



PERFORMANCE AND FINANCE SCRUTINY SUB COMMITTEE

**WEDNESDAY 21 JANUARY 2009
7.30 PM**

SUB-COMMITTEE AGENDA (SCRUTINY)

**COMMITTEE ROOM 5,
HARROW CIVIC CENTRE**

MEMBERSHIP (Quorum 3)

Chairman: Councillor Mark Versallion

Councillors:

**Ashok Kulkarni
Janet Mote
Anthony Seymour
Dinesh Solanki
Yogesh Teli**

**Ms Nana Asante
B E Gate (VC)
Phillip O'Dell
Mrs Rekha Shah**

Christopher Noyce

Reserve Members:

1. John Cowan
2. Manji Kara
3. Jeremy Zeid
4. Mrs Kinnear
5. Stanley Sheinwald
6. Julia Merison

1. Mitzi Green
2. Mrs Margaret Davine
3. Thaya Idaikkadar
4. Keeki Thammaiah

1. Paul Scott

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

**Contact: Paul Gallagher, Democratic Services Officer
Tel: 020 8424 1265 E-mail: paul.gallagher@harrow.gov.uk**

HARROW COUNCIL

PERFORMANCE AND FINANCE SCRUTINY SUB COMMITTEE

WEDNESDAY 21 JANUARY 2009

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.

Enc. 3. **Minutes:** (Pages 1 - 10)

That the minutes of the meeting held on 29 October 2008 be taken as read and signed as a correct record.

4. **Public Questions:**

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

5. **Petitions:**

To receive petitions (if any) submitted by members of the public/Councillors under the provisions of Overview and Scrutiny Procedure Rule 9.

6. **Deputations:**

To receive deputations (if any) under the provisions of Overview and Scrutiny Procedure Rule 10.

7. **References from Council and Other Committees/Panels:**

To receive any references from Council and/or other Committees or Panels.

- Enc. 8. **Chairman's Report:** (Pages 11 - 16)
- Enc. 9. **Housing Overview:** (Pages 17 - 28)
Report of the Divisional Director of Adults and Housing.
- Enc. 10. **Obesity Review - PCT Implementation of Recommendations:** (Pages 29 - 42)

Please note that the recommendations in grey shaded boxes will be addressed by a senior representative from the Harrow Primary Care Trust at the meeting of the Performance and Finance Scrutiny Sub-Committee on 21 January 2009. The other recommendations are present to provide a context for the report.

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

AGENDA - PART II - Nil

This page is intentionally left blank

PERFORMANCE AND FINANCE SCRUTINY SUB COMMITTEE

29 OCTOBER 2008

Chairman: * Councillor Mark Versallion

Councillors:	* Mrs Margaret Davine (2) * B E Gate * Mitzi Green (1) * Ashok Kulkarni * Paul Scott (1)	Anthony Seymour Mrs Rekha Shah * Dinesh Solanki * Yogesh Teli * Jeremy Zeid (3)
--------------	--	---

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

PART I - RECOMMENDATIONS

RECOMMENDATION 1 - Places Survey Challenge Panel - Final Report

At its meeting on 29 October 2008, the Performance and Finance Scrutiny Sub-Committee considered the report of the Assistant Chief Executive, which set out the findings and recommendations of the Places Survey Challenge Panel into the preparation of questions for the Place Survey. The Place Survey was a government mandated questionnaire, sent to a number of households in a given area, asking questions about the community and about the service provided to residents by the various partners operating in the area. In Harrow, it had replaced the MORI Quality of Life Survey.

Having noted that the majority of the recommendations of the Challenge Panel had been used to formulate the Place Survey, the Sub-Committee, inter alia,

Resolved to RECOMMEND: (to Overview and Scrutiny Committee)

That (1) the Overview and Scrutiny revisit the Place Survey in February or March 2009, when the results of the Survey would be available;

(2) the outcomes from the Adults and Housing User Group discussions be submitted to the relevant Scrutiny Lead Members and the Chairman and Vice-Chairman of Performance and Scrutiny Sub-Committee for consideration when available.

PART II - MINUTES

87. **Attendance by Reserve Members:**

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

Ordinary Member

Councillor Janet Mote
Councillor Phillip O'Dell
Councillor Nana Asante
Councillor Christopher Noyce

Reserve Member

Councillor Jeremy Zeid
Councillor Margaret Davine
Councillor Mitzi Green
Councillor Paul Scott

88. **Declarations of Interest:**

RESOLVED: To note that the following interest was declared:

Agenda Item 10 Scrutiny Review of Obesity – Six Month Update

Councillor B E Gate declared a personal interest as his wife worked in a General Practice and his daughter occasionally worked in another. He would remain in the room to take part in the discussion and decision relating to this item.

89. **Arrangement of Agenda:**

RESOLVED: That (1) in accordance with the Local Government (Access to Information) Act 1985, the following item be admitted late to the agenda by virtue of the special circumstances and grounds for urgency detailed below:-

<u>Agenda item</u>	<u>Special Circumstances / Grounds for Urgency</u>
12. Beacon Centre Review: Six-Monthly Update	This report was not available at the time the agenda was printed and circulated due to technical and administrative approvals. Members were requested to consider this item, as a matter of urgency, in order to be able to consider the most up to date information on this item.
15. By Exception: ERP	This report was not available at the time the agenda was printed and circulated as it was subject to internal officer consideration before it could be finalised. Members were requested to consider this item, as a matter of urgency, in order to be able to consider the most up to date information on this item.

(2) item 14: By Exception Officers' Report on Performance in Gaining National Healthy Schools Status be taken after item 10: Scrutiny Review of Obesity – Six-Month Update;

(3) all items be considered with the press and public present.

90. **Minutes:**

RESOLVED: That the minutes of the meeting held on 15 July 2008 be taken as read and signed as a correct record.

91. **Public Questions, Petitions and Deputations:**

RESOLVED: To note that no public questions, petitions or deputations were put at the meeting under the provisions of Overview and Scrutiny Procedure Rules 8, 9 and 10 respectively.

92. **References from Council and Other Committees/Panels:**

RESOLVED: To note that no reports were received.

93. **Chairman's Report:**

The Chairman introduced the report, which set out issues considered by the Chairman since the last meeting of the Sub-Committee. The Vice-Chairman queried whether provisions existed for Members, other than the Chairman or Vice-Chairman, to submit items for the agenda that may not necessarily reflect the views of the Chairman or Vice-Chairman. The Committee's attention was drawn to the provision, as set out in the Constitution, which allowed any voting Member to give at least six day's notice before the meeting that the Member wishes an item relevant to the functions of the Committee or Sub-Committee to be included on the agenda. A Member commented that the provision ought to be publicised.

The Vice-Chairman stated that in relation to major projects and property where certain issues related to confidentiality, these ought to be submitted and considered by Scrutiny under the private session (Part II) of the meeting. In response, the Scrutiny Officer stated that issues regarding major projects ought to be submitted to the Overview and Scrutiny Committee as they went beyond the remit of the Sub-Committee.

RESOLVED: That (1) the report be noted and endorsed;

(2) the following issues be investigated by the Performance and Finance Scrutiny Sub-Committee and the Overview and Scrutiny Committee:

- Updates on the Obesity, AccordMP and Beacon Centre reviews – to be considered by the Performance and Finance Scrutiny Sub-Committee
- Workforce Development – information to be passed to the Overview and Scrutiny Committee.
- Healthy Schools - to be considered by the Performance and Finance Scrutiny Sub-Committee

- Enterprise Resource Planning - to be considered by the Performance and Finance Scrutiny Sub-Committee.
- Major Projects and Property – to be reported to the Overview and Scrutiny Committee, as it might merit further investigation.
- Standing Report, Finance – regular report to the Performance and Finance Scrutiny Sub-Committee;

(3) the Chairman submit a summary of Harrow-wide performance issues, as identified through the Chairman's meetings and the Performance and Finance Scrutiny Sub-Committee to the next available meeting of the Overview and Scrutiny Committee.

94. **Scrutiny Review of Obesity - Six Month Update:**

The Committee received an update on the Scrutiny Review of Obesity. The Divisional Director of Human Resources and Development reported on a number of schemes, in partnership with the Primary Care Trust, that were being introduced for Harrow Council employees, such as walk-to-work, shape-up programme, and smoking cessation workshops. A Workplace Health Programme was also being trialled at the Harrow Council Depot, aimed to design a scheme relevant to the workforce.

In response to questions, the Divisional Director of Human Resources and Development confirmed that:

- There would be a revision of the whole Wellbeing Programme, even though the pilot was only taking place at the Depot.
- The Wellbeing programme was on target. The outline had been planned, set for approval in November and a publication anticipated in December 2008.
- A scheme allowing employees to purchase bicycles via a method of 'salary sacrifice' would be introduced. The employee would be able to purchase the bicycle at a discounted rate from their salary. At present it was unclear whether the bicycles would be sourced from local businesses but he would take on board a Member's Suggestion that local businesses ought to be approached.

