

OVERVIEW AND SCRUTINY COMMITTEE MINUTES

8 SEPTEMBER 2010

Chairman: * Councillor Jerry Miles

Councillors:

* Sue Anderson	* Paul Osborn
* Kam Chana	* Bill Phillips
* Ann Gate	* Sachin Shah
* Barry Macleod-Cullinane	* Stephen Wright

Voting Co-opted:

(Voluntary Aided)	(Parent Governors)
Mrs J Rammelt	† Mrs D Speel
Reverend P Reece	

**In attendance:
(Councillors)** Graham Henson
Varsha Parmar

* Denotes Member present
† Denotes apologies received

29. Attendance by Reserve Members

RESOLVED: To note that there were no Reserve Members in attendance at this meeting.

30. Declarations of Interest

RESOLVED: To note that the following interests were declared:

Agenda Item 9 – Pinner Village Surgery Challenge Panel Report Update

Councillor Stephen Wright declared a personal interest in that he was a patient at the surgery. He would remain in the room whilst the matter was considered and voted upon.

Agenda Item 8 – Health White Paper – Equity and Excellence: Liberating the NHS

Agenda Item 9 – Pinner Village Surgery Challenge Panel Report Update

Councillor Sue Anderson declared a personal interest in that she worked for NHS Harrow. She would remain in the room whilst the matter was considered and voted upon.

Councillor Ann Gate declared a personal interest in that she was an employee of a GP surgery in Harrow. She would remain in the room whilst the matter was considered and voted upon.

31. Minutes

A Member of the Committee suggested that for future meetings involving a question and answer session with the Leader and Chief Executive, these be recorded. This would then allow for the minutes to be drafted in a similar style to how the items on public and councillor questions were composed for Full Council and Cabinet. The Chairman responded by stating that the suggestion would be investigated.

RESOLVED: That

- (1) the minutes of the meeting held on 21 July 2010 be taken as read and signed as a correct record subject to the following amendment:

On page 17, reference be made to a question being asked to read as follows “Why was the Portfolio Holder for Housing referring questions to the Leader?”;

- (2) the minutes of the meeting held on 27 July 2010 be taken as read and signed as a correct record.

32. Public Questions, Petitions and Deputations

RESOLVED: To note that no public questions were put, or petitions or deputations received at this meeting.

33. References from Council/Cabinet

There were none.

RECOMMENDED ITEMS

34. Harrow Magistrates' Court Challenge Panel Report

The Committee received a report outlining the findings and recommendations from a Harrow Magistrates' Court Scrutiny Challenge Panel which took place on 19 August 2010. The Committee noted that proposed amendments from the Challenge Panel had been circulated to Members. The Chairman explained that, in his view, the Challenge Panel had been effective with a number of interesting conclusions reached.

The Chairman of the Challenge Panel commented that the Panel had thoroughly analysed the business case put forward by Her Majesty's Court Service (HMCS). Additionally a representative from HMCS had attended the Panel meeting. One of the main conclusions of the Panel was that the proposed closure would push huge costs onto other public sector organisations in the borough, such as the Council and the Police. Residents would also be severely inconvenienced. The Chairman of the Panel concluded by thanking the report author for his work.

A Member of the Committee commented that an estimate of additional cost relating to expenses for witnesses was still to be provided. It was not yet clear if this had been taken into consideration by HMCS.

Members of the Committee also expressed some concern at the perceived lack of publicity on opposition to the proposed closure. The Chairman commented that the Council would do what was required to raise its profile.

RESOLVED: That

- (1) the Challenge's Panel's report forming part of the Council's corporate response to the consultation, be recommended to Cabinet and all other Councillor colleagues;
- (2) the report be presented at Cabinet on 14 September 2010, prior to submission to Her Majesty's Court Service, as another way to raise public awareness of the proposed closure of Harrow Magistrates' Court and specifically, to formally demonstrate to Her Majesty's Court Service the Council's clear determination and commitment to retain local justice for local people;
- (3) the following recommendation of the Challenge Panel be referred to the Major Developments Panel for deliberation:

'Consideration to be given to alternative proposals, such as co-locating Harrow Magistrates' Court at Harrow Crown Court and, in the medium-longer term, whether Harrow Magistrates' Court might become part of a larger co-location of public services (police, council and courts) on the Kodak site'.

