

Council (Extraordinary)

SUMMONS AND AGENDA

DATE: Thursday 23 May 2013

TIME: 7.30 pm

VENUE: Council Chamber, Harrow
Civic Centre

All Councillors are hereby summoned to attend the Extraordinary Council Meeting for the transaction of the business set out.



Hugh Peart
Director of Legal and Governance Services

Despatch Date: Wednesday 15th May 2013

PRAYERS

The Mayor's Chaplain will open the meeting with Prayers.

1. DECLARATIONS OF INTEREST

To receive declarations of disclosable pecuniary or non pecuniary interests, arising from business to be transacted at this meeting, from all members of the Council.

2. CABINET AND COMMITTEE MEMBERSHIPS (To Follow)

To note the appointments to Cabinet and to make appointments to Committees.

3. APPOINTMENT OF CHAIRMEN TO COMMITTEES (To Follow)

To make appointments of Chairmen to Committees for the Municipal Year 2013/14.

4. APPOINTMENT OF REPRESENTATIVES TO OUTSIDE BODIES (To Follow)

To receive proposals from Political Groups as to the appointment of representatives of the authority to serve on Outside Bodies for the Municipal Year 2013/14.

5. HEALTH AND WELLBEING BOARD, HEALTH SCRUTINY, PUBLIC HEALTH AND CHANGES TO THE CONSTITUTION (To Follow)

Report of the Director of Legal and Governance Services.

6. SCRUTINY ANNUAL REPORT 2012/13 (Pages 1 - 84)

Recommendation I: Overview and Scrutiny Committee
(9 April 2013)

7. FINANCIAL PROCEDURE RULES (Pages 85 - 150)

Recommendation I: Cabinet
(11 April 2013)

8. ACCESS TO INFORMATION AND EXECUTIVE PROCEDURE RULES (To Follow)

Report of the Director of Legal and Governance Services.

9. CORPORATE DIRECTORS' DELEGATED POWERS (To Follow)

To approve the delegated powers to Corporate Director's as set out in Part 3B of the Constitution.

**EXTRAORDINARY COUNCIL
23 MAY 2013**

**OVERVIEW AND SCRUTINY
COMMITTEE
RECOMMENDATION
(9 APRIL 2013)**

**RECOMMENDATION I: SCRUTINY ANNUAL REPORT
2012/13**

This page is intentionally left blank

REPORT FOR: **Full Council**

Date of Meeting: 23rd May 2013

Subject: Full Council

Responsible Officer: Alex Dewsnap
Divisional Director, Strategic Commissioning

Exempt: No

Enclosures: Scrutiny Annual Report

Section 1 – Summary and Recommendations

This report accompanies the scrutiny annual report for 2012 – 13.

Recommendations:

Council is asked to:

- I. Receive the scrutiny annual report.

Section 2 – Report

The 2012 – 13 scrutiny annual report is attached to this report. The annual report is a requirement under the council's constitution which specifies that: "The Overview and Scrutiny Committee will report annually to full Council on its workings and make recommendations for future work programmes and amend working methods, if appropriate."

The report includes information on activity undertaken by the Overview and Scrutiny committee, the Performance and Finance sub committee, the Health and Social Care sub committee and the Call In sub committee. It also includes reports from each of the scrutiny lead councillors.

The report was agreed by the Overview and Scrutiny committee on 9th April. Since this meeting, there has been a further meeting of the call in sub committee and the results of the annual scrutiny survey have been received. Information with regard to both of these is included in this final version of the report

Financial Implications

There are no financial implications associated with this report

Risk Management Implications

There are no risk management implications associated with this report

Equalities implications

There are no equalities implications associated with this report

Corporate Priorities

All

Section 3 - Statutory Officer Clearance

Not required for this report.

Section 4 - Contact Details and Background Papers

Contact:

Lynne Margetts, Service Manager Scrutiny

020 8420 9387

Background Papers:

None

Scrutiny Annual Report 2012-2013



Table of contents

Introduction from the Chair and Vice Chairman of the Overview and Scrutiny committee.....	1
Report from the Overview and Scrutiny Committee.....	3
Report from Performance and Finance Scrutiny Sub-Committee.....	10
Report from the Adult Health and Social Care Lead Members and the Health and Social Care Scrutiny Sub-Committee	14
Leadership Group.....	18
Report from the Children and Families' Leads	20
Report from the Community Health and Well Being Leads	23
Report from the Environment and Enterprise Leads	25
Report from the Resources Leads.....	28
Scrutiny Member Development Activities	30
Report from the Call-In Sub-Committee	32
Conclusion	35
Contact us.....	35
Appendix One: Satisfaction Survey – Results	36

Introduction from the Chair and Vice Chairman of the Overview and Scrutiny committee

It has been another challenging year for scrutiny. These are very difficult times for the council as the financial climate and resultant cuts in public sector spending mean that the council is forced to cut deeper and deeper into budgets. This is a time when we must make our most effective contribution to support the authority's service reconfigurations and safeguard the wellbeing of our residents. This means we must target our investigations at the areas of most importance and apply scrutiny processes as effectively as we can in conducting these investigations. In this context, the Scrutiny Leadership Group has continued to provide excellent strategic direction for the overall scrutiny function ensuring that key issues are identified and investigated in the most appropriate manner. We are really pleased with the commitment that our colleagues have made to this group and the positive, non-partisan and constructive way that discussions have taken place in the group. We were grateful for the vote of confidence given to the scrutiny leadership group through the nomination for an LGIU C'lr Awards 'Scrutineer of the Year' award, though we were disappointed not to have been shortlisted. Further information on the Scrutiny Leadership Group's deliberations is provided below.

Our investigations take one of three forms:

- discussions as lead members
- discussions at the committees
- detailed specific project investigations.

Through each of these processes our purpose is to make recommendations to the council's Cabinet which can support the organisation to improve the services it offers to residents.

In addition to this, there is a more fundamental purpose to scrutiny and that is to ensure that those who are responsible for making decisions, providing services and spending money in our community are challenged with regard to how they are making these decisions, providing services and spending money. Scrutiny is a vital component of the council's democratic processes and the essential means by which decision-makers can be held to account. Thus in all of our deliberations, our purpose is clear – to make a valued contribution to the council's improvement and accountability processes.

We have continued to meet as the three scrutiny committees – Overview and Scrutiny committee, Performance and Finance sub committee and the Health and Social Care sub committee – and have met with a number of colleagues to discuss specific issues of concern. A report from each of the committees is included later in this annual report. We have been particularly heartened by the way that the Performance and Finance sub committee is evolving into the driving force behind scrutiny and the robust way in which the committee now considers performance information. We are grateful for the support which has been offered to the sub committee, particularly from the Corporate Director of Resources and the Corporate Performance Team.

The scrutiny leads have also continued to provide the first port of call for scrutiny issues and they are focussing on the key issues of the day for the council. As such, all leads have met with their respective senior manager and portfolio holder to discuss the services' priorities for the year. In this way, we hope that the limited resources which are available to us are really focussing in on the issues which matter most to residents and to the council and our partners.

There have been a number of circumstances this year when we have stepped outside of our normal ways of working to try to ensure more cross cutting consideration of particular issues. Members of the Overview and Scrutiny committee, Performance and Finance sub committee and relevant lead councillors have met to consider the attendance and achievement of Children Looked After, the delivery of the improvement plans following both the Youth Offending and Safeguarding and Looked After Children inspections and the development of a suite of indicators with regard to crime and community safety. It is gratifying to see that our scrutiny processes are sufficiently flexible to allow us to consider these difficult issues in the most appropriate way.

We continue to ensure that there are no surprises in terms of scrutiny activity. We meet on a quarterly basis with both the Leader of the Council and the Chief Executive to ensure that any problems can be discussed at the highest level in the organisation. These discussions have proved extremely helpful in clarifying the Executive and Scrutiny perspectives on a number of issues and in identifying appropriate solutions. A key issue for resolution this year has been scrutiny access to information and we'd like to thank the Leader, Chief Executive and the Director of Legal and Governance Services for helping to resolve these difficulties. Our scrutiny team also ensures that senior managers are updated on our current and planned activities, which has smoothed any potential wrinkles in our interactions.

The pages that follow provide more detail with regard to the specific activities of scrutiny during this municipal year. We hope you find the report interesting.



Cllr Jerry Miles
Chair Overview and Scrutiny Committee



Cllr Paul Osborn
Vice Chairman Overview and Scrutiny Committee

Report from the Overview and Scrutiny Committee

Our Committee

The Overview and Scrutiny committee has continued to meet during 2012/13. At the beginning of the year we welcomed Cllr Krishna James, who became the policy lead member for health and social care and chair of the Adult Health and Social Care sub committee and Cllr Zarina Khalid, who became the performance lead for children and families to the committee. Their reports on their specific areas are included in the relevant sections below. We'd like to thank both Cllr Victoria Silver, who is now a member of the Adult Health and Social Care Scrutiny sub committee, and Cllr Sachin Shah, who is now Finance Portfolio Holder, for the time and energy they gave to the committee.

We have met 13 times during the last municipal year and the paragraphs below outline some of the issues we have considered. We'd like to thank all of the portfolio holders and officers who have met with us during the year and answered our questions. The papers and details of the outcomes from all of these meetings can be found [here](#).

Our meetings

During the course of the year we have, as in previous years, met with the Leader of the Council and the Chief Executive for a question and answer session to consider general council policy (in July) and budget proposals (in January). These sessions were also attended by the portfolio holder for finance and we are grateful for the information which was shared with us. We would like to offer our thanks and best wishes to Cllr Bill Stephenson, who resigned as Leader of the Council in October last year and also to wish Cllr Thaya Idaikkadar good luck as he steps into the role. We look forward to meeting with the Leader next year to offer scrutiny's challenge to his policy and financial decisions.

The specific items which have been considered at the committee include:

- Harrow's Development Plan
- Safeguarding Looked After Children
- Provision of Leisure and Libraries services
- Children Looked After Attendance and Achievement
- Community Safety Plan and Strategic Assessment
- Community Right to Challenge
- Youth Offending Team post inspection improvement plan
- Youth Justice Plan
- Schools Expansion Programme
- Progress on School Conversion to Academies
- Post Ofsted inspection of Safeguarding and Children Looked After Service improvement plan
- Climate Change Strategy
- Developments in Public Realm Services
- Parking Policy and Income Optimisation
- Corporate Plan
- Monitoring Council Tax Collection Rate
- Update on the Council's Top Families Project
- Data Quality
- An Update on the Council's Troubled Families work

Meetings with the Portfolio Holders

We have welcomed a number of portfolio holders to the meetings of the committee over the last year:

- *Cllr Keith Ferry, Planning and Regeneration Portfolio Holder* attended in June to discuss the development plan and again in February to discuss the Harrow Card
- *Cllr Mitzi Green, Children, Schools and Families Portfolio Holder* attended in both October and November, in October to discuss the Youth Offending improvement plan, the Youth Justice Plan, the school expansion programme and progress with regard to the development of academies. In November, she attended to discuss the improvement plan which followed the council's Ofsted inspection of Safeguarding and Looked After Children.
- *Cllr Graham Henson* attended in March to discuss Data Quality
- *Cllr Thaya Idaikkadar, in his capacity as Property and Major Contracts Portfolio Holder* attended in July to respond to the petition which had been received with regard to the development of Whitchurch playing fields.
- *Cllr Phil O'Dell, Environment and Community Safety Portfolio Holder* attended in September with the Borough Commander, Chief Superintendent Dal Babu, to discuss the borough's community safety strategy and strategic assessment – which analyses the level of crime in the borough. He also attended in March to discuss priorities in the Environment and Enterprise Directorate
- *Cllr Sachin Shah Finance Portfolio Holder* attended both the Q&A session with the Leader and Chief Executive in July and January and also the meeting in March with regard to monitoring council tax collection

Working with Residents

As in previous years, we are pleased to have received the support of a number of residents via their co-opted positions on the committees and would like to thank the following people for giving up their time to the committees:

- Mrs Aamirah Khan, parent governor representative who sits on the Overview and Scrutiny committee
- Mrs Julie Rammelt, representative of the voluntary aided sector who sits on the Overview and Scrutiny committee
- Mr Julian Maw, chair of Harrow LINK who sits on the Health and Social Care sub committee

In May, we were delighted to welcome representatives from the Harrow Youth Parliament to the committee

- Hannah Nathanson, Chair of Harrow Youth Parliament,
- Ladan Dirie, Harrow's Member of UK Youth Parliament, and
- David Howes, Harrow Mencap



These colleagues presented the findings of the scrutiny review 'Redefining Youth Engagement' to the committee which they had led alongside Cllr Victoria Silver and other scrutiny councillors. Their attendance at our meeting in May was an exciting and innovative enhancement of the Overview and Scrutiny committee's processes which we hope we will develop further.

Members of Harrow Youth Parliament consider recommendations from the Redefining Youth Engagement Review at their summit in November

With this in mind, we have created an additional co-opted position on the Overview and Scrutiny committee for representatives of the Harrow Youth Parliament which they are free to take up when items of particular interest to them are included in the committee's agenda. We look forward to a long and constructive working relationship with them – we hope to setup regular meetings between the parliament and the scrutiny leadership group to ensure that our agendas are reflecting the concerns of young people.

The specific report from the Performance and Finance sub committee also includes detail of the special committee meeting held with young people in March to consider how effectively the recommendations of the Redefining Youth Engagement review have been delivered. Again, this marks a step change in how we want to do scrutiny by improving the engagement and involvement of local people.

This year Overview and Scrutiny committee received a number of public questions – with regard to Vaughan School, and petitions – with regard to Whitchurch Playing Fields and Shopmobility. We are pleased that local people are beginning to see some of our more formal processes as a means by which they are able to engage in the council's decision making. We welcome their involvement and the opportunity it offers to the Overview and Scrutiny committee to provide a bridge between the council and the community and hope to receive more direct contact from local people in the future.

We continue to encourage the involvement of local people in our deliberations, especially through their direct involvement in some of our more detailed investigations, we have been really pleased to welcome resident co-optees onto our review teams and would like to thank the following people for their commitment to our work:

- Seamus English
- Cliff Lichfield
- Elizabeth Hugo
- Julian Maw
- Linda Robinson
- Tony Wood

We would like to thank the very many other residents who have participated in our projects by responding to questionnaires, attending workshops or just talking to us about their experience of council services.

We've also continued to use Facebook and Twitter and we're pleased that there are now more than 200 people following us on Twitter! However, there is more that we could do to improve our use of social media. We will continue to explore options in this area.

We will continue to ensure that residents' views form the bedrock of our investigations and welcome any views on how we can engage more effectively with the residents of the borough.

Review Programme

In addition to our work on the committees and the deliberations of the scrutiny lead councillors, the Overview and Scrutiny committee has commissioned a number of projects this year. These projects reflect issues of concern for the council and have hopefully helped the council to improve services. The detailed report from each of these projects and all other projects undertaken by Harrow Scrutiny can be found on our [website](#)

Standing Review of the Budget

This project, chaired by Cllr Barry Macleod-Cullinane, the vice-chairman of the Performance and Finance sub committee has continued to investigate local government financial policy and its impact on the council. This year the group has considered a number of issues:

- *Management of major contract renewal* – investigated how effectively the council was monitoring the contract renewal process and thus how far it was able to maximise contract savings for the authority. Amongst the recommendations made were suggestions that the council continues the development of the contracts register, that we develop a strategic approach to cross-council/agency procurement and that there is greater political oversight of the contract/procurement process. The Performance and Finance sub committee also continues to monitor this area of the council's work
- *Localisation of Council Tax* – considered the financial implications for the council of the localisation of Council Tax and concluded that given the council's decision that the new scheme is self financing, the council must ensure that incentives and support are offered to residents to return to work and that the scheme should link to regeneration, employment and training policies and opportunities.
- *Self financing of the Housing Revenue Account* – explored the implications for the council of self financing the Housing Revenue Account (HRA) and the associated £90m cost of the buy out which will be paid back over the next 50 years. The review sought reassurance on a number of concerns including the impact of a 50-year debt on the council's financial viability and the capacity of the council's housing stock to support the repayment of the debt. On receiving the review report at cabinet, the Portfolio Holder for Housing welcomed the review's positive consideration of how the HRA was managed, particularly suggestions with regard to how the Council might examine ways to bring about an increase in the supply of affordable housing.
- *Management and strategic use of the council's capital budget* – this component of the review's work programme considered the council's strategic approach to capital expenditure, how effectively the council is using its capital finances and the capital financing opportunities available to it in the context of the recession

Safeguarding

The Children and Families lead members were alerted by the Corporate Director for Children and Families during 2011 regarding progress on implementation of some of the recommendations that came out of the NHS London Safeguarding Children Improvement Team (SIT) visit to the Harrow health community in October 2010. In order to investigate this, the Overview and Scrutiny committee commissioned an investigation into why the implementation of recommendations had been delayed. Given that the main focus of the SIT team visit was on health provision in the borough relevant to children's safeguarding, this was the main focus of the review group. However, as Members began to consider evidence

relating to this area in greater detail it became evident that in order to fully assess the effectiveness of children's safeguarding arrangements in the borough it would also be necessary to consider the council's services. The review group produced an interim report to support the organisation's preparations for the Ofsted inspection which took place in summer 2012 and also agreed to continue its investigation in the context of the result of this inspection. As such, no specific recommendations were made.

During late 2012/early 2013 the Children and Families lead members have begun discussions with regard to the Child's Journey Through Care project which is the vehicle through which this investigation of safeguarding services will be completed. Information about this review is provided below.

A Child's Journey Through Care

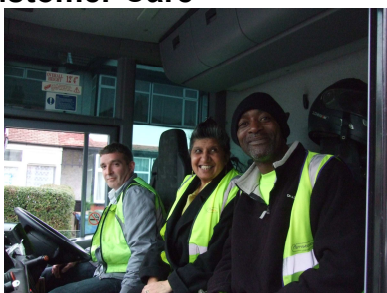
In summer 2012, the council's safeguarding and looked after children's services were inspected by Ofsted which concluded that they could only be considered 'adequate'. In order to support the service to respond to the criticisms it received and to improve services to vulnerable children in the borough, preparation for a project to consider how a child's journey through the care system might be improved has begun. This project will consider how well the council's services measure up to what is considered to be 'good' practice and how well services are able to respond to the very specific issues which may arise in individual cases, whilst ensuring that high standards of care are maintained. The review is likely to take place in the summer of 2013.