As a way forward on the Obesity Review, which needed to be achieved by various stakeholders, the Corporate Director of Children's Services suggested that the Chairman consider writing to the stakeholders with a view to ascertaining how their internal plans were addressing the obesity issue. It would help to gauge the impact of the Obesity Review on resources. The Corporate Director was currently re-drafting the Children's and Young People Strategic Plan, a three-year plan, which would address the issue of obesity. A Member commented that the Obesity Review report had been taken to the Corporate Strategy Board in Summer and that a better method should be found to integrate the issue within the decision-making side of the Council. The Corporate Director of Children's Services responded that updates regarding the recommendations could be presented when revisions to the plans were made, which in essence would force the issues to become part of the day-to-day processes rather than a 'parallel process'. The issue of obesity was a topic that, by being addressed as an urgent early intervention issue, was prone to pushing aside the long-term issues associated with it. Matters of tackling ingrained patterns of behaviour, sustainability and long-term engagement would need to be addressed by joint enterprise and a general psychological engagement. Vulnerable children were also an area of concern, with steps being taken to educate foster carers about the uses of leisure facilities, and changing the patterns of behaviour by introducing role-models into young people's lives. The Corporate Director continued that Children's Centres, Faith Groups and Paediatric Services had physical activity built into their programmes.

In response to questions, Council officers confirmed that:

- Schools considered to have high-level sporting equipment facilities, with restrictions on community use, would be reviewed. Additional efforts would be made to up-grade existing facilities for community use at other school sites.
- There were concerns about a drop in the levels of childhood immunisation.
- That the campaign to offer five hours of sport a week for every child fell short by three hours and was frustrated by a curriculum offering two, fifty minutes sports lessons a week which didn't always qualify two full hours. Additional work was underway to map the participation, which was proving to be difficult.

Further issues were being addressed concerning the campaign to offer children an additional three hours of sports a week to make up the 5 hours. It was assumed that the lack of a sport's based curriculum and the affordability of access to community facilities were major contributing factors to obesity.

- Free swimming to under sixteen's and over sixties would be introduced in April 2009 for two years. The project would involve working alongside leisure partners to identify schedules, build confidence skills for swimming, particularly amongst the older community, to more broadly market the programme and help anticipate potential barriers.
- A trial period during the summer offering under sixteen's free swimming saw the number of participants exceed the total number of under sixteen's using the swimming facilities for the whole of the previous year.
- The long-term healthy lifestyles would yield positive results, although these may not be visible for a few years.
- Early intervention and joined-up thinking were essential elements to reducing obesity.

A Member agreed to submit questions to the Primary Care Trust in regard to the issues under its remit.

RESOLVED: That (1) the report be noted;

(2) the questions from the Children and Young People Policy Lead Member for Scrutiny be submitted to the Chief Executive of Harrow Primary Health Trust for response;

(3) the approach of obtaining updates from stakeholders in relation to the Obesity Review proposed by the Corporate Director of Children's Services be captured.

95. **By Exception: Officers' Report on Performance in Engineering Services:**

The Committee received the report of the Divisional Director of Environmental Services, which set out an update on the actions taken following a review of the partnership with AccordMP (now known as EnterpriseMouchel, since a renaming in June 2008) in November 2007.

It was noted that:

- There had been an increase in public meetings. A free tour of the Oxhey Lane Flood Defence works saw over twenty members of the public in attendance, highlighting the steps made with improving local engagement.
- There were further developments of the Highway Asset Management Plan in helping address the backlog through improved informed investment.
- The Council-led efficiency review highlighted efficiency process savings that would deliver £400,000 in the next three years.
- The works value for 2008/09 was projected to be in line with anticipated partnership spend level at approximately £13 million, although continued pressures on the budget and reductions could not be ruled out.
- Having completed the development of a Highways Charter, a review of its distribution had taken place. Feedback from the residents' focus groups suggested preference of electronic instead of hard copies resulting in an associated negative carbon footprint. A Member commented for the need to issue hard copies if requested.

Draft copies of the Highway Customer Charter were circulated at the meeting.

In response to questions, an officer confirmed that:

- Utility companies had a statutory duty to carry out work where required. Under the Traffic Management Act, the Council had the power to review the quality of the work done and submit fines where work was not carried out within an agreed period.

- Replacement of pavements was on a priority basis, which considered among others, the state of pavements and approximate foot-fall;
- There had been a reduction of up to twelve posts, a benefit of partnership working.
- There had been identifications of cost savings where inspections had previously been carried out by the Authority, in the same areas as EnterpriseMouchel.

RESOLVED: That the progress against agreed actions taken following the review be noted.

96. **Overview and Scrutiny Review of Cultural Services - Beacon Centre Case Study Progress Report:**

The Committee received a report of the Director of Community and Cultural Services, which set out a progress update to the recommendations in the Overview and Scrutiny Report to Cabinet on the Scrutiny Review of Cultural Services. The interim Head of Cultural Services reported on the outcomes and the work carried out by Cultural Services. The investment from the Local Authority had been a one-off payment with further investment which comprised of mainly officer time.

The main points considered were:

- Re-assessment of Performance Management Framework, which had addressed concerns regarding data quality. The Council had continued to work with Home Group to explore data collection beyond what had been agreed. An example of this was the Passport to Culture/Summer University Programme of free summer activities for young people which had developed new data collection supported by the Council and the partners.
- Identification of key high-risk areas. The Rayners Lane Project Team had been engaged in quarterly meetings, community engagement, organisation of a March 2009 Summit, and revision of the Neighbourhood Plan leading to more specific recommendations relating to the Beacon Centre.
- Range of projects that were being delivered to provide wider participation opportunities to Rayners Lane youth and residents.
- Watford Football Club and the Council's Youth Service delivery of a two-year Football Foundation and youth empowerment programme.
- Sports and Leisure Service was delivering a range of projects through a Sport England funded Street Games Programme engaging with youth at street level.
- Arts Service had delivered a range of projects at the Beacon through the Summer Uni programme and was developing a Young People into Volunteering Programme on the estate.
- Clubs, individuals and organisations on the estate would benefit from upcoming capacity building workshops at the March 2009 Summit, which would focus on skill building for community participants and increased access to cultural provision.
- Home Group had responded to the tensions between community use of the Beacon Centre and the need for it to be financially sustainable by developing a Neighbourhood Plan for Rayners Lane Estate. Home Group participated in the Rayners Lane Project Team meetings with all partners to listen and respond to the concerns of the residents. Additionally, Home Group, in discussion with the Housing Service had approached the Harrow Strategic Partnership (HSP) to suggest a sub-group under the HSP due to the challenges of the Super Output Area indices of deprivation that were challenges for the Rayners Lane Estate.
- Home Group continued to listen to its residents by increasing its resources to the estate and appointing a dedicated Project Director who was based on site and working to take forward the regeneration plans. One investment immediately made was to undertake improvements to existing housing stock and to convert some 'for sale' properties into rental housing.

- Although there were currently no plans to create a Leisure Trust with the existing organisational structure, it could provide savings in the future which could be fully invested back in the project. This option could not be ruled out as it had been successfully applied to a new Leisure Trust at Byron Leisure with resulting funds derived at no cost to the taxpayer on National Non-Domestic Rate (NDR) relief.
- An additional Rayners Lane Project Team was now in place to advise and support Home Group in liaising with all stake holders.

In response to questions, the officer confirmed that:

- Community and Cultural Services had not received any concerns or negative comments since the establishment of the Neighbourhood Plan for the Rayners Lane Estate.
- Communicating with residents about access to the Beacon Centre's facilities was difficult, but that the Cultural Services team felt that they had achieved approximately 75% of their goals relating to this matter. Communication took place on a one-to-one level and the team had been pro-active in promoting this at a 'street-level'.
- Capacity building required local people to become involved in the Beacon Centre project through voluntary schemes and offering workshops in project management. The community would be given the skills to decide on local projects and apply for resources. There were concerns that community members did not fully understand the Home Group grant programme processes and might have been charged for the facilities instead of taking advantage of free use.
- Use of community buildings was promoted as an asset in the hope of empowering local residents to create funding to nurture community ideas.
- Monitoring attendance of community users to the Centre against users from other parts of the borough was a challenge. Community and Cultural Services were trying to work with the Centre to learn from the information gathered by front-line staff.
- Date for the March 2009 summit was arrived at by the Rayners Lane Project Team in order to give the project time to establish itself. A 'mini-summit' was held by officers and key-parties immediately following the last report to scrutiny to tackle questions relating to the Rayners Lane Estate. It had been the Team's choice to factor in a realistic timescale to identify who should be involved in the March 2009 summit.

RESOLVED: That (1) the report be noted;

(2) Members of the Sub-Committee be invited to the Summit and that a further update be submitted to the Sub-Committee following the Summit in March 2009.

97.