35. IT Service Delivery

The Corporate Director of Finance reported to the Committee that the project had been running for a significant period of time and was an important long term decision for the future of the Council. She reported that:

- the Council had reviewed its IT services. Concerns highlighted included a limited capacity to support remote and flexible working, lack of a disaster recovery system and being a constraint to future transformation;
- an IT strategy was developed in 2008 which initiated an options appraisal. This was conducted in partnership with PriceWaterHouseCoopers (PwC). This looked at the future options of the service and included soft market testing;
- the outcome of this appraisal was a recommendation to transfer responsibility for the IT service to Capita. This was considered to be the most appropriate and cost effective solution;
- the next phase involved a proposal request. This included a detailed description of the service the Council wished to receive. Capita were asked to prepare a response which was received by the Council on 1 March 2010. The proposal involved a single unified solution to deal with the core services infrastructure;
- a detailed evaluation of the bid was conducted. The evaluation involved a value for money assessment, a key part of the evaluation given that it was a single bid;
- an in-house option was also developed in order to make a comparison. This found that in order to deliver the same level of service the Council would have to spend a comparable amount but the option involved greater risk in relation to delivery;
- Cabinet at its meeting in July 2010 made an 'in principle' decision to transfer IT services to Capita. After this meeting, four additional projects were conducted. This involved consultation with staff and unions, negotiating the proposed contract, working on a transition plan and pricing model;
- a flexible pricing model had been negotiated to take into account lower fees for reduced number of users and vice versa;
- extensive consultation with staff had taken place. Consultation with individual staff would continue up to the proposed date of transfer;
- the report to Cabinet in September 2010 provided an update on the proposal and contained a recommendation to proceed with the transfer. A final decision would be made at Council;

- the transfer of IT services to Capita was integral to the transformation agenda in order to facilitate projects such as remote and flexible working. There were numerous benefits associated with transferring IT services to Capita and it would be an important tool to drive efficiencies for the Council.

During the discussion, Members raised a number of queries which officers responded to including:

- the Council had an existing partnership arrangement with Capita. The partnership agreement had been established in 2005 and would continue up until 2015. The partnership agreement had been designed in such a way so as to include delivery of services. During the initial options appraisal process, other options had been considered but it was concluded that working with Capita under the current partnership agreement would be the best option and provide value for money;
- a comparison between the Capita bid and developing an in-house option had been conducted when performing the value for money assessment. A broader tendering process was considered but it was deemed that this would have been costly to co-ordinate and therefore would not have represented value for money;
- as part of the soft market testing, the option of working with other Councils had been investigated. However the conclusion reached was that there would have to be full delegation to other Councils whose own IT strategy would set the direction of services. This was not a suitable scenario;
- consideration of other service providers had been considered in the soft market testing. However it was a reasonable assumption that other potential providers would not have been comfortable working alongside Capita as the Transformation partners;
- the Council could implement a break clause for the contract period to last for 5 years if required;
- officers would respond to the Committee on whether reduction in the cost of flexible and remote working transformation project and a reduction in the cost of email systems integration were capital or revenue costs. Savings relating to moving to a new Civic Centre related to revenue costs. It was difficult to predict which year this move would be achieved but it was estimated this would be at least 5 years given that it would involve a significant change;
- figures provided in the report relating to the net position related to the 5 year bid. If the overall Capita bid was more expensive this would initially lower the amount of capital expenditure and result in more revenue expenditure. Savings on having less capital expenditure would go on beyond 5 years;