Private Rented Sector Housing

This project, chaired by Cllr Marilyn Ashton, considered ways in which the council might work in partnership with the private rented housing sector in future, in the context of the growth of the sector in providing housing for our residents and the increase in levels of homelessness. The investigation sought the views of tenants, non-tenants and landlords to inform its recommendations.

The review group concluded that the council should adopt a mix of both top-down and bottom-up approaches to working with the sector. By top-down, it meant that development policy should drive the provision of a good mix of high quality, reasonably priced accommodation. By bottom-up, it meant that the council should work in partnership with the sector, using a mix of both 'enabling' and 'enforcing' approaches. It is through these routes that problems of low standards and poor quality could be more effectively ameliorated. The findings of the review were welcomed by both cabinet and officers. At cabinet, the housing portfolio holder commented that the review was timely, as the Directorate was finalising its housing strategies and that all the recommendations of the Scrutiny Review Group would be taken on board.

Customer Care



Understanding the customer experience – Cllr James (centre) meets with public realm staff

Councillors have been concerned for some time with regard to the consistency of the application of our customer care standards. This project, chaired by Cllr Paul Osborn, vice chairman of the Overview and Scrutiny committee, has investigated the effectiveness of the council's customer services, in particular the resident experience. The investigation has included visits to other boroughs, experience of front line customer interaction, and an analysis of how the council responds to complaints. The review will report its findings later this year.

Accessible Transport

For a number of years, the accessibility of public transport for people with disabilities or restricted mobility in Harrow has been a concern. There are no stations in the borough with completely step free access from street to train and our key station, Harrow on the Hill, a major transport hub which serves both the town centre – still one of the 11 metropolitan centres in London – and Northwick Park hospital – a regional specialist and local acute hospital – is completely inaccessible for people with mobility issues.

This project, chaired by Cllr Sue Anderson, is investigating the impact of poor access to public transport on people with disabilities and others with restricted mobility. The project will engage widely with people with disabilities and disability groups in order to assess how far the council and partners, such as Transport for London, are delivering their stated ambitions with regard to accessible transport.

Travelling through the borough to understand the difficulties faced by people with limited mobility



The review's conclusions are expected to be presented to the Overview and Scrutiny committee in the summer.

Our conclusions and next steps

Our next year will be the final one under this administration. We have already determined the remaining projects we would like to consider during this time and our next annual report will detail the outcomes from these projects. The projects include:

- Changes in Public Realm services
- Performance of mental health services
- Early intervention to deliver improved outcomes and resource savings
- Further projects for the Standing Review of the Budget



Cllr Jerry Miles
Chair Overview and Scrutiny Committee



Cllr Paul Osborn
Vice Chairman Overview and Scrutiny Committee

MEETING STATISTICS

Committee meetings	13
Attendance by Portfolio Holders	<ul style="list-style-type: none">• Cllr Keith Ferry, Planning and Regeneration Portfolio Holder x 2• Cllr Mitzi Green, Children, Schools and Families Portfolio Holder.• Cllr Graham Henson, Performance, Customer Services and Corporate Services Portfolio Holder• Cllr Thayya Idaikkadar, once in his capacity as Property and Major Contracts Portfolio Holder and twice in his capacity as Leader• Cllr Phil O'Dell, Environment and Community Safety Portfolio Holder x 2• Cllr Sachin Shah, Finance Portfolio Holder x 2

Report from Performance and Finance Scrutiny Sub-Committee

Our Sub-Committee

The Performance and Finance scrutiny sub-committee looks in detail at how the council's services are performing in-year.

We monitor service and financial performance by analysing data and then requesting briefings or details of action plans in place where necessary. The sub-committee can make recommendations for improvement and if necessary make referrals to the Overview and Scrutiny committee if further work is needed.

This work includes, for example, regular review of the Cabinet's Revenue and Capital Monitoring report and quarterly Corporate Scorecard.

We have slightly amended our terms of reference this year to reflect that we can consider and monitor the performance of the council's partners.

Our meetings

Our regular Chair and Vice-Chairman's briefings drive the work programme of the sub-committee. Our main areas of interest in 2012/13 have been:

- **Payment of invoices and application of contract procedure rules** – this is the third year in which we have been following progress in this area. We have monitored the implementation of the recommendations arising from the internal audit review on the application of contract procedure rules (CPRs), which focused on purchase orders raised after the date of invoice. Four of the recommendations made to procurement were postponed owing to delay to upgrades to the SAP system. We requested a briefing on current issues with SAP and planned future improvements and were told in November that a series of changes are being implemented that will be completed in time for the first quarter of 2013/14. These will include forecasts of process compliance & accuracy as well as new monthly budget forecasts and simplified 'front-end' for managers intended to make it easier to comply with the CPRs. We remain concerned at the length of time being taken for the organisation to address these issues and about how effective the SAP changes will be in tackling the serious problems repeatedly identified since 2006 (we have asked to see all the reports in that time). There needs to be clear accountability to Member level, and we will continue to monitor this area carefully.
- **Chartered Institute of Public Finance and Accountancy (CIPFA) Review of Financial Management** – having had a number of concerns over the past few years about some aspects of the council's financial management, we were keen to be briefed on the findings of CIPFA's review. The review identified some areas for improvement including financial management strategy, culture, financial management competence for finance and non-finance staff and financial information systems. The findings reflected some of our ongoing concerns (for example budget holder forecasting compliance), which have related to both systems and processes noted above.

- **Complaints** – this is the first year that we have received the annual complaints reports for children’s and families’ services and adults’ services rather than the Overview and Scrutiny committee. We were pleased to have the relevant portfolio holders in attendance for these items. We think that this is a sensible development in that it provides us with further intelligence in our consideration of the performance of services. There were no major issues for either area, other than the identification of safeguarding as a target area for improvement. We note that most of the complaints related to customer service issues such as delays in service provision or lack of adequate communication rather than more serious risks related to safeguarding decisions, for example. Given that scrutiny intends to follow up its interim report on safeguarding, complaints intelligence may be a line of enquiry worthy of further exploration.

- **Householder planning applications – *Processing of householder planning applications within 6 weeks*** – Having monitored this measure at our briefing for a number of quarters (from quarter 2, 2011/12) and not having received the further information that we requested on underperformance, the matter was escalated to the sub-committee. A formal report from the Divisional Director for Planning was considered at the sub-committee in July 2012. We were advised that the national target for decision-making is eight weeks rather than six and that the six-week target had been introduced with the purpose of driving an improvement of service to residents. The target was stretching and served to highlight operational and capacity issues that needed to be addressed within the service to achieve improvements in both service delivery and targets in the medium term financial strategy. The sub-committee also requested reports for January 2013 on the Planning and Access Harrow Lean review and for April 2013 on planning consultation.

- **Major contracts and procurement savings** – Given the increasing importance of delivering the council’s procurement savings and delivering services with even greater efficiency, this item has become a regular six-monthly report to the sub-committee. As the council moves towards greater levels of commissioning, we too will need to ensure scrutiny helps to provide proper oversight. In January 2013 we questioned progress on phase two of the Procurement Transformation Programme that had begun in November 2012, the scope for further savings beyond the £4.6m to date and for higher income generation rather than simply cost management. We are concerned about the risks to the council in any joint borough approach and the possible impact on service levels from substantial cost savings such as those reported in the Children and Adolescent Mental Health Services case study. We also examined at our April 2013 meeting the governance and structures for the procurement process, further detail on repairs and cyclical maintenance, leisure, highways and adult social care and an update on the leisure/libraries contract negotiations.

- **Children looked after (CLA) – education and attendance**
This continues to be an area of concern both for us, and the children’s lead members. The Virtual Headteacher’s action plan was considered at the Overview and Scrutiny committee and a meeting to examine progress made since that meeting is to be scheduled in 2013/14.

- **Past reviews** – we have continued to monitor progress on past reviews, including:
 - Measuring up: council’s use of performance information – phase 2. We are pleased to note the majority of our recommendations have been implemented and look

forward to progress on the remainder, including disseminating performance information to the public.

- Snow Clearance: we have requested an update on the pavement gritting policy when it is established.
- Debt Recovery: an update is planned for early in 2013/14
- Redefining Youth Engagement: we held a special meeting on 4 March 2013 at Cedars Youth and Community Centre on progress in implementing last year's scrutiny review recommendations. Twenty young people attended from Harrow Youth Parliament (HYP); Shaftesbury School; X16 (employment readiness and work experience scheme); Looked after children; Flex Girls Youth Club; No Limits (after school club); and National Citizenship Scheme (NCS) graduates.



Performance and Finance sub committee meets young people at Cedars

A common theme was the need for the council to do more to take its message directly to young people and, in particular, to use schools more in communicating with young people. Other suggestions included: youth versions of Neighbourhood Champions, involving young people in commissioning decisions and a better HYP website and social media.

- **Member development** – in October we trialled a session on *Finding out what you need to know: how to get the best out of performance information*. This session covered:
 - Key principles – stressing the power of the basic question and no need for specialist technical skills.
 - Background to the council's performance management cycle and the Performance and Finance sub-committee.
 - Some health warnings about data and some information on quartiles, value for money and data presentation.
 - Understanding scorecards – information on how to read a Harrow scorecard, explaining the columns and terms such as status, thresholds and polarity.
 - Understanding scorecards – an exercise where data was revealed quarter by quarter and Members discussed areas of concern.
 - Practical examples – some real examples of how P&F has used and challenged performance information.

The session was well received and we plan to offer it to new councillors after the next election.

Next steps

This year has been productive for the sub-committee. In 2013/14 we hope to build on our experience and expertise and to continue to provide both support and constructive challenge to the council's service and financial performance.



Councillor Sue Anderson
Chair, Performance and Finance
Scrutiny Sub-Committee



Councillor Barry Macleod-Cullinane
Vice-Chairman, Performance and Finance
Scrutiny Sub-Committee

MEETING STATISTICS

Committee meetings	5 ordinary 1 special
Attendance by Portfolio Holders	Cllr Brian Gate , Children, Schools and Families Portfolio Holder x 1 Cllr Margaret Davine , Adult Social Care, Health and Wellbeing Portfolio Holder x 1 Cllr Mitzi Green , Children, Schools and Families Portfolio Holder x 1 Cllr Keith Ferry , Planning and Regeneration Portfolio Holder x 1 Cllr Sachin Shah , Finance Portfolio Holder x 1

Report from the Adult Health and Social Care Lead Members and the Health and Social Care Scrutiny Sub-Committee

Our Sub-Committee

The Health and Social Care Sub-Committee considers health, social care and wellbeing issues key to Harrow residents on a local, London wide and national level. A number of changes are being put in place and will continue to be implemented in the health and social care environment following the introduction of the Health and Social Care Act 2012. This has been much of the focus of the sub-committee in 2012/13.

The role of the Health and Social Care Scrutiny Lead Members is to consider, at both the committee and also outside of committee, a range of important health and social care issues that affect Harrow. As part of our role to champion health and social care issues for residents we work closely with the Corporate Director for Community, Health and Wellbeing, colleagues at NHS Harrow, North West London Hospitals and with other key providers of health and social care services in the borough.

Some of the work we carry out as lead members is referred on to the Health and Social Care Scrutiny sub-committee for formal consideration of key issues. As ever, this year has been busy and there has been a great deal of crossover between our work as lead members and our work with fellow members on the Health and Social Care Scrutiny sub-committee.

Our key areas of focus throughout the year

Health and social care reforms

There have been many changes in health and social care policy in the past couple of years and it is our role as lead members to keep abreast of these policy developments. We have kept a close eye on national reforms and the progress and plans for implementation of these at a local level:

- Health and Wellbeing Board (HWBB) – this will become a statutory committee of the local authority in April 2013. In Harrow, a shadow HWBB has been established and has been progressing work in anticipation of April. One of the key outputs of the HWBB is the Joint Health and Wellbeing Strategy and the Health and Social Care sub-committee considered a draft of this in the summer.
- Public Health transition – the responsibility for public health will be transferred to local authorities from April 2013. Harrow and Barnet Councils have agreed to share a service, to be hosted from Harrow, and we have kept abreast of progress on these plans.
- Establishment of HealthWatch – HealthWatch will take over from the Local Involvement Network (LINK) in April 2013. This will be the local patient and public champion across the health and social care sector. It will be important to forge strong relationships with Healthwatch and ensure that both the HealthWatch and scrutiny work programmes are complementary to local concerns. The Chairman of the outgoing LINK sat on our sub-committee in 2012/13 as an advisor to the committee.
- Clinical Commissioning Group – Primary Care Trusts (PCTs) will cease to operate from 1 April 2013 with the responsibility for commissioning local primary care services passing to the Clinical Commissioning Group (CCG). We have had attendance from the Chair of the Harrow CCG to discuss key issues. Developing relationships with GPs as the future commissioners of services will be vital going forward.

‘Shaping a Healthier Future’ for NW London – consultation

Shaping a Healthier Future is a programme set up by NHS NW London to improve healthcare for the two million people living in NW London. The programme is being led by the eight clinical commissioning groups and other clinicians across NW London who have identified the case for change which highlights the inconsistencies and failings of the current system and sets out objectives for a better, healthier future for NW London.



The aim of the programme is to ensure that the right care is delivered in the right places and a number of detailed proposals for how services could be organised differently in the future have been developed. These proposals formed the basis of a full public consultation which ran from 2 July to 8 October 2012.

As this represents a substantial variation to service provision in boroughs across the NW London sector, a Joint Health Overview and Scrutiny Committee (JHOSC) was set up to provide external scrutiny to the impact of the proposals and the consultation processes adopted by the programme. As lead members, we represented Harrow Council on this JHOSC, alongside councillors from nine other boroughs - Brent, Camden, Ealing, Hammersmith and Fulham, Hounslow, Kensington and Chelsea, Richmond, Wandsworth and Westminster.

Harrow Council also responded to the consultation from a local perspective. This work was led by scrutiny members and informed by evidence gathered through Harrow's participation on the JHOSC, consideration of the Shaping a Healthier Future pre-consultation business case and discussions held at a special meeting of the Health and Social Care Scrutiny sub-committee. These discussions explored the impact of the Shaping a Healthier Future proposals in Harrow and the consultation process, and involved representatives from:

- NHS NW London's Shaping a Healthier Future programme
- North West London Hospitals Trust
- NHS Brent & Harrow
- Harrow Clinical Commissioning Group
- Harrow Local Involvement Network
- Harrow Council

The scrutiny response was also adopted by the Executive and therefore sent in response to the consultation on behalf of Harrow Council.

The outcomes of the consultation were published at the end of November 2012. 17,022 submissions in total were received on the proposed changes. Some of the concerns raised by respondents were around;

- the impact of proposals on accessing services (journey times and public transport accessibility);
- the capacity and ability of hospital and out of hospital services to meet demand and support change; and,
- the need for information on what the changes mean for people in practice and when/how to access particular services.

These concerns were echoed in our own response, considered at committee on 11 December 2012, particularly regarding the impact on Northwick Park Hospital and its capacity to take on

the growth in demand for its services and additional patient flow; the travel, transport and access issues for Northwick Park Hospital, and, the need for communication to residents regarding the rationale for changes.

The Joint Committee of the Primary Care Trusts made its decision on the future configuration of services at its meeting on 19 February 2013. For Harrow this means that Northwick Park will remain as one of five major hospitals in NW London to provide A&E and Urgent Care Centre services. From a local perspective we will continue to monitor the pressure on Northwick Park due to the loss of facilities for Ealing and Brent residents. How far the JHOSC will continue to review outcomes for NW London will be determined as plans progress. Full details to the report can be found [here](#).

Merger of Ealing Hospital Trust and North West London Hospitals

At committee level, we have considered progress on the plans to merge Ealing Hospital Trust (EHT) and North West London Hospitals Trust (NWLHT). We hope that the merger will realise savings by replacing the two trust boards with one, creating an opportunity to unify management, streamline work processes and simplify management structures and achieve Foundation Trust status. The merged organisation aims to provide the clinical vision to deliver an integrated healthcare service through the Integrated Care Organisation and increased partnership with GPs and social care sector.

We welcome that, following consideration of the financial and clinical benefits, NHS London sought further assurances that future plans are financially sound and provide the best possible quality of services for residents. Additionally, the outcome of *Shaping a Healthier Future* in February 2013 will need to be reflected in the supporting strategies and commissioning plans. We look forward to consultation on the revised proposals at the end of April 2013.

Other areas of work

This year the Health and Social Care sub-committee also considered:

- Progress on the implementations of Harrow STARRS (Short Term Assessment Rehabilitation and Reablement Services).
- The outcomes and impacts of the Adult Services Consultation which sought residents' views as to how to achieve significant savings whilst ensuring that Council services could be run most efficiently for the benefit of residents.
- The Quality Account of key providers in Harrow including North West London Hospitals, Royal Orthopaedic Hospital and Central and North West London Foundation Trust were also scrutinised by the committee.

Looking to the future

At a time of considerable change in the delivery and provision of health and social care services, keeping abreast of the emerging policies and service changes will be paramount. As detailed throughout the account of our work this year as lead members and also with the Health and Social Care sub-committee, there is a great deal of work that will need to be done over the coming year to monitor progress and consider service development and changes.

Our key focus will be on:

- The implementation of the 'Shaping a Healthier Future' programme – the reconfiguration of acute services in NW London and the out of hospital strategy for Harrow
- The transfer of public health responsibilities to the local authority
- The merger of Ealing Hospital Trust and North West London Hospitals Trust

- Forging robust working relationships with new health and social care bodies – Harrow HealthWatch and Advocacy Service, Health and Wellbeing Board and Clinical Commissioning Group
- A project review group will look at mental health service provision in the borough.