Revenue and Capital Monitoring as at 30 June 2008:

The Committee received the report of the Corporate Director of Finance, which set out the capital monitoring as at 30 June 2008. The Divisional Director of Corporate Finance and Procurement presented the report and highlighted the following:

- Children's Services were reporting a pressure on efficiency savings on SEN transport.
- Under spend of £583,000 was forecasted.
- Adults and Housing Services had an outturn position of £500,000 after some one-off adjustments to reserves.
- Community and Environment were reporting additional income from parking enforcement which was forecasted at £1 million but was dependent on external factors.
- Corporate Director of Finance was looking at reducing the Capital Programme by £10 million in order to reduce costs associated with Capital Financing;

- Provision of £300,000 was earmarked for special projects and contingency, as part of the outturn position.
- Medium Term Financial Strategy (MTFS) allocated £1 million in 2008/09, making the General Balance position £4 million as at 1 April 2008.
- In order to achieve the Council's ambition to complete its Decent Homes Programme early, the 2009/10 decent homes funding of £3.6 million had been bought forward into 2008/09 to enable contracts to be committed.

In response to a question from a Member regarding the current economic state and the impact that this may have on the National Non-Domestic Rate (NNDR) collection, the Divisional Director of Corporate Finance and Procurement replied that the collection rate would not have any direct impact on the Council. The Council's debt position would continue to be monitored.

The Divisional Director of Corporate Finance and Procurement added that, although not confirmed, it appeared that the country was in a recession and faced the potential of a depression. The likely pressures associated from these conditions were yet to be felt by the Council and the situation would become clearer towards the end of the year. There were some pressures being reported on the fuel and energy budgets, and a number of energy contracts were due for renewal in December 2009. In response to a question from a Member about the pending pay award for 2008/09 the Divisional Director replied that the expected award had been factored in the budget and confirmed that:

- Some commercial properties were expected not to be able to pay NNDR.
- Robust financial monitoring was in place.
- Current economic situation may affect long-term lending.
- In order to save energy costs, the Authority used motion sensor lights in parts of the building and currently promoted a 'Turn-Off' campaign.

RESOLVED: That the report be noted.

98. **By Exception: Officers' Report on Performance in Gaining National Healthy Schools Status:**

The Committee received the report of the Corporate Director of Children's Services which set out the key points in relation to performance in gaining National Healthy Schools status. The Corporate Director of Children's Services reported that, due to changes in the programme, Harrow did not meet the December 2007 target. The new target for 75% of schools attaining the status by December 2009 was expected to be exceeded. He was confident that 93% of schools would be awarded the status by this time next year. The Director would continue to encourage and offer support to schools in attaining the status. The timing to apply for self validation for the status was determined by the schools' own action plans and priorities. The Corporate Director of Children's Services reassured Members that achieving the status by 2009 would not require any additional funding.

A Member suggested that Healthy Eating issue ought to be monitored by Lead Members for Scrutiny. The Chairman favoured monitoring By Exception.

In response to questions from Members, the Corporate Director of Children's Services confirmed that:

- Overall sports participation of school children had moved from the lower threshold to the upper within a two year period. 85% of all school children now participated in at least two hours of sports per week.
- The Secretary of State for Children, Schools and Families set the broad recommendations for healthy living and it was for the authority to make comments on the appropriateness of such recommendations.
- The school nursing service was community based and was monitored by the Council rather than the Primary Care Trust. Previously the service was located at Northwick Park Hospital.
- The favoured approach was to challenge and engage with the schools on this matter; however any different suggestions from Members would be welcomed.

- Private nurseries and child minders, although not governed by the same criteria for Healthy Schools Status, were required to register with the Authority and were therefore monitored.

RESOLVED: That (1) the report and the proposal for improvement be noted;

(2) that Healthy Schools Status be monitored by the Performance and Finance Scrutiny Sub-Committee on “by exception” basis and that the Policy and Performance Lead Scrutiny Members for Children and Young People identify issues in this area that required monitoring;

(3) that the lead Scrutiny Members ensure that the Voting Co-opted Members serving on the Overview and Scrutiny Committee were kept abreast of the issues.

99.

By Exception: ERP:

The Committee received the report of the Corporate Director of Finance, which set out the key points in relation to Enterprise Resource Planning (ERP) software performance issues. The Divisional Director of Shared Services reported on the systems progress and development plan, since its adoption in 2006. The key identified objectives of the development plan, which had been arrived at on the basis of four independent reviews, were to:

- increase the use of the system;
- improve the reputation of the system;
- fix technical problems;
- simplify key processes;
- improve compliance with key processes;
- improve management reporting;
- clear up confusion and improve support to users;
- provide additional training;
- improve value for money.

There had also been technical improvements with the Purchase Card functionality and an assessment of HOST/ANITE interfaces by Capita. Adults and Housing had commissioned Capita to undertake an assessment of the end-to-end HOST processes and technical system assessment. It was understood that this initial work would lead to a project plan that would resolve all the system issues and deliver both cashable and non-cashable benefits to the authority, including improved service delivery to customers. The issues surrounding ANITE were owned by Housing and were the subject of a project being managed between Director of Housing and the Director of Business Transformation and Customer Services.

One of the key areas of development was around finance and the monthly end-to-end processes. This work was being jointly led by the Divisional Director of Finance and Procurement and Capita. In due course workshops would be scheduled and, amongst other delivery outcomes, the programme of work would capture all processes, incorporate gap analysis, capture system changes and develop finance training. The training would be delivered to the business through Management Development Programme and finance teams re-training all budget managers. The schedule of works for 2009 would be established following the workshops. The workshops would also look at the potential to develop a workplace finance assessment that enveloped as part of the ERP health-check.

The Divisional Director of Shared Services explained that, as of December 2006, there had been no home reporting where data emanated from ECC. This work had been passed to Shared Services and the ERP Support Team had developed a programme of works that would ensure that the authority benefited from a controlled reporting programme. This work would commence in 2009 and it was envisaged that the process would be embedded by July/August 2009. The Divisional Director of Shared Services had restructured work packages and fully resourced the report team from current resources. Communication issues had been addressed by creating a mini-communications campaign that now followed an annual schedule ensuring that an ERP user received timely information/reminders. To assist senior managers, the ERP

Support Team had written and published a user friendly guide to the Organisational Structure which had been issued in April 2008.

Vendor Management had been improved through providing users with timely training and reminders of actions.

ERP health-checks had been created in response to users' requests for changes in training. The ERP Development Plan included an objective of delivering the Healthcheck to all Harrow ERP users during 2009/2010.

Some of the benefits of the ERP system were highlighted as follows:

- The system was fully utilised thereby creating an opportunity for further efficiencies/savings.
- Reporting would be timely, accurate and fully support business needs.
- Business would be clear on how to access guidance, support and training.
- Improved customer satisfaction.
- User's confidence in the system would continue to rise.

In response to questions, the Divisional Director of Shared Services confirmed that:

- One of the lessons learnt from the implementation of the system was that the project ought to have been overseen by one manager;
- Initial training for staff was not as relevant and timely as it could have been, which had led to a loss in confidence from members of staff;
- He was fully satisfied that the system had the capability to help Harrow meet its business objectives. Harrow had implemented the ERP application in 11 months, the timescale had been right. He did not believe that major improvements would have been realised had there been a longer implementation lead time;
- Efficiency savings that could be driven through the system would be made if Harrow grasped the opportunity to harness the SAP application to business process re-engineering in all impacted areas of the Council.

RESOLVED: That the report be noted.

100. **Revision to Protocol for Operation of Performance and Finance Committee:**
The Committee received the report of the Assistant Chief Executive, which set out the revisions to the protocol for the operation of the Performance and Finance Scrutiny Sub-Committee. The Scrutiny Officer reported that minor amendments had been made to reflect the changes to the way in which the Performance and Finance Scrutiny Sub-Committee reported its business to the Overview and Scrutiny Committee. The new process was simpler, as follows: a briefing would be provided at the next available meeting of Overview and Scrutiny providing information of general, Harrow-wide performance issues, as had been discussed at the Chairman's Meetings. In conjunction with the minutes, the revised process would provide a more holistic view of performance issues to the Overview and Scrutiny Committee. Members were asked to note that an error had been made at section 7-12 where the text should read 'Reference report – the first item...'

RESOLVED: That the revised Protocol attached to the report, be endorsed.

101. **Scrutiny Scorecard:**
The Committee received the report of the Assistant Chief Executive, which set out scrutiny performance in the last quarter, as recorded in the scrutiny scorecard. The Scrutiny Officer reported that:
- Member attendance at Review Group Meetings had improved.
 - Council's Forward Plan, which included key decisions to be taken by the Executive, was considered by the Chairman and Vice-Chairman of the Sub-Committee on a regular basis.
 - Scorecards were proving to be an effective tool.

- Members were satisfied with the presentation of the scorecard and had made no proposals for improvements.

RESOLVED: That the scorecard and commentary at Appendix 1 of the report be noted.