- if the contract continued for a 10 year period, there would be additional revenue cost and an additional capital cost in year 6 for a refresh. The way in which in the bid had been structured had been divided into capital and revenue costs. Some of the projects involved some revenue and some capital costs;
- all hardware maintenance would be conducted by Capita. Licensing management would be transferred to Capita although negotiations were still being conducted on the specific details;
- in terms of business applications there were two factors to consider. Firstly the core infrastructure network would be managed and operated by Capita. Secondly there were applications where the Council had a contract with software providers. These applications would only be hosted by Capita;
- applications were currently integrated with Novell and Groupwise, which were now out of date. This had contributed towards poor service delivery. Integrating these with a modern environment would automatically improve performance. This would be the same scenario for all applications;
- in response to a request, officers would circulate a detailed risk register to the Committee on the proposals generally;
- an audit was currently being conducted into the number of computers to ensure the information was correct prior to 1 November 2010. Although there were currently more software licences than required, this was due to the fact that there was less staff than two years ago. Due diligence being conducted by the Council would involve ensuring that the Council had a complete audit of the number of computers with accurate figures;
- Eversheds had provided detailed legal advice in relation to the transfer. Eversheds had been involved in implementing the partnership contract with Capita and it was believed that the most efficient option was to utilise their services;
- up to the date of transfer, a project board would look at identified work streams on the transfer with support from Eversheds. The Divisional Director of IT was working on the transition plan and the Corporate Director of Finance was investigating costing and the pricing model along with PwC. Services had also been commissioned to deal with human resources issues. After the proposed transfer, a client team would monitor performance of the contract;
- the existing partnership contract had a performance management framework embedded into it. Penalties could be applied if the relevant terms were not adhered to. This had been enforced previously;

- the IT department currently consisted of 30 permanent members of staff. There had been a deliberate attempt in the last few months to use agency staff for vacancies to minimise the impact on permanent staff. Discussions were still ongoing with Capita about the implications for staff. There had been an attempt to provide staff with as many options as possible including applying for the Voluntary Severance Scheme. Staff had also been provided with details of opportunities within Capita;
- although Capita's bid was more expensive than the Council's current budget, it was believed that there were strong reasons for additional investment as it would underpin a significant amount of the work of the transformation of the Council for the future. Even if the service remained in-house, there would be a need for investment;
- Capita had committed to high levels of security to promote remote and flexible working. Capita would implement systems to ISO2001 standards. They had achieved ISO2001 and additionally the Council was working with Eversheds to produce a schedule to ensure Capita's Government Connect compliance. The Council had approximately 30-40 people who were required to be fully compliant with proposed requirements and this model had previously been accepted by the Government;
- the Council faced severe financial constraints. However it was vital to conduct this transfer to ensure a more robust and resilient infrastructure for the future. Other streams of the transformation programme were dependent on the infrastructure being improved;
- the Council had conducted detailed policy work in relation to confidentiality, security and care of workforce issues relating to remote working;
- the Council was maintaining a benefits tracker on the proposed transfer to Capita. This was continually updated and was a good basis to track achievements. The methods by which Capita would be monitored included via the performance management framework, the client team checking on progress made and detailed reports to Council Management Boards and Lead Members. Reports could also be presented at regular intervals to the Overview and Scrutiny Committee;
- money being utilised to fund the project had been identified to implement Government funded projects which were no longer taking place due to cuts. Additionally the transfer of IT services to Capita involved more than the provision of equipment and related to the entire IT infrastructure.

Members of the Committee made a number of comments during the discussion on this item which included:

- by implication there was risk of an extension of the proposed contract with Capita. There were difficult logistics of ending the contract after 5 years if staffs were being outsourced and there was no server infrastructure. In reality it may be a 10 year contract;
- the contract implementing the transfer of IT services to Capita should include provision for Capita to ensure that all hardware and software was kept up to date;
- it was important to ensure that the audit being conducted was accurate as any problems associated with the current system would not be solved by simply outsourcing the service;
- there were some concerns about the reductions in staff once the services had been transferred to Capita;
- there could be difficulties if the government insisted on compliance with proposed security requirements. This could have significant financial implications and affect the entire delivery model of the proposed transfer of services;
- there was not currently a consistent approach across the Council in relation to IT service delivery. This had been confirmed by PwC. The proposed transfer would remedy this situation and ensure that all aspects of IT service delivery were brought under control. Capita were the best equipped organisation to ensure good service delivery as they had the necessary expertise, background and vision;
- it was important for Member level input into monitoring the transfer of IT services to Capita. This could be done by the BTP Panel or another similar body. Contract management was an area for improvement and Member input was required.

RESOLVED: That the comments of the Committee be presented to Cabinet, at its meeting on 14 September 2010, as part of the consideration on the item on IT Service Delivery.

RESOLVED ITEMS

36. Health White Paper - Equity And Excellence: Liberating The NHS

The Chairman introduced the item and reported that the item had been considered by the Health Sub-Committee at its last meeting on 2 September 2010. The Chairman commented that the Sub-Committee had recognised that the white paper was a lengthy document. As a result the Sub-Committee had decided to conduct a workshop session whereby Members would focus on all of the specific themes raised in the white paper. Responses to the consultation were required by 11 October 2010 and a report on the outcomes of the workshop would be presented to the Committee.