Cllr Krishna James
 Chairman Health and Social Care Sub-Committee
 Policy Lead for Health and Social Care



Cllr Vina Mithani
 Vice-Chairman Health and Social Care Sub-Committee
 Performance Lead for Health and Social Care

MEETING STATISTICS

Committee meetings	4
Attendance by Portfolio Holders	
Attendance by Partners	<p>David Cheesman, Director of Strategy, North West London Hospitals Trust (2)</p> <p>Dr William Lynn, Patientcare, North West London Hospitals Trust (2)</p> <p>Dr Andrew Howe, Director of Public Health (1)</p> <p>Carole Furlong, Public Health Consultant, NHS Harrow (1)</p> <p>Dr Amol Kelshiker, Chair, Harrow Clinical Commissioning Group (1)</p> <p>Javina Sehgal, Borough Director, NHS Harrow (2)</p> <p>Dr Mike Anderson, Medical Director, Chelsea & Westminster Hospital (on behalf of the SaHF programme) (1)</p> <p>Tina Benson, Director of Operations, North West London Hospitals Trust (1)</p> <p>David McVittie, Chief Executive, North West London Hospitals Trust (1)</p> <p>Marcel Berenblut, Head of Communications, NHS Brent & Harrow (1)</p> <p>Rebecca Wellburn, Deputy Harrow Borough Director, NHS Brent & Harrow (1)</p> <p>Simon Crawford, Senior Responsible Officer Ealing and North West London Organisational Futures Programme (1)</p>

Lead Members and the Scrutiny Leadership Group Reports

Leadership Group

This informal monthly meeting of committee chairs and vice chairmen and scrutiny lead councillors considers the strategic direction of scrutiny, schedules items for the committee agendas, proposes items for more in-depth investigation and facilitates co-ordination between committees and lead councillors.

In addition to the standing items, the Scrutiny Leadership Group has considered a number of specific issues.

Spans of responsibility

During the year, it has become clear that each lead councillor's span of responsibility has created considerable pressure. The leads are expected to become a champion in their respective 'portfolios' and to have a considerable breadth of knowledge of the services within this area. This is becoming an unreasonable expectation and as a result, the leadership group has agreed to align, as far as possible, the leads' roles to the Corporate Directorates. This has resulted in the following leads' responsibilities:

- Children and Families
- Community, Health and Well Being – excluding the adult social care component
- Environment and Enterprise
- Health and Social Care – including adult social care
- Resources

We have also agreed to work with corporate directors and portfolio holders to identify the priorities for each service and from this to identify priorities for scrutiny consideration. As part of this, each pair of leads has also considered the commissioning panel papers for their respective area. As in previous years, each pair of leads continues to meet with their Corporate Director on a quarterly basis. Whilst the scrutiny team will continue to provide the leads with policy updates across their respective area for information, they will focus their investigative activities on the priorities which their discussions with portfolio holders and officers have identified.

Working with Harrow Youth Parliament

The Redefining Youth Engagement review was a groundbreaking scrutiny investigation in the way in which it involved young people in leading the project. As mentioned in the report from the Overview and Scrutiny committee, this project has resulted in the committee creating a co-opted position to enable representatives of Harrow Youth Parliament to attend the committee where there are items of particular interest to them on the agenda. We hope to go further than this and, towards the end of 2012, representatives of the Leadership Group met with Harrow Youth Parliament to discuss how the committee's agendas might be developed with the parliament in order that we are picking up issues which are of importance to young people. We will continue these discussions in 2013/14.

Questions at the Overview and Scrutiny Committee

As the chair and vice chairman of the Overview and Scrutiny committee have reported, residents have begun to recognise the potential offered by the committee to engage with the council with regard to decisions which are being made. Our process for this prescribes that questions raised by residents are responded to via the chair of the committee. We have asked our officers if there is scope to change this process to enable the committee to broker a discussion between residents and relevant portfolio holder(s) and officer(s), either via a substantive discussion at the committee or, if the issue seems to warrant it, via a special meeting of the committee. We hope to be able to agree a protocol for improving our process in this area during the lifetime of this administration.

Report from the Children's and Families' Leads

Our areas of focus

This has been a challenging year for the Children and Families directorate. During the year they have consolidated their New Operating Model, which has involved a number of changes of personnel and the introduction of new ways of working and they have also undergone a major Ofsted inspection of Safeguarding and Looked After Children's services. Such a huge level of change in services for some of our most vulnerable residents has rightly attracted significant interest, not only from us as the Children and Families scrutiny lead councillors but also from other scrutiny councillors, particularly those involved in the Performance and Finance sub-committee. We are working together to support the Directorate and we welcome the support for our deliberations from our colleagues.

We continue to meet with the Corporate Director and her team and would like to place on record our gratitude for her and her management team's openness and accessibility. It is gratifying that the scrutiny challenge is received so positively and that recognition is given at such a senior level of the organisation of the positive support that scrutiny challenge can bring to services.

During the year we and our scrutiny colleagues have considered the following issues:

- **Children Looked After attendance and achievement** – as corporate parents we were concerned about performance in this area and have sought several briefings to explain the issues in particular the role of the Virtual Head Teacher. We are grateful for the information provided to us by officers and we are particularly pleased that we will now receive regular and up-to-date performance information in the form of the Children and Families performance scorecard which will be sent to us after each quarterly Improvement Board
- **Net schools capacity and schools place planning** – early in the year, we raised concerns with regard to the availability of school places in the borough. We have received a number of briefings on this issue to clarify how the council assesses both the likely number of children needing school places and the capacity of schools to accommodate these numbers. We are grateful for the support of the Resources lead councillors who will continue to monitor this.
- **Youth Offending Team inspection improvement plan** – we were very concerned to learn at the October meeting of the Overview and Scrutiny committee of the very poor outcome of the Youth Offending Team inspection. We have discussed proposals to improve this poor performance with the Corporate Director at our subsequent briefings and we appreciate the candour with which these discussions have been approached. We will continue to monitor the performance of this service.
- **Ofsted inspection of Safeguarding and Looked After Children's Services improvement plan** – this was a major inspection for the service and the results show there is clearly room to improve our services. We have continued to discuss this with the Corporate Director and her management team. During these discussions, we have been advised of the significant tightening of the inspection regime which means that simply just addressing the issues identified in the inspection report will not be enough to really improve services in this area. We were also advised that in future, all inspections will be

unannounced, which means that our pursuit of high quality services can no longer be simply linked to the delivery of a successful inspection.

We have decided to support the service by working with them to establish a robust definition of 'good' for Harrow and to identify any gaps in our service provision. This is our 'Child's Journey Through Care' project and further information on this project is included below

- **Data quality in Children's Services** – we were concerned during our discussions with officers with regard to the outcome of the Ofsted inspection that there seemed to be issues regarding the quality of management information being produced in Children's Services. We considered a report from the service which addressed our concerns at the March meeting of the Overview and Scrutiny committee.

In order to facilitate monitoring of some of these issues and to minimise the need for officers to meet with different scrutiny bodies, we established specific meetings of the Children's Lead Councillors, the Chair and Vice Chairman of the Performance and Finance sub committee and the Vice Chairman of the Overview and Scrutiny committee. This group met on a monthly basis from February to April with the Corporate Director Children and Families to consider performance in three specific areas:

- Attendance and achievement of Children Looked After
- Delivery of the post Ofsted inspection of Safeguarding and Looked After Children improvement plan
- Delivery of the post Youth Offending Team inspection improvement plan

In June last year we published our interim report of the review undertaken of '**Safeguarding**' services. This review used as its starting point the report from the NHS London Safeguarding Improvement Team visit and considered a number of issues:

- Roles and responsibilities across agencies
- Staff training
- The specific location of health visitors in children's centres
- Working relationships across agencies
- The structure of the Integrated Care Organisation
- Engagement with private providers

The review concluded that:

'there is a clear commitment by all the organisations and officers the review group met with to safeguard children at risk in Harrow. One thing that is clear from what the review group has considered thus far is that children's safeguarding is not just the responsibility of one agency alone but for everyone, from Councillors as Corporate Parents to officers working in seemingly unrelated roles throughout the council'

The review recommended that further work be undertaken in this area once the outcome of the Ofsted inspection of Safeguarding and Looked After Children was known. This will be picked up in our **Child's Journey Through Care** review. We have been joined in this project by Cllrs Gate, Ashton and Macleod-Cullinane and our ambition is to help the council to improve the services to our very vulnerable children.



In order to assess performance in this area, we will discuss the definition of 'good' practice and compare our own performance against this. We will also consider some practical case studies of performance by the council and challenge how robustly the service is able to respond to unforeseen circumstances. For example, how do social workers and other officers respond if a child refuses to engage with services or if a social worker moves on or if there is disagreement between professionals as to how a child should be looked-after. In this way we hope to identify any gaps in service provision and help all of the agencies to improve their services for our vulnerable children. Our detailed investigation will commence later in the year and full details of our conclusions will be included in next year's annual report.

Looking to the future

We will continue to monitor the performance of Children and Families Directorate in those areas which appear to have struggled – Youth Offending Team, Children Looked After and schools capacity. We also hope to be able to support the Directorate in any Ofsted inspection which may occur during the year by ensuring that we continue to provide constructive challenge to the Corporate Director and her team.



Councillor Christine Bednell
Policy Lead
Children and Young people



Councillor Zarina Khalid
Performance Lead
Children and young people

Report from the Community, Health and Wellbeing Leads

Our areas of focus

As part of the reorganisation of leads responsibilities, this new portfolio has been created. Whilst it covers the majority of the area for which we previously had responsibility, we have passed consideration of crime and community safety over to our colleagues looking at Environment and Enterprise and we have taken over responsibility for housing issues.

During the year we have considered a number of issues and we summarise these below.

Community consultation and engagement

We have considered two aspects of this:

- *The impact on residents of transfer of care between providers*
Although this is not specifically an issue for the Community Health and Well Being leads, we would like to monitor how effectively health bodies are communicating the changes in health provision to residents, particularly those associated with 'Shaping a Healthier Future' proposals, and what engagement activity is underpinning the changes, in particular with regard to 'emergency' access. We have asked for further information on this.
- *Neighbourhood Incentive Scheme*
- We are concerned that councillors do not appear to be given sufficient support to deliver effective consultation/engagement when decisions are being made with regard to use of Neighbourhood Incentive Scheme funds. We are thus anxious that this lack of support could mean that we run the risk of creating unnecessary community tensions as we do not discuss proposals effectively with residents. We intend to investigate this further.

Well Being

- *Mental health*
Having considered information provided to us via the corporate scorecard, we have some concerns with regard to services to people in receipt of secondary mental health care. The Overview and Scrutiny committee has identified mental health as an issue which will be further investigated and we have therefore volunteered to participate in this project and to continue to monitor the performance of the specific indicator.
- *Housing*
As we have already explained, our changed brief now includes housing and as such we would like to monitor the implementation of the recommendations of the scrutiny review which was undertaken last year into the provision of private rented sector housing. We are particularly concerned about increasing homelessness in the borough and would like to see more creative approaches to the provision of housing in both the private and social sectors.
- *Parks*
We would like to investigate how the borough's parks can be utilised more effectively as health and well being resources. Whilst the parks generally come under the jurisdiction of our colleagues who have responsibility for Environment and Enterprise, we would like to work with them to consider how these valuable community resources can become a focal point for health and well being activities. This is something we will return to next year.

Neighbourhood Champions

We will continue to monitor the implementation of the Neighbourhood Champions scheme. This year we have sought reassurance with regard to how the register of champions is maintained and in particular, what happens when a resident who is a Neighbourhood Champion moves house.

Looking to the Future

Next year, Cllr Asante will become the borough's mayor. As such it is possible that our responsibilities may change. However, we will continue to monitor the areas we have highlighted and, in particular we look forward to our involvement in the investigation of mental health provision in the borough.



Cllr Chris Mote
Policy Lead
Community Health and Well Being



Cllr Nana Asante
Performance Lead
Community Health and Well Being

Report from the Environment and Enterprise Leads

This year has seen our policy area altered slightly, in order to better align scrutiny with the new directorate structure of the council. As a result we have gained community safety but passed housing to our Community, Health and Well-being colleagues.

We met with the Corporate Director Place Shaping and the Director of Environmental Services in the first half of the year in order to review the annual service plans and to consider which areas should be our focus. These meetings were followed by a briefing with the new Corporate Director for Environment and Enterprise and we look forward to working with her in the future.

Our areas of focus

Given our broad brief, over the last twelve months we have recognised the need to keep ourselves well informed about our policy area. Our activities have included:

- **Police and crime** – we visited the consultation meeting for Harrow on the Police and Crime Plan 2013-2017 organised by the Mayor's Office for Police And Crime (MOPAC), where we were informed about the MOPAC's goals of a 20% reduction in seven priority crimes, a 20% boost in public confidence and 20% reduction in spending. Another point of discussion is the planned closure of certain local police station front desks in Pinner and Wealdstone, although the front desk in Pinner is staffed by volunteers. We're currently awaiting a visit to the new war room-style 'Grip and Pace' police coordination centre.
- **Visits to local emergency accommodation (bed and breakfast) as part of the private rented sector review** – visited three bed and breakfasts in the borough where we viewed the accommodation and talked to a number of clients about the size and cleanliness of the accommodation provided. The evidence we gathered fed into the final report of the scrutiny review into Private rented sector housing in Harrow more information is included below and in the Chair and Vice Chairman's report from the Overview and Scrutiny committee.
- **Public Realm/Access Harrow** – this project was delivered in 2011/12. Savings made during 2011 had not impacted materially on service delivery and some of the previous issues around recording had been addressed as a result. We received a presentation in October on the new street based services system with a real-time demonstration on how complaints received by Access Harrow were passed directly to street based Public Realm teams via handheld data devices. This briefing has informed the customer care review, which is still ongoing.
- **Affordable warmth and fuel poverty** – having followed progress on the RE:FIT project and the council's Carbon Reduction Strategy, we have also looked at the new Climate Change Action Plan and Delivering Warmer Homes (HECA) Strategy. We provided detailed comments on the strategy for the Overview & Scrutiny committee in February, where our comments were well received and were referred on to Cabinet for consideration. We were asked by the committee to do further work on the performance indicators included in the strategy and this work is ongoing.

- **Neighbourhood planning and planning consultation** – We were briefed about changes resulting from the introduction of Neighbourhood Planning, which gives neighbourhood groups the opportunity to prepare planning documents. Government subsidy is available to councils to support the costs of neighbourhood planning. The Stanmore Society was the one group that had expressed an interest and after having met with officers, the society will need to decide if it wishes to apply. While no specific efforts had been made to encourage other groups to apply, the council had many pre-existing links with established local groups. In effect, neighbourhood planning was aimed outside London where groups such as parish councils could take on the role. We are keen to look at planning consultation more widely, as we have a number of concerns about how consultation has been conducted on a number of different developments. In order to investigate these concerns further we asked officers to provide the Performance and Finance committee meeting in April with a report to consider planning applications, the handover from the planning application to the enforcement stage, the subsequent enforcement and also the relations between the planning department and major developers. We are considering whether we wish to undertake any more formal investigation of performance in this area.
- **Harrow residents' card** – we were briefed on the plans to consider introducing a residents' card, which could be used for a range of purposes by residents such as parking, leisure and retail discounts. We were pleased that the Harrow Card scheme was also discussed in the Overview & Scrutiny committee meeting in February in the context of a larger discussion about parking policy in Harrow. A feasibility study for the card has recently been completed, which will be presented to the Overview and Scrutiny Committee in March. We will continue to monitor the introduction of the card with particular reference to our concerns about potential costs and benefits, implementation and the method of card allocations which we have already highlighted with the Planning and Regeneration Portfolio Holder.
- **Private Rented Sector Housing Review** – we were pleased to participate in this review, which was in part initiated as a result of a request received by us last year from the Divisional Director to consider ways in which the council might work in partnership with the Private Rented Sector (PRS) in future, in the context of the growth of the sector in providing housing for our residents. In particular we were keen that the forthcoming Private Sector Housing Strategy should make links to other major policy areas such as economic development and climate change. The Chair and Vice Chairman of the Overview and Scrutiny committee highlighted earlier in this report that the Private Rented Sector review was welcomed by both cabinet and officers and all of our recommendations were accepted.
- **Accessible Transport Review** – we are currently participating in this review with three other councillors. As highlighted in the Chair and Vice Chairman's introduction, we have been concerned for some time with regard to the very poor access to public transport available to residents of Harrow who have disabilities. We have considered this as Environment and Enterprise leads during the course of the administration but as we have remained unhappy with performance, we decided to dedicate time to a more detailed investigation. As a part of the review, we will meet with residents of Harrow who have different disabilities and hear their experiences of using public transport as well as meet with officers to discuss how priorities for future developments are determined. We hope that this thorough investigation of the impact of poor accessibility to public transport on our residents' life experiences can help the council to improve provision.

Looking to the future

The Public Realm Integrated Services Model (PRISM) is currently being implemented in the Environment and Enterprise Directorate. PRISM aims to deliver a new organisational approach to providing services, new ways of carrying out current services and a new technology package. Later in the year, we're planning to have a closer look at the impacts PRISM has.

In 2012/13 we have worked to build closer working relationships with the directorate. We would like to build on this by establishing more regular briefings with the Corporate Director, including regular review of the directorate scorecard and progress against the service plan.



Councillor Stephen Wright
Policy Lead
Environment and Enterprise



Councillor Sue Anderson
Performance Lead
Environment and Enterprise

Report from the Resources Leads

Our areas of focus

We have continued to meet with the Corporate Director of Resources and the Assistant Chief Executive to monitor issues of importance within the Resources Directorate. In particular, we are pleased to have been apprised of the merger of the Chief Executive's office, Legal and Democratic Services and the Corporate Finance function which has brought about very significant changes and resulted in the establishment of the Resources Directorate. We are grateful for the support we have received from officers and we wish the Corporate Director of Resources well as she leaves the authority in the summer.