102. **Places Survey Challenge Panel - Final Report:**

Further to Recommendation 1, the Performance and Finance Scrutiny Sub-Committee, having welcomed that the majority of the recommendations of the Place Survey Challenge Panel had been used by officers to formulate the Place Survey, as a result of which formal approval by the Cabinet was not required,

RESOLVED: That (1) the findings and recommendations of the Place Survey Challenge Panel be noted;

(2) the report be submitted to the Cabinet for information.

103. **Ed Hammond, Scrutiny Officer:**

On behalf of the Committee, the Chairman and the Vice-Chairman thanked Ed Hammond, who was leaving the services of the Council, for all his hard work.

104. **Extension and Termination of the Meeting:**

In accordance with the Overview and Scrutiny Procedure Rule 6.6 (ii) (Part 4F of the Constitution) it was:

RESOLVED: At (1) 10.00 pm to continue until 10.30 pm;

(2) 10.30 pm to continue until 10.45 pm;

(3) 10.45 pm to continue until 10.50 pm.

(Note: The meeting having commenced at 7.32 pm, closed at 10.47 pm)

(Signed) COUNCILLOR MARK VERSALLION
Chairman



Meeting:	Performance and Finance
Date:	21 January 2009
Subject:	Chairman's report
Key Decision: (Executive-side only)	No
Responsible Officer:	Ofordi Nabokei, Strategy and Improvement Tom Whiting, Assistant Chief Executive
Portfolio Holder:	N/a
Exempt:	No
Enclosures:	None

SECTION 1 – SUMMARY AND RECOMMENDATIONS

This report sets out issues considered by the Chairman since the last meeting of the Performance and Finance Committee.

RECOMMENDATIONS:

The Committee is requested to:

- 1) Note and endorse the content of the report
- 2) Identify any potential issues for Performance and Finance to investigate in the future.
- 3) Nominate the Chairman to submit a summary of Harrow-wide performance issues, as identified through the Chairman's Meetings and at this meeting, to the next convenient meeting of Overview and Scrutiny.

SECTION 2 - REPORT

Background

Under the protocols established for the agenda planning process of the Performance and Finance Committee, the Chairman receives detailed performance information from a wide variety of sources – both internal and external – on a monthly basis.

At the monthly meeting, assisted by officers, the chairman considers the scorecards on a “by exception” basis, identifying those where questions exist about current performance.

Individual performance indicators are then selected, and cross-cutting trends are identified. The background to the performance is considered in more detail. The agenda is then built around these issues.

Current situation

Members are being asked to note and endorse the agenda items for this meeting as outlined below.

The table indicates the origin of items for this meeting’s agenda; members are being asked to endorse these decisions, which were made by the Chairman and Vice-Chairman following a briefing provided by the scrutiny officer.

They are also being asked to identify any additional items which can be considered by the Chairman and Vice-Chairman in the course of planning for the next meeting.

Additionally, members are requested to nominate the Chairman to provide a summary of Harrow-wide performance issues, as a component of the scrutiny leads’ report, to the next meeting of Overview and Scrutiny.

Why a change is needed

Not applicable.

Main options

It is recommended that members endorse the proposals, which are reflected in the rest of the committee papers and which were circulated to members immediately after the chairman’s meeting to which they refer. They are also recommended to task the Chairman with submitting a summary of performance issues to the next meeting of Overview and Scrutiny.

Other options considered

No other options are being presented.

Recommendation: - to note and endorse the contents of the report, and to identify any potential issues for P&F to investigate in the future.

Considerations

Resources, costs and risks: Failure to endorse the Chairman’s decision will not prevent the meeting from continuing and the agenda provided being considered. However, it will damage the principle of collegiate decision-making in terms of the agenda planning process.

- Staffing/workforce: none
- Equalities impact: none specific
- Legal comments: none
- Community safety: none

Financial Implications

None specific.

Performance Issues

The below issues were considered:

Issue	Chairman’s proposal
6 Month Update: On Obesity Review	To consider at committee, as agreed in the reports.
<u>Decent Homes</u> This was considered in November. Q2 data showed some improvement. Whilst there has been an improvement, further information is necessary to ascertain whether the improvement was as a result of improvement action that has been undertaken. This is a cross cutting issue and other factors can and may affect the ability to attain the decent homes target.	That this matter should continued to be monitored and come to committee.
<u>Housing Repairs</u> Performance has remained static and the focus has been on controlling repairs expenditure.	This matter should continue to be monitored and come to committee.
<u>Timeliness of Social Care Assessment DHDSO</u> This has remained amber for 2 quarters. The percentage of assessments not completed within time scales was unacceptably high. A zero-tolerance policy has been implemented.	This matter should continue to be monitored. It was decided in this instance it should not come to committee as a Zero Tolerance policy has only just been introduced which should raise this status. It is important to see if there has been an improvement in Q3 before it comes to review.
<u>Healthy schools</u> ‘Healthy schools’ has been below target for some time. The expectation	Recommended not to come to committee as it came to the pervious committee for consideration.

<p>of it remaining so throughout 08/09 is concerning, and on this basis it meets the “by exception” criteria.</p>	<p>However this issue should continue to be monitored closely.</p>
<p><u>Primary Dental Service Access</u> The current issue affecting performance is public awareness of the availability of dental care to people not currently registered with a practitioner. There is a social marketing plan in place to highlight the availability of dental care.</p>	<p>Recommended not to come to committee but for this issue to continue to be monitored because a plan to deal with this was implemented in October 2008.</p> <p>It is early days as the plan was only put in place in October. Therefore it should be monitored to see the impact the plan has on this issue.</p>
<p><u>Enterprise Resource Planning (ERP)</u> The risk level on the register has remained “red”. It raises concerns for all council services, since ERP operates as a back-end to many of the council’s financial processes and could have significant impact on poor performance.</p>	<p>Not to come to committee as it was an item presented at the last P&F Committee meeting and there is now a workforce strategy in place.</p> <p>Therefore it is recommended that this issue continue to be monitored.</p>
<p><u>Stroke Patients spending >90% of their time on a stroke unit</u> The PCT is adrift of the stroke target. This is a data and performance issue. The data is being re-run at the end of Q2 with further Department of Health guidance on ensuring correct data is analysed.</p> <p>The ‘current performance’ and ‘trajectory’ are both at red status.</p>	<p>It was decided not to look at this issue for the time being as there is a Healthcare for London Stroke Consultation taking place in 2009 and Harrow has a place on the Pan London Joint OSC.</p>
<p><u>Failure to improve and communicate the value for money of the service within Community and Environment</u> The risk level on the register has jumped from “green” to “red” for the last period. Risk has increased as a result of allocation of support service charges which could affect overall performance.</p> <p>It meets the by exception criteria in every respect other than the fact that it has not been “red” for two reporting periods.</p>	<p>Recommended not to come to committee but for this issue to continue to be monitored as a number of options were being considered to improve this.</p> <p>This issue will be closely monitored in Q3 to ascertain what improvements / plans have been implemented to improve this outcome and whether or not there has been an improvement.</p>
<p><u>Bed-Blocking</u> Concerns have been raised that the Council maybe keeping people in local hospitals for longer than would be</p>	<p>Recommended that this issue come to the next P&F Committee in March as this item came to light just before P&F Committee was due to be held.</p>

possible if there were provisions for them in terms of care at home or care accommodation	
---	--

These issues arise from a number of PIs which, on the basis of an analysis, have been distilled down into these items, some of which are cross-cutting.

Legal and financial implications

There are no legal or financial implications to this report.

SECTION 3 - STATUTORY OFFICER CLEARANCE

This is no longer required

SECTION 4 - CONTACT DETAILS AND BACKGROUND PAPERS

Contact: Ofordi Nabokei, Scrutiny Officer, Strategic and Performance
020 8420 9205: ofordi.nabokei@harrow.gov.uk

Background Papers:
None.

This page is intentionally left blank



Meeting:	Performance and Finance Sub Committee
Date:	21st January 2009
Subject:	Housing Overview
Responsible Officer:	Gwyneth Allen Divisional Director, Adults and Housing
Chairman:	Councillor Mark Versallion
Exempt:	No
Enclosures:	None

Section 1 – Summary and Recommendations

This report provides further detailed information on:-

- (1) progress on the delivery of decent homes to meet the government targets by 2010;
- (2) action being taken to minimise the potential budgetary overspend in delivering the response maintenance service in 2008/9;
- (3) financial overview of the Housing Revenue Account (HRA).

Recommendations:

The Sub-Committee is requested to:

1. Seek a further report on the numbers of homes that remain non decent after the stock condition surveys have been analysed.

Reasons: (For recommendations)

1. The decent homes report suggested above will provide the likely cost of the remaining works needed to enable the Council's stock to be made decent.

