

PERFORMANCE AND FINANCE SCRUTINY SUB-COMMITTEE MINUTES

2 FEBRUARY 2012

Chairman: * Councillor Sue Anderson

Councillors: * Tony Ferrari * Jerry Miles
* Barry Macleod-Cullinane * Varsha Parmar

In attendance: Thaya Idaikkadar Minute 71
(Councillors) David Perry Minute 71

* Denotes Member present

61. Attendance by Reserve Members

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

62. Declarations of Interest

RESOLVED: To note that there were no declarations of interests made by Members.

63. Minutes

RESOLVED: That the minutes of the meeting held on 22 November 2011 be taken as read and signed as a correct record.

64. Public Questions, Petitions and Deputations

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

65. References from Council and Other Committees/Panels

None received.

RECOMMENDED ITEMS

66. Chair's Report

The Sub-Committee received a report that set out issues considered by the Chair since the last meeting of the Performance and Finance Scrutiny Sub-Committee.

Referring to the update on indicators selected for further monitoring at the previous meeting, specifically the 'housing voids', a Member queried why the report stated that no further monitoring of this issue was required. The Chair responded that the length of time taken for empty Council properties to return back into use had been cause for concern, however, this situation was now in hand. Further information on the number of voids was included in the appendix to the report.

RESOLVED: That the report be noted.

67. Revenue and Capital Monitoring Report for Quarter 2

The Sub-Committee received a report of the Interim Director of Finance, which had been previously considered at Cabinet on 15 December 2011. The report set out the Council's revenue and capital monitoring position for Quarter 2 as at 30 September 2011. The Interim Director stated that this report had been superseded by the Quarter 3 report which was just about to be considered by Cabinet and which covered the period up to 31 December 2011 and she would be referring to this later report.

The Interim Director stated that:

- she was pleased to inform Members that the overall forecast position was now a revenue underspend of £190,000 compared to a forecast overspend at Quarter 2 of £1.566 million. This was partly due to a virement of £300,000 from a specific reserve for homelessness, but nevertheless the swing was a very positive outcome and demonstrated the impact the Spending Protocol was having;
- an underspend of at least £1.4 million was now being targeted and there were still some risks in some areas of the budget and therefore the Spending Protocol would continue to operate until the year end;
- there was also a significant underspend in the capital programme amounting to approximately £16 million due to projects being rephased. However rather than the usual methodology of Directorates requesting carry-forwards, Directorates had been asked to re-bid for these projects in the new capital programme for 2012/13,

therefore there was effectively a one-off saving of this amount of capital spend.

RESOLVED: That the report be noted.

68. Access Harrow - Customer Service Performance

The Sub-Committee received a report of the Divisional Director for Business Transformation and Customer Service which set out information on Access Harrow performance, included details of popular service requests and levels of avoidable contact.

An officer stated that Access Harrow used both the SAP CRM (Customer Relationship Management) and Cisco telephony systems to capture and manage data relating to Harrow residents and their contact with Council. The report highlighted the level of performance sustained by Access Harrow over Quarter 3, the most common enquiries handled and the areas of higher avoidable contact.

The officer stated that avoidable contact focused on unnecessary contact made by the customer. He added that the reasons behind the high levels of avoidable contact figures could be as follows:

- where the caller was progress-chasing;
- where the Council had not delivered a service as expected;
- where information provided by the Council had been unclear.

The officer added that the following measures had been implemented in response to the above and to improve Contact Avoidance:

- the supply of information through cheaper channels, for example, the introduction of a payment line or 'auto-attendants', the use of other artificial intelligence means, the promotion of the 'My Harrow Services Account', pro-active messaging, and managing customer expectations;
- analysis of CRM data had shown that a large proportion of customer telephone calls to the Parking Team related to parking tickets, and the automated phone message had therefore been adapted to take this information into account;
- a brief explanatory covering letter had been included with the Housing Benefits letter sent to residents and had led to a 40% reduction in calls regarding Housing Benefits;
- an increase in the levels of staffing at periods of high demand through the multi-skilling of staff;
- the webpage relating to fly tipping now allowed residents to see what had already been reported and provided updates on progress;

- data was collated on a monthly basis and both he and the Team Leaders met regularly to discuss further strategy with the relevant Service Managers.