In December, we were briefed on issues arising from the Resources Directorate commissioning panel priorities. These included:

- Channel migration in Access Harrow
- Changes in the IT systems
- Reduction in committee services support
- Additional growth pressures

We have agreed that we will continue to monitor these issues, particularly the impact of channel migration in Access Harrow.

Our primary focus this year has been in two specific areas:

- Debt Recovery
- School Place Planning

Debt Recovery

With regard to Debt Recovery, we note that the council intends to incorporate the findings from our review into the wider project currently underway to consider implications of the Government's welfare reform proposals. We are extremely concerned about the potential impact of these reforms on our residents' capacity to pay their bills and as such, we are even more determined to press the council to adopt the primary recommendation from the Debt Recovery review which we undertook in 2011. This recommendation urged the council to implement some form of 'check' in the debt recovery process which can institute a 'pause' in the process before bankruptcy proceedings are instigated. In this way we would hope that the devastating impact of bankruptcy is only applied to those of our residents who 'won't pay' rather than to those who 'can't pay'.

Our concerns about the likely numbers of people seeing themselves at the wrong end of the council's debt recovery process have also been exacerbated by the assumptions which have been made in the budget with regard to the numbers of people the council is assuming will be able to pay all or part of the Council Tax for the first time. We are very concerned that the high assumption will mean that we will see increased numbers of people going through the debt recovery process in order to safeguard the council's finances. We are also concerned that the sums pursued via this process will be comparatively small, especially when set against the cost of pursuing the debt. Again, whilst we have no issue with the processes being applied to those of our residents who are refusing to pay, we hope that the mitigations we proposed in our review can safeguard the more vulnerable of our residents who are unable to pay these new bills.

We will continue to monitor both the impact of the welfare reforms on the council and the implementation of the Council Tax support scheme and we look forward to being briefed on the outcome of the council's welfare reform work and how the recommendations we made in our review have been able to influence this.

School Place Planning

During the year, we continued to investigate the capacity of our schools. We have received a number of briefings which explain the process by which our schools' capacity is determined but we remain concerned that the borough does not have sufficient space in future to support our young people. This is particularly exacerbated by the development of academies which will be more difficult to influence in terms of short term expansions or 'bulge classes'.

Whilst on the face of it this issue appears to be of greater relevance to our Children and Families colleagues, we feel that the availability of place for education is a resource issue for the council and as such we will continue to seek reassurance that we are able to provide sufficient places to educate our children. We will continue to discuss this with officers.

Looking to the future

Next year will be the final year of the current administration and we hope to conclude the projects which we started during our time as the Resources leads, particularly to influence the council's approach to debt management. We would also like to explore the council's capital debt and pension liabilities. Our final report, next year, will outline our findings in this area.



Cllr Jerry Miles
Policy Lead
Resources



Cllr Tony Ferrari
Performance Lead
Resources

Scrutiny Member Development Activities

Member development activities for scrutiny members that focus on generic skills and knowledge, useful to members in their roles as effective councillors, are incorporated and delivered through the corporate member development programme. Member development activities specific to scrutiny members are detailed further below.

Skills training on performance and finance scrutiny

In October we trialled a session on *Finding out what you need to know: how to get the best out of performance information*. This session covered:

- Key principles – stressing the power of the basic question and no need for specialist technical skills
- Background to the council's performance management cycle and Performance and Finance sub-committee
- Some health warnings about data and some information on quartiles, value for money and data presentation
- Understanding scorecards – information on how to read a Harrow scorecard, explaining the columns and terms such as status, thresholds and polarity
- Understanding scorecards – an exercise where data was revealed quarter by quarter and Members discussed areas of concern
- Practical examples – some real examples of how Performance and Finance sub-committee has used and challenged performance information.

The session was well received and we plan to offer it to new councillors after the next election.

Centre for Public Scrutiny Regional Scrutiny Support Programme

Harrow scrutiny contributes to, and is a participating authority in the CfPS Regional Scrutiny Support Programme. As part of this, Harrow scrutiny members have attended member development events on the following subjects:

Effective Scrutiny in a Brave New World (October 2012)

This event aimed to:

- Support and encourage networking and joint/cross-borough activity across London;
- Enable members to share experiences, identify innovative approaches and good practice and explore how scrutiny can be most effective; and
- Promote and defend the role of scrutiny and support members at a time of change and limited resources

Getting Maximum Value from Scrutiny (March 2012)

This event was a practical session, giving more time for participants to engage in group work, share views and experiences, identify challenges and examples of good practice, and learn about ways of making scrutiny more effective.

Participants attended one of two workshops:

- choosing what to scrutinise;
- getting the most from questioning in the scrutiny session.

Looking Ahead

Next year is the final year of the 2010/14 administration and whilst there may not be a significant amount of member development planned for current members, the scrutiny team will be working to devise a programme of events which will support new councillors following the elections in 2014. Current scrutiny members will play a vital role in devising this programme.

Report from the Call-In Sub-Committee

On **1st October 2012** the Call-In sub-committee met to consider the decision made by Cabinet with regard to the Public Realm Integrated Services Model taken on 13th September that:

'(1) the implementation of the Transformation Project for the Public Realm Integrated Services Model, as set out in the Full Business Case, be agreed;

(2) the Corporate Director of Environment and Enterprise, in liaison with the Portfolio Holder for Environment and Community Safety, take the necessary actions to implement the Project.'

The decision had been called-in by nine Members of the Council and 150 members of the public

The call in was made on the grounds that:

- Inadequate consultation took place with stakeholders prior to the decision
- There was an absence of adequate evidence on which to base a decision
- There had been insufficient consideration of legal and financial advice

The sub committee resolved unanimously that:

- 1) The call in on the grounds that inadequate consultation took place with stakeholders prior to the decision not be upheld
- 2) The call in on the grounds that there was an absence of adequate evidence on which to base a decision not be upheld
- 3) The call in on the grounds that there had been insufficient consideration of legal and financial advice be upheld, as there was no evidence of legal advice having been provided or considered in the body of the Part One report.
- 4) That Cabinet give consideration to the inclusion of a paragraph on 'Legal Implications in the Cabinet report template

On **6th December 2012** the Call-In sub-committee met to consider the decision made by Cabinet on 22nd November that:

'(1) having considered the proposed terms which have been negotiated, provisionally agreed and recommended by officers, Option 1, set out in the report, be agreed;

(2) the Corporate Director of Place Shaping, in consultation with the Portfolio Holder for Property and Major Contracts, be authorised to conclude contractual arrangements on the basis of Option 1 and the heads of terms set out in the report.'

The decision had been called in by nine Members of the Council.

The call in was made on the grounds that:

- Inadequate consultation took place with stakeholders prior to the decision
- There was an absence of adequate evidence on which to base a decision
- There had been insufficient consideration of legal and financial advice

The sub committee resolved by a majority decision that

- 1) The call in on the grounds that inadequate consultation took place with stakeholders prior to the decision not be upheld
- 2) The call in on the grounds that there was an absence of adequate evidence on which to base a decision not be upheld

And unanimously that:

- 3) The call in on the grounds that there had been insufficient consideration of legal and financial advice not be upheld

On **3rd April 2013** the Call-In sub committee met to consider the decision made by Cabinet on 14th March that:

'(1) the new Service Model, described in section 2.5 of the report, which specifically involved the following changes to services be agreed:

a. **Bedford House** - work to achieve separation between the long-term residential, respite and day services at Bedford House. Work with the Council's Estates Department to identify a longer term option for the efficient use of Bedford House. This may include the potential sale of the building and the purchase of an alternative building which met the needs of the long-term residents in a high quality environment;

b. **Gordon Avenue** - change the model of the service and identify a choice of alternative housing options for the service users living at the Home. To use the service as a Residential Respite provision in the future. In addition, to increase the use of alternative respite options including Harrow Shared Lives Service and communicate the range of options to families and service users;

c. **Woodlands Drive** - change the model of the service and identify a choice of alternative housing options for the service users living at the Home;

d. **Southdown Crescent** - de-register the service and support people to live in a supported living environment;

e. **Roxborough Park** - maintain and develop the current model of the service delivering high quality care to people with complex autism and severe challenging behaviour. This would mean that some people who do not have complex autism and severe challenging behaviour who currently lived at the Service might be supported to move to alternative provision that met their assessed eligible needs.

(2) the Corporate Director for Community, Health and Wellbeing, in consultation with the relevant Portfolio Holders, be authorised to agree the future model and use for Woodlands Drive with the vacant building being considered for young adults in transition who needed support to remain close to home.'

The call in was made on the grounds that:

- Inadequate consultation took place with stakeholders prior to the decision
- A potential human rights challenge
- Insufficient consideration of legal and financial advice

The sub-committee resolved unanimously that:

- 1) the call-in on ground (a) – inadequate consultation with stakeholders prior to the decision – not be upheld; however, the Sub-Committee believed that the consultation comprised a limited line of questioning which did not provide for a full exploration of consultees’ preferences and alternative options;
- 2) the call-in on ground (e) – a potential human rights challenge – not be upheld;
- 3) the call-in on ground (f) – insufficient consideration of legal and financial advice not be upheld;
- 4) the Cabinet note the concerns of the Sub-Committee in respect of the following:
 - (i) the resolution at (1) above;
 - (ii) that there was insufficient clarity in the recommendations which lacked detail about future actions in relation to property disposal;
 - (iii) that the measures for mitigation, though mentioned, were inadequately captured in the recommendations.



Cllr Jerry Miles
Chair Call-In Sub-Committee



Cllr Paul Osborn
Vice Chairman Call-In Sub-Committee

Conclusion

Our purpose and the challenges which we face in delivering this remain the same: The significant reductions in public sector spending and the associated reductions in service delivery mean that the effectiveness of scrutiny in ensuring that the right decisions are being made is paramount. We will continue to rise to this challenge and to support the organisation to make the right decisions in these very difficult times.

Contact us

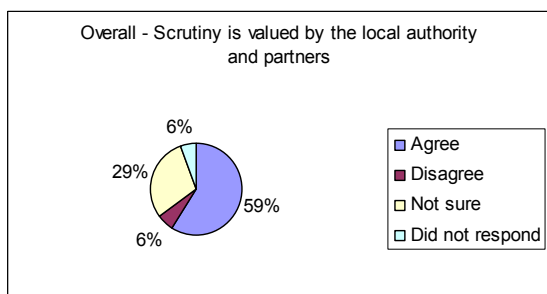
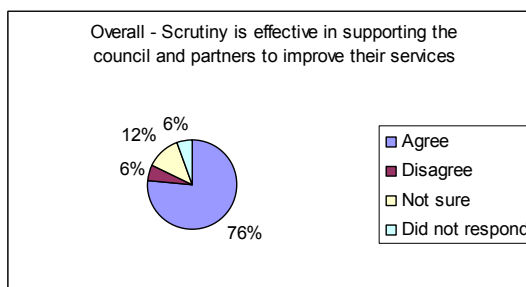
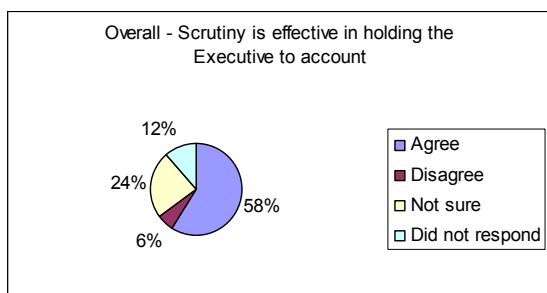
There are lots of ways of getting in touch with Harrow's scrutiny function:

- Our web pages can be found at www.harrow.gov.uk/scrutiny
- Our Facebook page can be found here <http://www.facebook.com/pages/Scrutiny-in-Harrow/205146626189923>
- Our Twitter page can be found here <http://twitter.com/#!ScrutinyHarrow>
- You can email us at scrutiny@harrow.gov.uk
- You can phone us on **020 8420 9387**
- Our address is:
Scrutiny
3rd Floor Civic Centre 1
Station Road
Harrow
HA1 2XF

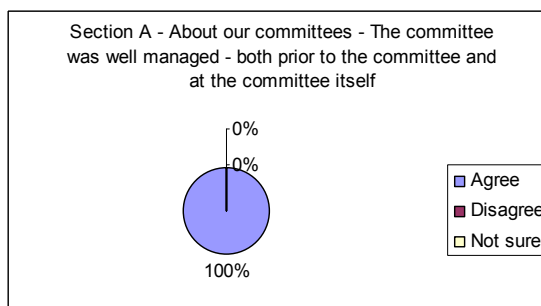
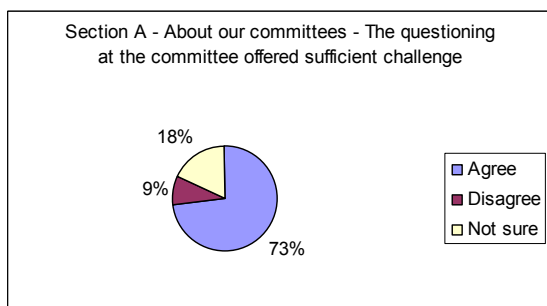
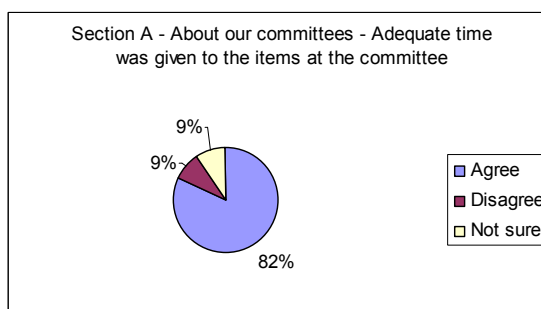
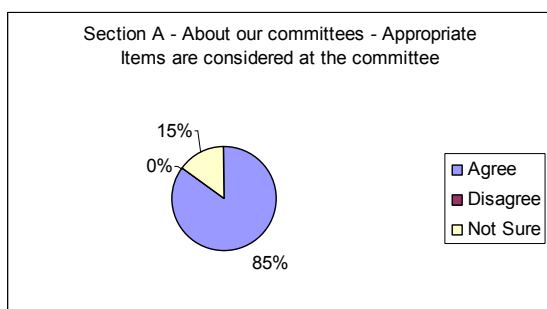
Appendix One: Satisfaction Survey – Results

Each year the scrutiny team contacts councillors, officers and organisations outside of the council about how well we are delivering the scrutiny function to see whether improvements can be made. Eighteen responses were received to this year's survey and the results are presented below. These results will be analysed further and where necessary/possible, improvements will be made to the scrutiny processes.

In general

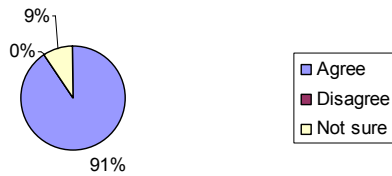


About our committees

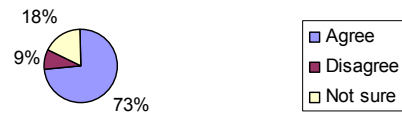


About our review process

Section B - About our review process - The review(s) was/were relevant to the business of the authority



Section B - About our review process - The review was effectively scoped so that all relevant aspects were included and the project was thus effectively targeted/focussed



Section B - About our review process - The project plan was well constructed and offered sufficient time for issues included in the scope to be properly considered



Section B - About our review process - The review was provided with sufficient evidence upon which to base its findings



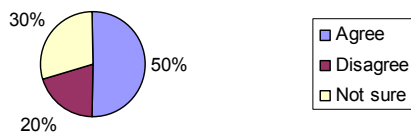
Section B - About our review process - The scrutiny team provided effective support to the project through agenda planning, policy research, survey support and report drafting



Section B - About our review process - I felt fully engaged and informed with regard to the purpose of the project and how it would run



Section B - About our review process - I felt fully engaged in planning the project



Section B - About our review process - I felt fully engaged in determining the outcomes from the review



RECOMMENDATION I

OVERVIEW AND SCRUTINY COMMITTEE MINUTES

9 APRIL 2013

Chairman:	* Councillor Jerry Miles	
Councillors:	* Ann Gate * Krishna James * Zarina Khalid * Barry Macleod-Cullinane	* Chris Mote (1) * Paul Osborn * Sasi Suresh (4) * Stephen Wright
Voting Co-opted:	(Voluntary Aided) † Mrs J Rammelt Reverend P Reece	(Parent Governors) * Mrs A Khan
Non-voting Co-opted:	Harrow Youth Parliament Representative	

- * Denotes Member present
- (1), (4) Denote category of Reserve Members
- † Denotes apologies received

RECOMMENDED ITEMS

385. Draft Annual Report 2012-13

The Committee received a report of the Divisional Director of Strategic Commissioning which enclosed the scrutiny annual report 2012-13. The report summarised the activities of the scrutiny committees and scrutiny lead councillors and outlined priorities for the next municipal year.

In response to the reference on page 5 of the report to public questions and petitions, a Member expressed the view that there appeared to be no evidence that the Council was listening to residents. The Member stated that he could not see any change of opinion or policy as a result of petitions and or questions. Another Member suggested that this matter be addressed at the Scrutiny Leadership Group and a report be submitted to a future meeting of the Committee. The relevant Portfolio Holder and Head of Communications should be invited to attend a future meeting of the Committee to discuss the matter of resident engagement with the decision making process.

The Policy Lead for Environment and Enterprise stated that the report on his area gave a flavour of the content of the main report. There had been issues in terms of the Harrow Residents' card and the consultation report was awaited.

The Policy Lead for Community Health and Well Being advised that he and the Performance Lead would like to consider recreational activities for the elderly. A member of the Committee asked whether there had been any measurement of the success of the gyms in parks and the Policy Lead advised he would seek to clarify the position. He advised that cross party working was required to encourage the use of the gyms in parks. He also suggested that the introduction of 'trim trails' be considered.

In terms of mental health provision, a Member sought reassurance that that the Leads for Health and Social Care and Community Health and Well Being were working together. The Policy Lead for Community Health and Well Being confirmed that this was the case although further work was required.