Section 2 – Report

2.0 BACKGROUND

- 2.1 The Housing service is hoping for a three star rating for CPA purposes as at 31st March 2008. This is achieved by strong performance within the Housing in the Community section of CPA assessment. Performance within the Managing housing stock indicators preformed less well but is a high performer in relation to collection of rent and turnaround times for void properties.
- 2.2 A number of new and innovative strategic projects for delivering new and appropriate homes within Harrow are being progressed including the regeneration of Mill Farm Estate, the start on site of the first extra care housing scheme with Harrow Churches Housing Association and access to an additional 100 homes over a period of 18 months through the “temp to perm” scheme.
- 2.3 The Housing service is addressing the challenges of improving the estate based services that are provided to tenants and leaseholders which include grounds maintenance, caretaking and car parking.
- 2.4 89% of tenant and leaseholder contact with Harrow relates to the delivery of the repairs service. The response maintenance service is provided by Kier under the contract that was let in July 2007 with the exception of some areas of specialist maintenance such as health and safety matters. A significant part of the housing capital programme is also delivered by Kier with window and door replacement being delivered by other contractors. All services provided to tenants and leaseholders must be provided from the rent collected from those customers.
- 2.5 The report set out below refers in detail to three specific areas of the housing service.

2.6 DECENT HOMES

2.7 Background

- 2.8 Harrow has 5063 rented homes and 1137 leaseholders.
- 2.9 Government introduced the decent homes standard with effect from 1st April 2001 and required Housing Associations and Local Authorities that owned social housing to ensure that all homes were decent by 2010.
- 2.10 It was in 2002 that Harrow commissioned the stock condition survey that currently provides the base data for planning the work that is necessary to bring Harrow homes to the decent homes standard. This database is used to provide the information that is returned annually to the Department of Communicates and Local Government.(CLG) This survey assessed the condition of Harrow’s homes against a fitness

standard and does not consider the Housing Health and Safety Rating System (HHSRS).

- 2.11 The decent homes standard is set out in "A Decent Home: Definition and Guidance for Implementation" which was updated by CLG in June 2006. This document sets out the definitions for decency and the methodology for calculating when a home is "decent". The definitions have been amended since the standard was introduced particularly in relation to thermal comfort of a dwelling and more recently in relation to Housing Health and Safety Rating System (HHSRS) which came into effect in April 2006.
- 2.12 A home is defined as decent if :-
 - (a) It meets the current statutory minimum standard for housing, (HHSRS)
 - (b) It is in a reasonable state of repair
 - (c) It has reasonably modern facilities and services, and
 - (d) It provides a reasonable degree of thermal comfort.
- 2.13 During the year ended 31st March 2008 1613 properties were made decent and 494 became non decent. As at 1st April 2008 Harrow reported 2323 homes as non decent in the BPSA 2008 return section B1 submitted to CLG.
- 2.14 There are 1431 properties in the overall Kier 08/09 programme comprising 1061 properties (08/09 contract) and a further 370 properties (c/f from the 07/08 contract): a total of 1431 properties as at 1 April 2008.
- 2.15 At week ending 12 December 2008, Kier reported that 878 properties had been returned as complete and that internal works to the remaining 553 properties are on target to be completed by 31 March 2009.
- 2.16 A small number of those properties returned as complete will also need external works (mostly roofs) that were not part of Kier's 2008 contract. Arrangements are, however, in hand to undertake the work as soon as possible.
- 2.17 In addition, 55 of 62 properties (c/f from the 07/08 programme) that required only windows and door replacements to make the properties decent have been completed by Radways.
- 2.18 The government requires all social landlords to undertake a rolling stock condition survey to update their asset database. A standardised methodology was introduced by government in 2002.
- 2.19 Harrow's stock condition data has not been refreshed since 2002. Ridge, a company of independent national surveyors is undertaking a new stock condition survey during January and February 2009. A report analysing the condition of the stock will be delivered to the Council by the end of February. This will provide the Council with the data needed to provide reliable information on the number of homes remaining non decent. Programmes of works can then be put in place

to ensure these remaining works are completed before the government's decent homes deadline of 31 December 2010.

- 2.20 Once the backlog has been overcome, the Council's homes will all be decent. To ensure that properties remain decent, the asset management database will run reports to show properties that will fall into non decency if preventative works are not undertaken on a timely basis. These reports will form the planned maintenance programmes of the future. The asset management data base will be informed by stock condition data and from works carried out by repairs and maintenance. IT enhancements are being put in place to provide interfaces between the repairs and maintenance module of Anite, the planned maintenance module, the asset data base and in due course with Kier's Servitor system.
- 2.21 Government guidelines allow the negotiation of extended deadlines for meeting the decent homes standard where redevelopment is intended e.g. on Mill Farm should tenants vote against the transfer of the stock to a Registered Social Landlord.
- 2.22 Each year a complex statistical return has to be completed for government that provides information on progress being made towards the decent homes standard. Information from these returns may result in an authority being inspected by the Audit Commission. The new Tenants' Services Authority (TSA) may also commission inspections. Decent homes data may also be the subject of year end audits.
- 2.23 No firm information is available on what action the government might take against landlords that miss their agreed decent homes deadlines. It is possible that subsidy levels or grants could be reduced and/or that under performance will be reflected in the authority's CAA rating.
- 2.24 CAA will assess how well housing need is being met. As decent homes is included in the National Indicator Set (NIS), performance against this indicator may impact on the assessment, although at this stage it is difficult to say how or to what extent.
- 2.25 Until the stock condition survey outcomes have been analysed, future budget need beyond what is known now, cannot be predicted. A contingency of £820k was incorporated into the 08/09 programme in anticipation that works (once validated) might be different to what was originally anticipated. Additionally, the slow start on a number of projects on the 08/09 Housing Capital Programme may lead to an under spend, which could be used to support the decent homes programme, if required. As the 2009/10 capital allocation for decent homes has already been brought forward into 2008/09 it may also be necessary to defer other Housing Capital Programme projects in 2009/10 to release further funding for the decent homes programme.

2.26 RESPONSE MAINTENANCE SERVICE

- 2.27 This report provides the Performance and Finance Sub Committee with further information following the report of 9th December 2009 which referred to the pressures on the housing response repairs budget in the

current financial year and which set out the management action taken to minimise the potential overspend.

- 2.28 The report summarises the measures implemented, outlines the resulting impact to date and provides the budget summary including the percentage overspend against budget.
- 2.29 Harrow tenants and leaseholders have benefited from a high level of spend on responsive repairs in recent years. Customer expectations and demands on the service have been high and continue to remain so. Over the last 5 years Harrow's response repairs expenditure has averaged £5.8m or £1121 per property per annum, above average for London boroughs and significantly above average amongst its nearest neighbours.
- 2.30 The 2008-9 HRA budget for the response repairs service was set at £4.752m, marginally greater than originally anticipated in the business plan approved by Government Office for London (GOL) in 2006. The budget projections within the business plan were based on assessments of expenditure of comparable Authorities in terms of stock size and profile discussed with Tribal during the business plan process. When the business plan was developed it was also assumed that stock investment would result in a reduction in response maintenance spend. There is evidence that suggests that the opposite is actually the case.
- 2.31 The repairs budget includes day to day landlord repairs, void properties maintenance, external redecorations, cyclical maintenance, minor estates improvements, salary costs and support service charges. The budget is under significant pressure and at Quarter 2 was projected to overspend by £1.24m. This is due to the sustained demand for day to day repairs and the delivery of void repairs to Decent Homes standard including works which were initiated in 2007/8. Increases in maintenance obligations arising from statutory and legislative requirements have also contributed to the overspend.
- 2.32 Costs associated with rectification of tenants DIY works and unauthorised modifications to properties, property damage through misuse and abuse and rubbish clearance also put pressure on the budget. To date this has amounted to £65k or £7k a month.
- 2.33 The direct cost of the front line repairs call handling service have also increased significantly. In 2007/8 the cost for Access Harrow stood at £131k and this has increased to £288k in 2008/9. To this must also be added the cost of providing a back office function included within the salaries costs for the repairs service. This back office function places orders and manages enquiries from tenants and leaseholders.

2.34 Management action taken

- 2.35 A number of measures were introduced with effect from 2nd October 2008 to manage the budget pressures. The service has been temporarily reduced to health and safety, Right to Repair and works which if delayed will result in extensive disrepair. Non urgent (K4)

building repairs are now being deferred to 2009/10 subject to reassessment by Property Services.

2.36 Further control measures included the turn around of void properties to Harrow's minimum lettable standard and capitalisation of any necessary boiler replacements, kitchen renewals or electrical rewiring works by delivery of those repairs through the decent homes programme.

2.37 On 9th December 2008 it was reported that the best possible outcome that could be expected was a budget deficit of £650k.

2.38 Financial impact of management action

2.39 Spend on day to day landlord repairs cost an average of £280k per month over the last 5 years. As result of the measures outlined in this report the rate of revenue spend in this area has reduced to £141k per month.

2.40 In the first two quarters of 2008-9 void repairs were undertaken to decent homes standard at an average cost of £2419 per void. This standard includes kitchen or bathroom renewal, electrical rewiring and heating system upgrades where the remaining life of those components is less than three years. Delivery of void repairs to minimum lettable standard and capitalisation in accordance with accounting policy has reduced void repair costs to below £1680 per void property.