A Member questioned why the percentage of phone calls answered within 30 seconds was lower for enquiries relating to Council Tax and Housing Benefits than any of the other categories listed. The officer responded that twelve months ago this figure had been 20% lower. He added that Access Harrow dealt with a high volume of calls relating to these two areas, where the initial call may take longer to deal with in order to resolve the issue and prevent further enquiries, and which meant the queues for these service areas were longer. However, Harrow's record was good when benchmarked against other neighbouring authorities. The telephone system let callers know where they were in the queue and an expected answer time, which allowed them to choose whether to hold on or call back later. Three Kier staff were now part of Access Harrow, which enabled better response to those customers who were progress-chasing about repairs.

A Member sought clarification as to whether additional staffing and resources had been identified to deal with the new service areas which had recently joined Access Harrow. The officer responded that staff also transferred with the service and relevant data (volume, reason and failure demand) would be collected and analysed over the next six months. This would be reported to the Sub-Committee in Quarter 4.

A Member stated that the data failed to give information about non-avoidable contact and asked what processes were in place for evaluating and dealing with these, in particular where information from calls could provide intelligence that would inform improvements to service delivery. The officer responded that in the case of a non-avoidable call, for example, when a resident required a plumber, officers worked to reduce the level of demand, which was call avoidance rather than avoidable contact. He stated that calls related to plumbing repairs were often seasonal. He added that information was relayed to the relevant service delivery team who discussed how to prevent these in the future and that officers were looking to make this process more robust.

RESOLVED: That the report be noted.

69. Update on Review of the Council's Use of Performance Information Phase 1

The Sub-Committee received a report of the Divisional Director of Partnership Development and Performance which provided an update against the implementation of the recommendations made in phase 1 of the Scrutiny Review.

The Divisional Director of Partnership Development and Performance stated that the recommendations of Phase 1 of the Review had been considered by Cabinet in April 2011 and the responses agreed. Directorates had reported on progress through Improvement Boards during the Quarter 2 reporting cycle. The next report on progress against agreed actions would address

both Phases 1 and 2. He added that not all the actions set out in the report had been completed and officers were consulting Scrutiny and Executive Members on specific aspects.

A Member queried if the indicators relating to Licensing had been added yet. The Divisional Director responded that these would be picked up in the next round of improvement boards.

RESOLVED: That

- (1) the report be noted;
- (2) that a further update be combined with the first progress report against Phase 2 of the Review, when programmed.

70. Progress Report - Response to recommendations made by the Standing Scrutiny Review of the Better Deal for Residents Programme - Interim Report, Project Management

The Sub-Committee received a report of the Director of Business Transformation and Customer Services which provided an update against the recommendations made by the Standing Scrutiny Review of the Better Deal for Residents Programme in June 2011 and responses made to Cabinet in July 2011.

An officer stated that the Project Management Office (PMO) had:

- put a robust project management process in place;
- offered dedicated support to project managers;
- developed a new project management framework, with a new online tool to help officers manage their projects;
- offered Corporate training in this area and commissioned Prince 2 training;
- implemented lessons learnt from Phase 2 of the Transformation Programme.

The officer added that the Standing Scrutiny Review had contributed to raising the profile of the Project Management initiative and she would welcome additional feedback from the Sub-Committee.

A Member requested clarification as to the link between project management and projects that had budget savings built into them and questioned whether the system would automatically flag up any projects that were in danger of going off track. The officer responded that savings and benefits were tracked through the Transformation Programme and that the Transformation Board reviewed progress, risk-management and its impact on savings and identified areas for improvement.

The Interim Director of Finance added that the link between the two areas was evolving. Some significant savings that were built into the Budget may not be reflected in some Transformation Projects. Officers were working closely with PMO colleagues to track any significant savings programmes.

A Member queried whether there was any regular reporting and monitoring mechanism in place to evaluate these projects. The officer responded that a monthly progress report was submitted to the Transformation Board regarding each project.

The Interim Director of Finance stated that this reporting process was evolving and that not all projects were currently linked to the Budget. Officers were evaluating any projects with savings of over £250k on an informal basis, and that although these had been reported to the Corporate Strategy Board, this data was not yet in the public domain. However, officers would be willing to share this information with Members of the Sub-Committee at future meetings.

A Member stated that recommendation 10 of the summary of progress, which dealt with additional points of political oversight, reporting and challenge should be built into the project management criteria, was lacking in clarity and transparency and that this should be highlighted. The Divisional Director of Partnership Development and Performance responded that this would be taken forward and officers would request the relevant Portfolio Holders to feedback to the Leader.