Resolved to RECOMMEND: (To Council)

That the Scrutiny Annual Report 2012-13 be approved

Scrutiny Annual Report 2012-2013

DRAFT



DRAFT

Table of contents

Introduction from the Chair and Vice Chairman of the Overview and Scrutiny committee.....	1
Report from the Overview and Scrutiny Committee.....	3
Report from Performance and Finance Scrutiny Sub-Committee.....	10
Report from the Adult Health and Social Care Lead Members and the Health and Social Care Scrutiny Sub-Committee	14
Leadership Group.....	18
Report from the Children and Families' Leads	20
Report from the Community Health and Well Being Leads	23
Report from the Environment and Enterprise Leads	25
Report from the Resources Leads.....	28
Scrutiny Member Development Activities	30
Report from the Call-In Sub-Committee	32
Conclusion.....	34
Contact us	34
Appendix One: Satisfaction Survey – Results and Responses	35

Introduction from the Chair and Vice Chairman of the Overview and Scrutiny committee

It has been another challenging year for scrutiny. These are very difficult times for the council as the financial climate and resultant cuts in public sector spending mean that the council is forced to cut deeper and deeper into budgets. This is a time when, we must make our most effective contribution to support the authority's service reconfigurations and safeguard the wellbeing of our residents. This means we must target our investigations at the areas of most importance and apply scrutiny processes as effectively as we can in conducting these investigations. In this context, the scrutiny leadership group has continued to provide excellent strategic direction for the overall scrutiny function ensuring that key issues are identified and investigated in the most appropriate manner. We are really pleased with the commitment that our colleagues have made to this group and the positive, non - partisan and constructive way that discussions have taken place in the group. We were grateful for the vote of confidence given to the scrutiny leadership group through the nomination for a LGIU C'lr Awards 'Scrutineer of the Year' award, though we were disappointed not to have been shortlisted. Further information on the Scrutiny Leadership Group's deliberations is provided below.

Our investigations take one of three forms:

- discussions as lead members
- discussions at the committees
- detailed specific project investigations.

Through each of these processes our purpose is to make recommendations to the council's cabinet which can support the organisation to improve the services it offers to residents.

In addition to this, there is a more fundamental purpose to scrutiny and that is to ensure that those who are responsible for making decisions, providing services and spending money in our community are challenged with regard to how they are making these decisions, providing services and spending money. Scrutiny is a vital component of the council's democratic processes and the essential means by which decision-makers can be held to account. Thus in all of our deliberations, our purpose is clear – to make a valued contribution to the council's improvement and accountability processes.

We have continued to meet as the three scrutiny committees – Overview and Scrutiny committee, Performance and Finance sub committee and the Health and Social Care sub committee – and have met with a number of colleagues to discuss specific issues of concern. A report from each of the committees is included later in this annual report. We have been particularly heartened by the way that the Performance and Finance committee is evolving into the driving force behind scrutiny and the robust way in which the committee now considers performance information. We are grateful for the support which has been offered to the sub committee, particularly from the Corporate Director of Resources and the Corporate Performance Team.

The scrutiny leads have also continued to provide the first port of call for scrutiny issues and they are focussing on the key issues of the day for the council. As such, all leads have met with their respective senior manager and portfolio holder to discuss the services' priorities for the year. In this way, we hope that the limited resources which are available to us are really focussing in on the issues which matter most to residents and to the council and our partners.

There have been a number of circumstances this year when we have stepped outside of our normal ways of working to try to ensure more cross cutting consideration of particular issues. Members of the Overview and Scrutiny committee, Performance and Finance sub committee and relevant lead councillors have met to consider the attendance and achievement of Children Looked After, the delivery of the improvement plans following both the Youth Offending and Safeguarding and Looked After Children inspections and the development of a suite of indicators with regard to crime and community safety. It is gratifying to see that our scrutiny processes are sufficiently flexible to allow us to consider these difficult issues in the most appropriate way.

We continue to ensure that there are no surprises in terms of scrutiny activity. We meet on a quarterly basis with both the Leader of the Council and the Chief Executive to ensure that any problems can be discussed at the highest level in the organisation. These discussions have proved extremely helpful in clarifying the Executive and Scrutiny perspectives on a number of issues and in identifying appropriate solutions. A key issue for resolution this year has been scrutiny access to information and we'd like to thank the Leader, Chief Executive and the Director of Legal and Governance Services for helping to resolve these difficulties. Our scrutiny team also ensures that senior managers are updated on our current and planned activities, which has smoothed any potential wrinkles in our interactions.

The pages that follow provide more detail with regard to the specific activities of scrutiny during this municipal year. We hope you find the report interesting.



Cllr Jerry Miles
Chairman Overview and Scrutiny Committee



Cllr Paul Osborn
Vice Chairman Overview and Scrutiny Committee

Report from the Overview and Scrutiny Committee

Our Committee

The Overview and Scrutiny committee has continued to meet during 2012/13. At the beginning of the year we welcomed Cllr Krishna James, who became the policy lead member for health and social care, and chair of the Adult Health and Social Care sub committee and Cllr Zarina Khalid, who became the performance lead for children and families to the committee. Their reports on their specific areas are included in the relevant sections below. We'd like to thank both Cllr Victoria Silver, who is now a member of the Adult Health and Social Care Scrutiny sub committee and Cllr Sachin Shah, who is now Finance Portfolio Holder for the time and energy they gave to the committee.

We have met 13 times during the last municipal year and the paragraphs below outline some of the issues we have considered. We'd like to thank all of the portfolio holders and officers who have met with us during the year and answered our questions. The papers and details re the outcomes from all of these meetings can be found [here](#).

Our meetings

During the course of the year we have, as in previous years, met with the Leader of the Council and the Chief Executive for a question and answer session to consider general council policy (in July) and budget proposals (in January), these sessions were also attended by the portfolio holder for finance and we are grateful for the information which was shared with us. We would like to offer our thanks and best wishes to Cllr Bill Stephenson, who resigned as Leader of the Council in October last year and also to wish Cllr Thayya Idaikkadar good luck as he steps into the role. We look forward to meeting with Cllr Idaikkadar next year to offer scrutiny's challenge to his policy and financial decisions.

The specific items which have been considered at the committee include:

- Harrow's Development Plan
- Safeguarding Looked After Children
- Provision of Leisure and Libraries services
- Children Looked After Attendance and Achievement
- Community Safety Plan and Strategic Assessment
- Community Right to Challenge
- Youth Offending Team post inspection improvement plan
- Youth Justice Plan
- Schools Expansion Programme
- Progress on School Conversion to Academies
- Post Ofsted inspection of Safeguarding and Children Looked After Service improvement plan
- Climate Change Strategy
- Developments in Public Realm Services
- Parking Policy and Income Optimisation
- Corporate Plan
- Monitoring Council Tax Collection Rate
- Update on the Council's Top Families Project
- Data Quality
- An Update on the Council's Troubled Families work

Meetings with the Portfolio Holders

We have welcomed a number of portfolio holders to the meetings of the committee over the last year:

- *Cllr Keith Ferry, Planning and Regeneration Portfolio Holder* attended in June to discuss the development plan and again in February to discuss the Harrow Card
- *Cllr Mitzi Green, Children, Schools and Families Portfolio Holder* attended in both October and November, in October to discuss the Youth Offending improvement plan, the Youth Justice Plan, the school expansion programme and progress with regard to the development of academies. In November, she attended to discuss the improvement plan which followed the council's Ofsted inspection of Safeguarding and Looked After Children.
- *Cllr Graham Henson* attended in April to discuss Data Quality
- *Cllr Thayya Idaikkadar, in his capacity as Property and Major Contracts Portfolio Holder* attended to respond to the petition which had been received with regard to the development of Whitchurch playing fields.
- *Cllr Phil O'Dell, Environment and Community Safety Portfolio Holder* attended with the Borough Commander, Chief Superintendent Dal Babu, to discuss the borough's community safety strategy and strategic assessment – which analyses the level of crime in the borough. He also attended in April to discuss priorities in the Environment and Enterprise Directorate
- *Cllr Sachin Shah Finance Portfolio Holder* attended both the Q&A session with the Leader and Chief Executive in July and January and also the meeting in March with regard to monitoring council tax collection

Working with Residents

As in previous years, we are pleased to have received the support of a number of residents via their co-opted positions on the committees and would like to thank the following people for giving up their time to the committees:

- Mrs Aamirah Khan, parent governor representative who sits on the Overview and Scrutiny committee
- Mrs Julie Rammelt, representative of the voluntary aided sector who sits on the Overview and Scrutiny committee
- Mr Julian Maw, chair of Harrow Link who sits on the Health and Social Care sub committee

In May, we were delighted to welcome representatives from the Harrow Youth Parliament to the committee

- Hannah Nathanson, Chair of Harrow Youth Parliament,
- Ladan Dirie, Harrow's Member of UK Youth Parliament, and
- David Howes, Harrow Mencap



These colleagues presented the findings of the scrutiny review 'Redefining Youth Engagement' to the committee which they had led alongside Cllr Victoria Silver and other scrutiny councillors. Their attendance at our meeting in May was an exciting and innovative enhancement of the Overview and Scrutiny committee's processes which we hope we will develop further.

Members of Harrow Youth Parliament consider recommendations from the Redefining Youth Engagement Review at their summit in November

With this in mind, we have created an additional co-opted position on the Overview and Scrutiny committee for representatives of the Harrow Youth Parliament which they are free to take up when items of particular interest to them are included in the committee's agenda. We look forward to a long and constructive working relationship with them – we hope to setup regular meetings between the parliament and the scrutiny leadership group to ensure that our agendas are reflecting the concerns of young people.

The specific report from the Performance and Finance sub committee also includes detail of the special committee meeting held with young people in March to consider how effectively the recommendations of the Redefining Youth Engagement review have been delivered. Again, this marks a step change in how we want to do scrutiny by improving the engagement and involvement of local people.

This year Overview and Scrutiny committee received a number of public questions – with regard to Vaughan School, and petitions – with regard to Whitchurch Playing Fields and Shopmobility. We are pleased that local people are beginning to see some of our more formal processes as a means by which they are able to engage in the council's decision making. We welcome their involvement and the opportunity it offers to the Overview and Scrutiny committee to provide a bridge between the council and the community and hope to receive more direct contact from local people in the future.

We continue to encourage the involvement of local people in our deliberations, especially through their direct involvement in some of our more detailed investigations, we have been really pleased to welcome resident co-optees onto our review teams and would like to thank the following people for their commitment to our work:

- Seamus English
- Cliff Lichfield
- Elizabeth Hugo
- Julian Maw
- Linda Robinson
- Tony Wood

We would like to thank the very many other residents who have participated in our projects by responding to questionnaires, attending workshops or just talking to us about their experience of council services.

We've also continued to use Facebook and Twitter and we're pleased that there are now 180 people following us on Twitter! However, there is more that we could do to improve our use of social media. We will continue to explore options in this area.

We will continue to ensure that residents' views form the bedrock of our investigations and welcome any views on how we can engage more effectively with the residents of the borough.

Review Programme

In addition to our work on the committees and the deliberations of the scrutiny lead councillors, the Overview and Scrutiny committee has commissioned a number of projects this year. These projects reflect issues of concern for the council and have hopefully helped the council to improve services. The detailed report from each of these projects and all other projects undertaken by Harrow Scrutiny can be found on our [website](#)

Standing Review of the Budget

This project, chaired by Cllr Barry Macleod-Cullinane, the vice chairman of the Performance and Finance sub committee has continued to investigate local government financial policy and its impact on the council. This year the group has considered a number of issues:

- *Management of major contract renewal* – investigated how effectively the council was monitoring the contract renewal process and thus how far it was able to maximise contract savings for the authority. Amongst the recommendations made were suggestions that the council continues the development of the contracts register, that we develop a strategic approach to cross-council/agency procurement and that there is greater political oversight of the contract/procurement process. The Performance and Finance sub committee also continues to monitor this area of the council's work
- *Localisation of Council Tax* – considered the financial implications for the council of the localisation of Council Tax and concluded that given the council's decision, that the new scheme is self financing, the council must ensure that incentives and support are offered to residents to return to work and that the scheme should link to regeneration, employment and training policies and opportunities.
- *Self financing of the Housing Revenue Account* – explored the implications for the council of self financing the Housing Revenue Account and the associated £90m cost of the buy out which will be paid back over the next 50 years. The review sought reassurance on a number of concerns including the impact of a 50-year debt on the council's financial viability and the capacity of the council's housing stock to support the repayment of the debt. On receiving the review report at cabinet, the Portfolio Holder for Housing welcomed the review's positive consideration of how the HRA was managed, particularly suggestions with regard to how the Council might examine ways to bring about an increase in the supply of affordable housing.
- *Management and strategic use of the council's capital budget* – this component of the review's work programme considered the council's strategic approach to capital expenditure, how effectively the council is using its capital finances and the capital financing opportunities available to it in the context of the recession

Safeguarding

The Children and Families lead members were alerted by the Corporate Director for Children and Families during 2011 regarding progress on implementation of some of the recommendations that came out of the NHS London Safeguarding Children Improvement Team (SIT) visit to the Harrow health community in October 2010. In order to investigate this, the Overview and Scrutiny committee commissioned an investigation into why the implementation of recommendations had been delayed. Given that the main focus of the SIT team visit was on health provision in the borough relevant to children's safeguarding, this was the main focus of the review group. However, as Members began to consider evidence

relating to this area in greater detail it became evident that in order to fully assess the effectiveness of children's safeguarding arrangements in the borough it would also be necessary to consider the council's services. The review produced an interim report to support the organisation's preparations for the Ofsted inspection which took place in summer 2012 and also agreed to continue its investigation in the context of the result of this inspection. As such, no specific recommendations were made.

During late 2012/early 2013 the Children and Families lead members have begun discussions with regard to the Child's Journey Through Care project which is the vehicle through which this investigation of safeguarding services will be completed. Details of this review are provided below.

A Child's Journey Through Care

In summer 2012, the council's safeguarding and looked after children's services were inspected by Ofsted which concluded that they could only be considered 'adequate'. In order to support the service to respond to the criticisms it received and to improve services to vulnerable children in the borough, preparation for a project to consider how a child's journey through the care system might be improved has begun. This project will consider how well the council's services measure up to what is considered to be 'good' practice and how well services are able to respond to the very specific issues which may arise in individual cases, whilst ensuring that high standards of care are maintained. The review is likely to take place in the summer of 2013.

Private Rented Sector Housing

This project, chaired by Cllr Marilyn Ashton, considered ways in which the council might work in partnership with the Private Rented Housing Sector in future, in the context of the growth of the sector in providing housing for our residents and the increase in levels of homelessness. The investigation sought the views of tenants, non-tenants and landlords to derive its recommendations.

The review group concluded that the council should adopt a mix of both top-down and bottom-up approaches to working with the sector. By top-down, it meant that development policy should drive the provision of a good mix of high quality, reasonably priced accommodation. By bottom-up, it meant that the council should work in partnership with the sector, using a mix of both 'enabling' and 'enforcing' approaches. It is through these routes that problems of low standards and poor quality could be more effectively ameliorated. The findings of the review were welcomed by both cabinet and officers. At cabinet, the housing portfolio holder commented that the review was timely, as the Directorate was finalising its housing strategies and that all the recommendations of the Scrutiny Review Group would be taken on board.

Customer Care

Councillors have been concerned for some time with regard to the consistency of the application of our customer care standards. This project, chaired by Cllr Paul Osborn, vice chairman of the Overview and Scrutiny committee, has investigated the effectiveness of the council's customer services, in particular the resident experience. The investigation has included visits to other boroughs, experience of front line customer interaction, and an analysis of how the council responds to complaints. The review will report its findings later this year.

Accessible Transport

For a number of years, the accessibility of public transport for people with disabilities or restricted mobility in Harrow has been a concern. There are no stations in the borough with completely step free access from street to train and our key station, Harrow on the Hill, a major transport hub which serves both the town centre – still one of the 11 metropolitan centres in London – and Northwick Park hospital – a regional specialist and local acute hospital – is completely inaccessible for people with mobility issues.

This project, chaired by Cllr Sue Anderson, is investigating the impact of poor access to public transport on people with disabilities and others with restricted mobility. The project will engage widely with people with disabilities and disability groups in order to assess how far the council and partners, such as Transport for London, are delivering their stated ambitions with regard to accessible transport

Members of the review plan their project



The review's conclusions are expected to be presented to the Overview and Scrutiny committee in the summer.

Our conclusions and next steps

Our next year will be the final one from under this administration. We have already determined the remaining projects we would like to consider during this time and our next annual report will detail the outcomes from these projects. The projects include:

- Changes in Public Realm services
- Performance of Mental health services
- Early intervention to deliver improved outcomes and resource savings
- Further projects for the Standing Review of the Budget



Cllr Jerry Miles

Chairman Overview and Scrutiny Committee



Cllr Paul Osborn

Vice Chairman Overview and Scrutiny Committee

Committee meetings	13
Attendance by Portfolio Holders	<ul style="list-style-type: none"> • Cllr Keith Ferry, Planning and Regeneration Portfolio Holder x 2 • Cllr Mitzi Green, Children, Schools and Families Portfolio Holder. • Cllr Graham Henson, Performance, Customer Services and Corporate Services Portfolio Holder • Cllr Thayya Idaikkadar, once in his capacity as Property and Major Contracts Portfolio Holder and twice in his capacity as Leader • Cllr Phil O'Dell, Environment and Community Safety Portfolio Holder x 2 • Cllr Sachin Shah, Finance Portfolio Holder x 2

DRAFT

Report from Performance and Finance Scrutiny Sub-Committee

Our Sub-Committee

The Performance and Finance scrutiny sub-committee looks in detail at how the council's services are performing in-year.

We monitor service and financial performance by analysing data and then requesting briefings or details of action plans in place where necessary. The sub-committee can make recommendations for improvement and if necessary make referrals to the Overview and Scrutiny committee if further work is needed.

This work includes, for example, regular review of the Cabinet's Revenue and Capital Monitoring report and quarterly Corporate Scorecard.

We have slightly amended our terms of reference this year to reflect that we can consider and monitor the performance of the council's partners.