2.41 Reduction in non urgent [K4] repairs has provided staff capacity within the repairs team to enhance its cost control, audit and repair validation processes. This has contributed to a reduction in the cost of invoiced landlord repairs by 43% from an average of £148 to £91 per repair, subject to inflationary uplift due with effect from 1st July 2008.

As at 30th September 2008 the projected overspend has been revised from £1.24m to £650k. A summary of the repairs budget and forecast outturn is set out below:

Housing Repairs Budget Forecast as at quarter 2 2008-09

Service	<u>Budget</u>	<u>Forecast Outturn</u>	<u>% Overspend</u>
Salaries	602000	657,000	9%
Landlord Day to Day repairs	2519740	2,717,728	8%
Cyclical Maintenance	400000	619,795	55%
Voids	400000	578,157	44%
External Decorations	412000	412000	0%
Minor Estates Improvements	73600	73600	0%
Miscellaneous Costs and	344830	344830	0%

2.42 The detail set out above assumes continued deferral of non urgent ['K4'] repairs to 2009/10 and the implementation of void repairs to minimum standards. It should be noted, however, that this projection is subject to (i) variances in repair volumes due to adverse weather conditions and (ii) the need to implement non urgent repairs where special circumstances are deemed to apply due to health and safety or tenant vulnerability.

2.43 Budget for 2009/10

2.44 Based on historic spend patterns it is anticipated that the current suspension of non urgent repairs will result in a backlog in 2009/10.

2.45 Further pressure on the 2009/10 budget will arise due to the need to deliver external decorations. In the last three years very little external redecoration has been undertaken. Spend in this area amounted to £93k in 2005/6 and £33k in 2007/8. This year it is anticipated that external redecoration will be undertaken within the allocated budget of £412k. In 2009/10 as some properties may have been long overdue for external redecoration this may add further pressure on the available budget.

2.46 The draft 3 year HRA budget assumes a response repairs budget in 2009/10 of £4.8m. Based on this figure and given the general level of customer expectation it is anticipated that delivery of the service to the level set out in the tenants' handbook together with the backlog will place significant pressure on the budget.

2.47 In view of the anticipated pressure a review of the repairs budget for 2009/10 will commence shortly. This will include consideration of the standard of the service provided, comparison with peers and a plan for improvement of the service that can be delivered within the available budget whilst ensuring the business plan remains viable.

2.48 Housemark has been commissioned to provide this service and work commences during week beginning 12th January 2009.

2.49 Work is being undertaken within Harrow to develop an incentive based payment mechanism with Kier. Working to pre-determined and agreed targets Kier would be charged with delivery of the service within the agreed budget and to improve quality. If Kier deliver the service within a pre-determined budget Kier will share on a 40/60 basis with Harrow in any saving. Any expenditure above budget would require Kier to place an agreed proportion of their profit at risk.

2.50 The benefit of this proposed payment mechanism is that Kier are not reliant on work volume to cover overheads and are incentivised to deliver savings. This will enable expenditure to be more effectively controlled and assist in delivering a satisfactory cost effective service to

tenants and leaseholders.

- 2.51 In view of the increased Access Harrow costs of £288k to be charged to the repairs budget consideration will be given to reviewing the current arrangements. The service delivered to tenants will improve if the chain of contact is the shortest possible and mechanisms for diagnosing the repairs required, is put in place. For Kier to efficiently manage their workforce they must have good quality information at the point at which an order is placed and be able to manage their workforce to be able to assist Harrow in operating within the agreed budget.

2.52 HRA FINANCIAL ISSUES

2.53 Background

- 2.54 All councils that own housing stock are required to keep a Housing Revenue Account [HRA]. The HRA is a statutory account based on the Local Government and Housing Act 1989 and subsequent amendments. The 1989 Act established the HRA as a ring-fenced landlord account separate from a council's general fund revenue account, containing the income and expenditure arising from the landlord function. The ability to transfer monies across the ring-fence was limited with certain specific exceptions and the transfer of surpluses from rents to keep down local taxation was ended. Schedule 4 to the 1989 Act specifies the credit and debit items that are required to be shown in the HRA.

- 2.55 The 1989 Act requires LAs to keep their HRA in accordance with proper practices as defined in section 21 of the Local Government Act 2003. Clarification on items to be accounted for within the HRA was set out in the HRA DoE circular 8/95, although this is now significantly out of date.

2.56 HRA Ring-Fence

- 2.57 The HRA ring fence policy and the operation of a 'landlord account' ended the transfer of large sums to the General Fund (GF) and removed some previous perceived abuses of the system. There is still however a lot of variability in practice between councils – for example whether and to what extent they recharge corporate and democratic costs to the HRA.
- 2.58 The debate about the ring fence is philosophical as well as technical, and there are differing views about the proper degree of separation or integration between council housing and the parent council. The Government's objective that tenants should pay similar rents for similar services across landlords suggests that landlords' financial arrangements must be similar and a tighter ring fence might make this more feasible.
- 2.59 At present there is no national HRA and no ring fence between housing and other services at Government level. This reflects normal accounting practice but it means that tenants cannot see directly the

relationship between the rents they pay and the services they receive and the deployment of surpluses when they arise.

- 2.60 The local ring fence does not extend to capital. When tenants exercise the right to buy, the HRA loses income but does not gain the capital receipt. Councils vary considerably in their practice and whether they give retained capital receipts back to housing¹.
- 2.61 The HRA rules work stream under the HRA review [see below] will look at the rules governing the operation of the HRA to determine whether changes to the rules could improve the efficiency and effectiveness of the delivery of landlord services included in the HRA and produce recommendations for change or amendment.

2.62 HRA Review

- 2.63 Communities and Local Government and HM Treasury are undertaking a fundamental review of the council housing finance system, reporting jointly to the Minister for Housing and Planning, Margaret Beckett MP, and the Chief Secretary to the Treasury, Yvette Cooper MP.
- 2.64 The review is wide ranging, although many of the issues are interlinked, and has been divided into four work streams to make it manageable – Costs and Standards; Rents and Service Charges; Mechanisms for Delivering Finance; and HRA Rules.
- 2.65 The review is due to report to Ministers mid 2009, setting out options for the HRA including the subsidy system and proposals for changes to the rent policy. A formal consultation will follow the review.

2.66 Longer term HRA

- 2.67 Harrow Council's 30 year HRA business plan was updated and submitted to the Government Office for London [GOL] in July 2006. The plan sets out how the Council intends to manage and maintain its Housing stock over the next 30 years.
- 2.68 Like all Local Authority landlords, the financial position is heavily influenced by the HRA subsidy system – the present vehicle for delivering finance to council housing. The Secretary of State makes an annual HRA subsidy determination for each of the 220² LAs with an HRA. The determination sets out the amount of subsidy payable to the authority [where the LA's assumed need to spend is greater than their assumed income, the Government pays HRA subsidy to bridge the gap] or to be paid by it to the Secretary of State [where the assumed income is greater than their assumed need to spend, the assumed surplus is captured and recycled within the system to meet deficits elsewhere³]. Harrow is one of 154⁴ authorities making payments back

¹ Cabinet agreed in June 2005 to transfer 25% of useable capital receipts or a minimum of £500k per annum from the GF to the HRA to the year 2010, providing useable right to buy receipts were at least this amount

² Source CIH HRA review Narrative 4

³ This payment back to the Government is often referred to as 'negative subsidy'

⁴ As note 1

to the Government, resulting in a payment of £22.4m over the three years, these payments have been estimated at a net £325m for 2009-10.

- 2.69 The assumptions made resulted in an affordable business plan [not withstanding the significant subsidy payments back to the Government], reporting healthy surpluses until year 11 of the plan [2017/18] when shortfalls on capital were projected to occur.
- 2.70 Harrow Council paid £6,837,600 in negative subsidy in the current year (some 32% of net rental income) and is budgeting to pay £6,506,217 in 2009/10. These sums are set to rise each year.
- 2.71 Harrow council's HRA business plan assumed a balance brought forward into 2008-09 of £6,377k – the actual balance carried forward was short by £131k at £6,246k. The projected in year deficit at the end of September is £1,170k, an increased in year deficit of £478k when compared with the business plan.
- 2.70 The draft HRA budget and quarter 2 outturn position reported to Cabinet in December 2008 detailed increased levels of expenditure in both the current financial year and proposed budgets for 2009-10 to 2011-12. For each of the three years, the in year deficits are greater than anticipated in the business plan, this results in part from the impact of the current economic climate i.e.; the need to increase the bad debt provision from £100k to £250k, reductions in interest earned on balances from £290k down to £90k and changes across a wide range of budget heads including changes to the costs of financing capital, cost of repairs, HRA subsidy and recharges from the internal market over and above inflationary assumptions made in the budget and business plan.
- 2.71 The business plan assumed that the HRA would show a surplus of £5,460k at the end of 2011-12, however the budgeted surplus reported the draft 3 year HRA budget in December projected this at £2,966k. This assumes a contribution to the repairs account in 2009-10 of £4.8m [the business plan assumed £4.6m] Further benchmarking will commence shortly on the repairs service to arrive at a realistic budget for the three years to 2011-12 and will include the contractual price increases estimated around 5%. The budget assumes an annual revenue contribution to capital [RCCO] of £1m with no further increases in borrowing anticipated in relation to Decent Homes over that included in the capital programme. There is limited flexibility within the HRA to increase the balances carried forward and any increases in the revenue budget requirements for repairs and decent homes will increase the pressure on the draft HRA budget as reported and make worse the future viability. A decision could be made to reduce or eliminate the annual RCCO contribution, although this would require increased borrowing to fund the capital programme, with the resultant revenue costs being charged to the HRA.
- 2.72 The impact of the lower level of balances will significantly shorten the period during which the Council has a viable HRA. If income and expenditure assumptions remain in line with the business plan, the increased in year deficits will result in balances falling below the

recommended level of £0.75m in year 7 [2013-2014]. By this point the Council will have considered the options around the future of managing its housing stock.