During the discussion on this item, Members raised a number of issues which included:

- the issues relating to the closure of the Pinner Village Surgery had demonstrated the importance of holding the Primary Care trust to account. As part of the proposals contained in the white paper, it was important to ensure that the proposed NHS Commissioning Board could be held to account in a similar way. Additionally experience of previous issues would be an important factor when considering the response to the white paper;
- there was ambiguity in relation to proposals for aspects of commission to revert to the Local Authority. There was a view that the white paper provided more questions than answers;
- it was likely that there would be significant financial implications for the Council as a result of the proposals in the white paper. There was therefore a strong need for the Council to consider the proposals carefully;
- it was important to focus on how the proposals in the report affected the borough. An impact assessment report was required so that the Committee could analyse the white paper effectively. It was appropriate to request that the Director of Public Health, NHS Harrow, provide an impact assessment.

An officer reported that the purpose of the report was to commence the response process to the white paper. The workshop session would include the attendance of officers within the Council, who would provide specific expertise. Officers within the Council were still currently analysing details of the white paper. The Chairman confirmed that an impact assessment would be requested and the Director of Public Health could also be invited to the workshop meetings.

RESOLVED: That the report be noted.

37. Pinner Village Surgery Challenge Panel Report Update

The Chairman reported that the Committee had established a Challenge Panel to investigate issues into the closure of the Pinner Village Surgery. The Chairman of the Challenge Panel provided a number of updates to the Committee which included:

- it was a fair comment that Members of the Health Sub-Committee had been concerned by the responses received to questions at its meeting on 16 June 2010 when the issues were first considered;
- further to the meeting of the Challenge Panel, he had chaired a public meeting which representatives from the PCT had attended. There had been recognition from the PCT that they could have been more helpful and handled the responses provided in a better manner;

- having obtained a full understanding into the issues surrounding the closure of the surgery, it was his view that the correct decision had not been made. There were other options available which had not been properly investigated. However there was recognition that the PCT did have a legitimate reason for concern;
- it was important that in the future the PCT took into account the views of local residents. It was also important that Lead Members met regularly with key officers from the PCT to ensure that these issues would not arise again in the future;
- the PCT would now have to consider whether they would commission a new surgery to replace the Pinner Village Surgery and had to take into account local demand.

RESOLVED: That the item be noted.

38. Scrutiny Lead Members Report

The Committee received a report of the Scrutiny Lead Members detailing issues they had recently considered and further proposed actions.

RESOLVED: That

- (1) the proposal for further briefings to be provided to the Lead Members on Sustainable Development and Enterprise on the Local Economic Assessment, the refresh of the Economic Development Strategy and the Council's property disposal system be agreed;
- (2) the request for a Challenge Panel to be established on the Housing Ambition Plan, with specific focus on resident engagement, be agreed.

39. Exclusion of the Press and Public

RESOLVED: That the press and public be excluded from the meeting for the following item for the reasons set out below:

<u>Agenda Item</u>	<u>Title</u>	<u>Reason</u>
12.	Any Other Business	Information under paragraphs 1 and 7 (contains information relating to any individual and relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime).

40. Any Other Business

The Chairman and Vice-Chairman provided a verbal update on the current situation relating to the Harrow Association of Voluntary Services. They explained that they had both been briefed on the executive summary of the investigation into the organisation. They informed the Committee of the key issues which had been raised.

A Member commented that it was important for the Committee to consider wide issues such as the monitoring of grants provided by the Council and the appropriate training of Council appointed trustees. It was important to conduct some random testing relating to the monitoring of grants to check if this was a one-off occurrence or whether there was a more widespread problem.

Another Member commented that a review was required as opposed to a challenge panel as there were significant issues to be addressed. This would need to be a tighter, shorter piece of work to ensure that any relevant outcomes could be easily absorbed.

An officer confirmed that she would liaise with the Audit department and present proposals on a potential review to the next meeting of the Leadership Group.

RESOLVED: That the item be noted.

(Note: The meeting, having commenced at 7.31 pm, closed at 9.57 pm).

(Signed) COUNCILLOR JERRY MILES
Chairman