Our meetings

Our regular Chair and Vice-Chairman's briefings drive the work programme of the sub-committee. Our main areas of interest in 2012/13 have been:

- **Payment of invoices and application of contract procedure rules** – this is the third year in which we have been following progress in this area. We have monitored the implementation of the recommendations arising from the internal audit review on the application of contract procedure rules (CPRs), which focused on purchase orders raised after the date of invoice. Four of the recommendations made to procurement were postponed owing to delay to upgrades to the SAP system. We requested a briefing on current issues with SAP and planned future improvements and were told in November that a series of changes are being implemented that will be completed in time for the first quarter of 2012/13. These will include forecasts of process compliance & accuracy as well as new monthly budget forecasts and simplified 'front-end' for managers intended to make it easier to comply with the CPRs. We remain concerned at the length of time being taken for the organisation to address these issues and about how effective the SAP changes will be in tackling the serious problems repeatedly identified since 2006 (we have asked to see all the reports in that time). There needs to be clear accountability to Member level, and we will continue to monitor this area carefully.
- **Chartered Institute of Public Finance and Accountancy (CIPFA) Review of Financial Management** – having had a number of concerns over the past few years about some aspects of the council's financial management, we were keen to be briefed on the finding of CIPFA's review. The review identified some areas for improvement including financial management strategy, culture, financial management competence for finance and non-finance staff and financial information systems. The findings reflected some of our ongoing concerns (for example budget holder forecasting compliance), which have related to both systems and processes noted above.

- **Complaints** – this is the first year that we have received the annual complaints reports for children and families’ services and adults’ services rather than O&S. We were pleased to have the relevant portfolio holders in attendance for these items. We think that this is a sensible development in that it provides us with further intelligence in our consideration of the performance of services. There were no major issues for either area, other than the identification of safeguarding as a target area for improvement. We note that most of the complaints related to customer service issues such as delays in service provision or lack of adequate communication rather than more serious risks related to safeguarding decisions, for example. Given that scrutiny intends to follow up its interim report on safeguarding, complaints intelligence may be a line of enquiry worthy of further exploration.
- **Householder planning applications** – *Processing of householder planning applications within 6 weeks* – Having monitored this measure at our briefing for a number of quarters (from quarter 2 2011/12) and not having received the further information that we requested on underperformance, the matter was escalated to the sub-committee. A formal report from the Divisional Director for Planning was considered at the sub-committee in July 2012. We were advised that the statutory target for decision-making is eight weeks rather than six and that the six-week target had been introduced with the purpose of providing an improvement of service to residents. The target was stretching and served to highlight operational and capability issues that needed to be addressed within the service to achieve both improvements in service delivery as well as targets in the medium term financial strategy. The sub-committee also requested reports for January 2013 on the Planning and Access Harrow Lean review and for April 2013 on planning consultation.
- **Major contracts and procurement savings** – Given the increasing importance of delivering the council’s procurement savings and delivering services with even greater efficiency, this item has become a regular six-monthly report to the sub-committee. As the council moves towards greater levels of commissioning, we too will need to ensure scrutiny helps to provide proper oversight. In January 2013 we questioned progress on phase two of the Procurement Transformation Programme that had begun in November 2012, the scope for further savings beyond the £4.6m to date and for higher income generation rather than simply cost management. We are concerned about the risks to the council in any joint borough approach and the possible impact on service levels from substantial cost savings such as those reported in the CAMHS case study. We will also examine at our April 2013 meeting the governance & structures for the procurement process, further detail on Repairs & Cyclical Maintenance, Leisure, Highways & Adult Social Care and an update on the Leisure/Libraries contract negotiations.
- **Children looked after (CLA) – education and attendance**
This continues to be an area of concern for us, along with the children’s lead members. The Virtual Headteacher’s action plan was considered at O&S and a meeting to examine progress made since that meeting is to be scheduled in 2013/14.
- **Past reviews** – we have continued to monitor progress on past reviews, including:
 - Measuring up: council’s use of performance information – phase 2. We are pleased to note the majority of our recommendations have been implemented and look forward to progress on the remainder, including disseminating performance information to the public.

- Snow Clearance: we have requested an update on the pavement gritting policy when it is established.
- Debt Recovery: update planned for early in 2013/14
- Redefining Youth Engagement: we held a special meeting on 4 March 2013 at Cedars Youth and Community Centre on progress in implementing last year's scrutiny review recommendations. Twenty young people attended from Harrow Youth Parliament (HYP); Shaftesbury School; X16 (employment readiness and work experience scheme); Looked after children (CLA); Flex Girls Youth Club; No Limits (after school club); and National Citizenship Scheme (NCS) graduates. A common theme was the need for the council to do more to take its message directly to young people and, in particular, to use schools more in communicating with young people. Other suggestions included: youth versions of Neighbourhood Champions, involving young people in commissioning decisions and a better HYP website & social media.
- **Member development** – in October we trailed a session on *Finding out what you need to know: how to get the best out of performance information*. This session covered:
 - Key principles – stressing the power of the basic question and no need for specialist technical skills.
 - Background to the council's performance management cycle and P&F.
 - Some health warnings about data and some information on quartiles, value for money and data presentation.
 - Understanding scorecards – information on how to read a Harrow scorecard, explaining the columns and terms such as status, thresholds and polarity.
 - Understanding scorecards – an exercise where data was revealed quarter by quarter and Members discussed areas of concern.
 - Practical examples – some real examples of how P&F has used and challenged performance information.

The session was well received and we plan to offer it to new councillors after the next election.

Next steps

This year has been productive for the sub-committee. In 2013/14 we hope to build on our experience and expertise and to continue to provide both support and constructive challenge to the council's service and financial performance.



Councillor Sue Anderson
Chair, Performance and Finance
Scrutiny Sub-Committee



Councillor Barry Macleod-Cullinane
Vice-Chairman, Performance and Finance
Scrutiny Sub-Committee

Committee meetings	5 ordinary 1 special
Attendance by Portfolio Holders	<p>Cllr Brian Gate, Children, Schools and Families Portfolio Holder x 1</p> <p>Cllr Margaret Davine, Adult Social Care, Health and Wellbeing Portfolio Holder x 1</p> <p>Cllr Mitzi Green, Children, Schools and Families Portfolio Holder x 1</p> <p>Cllr Keith Ferry, Planning and Regeneration Portfolio Holder x 1</p> <p>Cllr Sachin Shah, Finance Portfolio Holder x 1</p>

DRAFT

Report from the Adult Health and Social Care Lead Members and the Health and Social Care Scrutiny Sub-Committee

Our Sub-Committee

The Health and Social Care Sub-Committee considers health, social care and wellbeing issues key to Harrow residents on a local, London wide and national level. A number of changes are being put in place and will continue to be implemented in the health and social care environment following the introduction of the Health and Social Care Act 2012. This has been much of the focus of the committee in 2011/12.

The role of the Health and Social Care Scrutiny Lead Members is to consider, at both committee level and also outside of committee, a range of important health and social care issues that affect Harrow. As part of our role to champion health and social care issues for residents we work closely with the Director for Community Health and Wellbeing, colleagues at NHS Harrow, North West London Hospitals and with other key providers of health and social care services in the borough.

Some of the work we carry out as lead members is referred on to the Health and Social Care Scrutiny Sub-Committee for formal consideration of key issues. As ever, this year has been busy and there has been a great deal of crossover between our work as lead members and our work with fellow members on the Health and Social Care Scrutiny Sub-Committee.

Our key areas of focus throughout the year

Health and social care reforms

There have been many changes in health and social care policy in the past couple of years and it is our role as lead members to keep abreast of these policy developments. We have kept a close eye on national reforms and the progress and plans for implementation of these at a local level:

- Health and Wellbeing Board (HWBB) – this will become a statutory committee of the local authority in April 2013. In Harrow, a shadow HWBB has been established and has been progressing work in anticipation of April. One of the key outputs of the HWBB is the Joint Health and Wellbeing Strategy and the Health and Sub-Committee considered a draft of this in the summer.
- Public Health transition – the responsibility for public health will be transferred to local authorities from April 2013. Harrow and Barnet Councils have agreed to share a service, to be hosted from Harrow, and we have kept abreast of progress on these plans.
- Establishment of HealthWatch – HealthWatch will take over from the Local Involvement Network (LINK) in April 2013. This will be the local patient and public champion across the health and social care sector. It will be important to forge strong relationships with Healthwatch and ensure that both the HealthWatch and scrutiny work programmes are complementary to local concerns. The Chairman of the outgoing LINK sat on our sub-committee in 2012/13 as an advisor to the committee.
- Clinical Commissioning Group – PCTs will cease to operate from 1 April 2013 with the responsibility for commissioning local primary care services passing to the Clinical Commissioning Group. We have had attendance from the Chair of the Harrow CCG to discuss key issues. Developing relationships with GPs as the future commissioners of services will be vital going forward.

'Shaping a Healthier Future' for NW London – consultation

Shaping a Healthier Future is a programme set up by NHS NW London to improve healthcare for the two million people living in NW London. The programme is being led by the eight clinical commissioning groups and other clinicians across NW London who have identified the case for change which highlights the inconsistencies and failings of the current system and sets out objectives for a better, healthier future for NW London.

The aim of the programme is to ensure that the right care is delivered in the right places and a number of detailed proposals for how services could be organised differently in the future have been developed. These proposals formed the basis of a full public consultation which ran from 2 July to 8 October 2012.

As this represents a substantial variation to service provision in boroughs across the NW London sector, a Joint Health Overview and Scrutiny Committee (JHOSC) was set up to provide external scrutiny to the impact of the proposals and the consultation processes adopted by the programme. As lead members, we represented Harrow Council on this JHOSC, alongside councillors from 9 other boroughs - Brent, Camden, Ealing, Hammersmith and Fulham, Hounslow, Kensington and Chelsea, Richmond, Wandsworth and Westminster.

Harrow Council also responded to the consultation from a local perspective. This work was led by scrutiny members and informed by evidence gathered through Harrow's participation on the JHOSC, consideration of the Shaping a Healthier Future pre-consultation business case and discussions held at a special meeting of the Health and Social Care Scrutiny Sub-Committee. These discussions explored the impact of the Shaping a Healthier Future proposals in Harrow and the consultation process, and involved representatives from:

- NHS NW London's Shaping a Healthier Future programme
- North West London Hospitals Trust
- NHS Brent & Harrow
- Harrow Clinical Commissioning Group
- Harrow Local Involvement Network
- Harrow Council

The scrutiny response was also adopted by the Executive and therefore sent in response to the consultation on behalf of Harrow Council.

The outcomes of the consultation were published at the end of November 2012. 17,022 submissions in total were received on the proposed changes. Some of the concerns raised by respondents were around;

- the impact of proposals on accessing services (journey times and public transport accessibility);
- the capacity and ability of hospital and out of hospital services to meet demand and support change; and,
- the need for information on what the changes mean for people in practice and when/how to access particular services.

These concerns were echoed in our own response, considered at Committee on 11 December 2012, particularly regarding the impact on Northwick Park Hospital and its capacity to take on the growth in demand for its services and additional patient flow; the travel, transport and access issues for Northwick Park Hospital, and, the need for communication to residents regarding the rationale for changes.

The Joint Committee of the Primary Care Trusts made its decision on the future configuration of services at its meeting on 19 February 2013. For Harrow this means that Northwick Park will remain as one of five major hospitals in NW London to provide A&E and Urgent Care Centre services. From a local perspective we will continue to monitor the pressure on Northwick Park due to the loss of facilities for Ealing and Brent residents. How far the JHOSC will continue to review outcomes for NW London will be determined as plans progress. Full details to the report can be found [here](#).

Merger of Ealing Hospital Trust and North West London Hospitals

At committee level, we have considered progress on the plans to merge Ealing Hospital Trust (EHT) and North West London Hospitals Trust (NWLHT). We hope that the merger will realise savings by replacing the two trust boards with one, creating an opportunity to unify management, streamline work processes and simplify management structures and achieve Foundation Trust status. The merged organisation aims to provide the clinical vision to deliver an integrated healthcare service through the Integrated Care Organisation and increased partnership with GPs and social care sector.

We welcome that following consideration of the financial and clinical benefits, NHS London sought further assurances that future plans are financially sound and provide the best possible quality of services for residents. Additionally, the outcome of *Shaping a Healthier Future* in February 2013 will need to be reflected in the supporting strategies and commissioning plans. We look forward to consultation on the revised proposals at the end of April 2013.

Other areas of work

This year the Health and Social Care Scrutiny Sub-Committee also considered:

- Progress on the implementations of Harrow STARRS (Short Term Assessment Rehabilitation and Reablement Services).
- The outcomes and impacts of the Adult Services Consultation which sought residents' views as to how to achieve significant savings whilst ensuring that Council services could be run most efficiently for the benefit of residents.
- The Quality Account of key providers in Harrow including North West London Hospitals, Royal Orthopaedic Hospital and Central and North West London Foundation Trust were also scrutinised by the Committee.

Looking to the future

At a time of considerable change in the delivery and provision of health and social care services, keeping abreast of the emerging policies and service changes will be paramount. As detailed throughout the account of our work this year as lead members and also with the Health and Social Care Scrutiny Sub-Committee, there is a great deal of work that will need to be done over the coming year to monitor progress and consider service development and changes. Our key focus will be on:

- The implementation of the 'Shaping a Healthier Future' programme – the reconfiguration of acute services in NW London and the out of hospital strategy for Harrow
- The transfer of public health responsibilities to the local authority
- The merger of Ealing Hospital Trust and North West London Hospitals Trust
- Forging robust working relationships with new health and social care bodies – Harrow HealthWatch and Advocacy Service, Health and Wellbeing Board and Clinical Commissioning Group
- A project review group will look at Mental Health service provision in the borough.



Cllr Krishna James
 Chairman Health and Social Care Sub-Committee
 Policy Lead for Health and Social Care



Cllr Vina Mithani
 Vice-Chairman Health and Social Care Sub-Committee
 Performance Lead for Health and Social Care

Committee meetings	4
Attendance by Portfolio Holders	
Attendance by Partners	<p>David Cheesman, Director of Strategy, North West London Hospitals Trust (2)</p> <p>Dr William Lynn, Patientcare, North West London Hospitals Trust (2)</p> <p>Dr Andrew Howe, Director of Public Health (1)</p> <p>Carole Furlong, Public Health Consultant, NHS Harrow (1)</p> <p>Dr Amol Kelshiker, Chair, Harrow Clinical Commissioning Group (1)</p> <p>Javina Sehgal, Borough Director, NHS Harrow (2)</p> <p>Dr Mike Anderson, Medical Director, Chelsea & Westminster Hospital (on behalf of the SaHF programme) (1)</p> <p>Tina Benson, Director of Operations, North West London Hospitals Trust (1)</p> <p>David McVittie, Chief Executive, North West London Hospitals Trust (1)</p> <p>Marcel Berenblut, Head of Communications, NHS Brent & Harrow (1)</p> <p>Rebecca Wellburn, Deputy Harrow Borough Director (1)</p> <p>Simon Crawford, Senior Responsible Officer Ealing and North West London Organisational Futures Programme (1)</p>

Reports from the Lead Members and the Scrutiny Leadership Group

Leadership Group

This informal monthly meeting of committee chairs and vice chairmen and scrutiny lead councillors considers the strategic direction of scrutiny, schedules items for the committee agendas, proposes items for more in-depth investigation and facilitates co-ordination between committees and lead councillors.

In addition to the standing items, the leadership group has considered a number of specific issues.

Spans of responsibility

During the year, it has become clear that each lead councillor's span of responsibility has created considerable pressure. The leads are expected to become a champion in their respective 'portfolios' and to have a considerable breadth of knowledge of the services within this area. This is becoming an unreasonable expectation and as a result, the leadership group has agreed to align, as far as possible, the leads roles to the Corporate Directorates. This has resulted in the following leads' responsibilities:

- Children and Families
- Community Health and Well Being – excluding the adult social care component
- Environment and Enterprise
- Health and Social Care – including adult social care
- Resources

We have also agreed to work with Corporate Directors and portfolio holders to identify the priorities for each service and from this to identify priorities for scrutiny consideration. As part of this, each pair of leads has also considered the commissioning panel papers for their respective area. As in previous years, each pair of leads continues to meet with their Corporate Director on a quarterly basis. Whilst the scrutiny team will continue to provide the leads with policy updates across their respective area for information, they will focus their investigative activities on the priorities which their discussions with portfolio holders and officers have identified.

Working with Harrow Youth Parliament

The Redefining Youth Engagement review was a groundbreaking scrutiny investigation in the way in which it involved young people in leading the project. As mentioned in the report from the Overview and Scrutiny committee, this project has resulted in the committee creating a co-opted position to enable representatives of Harrow Youth Parliament to attend the committee where there are items of particular interest to them on the agenda. We hope to go further than this and towards the end of 2012, representatives of the Leadership Group met with Harrow Youth Parliament to discuss how the committee's agendas might be developed with the parliament in order that we are picking up issues which are of importance to young people. We will continue these discussions in 2013/14.

Questions at the Overview and Scrutiny Committee

As the chair and vice chairman of the Overview and Scrutiny committee have reported, residents have begun to recognise the potential offered by the committee to engage with the council with regard to decisions which are being made. Our process for this prescribes that questions raised by residents are responded to via the chair of the committee. We have asked our officers if there is scope to change this process to enable the committee to broker a

discussion between residents and relevant portfolio holder(s) and officer(s), either via a substantive discussion at the committee or, if the issue seems to warrant it, via a special meeting of the committee. We hope to be able to agree a protocol for improving our process in this area during the lifetime of this administration.

DRAFT

Report from the Children and Families' Leads

Our areas of focus

This has been a challenging year for the Children and Families directorate. During the year they have consolidated their New Operating Model, which has involved a number of changes of personnel and the introduction of new ways of working and they have also undergone a major Ofsted inspection of Safeguarding and Looked After Children's services. Such a huge level of change in services for some of our most vulnerable residents has rightly attracted significant interest, not only from us as the Children and Families scrutiny lead councillors but also from other scrutiny councillors, particularly those involved in the Performance and Finance committee. We are working together to support the directorate and we welcome the support for our deliberations from our colleagues.