2.73 It is intended to update the business plan early in the 2009-10 financial year following the outcome of the HRA review, and at this point it should be possible to advise on the impact of the changes on both the HRA and the Business Plan. Any fundamental changes proposed following the HRA review could alter viability significantly i.e.; the proposal for local authorities to 'opt out' of subsidy by funding the HRA on the basis of rental income streams

Risk Management Implications

Risk included on Directorate risk register? Yes (for DH), Yes (for response repairs) No (for HRA finances)

Separate risk register in place? No (for (DH) No (for response repairs), No (for HRA.)

Section 3 - Statutory Officer Clearance

Name: Donna Edwards	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 9 th January.2009.....		
Name: Paresh Mehta	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 12 th January 2009.....		

Section 4 - Contact Details and Background Papers

Contact: Gwyneth Allen, Divisional Director – Housing - 0208 424 1998 (Internal 2998)

Background Papers: None

If appropriate, does the report include the following considerations?

1.	Consultation	NO
2.	Corporate Priorities- Improved support for vulnerable people Build stronger communities.	YES

This page is intentionally left blank



Meeting:	Performance and Finance Scrutiny Sub-Committee
Date:	21 January 2009
Subject:	Obesity Review – PCT Implementation of Recommendations
Responsible Officer:	Various
Portfolio Holder:	Various
Exempt:	No
Enclosures:	<i>Six month update on progress of obesity review recommendations</i>

Section 1 – Summary and Recommendations

This report sets out the progress of the council and its partner in implementation the recommendations of the scrutiny review of obesity.

Recommendations:

That members note progress so far and agree any action which might be required to secure the further implementation of the recommendation.

Reason: (For recommendation)

To ensure scrutiny's continued effectiveness in delivering improvements in the services provided to local people.

Section 2 – Report

Background (if needed)

In January 2008, the Overview and Scrutiny Committee made a number of recommendations to Cabinet as the result of a scrutiny review on obesity. Cabinet endorsed all the recommendations, and it was agreed that, in accordance with standard procedure, an update would be provided to the scrutiny function later in the year.

Current situation

It has in the meantime been agreed that Performance and Finance will take responsibility for monitoring the implementation of review recommendations.

As such, P&F is being provided with this update.

Why a change is needed

Not applicable.

Main options

The Sub-Committee may consider that the update report provided is sufficient, or may decide that certain issues should be investigated further.

Other options considered

None

Implications of the Recommendation

Considerations

Resources, costs and risks - none

Staffing/workforce - none

Equalities impact - none

Legal comments - none

Community safety - none

Financial Implications

None

Performance Issues

Members may consider, on the basis of the update attached, that there are issues associated with performance against the recommendations which deserve further investigation.

It will be for the Sub-Committee to make a judgment on the necessity for, and nature of, such investigation.

Risk Management Implications

Not applicable.

Section 3 - Statutory Officer Clearance

Name: Sheela Thakrar	<input type="checkbox"/> Y	on behalf of the Chief Financial Officer
Date: 15 October 2008.		
Name: Stephen Dorrian	<input type="checkbox"/> Y	on behalf of the Monitoring Officer
Date: 15 October 2008		

Section 4 - Contact Details and Background Papers

Contact:

Background Papers:

None

If appropriate, does the report include the following considerations?

1.	Consultation	YES / NO
2.	Corporate Priorities	YES / NO

Appendix 1

Recommendations Matrix – Scrutiny Review of Obesity

Six Month Update

Please note that the recommendations in shaded grey boxes will be addressed by a senior representative from the Harrow Primary Care Trust at the meeting of the Performance and Finance Scrutiny Sub-Committee on 21 January 2009. The other recommendations are present to provide a context for the report.

Recommendation	Time scale	Identified officer/ member/ group to action	Info	Action taken (6 months or 1 year)	Measure of success
Overarching review:					
Recommendation 1: that the borough-wide Obesity Strategy be finalised and presented to the Overview and Scrutiny Committee. The strategy should enable agencies looking to tackle obesity and its links to long term conditions (such as diabetes, and cardio-vascular and circulatory conditions) to work from a single strategic and locally owned policy framework.	M/L	Harrow PCT Board Obesity Strategy Group	O	The obesity strategy is yet to be finalised; we are still consulting on the first draft and expect this to be complete by 15 th November. (PCT response)	6 months: progress update on development/ revision of borough-wide Obesity Strategy to Overview and Scrutiny Committee. 1 year: an Obesity Strategy for Harrow published and adopted by all relevant partner agencies.
Recommendation 2: that the council pilots a walk scheme for staff as part of its staff well-being programme. This should be done in liaison with and seeking the advice of our colleagues at Harrow PCT who have already successfully implemented such a scheme.	M	Corporate Director of Strategy and Business Support, Harrow Council	O / BP	The PCT has recently appointed a Walk Scheme Co-ordinator who will work closely with Harrow LA to implement more walking schemes (in addition to those already being delivered with Choosing Health funding for the public) specifically for Council staff. (PCT response)	3 months: the staff well-being programme includes a (pilot) walk scheme for staff. A scheme has been, or is about to be, piloted.

Recommendation	Time scale	Identified officer/ member/ group to action	Info	Action taken (6 months or 1 year)	Measure of success
<p>Childhood obesity: <i>Recommendation 3: that the Children and Young People's Partnership considers the local physical activity strategy and discusses with partners how this can be revised and taken forward.</i></p>	S	<p>Corporate Director Children's Services, Harrow Council</p> <p>Children and Young People's Partnership</p>	O	<p>The Audit of Physical Activity in London report has now been received and the PCT will work with the Council (via the CYPs Board) and our partners on building on these findings to address gaps in local provision. (PCT response)</p>	<p>3 months: the agenda for the next meeting of the Children and Young People's Partnership includes the local physical activity strategy.</p>
<p><i>Recommendation 4: that the Council and PCT recognise that much of the work around children's opportunities for physical activity can be built in together with multi-agency working and channelled through schools, children's centres and extended schools.</i></p>	L	<p>Corporate Director Children's Services, Harrow Council</p> <p>Harrow PCT Board</p>	O / BP / LP / VG / PH	<p>The PCT has been running MEND programmes for 7-13 year old children and their families (at Whitmore High School), and the second site (funded via Choosing Health) will take place at ASPIRE 15th October; it is already booked to capacity. Work has also been conducted with the schools dietician however the PCT will also be supporting the development of this work through the recruitment of a permanent nutritionist working specifically within Children Centres and within the Community to spread key health messages (interviews start this week w/c 6/10/08). The PCT has also provided funding to the LA to support active play training sessions for staff attending training at the teachers centre. (PCT response)</p>	<p>1-2 years: the revised local physical activity strategy highlights partnership work through schools, children's centres and extended schools.</p>

Recommendation	Time scale	Identified officer/ member/ group to action	Info	Action taken (6 months or 1 year)	Measure of success
				<p>The PCT provided us with information on their GP Referral Exercise on Prescription Service and Walk Scheme. We have used this information for the Resources Pack given to employees on the Shape Up Programme (40 employees). One employee was trained to be a 'Walk Leader' but subsequently left the Council. To date we have not yet received information on how many employees have approached their GP to be referred. We will collate the figures when we do an evaluation at the end of the Shape Up Programme.</p> <p>Other work we have done with the PCT has been around Smoking Cessation - an event was organised at the Depot for No Smoking Day in March 2008. The PCT also attended the Health Fair in July last year and their main focus was Smoking Cessation. The event was attended by 200+ employees.</p> <p>We are currently working with the PCT on piloting a Workplace Health Programme at the Depot. The programme supports the training of up to 3 members of staff to act as 'Workplace Health Champions'</p>	

Recommendation	Time scale	Identified officer/ member/ group to action	Info	Action taken (6 months or 1 year)	Measure of success
				<p>and supports them to design, deliver and evaluate a sustainable workplace health programme. The training includes the Royal Institute of Public Health Understanding Health Improvement Award.</p> <p>The Council's Wellbeing Delivery Plan is currently being reviewed and the new Plan is due to be completed in Oct/Nov 08. (council response)</p>	
<p>Recommendation 5: that multi-agency work through schools, children's centres and extended schools links to opportunities to engage and signpost families/parents to healthier lifestyles and encourages family learning.</p>	L	<p>Corporate Director Children's Services, Harrow Council</p> <p>Harrow PCT Board</p>	O / BP / LP / PH	Long term recommendation	1-2 years: local Council and PCT strategies refer to partnership work through schools, children's centres and extended schools, as conduits for family learning.
<p>Recommendation 6: that it is recognised that within Harrow there is a need to take more opportunities to lobby funding bodies regarding the criteria set down for accessing funding streams. The Review Group recommends that the Council and PCT make this representation jointly.</p>	M/L	<p>Chief Executive, Harrow Council</p> <p>Leader of Harrow Council</p> <p>Chief Executive, Harrow PCT</p>	O / BP	No information	As and when the opportunities arise: joint representations to central government funding bodies by the Council and PCT.