The Chair of the Sub-Committee asked how many projects were currently going through this process. An officer responded that there were currently approximately 25 to 30 projects, with more likely to be added at the next phase. Most projects were planned over three years. The PMO might not be aware of any small projects within Directorates, however, the Commissioning Panel process and the VERTO system would help to enhance the overall process and increase the visibility of smaller projects in the future.

RESOLVED: That the report be noted.

RESOLVED ITEMS

71. INFORMATION REPORT - Leisure Management Contract Performance May - December 2011

The Sub-Committee received a report of the Corporate Director of Community and Environment setting out information on the performance of the new leisure management contract for the period May to December 2011.

The Divisional Director of Community and Culture stated that:

- the handover process from the previous to the new contractor, Greenwich Leisure Ltd (GLL) had been successful, without any loss of service to the public;

- officers and contractors had established a strong working partnership and a more robust client team was now in place;
- regular monitoring visits were undertaken and the relevant Portfolio Holders were updated on a suite of performance indicators;
- under the new contract, the number of customers had increased as had the number of visits by customers;
- there had been a number of other improvements such as staff training, new promotions and membership schemes, repairs and investment in Harrow Leisure Centre (HLC);
- the recent increase in the number of complaints could be attributed to the increased numbers of visitors, however, a robust system of complaint monitoring was in place;
- there had been some unforeseen financial implications, such as increased utilities costs.

A Member questioned what level of support had been given to the staff at HLC during the change of contractor. The Divisional Director responded that most staff had been transferred over to GLL under the Transfer of Undertakings (Protection of Employment) TUPE, the previous centre manager was still in post, and additional staff had been hired.

A Member asked the following questions with regard to evaluating the performance of the GLL contract:

- what benchmarking was being used to evaluate the performance of the contract and whether more robust targets should be set;
- how the contract was performing in terms of income generation in comparison to private sports clubs and whether increased membership of HLC was due to a decrease in membership of private sports clubs, and therefore a seasonal blip caused by the recession;
- the financial implications of any necessary major repairs to the leisure centre in the future, particularly in view of its asbestos content and the age of the building.

The Divisional Director responded that a full asbestos and building survey had been carried out recently. The Leisure Centre was one of four major development sites identified in Harrow for re-development. It had been part of the 'Heart of Harrow' consultation. Officers had not compared the Leisure Centre to private sports clubs, however, this data would be included as part of the monitoring of the contract over the next six months. The 'Active People' survey had shown that more residents in Harrow were becoming active and the contract with GLL stipulated that membership should be maintained and increased. She added that GLL were currently exceeding their monthly sales

targets and that their targets might need to be raised. She added that the Police had confirmed that crime rates at the HLC were reducing.

The Portfolio Holder for Community and Cultural Services made the following points about the GLL contract:

- joining rates were competitive and surveys captured information about new members;
- he wanted to see real benefits for Harrow residents;
- the next update report about the performance of the contract should evaluate if expectations and targets were sufficiently high.

A Member sought clarification as to the financial implications of building maintenance costs being shared between the Council and GLL and what incentives, if any, had been built into the leisure contract. The Divisional Director stated that:

- there was £100k set aside annually for essential repairs. The Council had paid for repairs to a leak that had been in existence for some time;
- the current contract was on a fixed fee open-book basis whereby all income surplus to costs accrued back to the Council;
- GLL had been set income targets, and the recent increase in the number of customers and the number of visits, the implementation of new programmes and sales targets indicated that incentives were in operation.

A Member stated that the figures in the report relating to visits and membership suggested that the previous contract had been significantly under-performing and that officers should be looking into ways of reducing operating costs. The Divisional Director responded that as the GLL contract had been agreed for 2 years and was currently only in its first six months of operation. GLL had introduced self-service machines and were considering the introduction of online bookings. Officers had requested further benchmarking data, including equalities monitoring, which would provide a clearer indication of how the contract was performing. The fixed management fee meant that if GLL's costs were reduced then the Council would reap the benefit by way of increased profits.

The Chair of the Sub-Committee stated that in her view a two-hour training session on customer service for staff at HLC was not sufficient, asked if further staff training was planned and if an NVQ was available in this area of work. The Divisional Director stated that positive comments about staff had been received and the number of complaints relating to them had also reduced.

RESOLVED: That

- (1) the report be noted;
- (2) a further report be submitted to the sub-committee in six months' time.

(Note: The meeting, having commenced at 7.30 pm, closed at 9.15 pm).

(Signed) COUNCILLOR SUE ANDERSON
Chairman