We continue to meet with the Corporate Director and her team and would like to place on record, our gratitude for her and her management team's openness and accessibility, it is gratifying that the scrutiny challenge is received so positively and that recognition is given at such a senior level of the organisation of the positive support that scrutiny challenge can bring to services.

During the year we and our scrutiny colleagues have considered the following issues:

- **Children Looked After attendance and achievement** – as corporate parents we were concerned about performance in this area and have sought several briefings to explain the issues in particular the role of the Virtual Head Teacher. We are grateful for the information provided to us by officers and we are particularly pleased that we will now receive regular and up-to-date performance information in the form of the Children and Families performance scorecard which will be sent to us after each quarterly Improvement Board
- **Net schools capacity and schools place planning** – early in the year, we raised concerns with regard to the availability of school places in the borough. We have received a number of briefings on this issue to clarify how the council assesses both the likely number of children needing school places and the capacity of schools to accommodate these numbers. We are grateful for the support of the Resources lead councillors who will continue to monitor this.
- **Youth Offending Team inspection improvement plan** – we were very concerned to learn at the October meeting of the Overview and Scrutiny committee of the very poor outcome of the Youth Offending Team inspection. We have discussed proposals to improve this poor performance with the Corporate Director at our subsequent briefings and we appreciate the candour with which these discussions have been approached. We will continue to monitor the performance of this service.
- **Ofsted inspection of Safeguarding and Looked After Children's Services improvement plan** – this was a major inspection for the service and the results show there is clearly room to improve our services. We have continued to discuss this with the Corporate Director and her management team. During these discussions, we have been advised of the significant tightening of the inspection regime which means that simply just addressing the issues identified in the inspection report will not be enough to really improve services in this area, we were also advised that in future, all inspections will be

unannounced which means that our pursuit of high quality services can no longer be simply linked to the delivery of a successful inspection.

We have decided to support the service by working with them to define a robust definition of 'good' for Harrow and to identify any gaps in our service provision. This is our 'Child's Journey Through Care' project and further information on this project is included below

- **Data quality in Children's Services** – we were concerned during our discussions with officers with regard to the outcome of the Ofsted inspection that there seemed to be issues regarding the quality of management information being produced in Children's Services. We considered a report from the service which addressed our concerns at the March meeting of the Overview and Scrutiny committee.

In order to facilitate monitoring of some of these issues and to minimise the need for officers to meet with different scrutiny bodies, we established specific meetings of the Children's Lead Councillors, the Chair and Vice Chairman of the Performance and Finance sub committee and the Vice Chairman of the Overview and Scrutiny committee. This group met on a monthly basis from February to April with the Corporate Director Children and Families to consider performance in three specific areas:

- Attendance and achievement of Children Looked After
- Delivery of the post Ofsted inspection of Safeguarding and Looked After Children improvement plan
- Delivery of the post Youth Offending Team inspection improvement plan

In June last year we published our interim report of the review undertaken of '**Safeguarding**' services. This review used as its starting point the report from the NHS London Safeguarding Improvement Team visit and considered a number of issues:

- Roles and responsibilities across agencies
- Staff training
- The specific location of health visitors in children's centres
- Working relationships across agencies
- The structure of the Integrated Care Organisation
- Engagement with private providers

The review concluded that:

'there is a clear commitment by all the organisations and officers the review group met with to safeguard children at risk in Harrow. One thing that is clear from what the review group has considered thus far is that children's safeguarding is not just the responsibility of one agency alone but for everyone, from Councillors as Corporate Parents to officers working in seemingly unrelated roles throughout the council'

The review recommended that further work be undertaken in this area once the outcome of the Ofsted inspection of Safeguarding and Looked After Children was known. This will be picked up in our **Child's Journey Through Care** review. We have been joined in this project by Cllrs Gate, Ashton and Macleod Cullinane and our ambition is to help the council to improve the services to our very vulnerable children.



In order to assess performance in this area, we will discuss the definition of 'good' practice and compare our own performance against this. We will also consider some practical case studies of performance by the council and challenge how robustly the service is able to respond to unforeseen circumstances. For example, how do social workers and other officers respond if a child refuses to engage with services or if a social worker moves on or if there is disagreement between professionals as to how a child should be looked-after. In this way we hope to identify any gaps in service provision and help all of the agencies to improve their services for our vulnerable children. Our detailed investigation will commence later in the year and full details of our conclusions will be included in next year's annual report.

Looking to the future

We will continue to monitor the performance of Children and Families Directorate in those areas which appear to have struggled – Youth Offending Team, Children Looked After and schools capacity. We also hope to be able to support the Directorate in any Ofsted inspection which may occur during the year by ensuring that we continue to provide constructive challenge to the Corporate Director and her team.



Councillor Christine Bednell
Policy Lead
Children and Young people



Councillor Zarina Khalid
Performance Lead
Children and young people

Report from the Community Health and Well Being Leads

Our areas of focus

As part of the reorganisation of leads responsibilities, this new portfolio has been created. Whilst it covers the majority of the area for which we previously had responsibility, we have passed consideration of crime and community safety over to our colleagues looking at Environment and Enterprise and we have taken over responsibility for housing issues.

During the year we have considered a number of issues and we summarise these below.

Community consultation and engagement

We have considered two aspects of this:

- *The impact on residents of transfer of care between providers*
Although this is not specifically an issue for the Community Health and Well Being leads, we would like to monitor how effectively health bodies are communicating the changes in health provision to residents, particularly those associated with 'Shaping a Healthier Future' proposals, and what engagement activity is underpinning the changes, in particular with regard to 'emergency' access. We have asked for further information on this.
- *Neighbourhood Incentive Scheme (NIS)*
We are concerned that councillors do not appear to be given sufficient support to deliver effective consultation/engagement when decisions are being made with regard to use of NIS funds. We are thus anxious that this lack of support could mean that we run the risk of creating unnecessary community tensions as we do not discuss proposals effectively with residents. We intend to investigate this further.

Well Being

- *Mental health*
Having considered information provided to us via the corporate scorecard, we have some concerns with regard to services to people in receipt of secondary mental health care. The Overview and Scrutiny committee has identified mental health as an issue which will be further investigated and we have therefore volunteered to participate in this project and to continue to monitor the performance of the specific indicator.
- *Housing*
As we have already explained, our changed brief now includes housing and as such we would like to monitor the implementation of the recommendations of the scrutiny review which was undertaken last year into the provision of private rented sector housing. We are particularly concerned about increasing homelessness in the borough and would like to see more creative approaches to the provision of housing in both the private and social sector.
- *Parks*
We would like to investigate how the borough's parks can be utilised more effectively as health and well being resources. Whilst the parks generally come under the jurisdiction of our colleagues who have responsibility for Environment and Enterprise, we would like to work with them to consider how these valuable community resources can become a focal point for health and well being activities. This is something we will return to next year.

Neighbourhood Champions

We will continue to monitor the implementation of the Neighbourhood Champions scheme. This year we have sought reassurance with regard to how the register of champions is maintained and in particular, what happens when a resident who is a Neighbourhood Champion moves house

Looking to the Future

Next year, Cllr Asante will become the borough's mayor. As such it is possible that our responsibilities may change. However, we will continue to monitor the areas we have highlighted and, in particular we look forward to our involvement in the investigation of mental health provision in the borough.



Cllr Chris Mote
Policy Lead
Community Health and Well Being



Cllr Nana Asante
Performance Lead
Community Health and Well Being

Report from the Environment and Enterprise Leads

This year has seen our policy area altered slightly, in order to better align scrutiny with the new directorate structure of the council. As a result we have gained community safety but passed housing to our Community, Health and Well-being colleagues.

We met with the Corporate Director Place Shaping and the Director of Environmental Services in the first half of the year in order to review the annual service plans and to consider which areas should be our focus. These meetings were followed by a briefing with the new Corporate Director for Environment and Enterprise and we look forward to working with her in the future.

Our areas of focus

Given our broad brief, over the last twelve months we have recognised the need to keep ourselves well informed about our policy area. Our activities have included:

- **Police and crime** – we visited the consultation meeting for Harrow on the Police and Crime Plan 2013-2017 organised by the Mayor's Office for Police And Crime (MOPAC), where we were informed about the MOPAC's goals of a 20% reduction in 7 priority crimes, a 20% boost in public confidence and 20% reduction in spending. Another point of discussion is the planned closure of certain local police station front desks in Pinner and Wealdstone, although the front desk in Pinner is staffed by volunteers. We're currently awaiting a visit to the new war room-style 'Grip and Pace' police coordination centre.
- **Visits to local emergency accommodation (bed and breakfast) as part of the private rented sector review** – visited three bed and breakfasts in the borough where we viewed the accommodation and talked to a number of clients about the size and cleanliness of the accommodation provided. The evidence we gathered fed into the final report of the scrutiny review into Private rented sector housing in Harrow more information is included below and in the Chair and Vice Chairman's report from the Overview and Scrutiny committee.
- **Public Realm/Access Harrow** – this project was delivered in 2011/12. Savings made during 2011 had not impacted materially on service delivery and some of the previous issues around recording had been addressed as a result. We received a presentation in October on the new street based services system with a real-time demonstration on how complaints received by Access Harrow were passed directly to street based Public Realm teams via handheld data devices. This briefing has informed the customer care review, which is still ongoing.
- **Affordable warmth and fuel poverty** – having followed progress on the RE:FIT project and the council's Carbon Reduction Strategy, we have also looked at the new Climate Change Action Plan and Delivering Warmer Homes (HECA) Strategy. We provided detailed comments on the strategy for the Overview & Scrutiny committee in February, where our comments were well received and were referred on to Cabinet for consideration. We were asked by the committee to do further work on the performance indicators included in the strategy and this work is ongoing.

- **Neighbourhood planning and planning consultation** – We were briefed about changes resulting from the introduction of Neighbourhood Planning, which gives neighbourhood groups the opportunity to prepare planning documents. Government subsidy is available to councils to support the costs of neighbourhood planning. The Stanmore Society was the one group that has expressed an interest and after having met with officers, the society will need to decide if it wishes to apply. While no specific efforts had been made to encourage other groups to apply, the council had many pre-existing links with established local groups. In effect, neighbourhood planning was aimed outside London where groups such as parish councils could take on the role. We are keen to look at planning consultation more widely, as we have a number of concerns about how consultation has been conducted on a number of different developments. In order to investigate these concerns further we have asked officers to provide the Performance and Finance committee meeting in April with a report which will consider planning applications, the handover from the planning application to the enforcement stage, the subsequent enforcement and also the relations between the planning department and major developers. After this time we will consider whether we wish to undertake any more formal investigation of performance in this area.
- **Harrow residents' card** – we were briefed on the plans to consider introducing a residents' card, which could be used for a range of purposes by residents such as parking, leisure and retail discounts. We were pleased that the Harrow Card scheme was also discussed in the Overview & Scrutiny committee meeting in February in the context of a larger discussion about parking policy in Harrow. A feasibility study for the card has recently been completed, which will be presented to the Overview and Scrutiny Committee in March. We will continue to monitor the introduction of the card with particular reference to our concerns re potential costs and benefits, implementation and the method of card allocations which we have already highlighted with the Planning and Regeneration Portfolio Holder.
- **Private Rented Sector Review** – we were pleased to participate in this review, which was in part initiated as a result of a request received by us last year from the Divisional Director to consider ways in which the council might work in partnership with the Private Rented Sector (PRS) in future, in the context of the growth of the sector in providing housing for our residents. In particular we were keen that the forthcoming Private Sector Housing Strategy should make links to other major policy areas such as economic development and climate change. The Chairman and Vice Chairman of the Overview and Scrutiny committee highlighted earlier in this report that the Private Rented Sector review was welcomed by both cabinet and officers and all of our recommendations were accepted.
- **Accessible Transport Review** – we are currently participating in this review with three other councillors. As highlighted in the Chair and Vice Chairman's introduction, we have been concerned for some time with regard to the very poor access to public transport available to residents of Harrow who have disabilities. We have considered this as Environment and Enterprise leads during the course of the administration but as we have remained unhappy with performance, we decided to dedicate time to a more detailed investigation. As a part of the review, we will meet with residents of Harrow who have different disabilities and hear their experiences of using public transport as well as meet with officers to discuss how priorities for future developments are determined. We hope that this thorough investigation of the impact of poor accessibility to public transport on our residents' life experiences can help the council to improve provision.

Looking to the future

The Public Realm Integrated Services Model (PRISM) is currently being implemented in the Environment and Enterprise Directorate. PRISM aims to deliver a new organisational approach to providing services, new ways of carrying out current services and a new technology package. Later in the year, we're planning to have a closer look at the impacts PRISM has.

In 2012/13 we have worked to build closer working relationships with the directorate. We would like to build on this by establishing more regular briefings with the Corporate Director, including regular review of the directorate scorecard and progress against the service plan.



Councillor Stephen Wright
Policy Lead
Environment and Enterprise



Councillor Sue Anderson
Performance Lead
Environment and Enterprise

DRAFT

Report from the Resources Leads

Our areas of focus

We have continued to meet with the Corporate Director of Resources and the Assistant Chief Executive to monitor issues of importance within the Resources Directorate. In particular, we are pleased to have been appraised of the merger of the Chief Executive's office, Legal and Democratic Services and the Corporate Finance function which has brought about very significant changes and resulted in the establishment of the Resources Directorate. We are grateful for the support we have received from officers and we wish the Corporate Director of Resources well as she leaves the authority in the summer.

In December, we were briefed on issues arising from the Resources Directorate commissioning panel priorities. These included:

- Channel migration in Access Harrow
- Changes in the IT systems
- Reduction in committee services support
- Additional growth pressures

We have agreed that we will continue to monitor these issues, particularly the impact of channel migration in Access Harrow.

Our primary focus this year has been in two specific areas:

- Debt Recovery
- School Place Planning

Debt Recovery

With regard to Debt Recovery, we note that the council intends to incorporate the findings from our review into the wider project currently underway to consider implications of the Government's welfare reform proposals. We are extremely concerned about the potential impact of these reforms on our residents' capacity to pay their bills and as such, we are even more determined to press the council to adopt the primary recommendation from the Debt Recovery review which we undertook in 2011. This recommendation urged the council to implement some form of 'check' in the debt recovery process which can institute a 'pause' in the process before bankruptcy proceedings are instigated. In this way we would hope that the devastating impact of bankruptcy is only applied to those of our residents who 'won't pay' rather than to those who 'can't pay'.

Our concerns about the likely numbers of people seeing themselves at the wrong end of the council's debt recovery process have also been exacerbated by the assumptions which have been made in the budget with regard the numbers of people the council is assuming will be able to pay all or part of the Council Tax for the first time. We are very concerned that the high assumption will mean that we will see increased numbers of people going through the debt recovery process in order to safeguard the council's finances. We are also concerned that the sums pursued via this process will be comparatively small, especially when set against the cost of pursuing the debt. Again, whilst we have no issue with the processes being applied to those of our residents who are refusing to pay, we hope that the mitigations we proposed in our review can safeguard the more vulnerable of our residents who are unable to pay these new bills.

We will continue to monitor both the impact of the welfare reforms on the council and the implementation of the Council Tax support scheme and we look forward to being briefed on the outcome of the council's welfare reform work and how the recommendations we made in our review have been able to influence this.

School Place Planning

During the year, we continued to investigate the capacity of our schools. We have received a number of briefings which explain the process by which our schools' capacity is determined but we remain concerned that the borough does not have sufficient space in future to support our young people. This is particularly exacerbated by the development of academies which will be more difficult to influence in terms of short term expansions or 'bulge classes'.

Whilst on the face of it this issue appears to be of greater relevance to our Children and Family colleagues, we feel that the availability of place for education is a resource issue for the council and as such we will continue to seek reassurance that we are able to provide sufficient places to education our children. We will continue to discuss this with officers.

Looking to the future

Next year will be the final year of the current administration and we hope to conclude the projects which we started during our time as the Resources leads, particularly to influence the council's approach to debt management. We would also like to explore the council's capital debt and pension liabilities. Our final report, next year, will outline our findings in this area.



Cllr Jerry Miles
Policy Lead
Resources



Cllr Tony Ferrari
Performance Lead
Resources

Scrutiny Member Development Activities

Member development activities for scrutiny members that focus on generic skills and knowledge, useful to members in their roles as effective councillors, are incorporated and delivered through the corporate member development programme. Member development activities specific to scrutiny members are detailed further below.

Skills training on performance and finance scrutiny

In October we trialled a session on *Finding out what you need to know: how to get the best out of performance information*. This session covered:

- Key principles – stressing the power of the basic question and no need for specialist technical skills
- Background to the council's performance management cycle and P&F
- Some health warnings about data and some information on quartiles, value for money and data presentation
- Understanding scorecards – information on how to read a Harrow scorecard, explaining the columns and terms such as status, thresholds and polarity
- Understanding scorecards – an exercise where data was revealed quarter by quarter and Members discussed areas of concern
- Practical examples – some real examples of how P&F has used and challenged performance information.

The session was well received and we plan to offer it to new councillors after the next election.

Centre for Public Scrutiny Regional Scrutiny Support Programme

Harrow scrutiny contributes to, and is a participating authority, in the CfPS Regional Scrutiny Support Programme. As part of this, Harrow scrutiny members have attended member development events on the following subjects:

Effective Scrutiny in a Brave New World (October 2012)

This event aimed to:

- Support and encourage networking and joint/cross-borough activity across London;
- Enable members to share experiences, identify innovative approaches and good practice, and explore how scrutiny can be most effective; and
- Promote and defend the role of scrutiny and support members at a time of change and limited resources

Getting Maximum Value from Scrutiny (March 2012)

This event was a practical session, giving more time for participants to engage in group work, share views and experiences, identify challenges and examples of good practice, and learn about ways of making scrutiny more effective.

Participants attended one of two workshops:

- choosing what to scrutinise;
- getting the most from questioning in the scrutiny session.