Recommendation	Time scale	Identified officer/ member/ group to action	Info	Action taken (6 months or 1 year)	Measure of success
<p>Recommendation 7: that there is a role for scrutiny to play in examining the functions and effectiveness of the Council's funding officer - what the Council's funding officer does and how he can facilitate the local authority to attract more funding and optimise the funding opportunities available to Harrow.</p>	S	Overview and Scrutiny Committee	O / BP	This has been integrated into phase 2 of the scrutiny review on delivering a strengthened voluntary sector.	3 months: the scrutiny work programme includes examination of external funding opportunities and the role of the Council's funding officer.
<p>Recommendation 8: that Harrow, through the Harrow Strategic Partnership and its Local Area Agreement, should continue to build the capacity of its voluntary sector so that it can partner the Council and PCT on more joint projects around children's opportunities for physical activity.</p>	L	Harrow Strategic Partnership	O / BP	Long term recommendation	1 – 2 years: an increased number of projects offering physical activity opportunities for children led by voluntary sector groups.
<p>Recommendation 9: that local authority provision for children is targeted and addresses areas of deprivation in the borough where there is an identified and relative lack of provision for children.</p>	L	Corporate Director Children's Services, Harrow Council	O / LP / PH	Long term recommendation	1- 2 years: more provision for children in areas, as identified in the Play Strategy, as relatively lacking provision currently.
<p>Adulthood obesity:</p> <p>Recommendation 10: that a borough-wide Diabetes Strategy be developed, so that all agencies looking to tackle diabetes and its links to other long-term conditions such as obesity can work from a single strategic and locally owned policy framework.</p>	L	Harrow PCT Board Diabetes Partnership Board	O / VG	The Diabetes Partnership Board has produced guidelines which are published on an annual basis and available on the PCT website. The PCT Lead for Obesity attends the partnership board meeting however currently there is no formal borough strategy. (PCT response)	1 -2 years: a Diabetes Strategy for Harrow published and adopted by all relevant partner agencies.

Recommendation	Time scale	Identified officer/ member/ group to action	Info	Action taken (6 months or 1 year)	Measure of success
<p>Recommendation 11: that the Diabetes Partnership Board seeks a representative from the local authority to supplement its multi-agency perspective. The Review Group recommends that this be the Adults Services Portfolio Holder in the first instance.</p>	S	Diabetes Partnership Board	O / PH	<p>At this time there is no local authority representative on The Diabetes Partnership Board, due to Portfolio Holder changes - but one will be invited to the next meeting in November. There is currently discussion with LA on who the most appropriate person will be. (PCT and council response)</p>	<p>As soon as possible (3 months): the local authority is represented on the Diabetes Partnership Board.</p>
<p>Recommendation 12: that joint work between the PCT and Council is undertaken on publicising the risks of obesity and also its links to diabetes. Joint articles to the press or in Harrow People updating residents on broader health issues should also be explored.</p>	S/M	<p>Chief Executive, Harrow PCT</p> <p>Adults Services Portfolio Holder</p>	O / VG / PH	<p>Articles on healthy eating and healthy lifestyles have recently been produced for the Harrow People magazine and there are plans to do more. However with the appointment of a Choosing Health Manager (start date Nov 3rd) who will specialise in implementing marketing/social marketing campaigns and publicity we will ensure all health messages are strategically co-ordinated, targeted and effective.</p> <p>All Choosing Health Managers have a key responsibility to promote their services; the PCT new nutritionist will promote healthy eating messages, and promote healthy living via local media, press, newsletters and will include within her remit nutritional guidance for diabetics etc. Additionally the new Health Trainers will also spread healthy eating</p>	<p>3 months: the next edition of Harrow People includes an article on health issues, jointly written by PCT and Council representatives.</p>

Recommendation	Time scale	Identified officer/ member/ group to action	Info	Action taken (6 months or 1 year)	Measure of success
				<p>messages. (PCT response)</p> <p>Articles on healthy eating and healthy lifestyles have recently been produced for the Harrow People magazine and there are plans to do more. Articles have also been covered in the Harrow Observer newspaper in which PCT and Local Authority activities to address childhood obesity have been highlighted. The appointment of a Choosing Health Manager (start date Nov 3rd) who will specialise in implementing marketing/social marketing campaigns and publicity will ensure all health messages are strategically co-ordinated, targeted and effective. (council response)</p>	
<p>Recommendation 13: that the PCT makes efforts to do more to advertise its courses on managing type 2 diabetes, including posting them on the PCT website and on the websites of those agencies who also help deliver the multidisciplinary course.</p>	S/M	Harrow PCT Board	O / VG	<p>Diabetes specialist health nurses advertise on the PCT website (all new diagnosed diabetics are told about Harrow services out there to support them); they also offer training via the Expert Patient Programme.</p>	<p>3 months: the PCT website includes signposting to diabetes courses.</p> <p>6 months: PCT-run diabetes courses are featured on partner websites.</p>

Recommendation	Time scale	Identified officer/ member/ group to action	Info	Action taken (6 months or 1 year)	Measure of success
Recommendation 14: that all GPs are encouraged to keep records on referrals to dieticians and the level of uptake of these referrals, and provide this information to the PCT.	L	Harrow PCT Board	O / BP	Long term recommendation	1-2 years: the PCT holds systematic records of GP referrals to dieticians and levels of uptake.
Recommendation 15: that information be readily available to diabetics about what they can expect from local healthcare professionals, with a view to supporting self-management of people's diabetes wherever appropriate.	L	Harrow PCT Board	O / BP / VG / PH	Long term recommendation	1 year: information leaflet on local diabetes care available to all residents through GP surgeries and other sources.
Recommendation 16: that the PCT, in liaison with GPs, devises a template of information on what all diabetics should expect as part of their routine care, and that this be piloted within some local GP surgeries to gauge the success of such an approach.	L	Harrow PCT Board	O / VG / PH	Long term recommendation	1-2 years: Implementation of (pilot) diabetes information/referral template on local GP's computers.

Recommendation	Time scale	Identified officer/ member/ group to action	Info	Action taken (6 months or 1 year)	Measure of success
<p>Recommendation 17: that the Council explores offering people with diabetes concessions at leisure centres to encourage physical activity and form a routine part of their self-management of care. GPs should be asked to promote the availability of such concessions.</p>	M/L	Corporate Director Community and Environment, Harrow Council	O	<ul style="list-style-type: none"> - Discussed the Obesity Report and its implications at high level with Leisure Connection, the Council's leisure partner. - Review and ongoing discussion and assessment of financial implications and feasibility of extending leisure centre concessions to people with diabetes. - The partnership is specifically considering ways it can increase swim provision, a good starting point for low impact fitness, by doing a review of the leisure card concessions and pricing policy. - Cultural Services has secured funding for over 60's free swimming for the next 2 years in an amount of £56k per annum, for under 16's for the next 2 years in an amount of £108k per annum, and a capital fund over 2 years of £48k per annum. Additionally we will bid on major capital for swimming facilities as it is available. 	<p>6 months: completed assessment of financial implications and feasibility of extending leisure centre concessions to people with diabetes.</p> <p>18 months: implementation of concessionary scheme for people with diabetes (if assessed as financially/ operationally feasible).</p>

Recommendation	Time scale	Identified officer/ member/ group to action	Info	Action taken (6 months or 1 year)	Measure of success
				<p>- Leisure Connection now has in place a GP Referral Programme which gives people access to special programmes on the referral of their GP around health and fitness at the leisure centre. Although there is ongoing charge for these programmes, the leisure provider supports this with personal training staff time and priority booking.</p>	
<p>Recommendation 18: that using examples of best practice and the successful modelling and delivery of smoking cessation interventions in Harrow as a base, the PCT leads on developing a 'toolbox' of effective interventions available to people with diabetes or at the risk of developing diabetes. This should link to access to schemes around physical activity and healthy eating and lifestyles.</p>	L	Harrow PCT Board	O / BP / VG / PH	Long term recommendation	1-2 years: a 'toolbox' of effective interventions for people with (or at risk of) diabetes has been piloted across the borough.