' Centre.

## **SECTION 2 - REPORT**

### **Brief Background**

The Harrow Teachers Centre provides a range of services. It is an office base for over 100 People First staff; with 14 meeting/training rooms it is a training and conference centre, the only site, dedicated to providing staff development for Harrow staff; has a hall and gymnasium that is shared with Whitefriars School that is used for sports and community use outside of school hours as a community venue for weddings, family gatherings, cultural, religious and performance events; is an Examination Centre for National Council for the Training of Journalists, Guildhall, RSA, OCR, CLAIT; and houses a range of resources and collections for Harrow.

A Best Value Review of Harrow Teachers' Centre started in 2002. As part of the Best Value process, Cabinet approved the change of funding from a Service Level Agreement with Schools to a "pay-as-you-go" system for room use that commenced on 1<sup>st</sup> April 2004. This change in policy, together with prudent budget management, enabled a projected overspend of £72k reported to the Lifelong Learning Scrutiny Sub-Committee in October 2004, to result in a break-even budget for 2005/2006 with a total annual income of over £625,000.

In partnership with stakeholders, the site has significantly invested in improving facilities such as disabled access and fire safety.

### **Issue to be determined**

#### Budget

The financial pressures on the Teachers' Centre budget that were reported in September 2006 came from a variety of routes including Non-controllable budgets (e.g. utilities and single status salaries) £49k; Reduction of room bookings by major users including Conference and Community Events £95k; Harrow Saves – Catering £43k; Brent & Harrow Education Business Service relocation £5k. In September 2006 the total predicted shortfall in year from all these areas was £215K.

Since September 2006, additional pressures have been identified that include costs associated with the implementing the closure of the Teachers' Centre Library of £8k for staff payment.

### **Options considered**

Steps were taken to deal with the budget shortfall for this year and then look at potentially realigning the Harrow Teachers Centre and its management structure for the future.

#### **Short-term measures included:**

- Increasing desk rental charges were significantly so that they more accurately represented utilities and other overhead charges. Despite this

increase, the rates are very competitive and remain below the cheapest local comparators.

- Maintaining the volume of room rentals and the income, there has been a reduction of bookings made by internal customers. This has a knock-on effect on income to Teachers' Centre budgets. Negotiations with major customers who have block-booked in advance have resulted in an agreement to honour these charges for this financial year. Reducing controllable expenditure costs by reducing non-essential grounds maintenance, window cleaning, building maintenance, furniture, postage, equipment and books.
- The combined effects of these actions has reduced the overspend predicted in September 2006 of £215k to a prediction of £115k overspend in 06/07. This overspend will be contained the Lifelong Learning & Cultural Services Department

### **Longer term options:**

#### Potential Realignment of the Teachers' Centre Management and Budgets

Discussions are taking place with the Children's Services Department to transfer the management of the Teachers' Centre so that it becomes part of the Achievement and Inclusion Group. The Teachers' Centre management and budgets are currently located within the Lifelong Learning Services Group of the Lifelong Learning and Cultural Services Department. By reducing duplication and incorporating the Teachers' Centre team functions within the Achievement & Inclusion Group, the Corporate Priorities of improving efficiency, making savings, tackling waste and giving real value for money will be supported. This action will provide a framework for managing the 2007/2008 budgets successfully by maximising resources and reducing some pressures on the budget whilst maintaining robust staffing resources that will be used more efficiently to maintain a high level of customer care. The proposed move will have implications for two staff that would not transfer with the centre; the manager of the Teacher's Centre - SM Resources & Business Manager Lifelong Learning Services and the Group & Project Support Assistant. The latter post will transfer to the Lifelong Learning Services Team. Allocation of resources and responsibilities for the post of SM Resources & Business Manager Lifelong Learning Services will be confirmed as part of the negotiations.

In September 2005 the Achievement & Inclusion (A&I) team relocated to the Teachers centre, as a result over 85% of the staff permanently located at the Teachers' Centre, as well as most of the training/meeting bookings, are located within Children's Services. There are some training/meeting activities on site organised by Lifelong Learning Services. Additionally, Children's Services, through the Achievement & Inclusion Group, have and will fund the majority of recent and current internal refurbishments. Although there is excellent communication and co-operation between the two administrative teams sharing the site, there is significant duplication of some functions. The Teachers' Centre team is relatively small and the administrative team currently numbering 4, was reduced in September 2006 by 2 following the relocation of Education Lettings to

the Civic Centre. This reduction has had a significant impact on the team and the quality of first line service. Negotiations are in progress to merge the Teachers' Centre team with the larger team of Achievement & Inclusion from 1<sup>st</sup> April 2007. From that date the Achievement & Inclusion Group will manage the budgets and functions formerly managed by the Teachers' Centre team.

New Learning Centre. The Achievement and Inclusion Group will set up a new unit at the Teachers' Centre for pupils at risk of exclusion. Essential refurbishment to create fit for purpose accommodation will take place and the new unit will open later in the year. This alternative use of the accommodation will attract new income. Staff currently using this accommodation, as an office base will be offered alternative space at the Teachers' Centre or elsewhere.

Rationalisation of accommodation. Alongside the alternative use of the ground floor, media resources and library accommodation, a review is being carried out of other accommodation to meet current and future needs linked to maximising the potential to generate income.

**Other Considerations**

Currently, committee rooms and other venues at the Civic Centre can be booked free of charge for internal users whereas in contrast, the Teachers' Centre is obliged to charge as it is a traded service. This anomaly means that the Teachers' Centre is at a considerable disadvantage. It may be the ideal venue for an event, but the organisers are able to book the Civic Centre venue at no charge.

As a result of this anomaly, in March 2004, the Best Value Panel resolved that:

*'A review of the Civic Centre committee room booking system be undertaken.'*

This review has yet to take place. In light of the increased pressure on budgets, this review takes on an even greater urgency.

**SECTION 3 - STATUTORY OFFICER CLEARANCE**

Chief Finance Officer	<input checked="" type="checkbox"/>	Name:... Paula Foulds .....
		Date: .....15.1.07.....
Monitoring Officer	<input checked="" type="checkbox"/>	Name: .....Sharon Clarke
		Date: .....15.1.07..

## SECTION 4 - CONTACT DETAILS AND BACKGROUND PAPERS

**Contact:**

Anita Luthra-Suri  
Group Manager  
Lifelong Learning Services

Email: [anita.luthra-suri@harrow.gov.uk](mailto:anita.luthra-suri@harrow.gov.uk)

Telephone: 020 8420 9331

**Background Papers:** *None*

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

1.	Consultation	NO
2.	Corporate Priorities	YES
3.	Manifesto Pledge Reference Number	4

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