Looking Ahead

Next year is the final year of the 2010/14 administration and whilst there may not be a significant amount of member development planned for current members, the scrutiny team will be working to devise a programme of events which will support new councillors following the elections in 2014. Current scrutiny members will play a vital role in devising this programme

DRAFT

Report from the Call-In Sub-Committee

On **1st October 2012** the Call-In sub committee met to consider the decision made by cabinet with regard to the Public Realm Integrated Services Model taken on 13th September that:

'(1) the implementation of the Transformation Project for the Public Realm Integrated Services Model, as set out in the Full Business Case, be agreed;

(2) the Corporate Director of Environment and Enterprise, in liaison with the Portfolio Holder for Environment and Community Safety, take the necessary actions to implement the Project.'

The decision had been called-in by nine Members of the Council and 150 members of the public

The call in was made on the grounds that:

- Inadequate consultation took place with stakeholders prior to the decision
- There was an absence of adequate evidence on which to base a decision
- There had been insufficient consideration of legal and financial advice

The sub committee resolved unanimously that:

- 1) The call in on the grounds that inadequate consultation took place with stakeholders prior to the decision not be upheld
- 2) The call in on the grounds that there was an absence of adequate evidence on which to base a decision not be upheld
- 3) The call in on the grounds that there had been insufficient consideration of legal and financial advice be upheld, as there was no evidence of legal advice having been provided or considered in the body of the Part One report.
- 4) That cabinet give consideration to the inclusion of a paragraph on 'Legal Implications in the Cabinet report template

On **6th December** the Call-In sub committee met to consider the decision made by Cabinet on 22nd November that:

'(1) having considered the proposed terms which have been negotiated, provisionally agreed and recommended by officers, Option 1¹, set out in the report, be agreed;

(2) the Corporate Director of Place Shaping, in consultation with the Portfolio Holder for Property and Major Contracts, be authorised to conclude contractual arrangements on the basis of Option 1 and the heads of terms set out in the report.'

The decision had been called in by 9 Members of the Council.

The call in was made on the grounds that:

- Inadequate consultation took place with stakeholders prior to the decision
- There was an absence of adequate evidence on which to base a decision
- There had been insufficient consideration of legal and financial advice

¹ Option one -

The sub committee resolved by a majority decision that

- 1) The call in on the grounds that inadequate consultation took place with stakeholders prior to the decision not be upheld
- 2) The call in on the grounds that there was an absence of adequate evidence on which to base a decision not be upheld

And unanimously that:

- 3) The call in on the grounds that there had been insufficient consideration of legal and financial advice not be upheld



Cllr Jerry Miles
Chairman Call-In Sub-Committee



Cllr Paul Osborn
Vice Chairman Call-In Sub-Committee

DRAFT

Conclusion

Our purpose and the challenges which we face in delivering this remain the same: The significant reductions in public sector spending and the associated reductions in service delivery mean that the effectiveness of scrutiny in ensuring that the right decisions are being made is paramount. We will continue to rise to this challenge and to support the organisation to make the right decisions in these very difficult times.

Contact us

There's lots of ways of getting in touch with Harrow's scrutiny function:

- Our web pages can be found at www.harrow.gov.uk/scrutiny
- Our Facebook page can be found here <http://www.facebook.com/pages/Scrutiny-in-Harrow/205146626189923>
- Our Twitter page can be found here <https://mobile.twitter.com/account>
- You can email us at scrutiny@harrow.gov.uk
- You can phone us on **020 8420 9387**
- Our address is:
Scrutiny
3rd Floor Civic Centre 1
Station Road
Harrow
HA1 2XF

Appendix One: Satisfaction Survey – Results and Responses

DRAFT

**EXTRAORDINARY COUNCIL
23 MAY 2013**

**CABINET RECOMMENDATION
(11 APRIL 2013)**

**RECOMMENDATION I: FINANCIAL PROCEDURE
RULES**

This page is intentionally left blank

CABINET MINUTES

11 APRIL 2013

Chairman: * Councillor Thaya Idaikkadar

Councillors:

* Bob Currie	* Phillip O'Dell
† Margaret Davine	* David Perry
* Keith Ferry	* Sachin Shah
* Mitzi Green	† Bill Stephenson
* Graham Henson	

In attendance: Susan Hall Minute 624
(Councillors) Barry Macleod-Cullinane Minute 624

* Denotes Member present
† Denotes apologies received

RECOMMENDED ITEMS

627. Financial Procedure Rules

The Portfolio Holder for Finance introduced the report, which proposed updated Financial Procedure Rules for the Council, which had also been considered by the Constitution Review Working Group. He outlined some of the key changes made.

The Director of Finance and Assurance reported that the changes accorded with best practice.

Resolved to RECOMMEND: (to Council)

That the existing Financial Regulations be replaced with the revised set of Financial Procedure Rules.

Reason for Decision: It has been the duty of the Chief Financial Officer (CFO) to maintain an up to date set of Financial Procedure Rules. The current Financial Regulations were agreed by Cabinet on 3 November 2011 and required updating to ensure that the Council had effective governance arrangements in place.

Alternative Options Considered and Rejected: As set out in the report.

Conflict of Interest relating to the matter declared by Cabinet Member / Dispensation Granted: None.

[Call-in does not apply as the decision is reserved to Council.]

Appendix One – Revised Financial Procedure Rules, 11 April 2013

1. Purpose

- 1.1 The purpose of this document is to set out the Financial Procedure Rules of the Council having due regard to the overall regulatory framework of the Local Authorities, as well as to Harrow's own approach to financial management.
- 1.2 To conduct its business effectively, the Authority needs to have sound financial management policies in place that are strictly adhered to. Part of this process is to adopt and implement Financial Procedure Rules. The Regulations contained herein have been drawn up to ensure the financial matters of the Authority are conducted properly, reflect the application of best practice and the requirements of legislation. These include but are not restricted to:
- a. S151 Local Government Act, 1972;
 - b. S113 Local Government Finance Act, 1988;
 - c. S114 and S114 (7) Local Government Finance Act, 1988;
 - d. Local Government Act, 2003 (England and Wales);
 - e. Proceeds of Crime Act, 2002, as amended by the Serious Organised Crime and Police Act 2005 (POCA);
 - f. Accounts and Audit (England) Regulations, 2011 – DCLG;
 - g. Approved Accounting Standards – International Accounting Standards Board
 - h. Code of Practice on Local Authority Accounting – CIPFA;
 - i. Code of Practice on Internal Audit – CIPFA;
 - j. Public Sector Internal Audit Standards – CIPA and IIA;
 - k. Code of Recommended Practice for Local Authorities on Data Transparency – CLG;
 - l. Money Laundering Regulations, 2007;
 - m. Prudential Code for Capital Finance in Local Authorities – CIPFA ;
 - n. Service Reporting Code of Practice – CIPFA;
 - o. Statement on the Role of the Chief Financial Officer – CIPFA;
 - p. Standing Guide to Commissioning Local Authority Work and Services – CJC;
 - q. Statement on the Role of the Finance Director in Local Government – CIPFA (2010);
 - r. Treasury Management in the Public Sector Code of Practice – CIPFA
- 1.3 They also seek to reinforce the standards of conduct in public life required by the Authority of its members and officers, and in particular the need for openness, accountability and integrity.

2. Status

2.1 Financial Procedure Rules provide the framework for managing the authority's financial affairs and form part of the Authority's constitution. They apply to every Member and officer of the authority. The Financial Procedure Rules should not be seen in isolation, but rather as part of the overall regulatory framework of the Authority that includes the role of committees, codes of conduct for members and officers, schemes of delegation and standing orders for tenders and contracts, as well as detailed procedure guides. The role of the Chief Finance Officer is defined in detail in the Council's Constitution.

2.2 Compliance with Financial Procedure Rules is mandatory. Breaches of Financial Procedure Rules of a serious nature may result in disciplinary proceedings. Breaches shall be reported in the first instance to the CFO who will decide what further action needs to be taken, in consultation with the Monitoring Officer

4. CONTENTS

Section A	Financial Management Framework	p 2
Section B	Financial Management,	p10
Section C	Corporate Governance, Risk Management & Control of Resources	p20
Section D	Financial Administration	p37
Section E	External Relationships	p49
Section F	Delegated Limits	p53
Section G	Glossary	p61

References are made throughout the individual sections to delegated limits of authority. The actual value of each limit is contained in Section F in order to avoid reviewing the whole set of Financial Procedure Rules when changes to delegated limits are requested.

Section A - Financial Management Framework

A1 Financial management covers all financial accountabilities in relation to the running of the authority, including the policy framework and budget.

POLICY FRAMEWORK

Roles and Responsibilities

A3 These are described in Article 4 part 3 A of the Constitution

THE STATUTORY OFFICERS

A4 The role and responsibilities of the Statutory officers are laid out in Article 12 of the constitution.

Directors:

A5 For the purpose of these regulations only, Directors includes the Chief Executive, all Corporate Directors, Directors and Divisional Directors and Heads of Maintained Schools.

A6 Directors are responsible for ensuring that executive members are advised of the financial implications of all proposals and that the financial implications have been agreed by the CFO

A7 It is the responsibility of Directors to consult with the CFO and seek approval on any matter liable to affect the authority's finances materially, before any commitments are incurred. They must also provide the CFO with the access they require to all locally held financial records and systems.

A8 Directors' responsibilities also include:

- ensuring their staff including consultants or temporary staff are aware of the existence and content of the authority's Financial Procedure Rules and other internal regulatory documents and that they comply with them;
- notifying the CFO of any situation that may create a contingent liability, potential claim or an overspend of their budget;
- signing contracts on behalf of the Council within the approved Officers' Scheme of Delegation and Contract Procedure rules;
- Complying with any Council wide spending restriction protocol determined by the CFO;
- ensure that there is an effective management hierarchy and budget management.

A9. A delegation in Financial Procedure Rules to a Chief Officer shall permit further delegation to other officers, provided that the terms of the delegation are clearly documented and authorised. Directors remain accountable for their operation.

Head of Internal Audit

A10 The Head of Internal Audit is a senior manager who heads the Internal Audit Service. They must be professionally qualified and suitably experienced. They support the delivery of the Council's strategic objectives by providing objective scrutiny and advice and

championing best practice on all aspects of governance, risk management and internal control.

Other Accountabilities

Virement

A11 The full council is responsible for agreeing procedures for virement of expenditure between budget headings.

Treatment of year-end balances

A12 The full council is responsible for agreeing procedures for carrying forward under- and overspendings on budget headings.

Accounting policies

A13 The CFO is responsible for selecting accounting policies and ensuring that they are applied consistently.

Accounting records and returns

A14 The CFO is responsible for determining the accounting procedures and records for the authority.

The annual statement of accounts

A15 The CFO is responsible for ensuring that the annual statement of accounts is prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom and in accordance with statutory deadlines.

A16 The Audit Committee is responsible for approving the annual statement of accounts within the statutory deadlines.

Budget Holders

A17 Budget holders are responsible for their delivery and monitoring of their service revenue and capital budgets and achieving the level of service/performance required to be delivered within them.

Individual's responsibilities

A18 All employees involved with finance should be aware of the regulations and relevant procedures for their work area. If an officer is unclear about some aspect of these rules they should seek advice before acting from their line manager, Finance Business Partner or Head of Internal Audit or Risk Management.

A19 All members and staff have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, is properly authorised and provides value for money.

Schools

A20 Delegated budgets of schools, in accordance with the Schools Standards and Framework Act 1998, remain part of the authority. The statutory responsibilities of the CFO apply to schools in the same way as any other part of the Council.

A21 Financial Regulations issued by the Council applying to maintained schools which differ from those issued to Directors must be agreed with the CFO and the relevant statutory bodies. Where there is a conflict between the Councils approved Financial Procedure Rules and the schools statutory financial framework, such as the Schools Financial Value Standards or the Scheme for Financing Schools, the statutory frameworks shall apply.

B. Financial Management

B1 Financial management covers all financial accountabilities in relation to the running of the authority, including the policy framework and budget.

Policy Framework

B2 The full council is responsible for agreeing the authority's policy framework and budget, which will be proposed by the executive. In terms of financial planning, the key elements are:

- the corporate plan;
- the revenue budget and;
- the capital programme.

B3 The full council is responsible for approving the policy framework and budget. The Local Government Act 2000: Guidance to English Local Authorities includes an obligation for the adoption or approval of specified plans and strategies of the local authority. The Regulations also allow local authorities to specify additional plans or strategies (statutory or non-statutory) to be adopted or approved by the full council. The detailed policy framework can be found in Article 4 of the Constitution.

B4 All members and officers have a duty to abide by the highest standards of probity dealing with financial issues. This is facilitated by ensuring that all officers are clear about the standards to which they are working and the controls that are in place to ensure that these standards are met.

B5 Members and the CFO shall receive updates on the financial performance of the Authority by receiving regular budget monitoring and outturn reports, and also the annual External Audit management letter.

B6 The Head of Paid Service will ensure there is an effective performance management framework in place that brings together financial and non-financial information in a meaningful way to assist financial planning and management.

B7 The CFO shall ensure that all officers:

- Are aware of, and comply with, proper financial management standards, including these Financial Procedure Rules;
- Are properly managed, developed, trained and have adequate support to carry out their financial duties effectively.

B8 Directors shall ensure that specific duties and responsibilities in financial matters are made clear to individual officers and that these are properly recorded. This includes ensuring that Financial information is made available to the CFO to enable accurate and timely monitoring and reporting of comparisons of national, regional and local financial performance indicators.

B9 All officers, but especially the statutory officers should be mindful of the 'Wednesbury' rules which emphasise the importance of ensuring that when developing policy all relevant matters are properly considered.

Financial Planning

B10 The Head of paid service will ensure that there are processes in place to develop corporate priorities, a corporate strategy and directorate service plans.

B11 The CFO will ensure that procedures are in place for an integrated financial planning process, linked to the corporate strategies and service plans.

B12 The annual Budget and MTFs, capital programme, Treasury Management Strategy and Housing Revenue Account are agreed by the Cabinet for consultation with stakeholders according to the statutory timetable. The Council must agree the final budget prior to the 31st March and in accordance with the statutory deadlines.

Medium Term financial Strategy (MTFS)

B13 The CFO shall ensure that there are sound medium to long term financial plans for both revenue and capital and that these are subject to regular review, including the continuing relevance of the underlying assumptions.

B14 The CFO shall determine the format of the Medium Term Financial Strategy to be presented to the Authority, in consultation with the Head of Paid Service. The format is to comply with all legal requirements and with latest guidance issued by CIPFA.

B15 The CFO is responsible for issuing financial planning guidance, co-ordinating the MTFs process, ensuring that it is integrated with service planning and that there is effective consultation with members, officers and other stakeholders. He/she is ultimately responsible for ensuring that a lawful budget is approved by Council.

B16 The CFO shall ensure that roles and responsibilities in budget development, management and monitoring are clear and that there is adequate financial advice and support to officers and members.

B17 The CFO, in consultation with Directors, is responsible for providing timely advice on the available funding options for the budget for at least three years after the current financial year. This includes advice on central government funding, capping, general grant, fees and charges and other grants, options for borrowing and appropriations to and from reserves and use of provisions, based upon an interpretation of government funding assumptions and the information available at that time. This will include potential implications for local taxation.

B18 The CFO will actively seek to increase and diversify the authority's resource base, within an appropriate risk management strategy.

B19 It is unlawful for an authority to set a deficit budget. Under section 25 of the Local Government Act 2003 the CFO is responsible for advising the Cabinet and the Council on the robustness of the budget and on the adequacy of the levels of reserves.

B20 Directors are responsible for responding to the guidance, meeting deadlines, drafting integrated service and financial plans, and identifying and quantifying issues and risks which have an impact on the budget over the medium term.

B21 Directors have overall responsibility for ensuring that their proposals are robust and that they have identified all of the issues and for giving this assurance to the CFO. This will include:

- § policy requirements approved by the Authority as part of the policy framework;
- § unavoidable future commitments, including legislative requirements;
- § initiatives already underway;
- § spending patterns and pressures revealed through the budget monitoring process;
- § proposed service developments and plans which reflect public consultation;
- § the need to deliver efficiency and/ or productivity savings;
- § government grant allocations and other external income;
- § revenue implications of the draft three year capital programme;

B22 Directors must ensure that the guidelines and associated instructions are fully cascaded through their service managers so that all budget managers understand and are involved in the budget setting process from bottom up.

B23 Given that there is likely to be a gap between available resources and required resources, Directors must ensure that spending plans are prioritised carefully.

Capital Strategy

B24 The CFO will revise annually, in consultation with Directors, the corporate Capital Strategy within the agreed timetable. The strategy will cover a minimum of four years and should show how capital investment will be prioritised to deliver the authorities objectives and priorities. The CFO will seek member approval for the Capital Strategy in line with the Scheme of Delegation.

B25 Directors will contribute to the development of the Capital Strategy within the corporate deadline and will ensure it is consistent with Directors' other plans and strategies.

Annual Revenue Budget Preparation and Approval

B26 The budget is the financial expression of the Council's plans and policies. The Council has adopted an integrated planning framework to ensure that the corporate plan and MTFs are developed in tandem.

B27 The format of the annual budget determines the level of detail to which financial control and management will be exercised and shapes how the virement rules operate. The general format of the Budget will be approved by the Council on the advice of the CFO. The proposed budget will include allocations to directorates at service level, proposed taxation levels, contingency funds and allocations to reserves and balances.

B28 The Executive must before 31st January each year approve the Council tax base for the following financial year. The CFO will inform precepting and levying bodies of the approved Council tax base.

B29 The CFO will determine the probable Collection Fund surplus or deficit for the year, notify precepting bodies, and report to the Executive before the 15th March.

B30 The Executive will make recommendations to the Council regarding the annual budget for the following financial year and the Council tax required to finance it, including any prudential borrowing.

B31 At a meeting on or before 10 March each year, the Council will approve the budget and any prudential borrowing proposal and set the resulting Council tax for the following financial year.

Format of the Annual Budget

B32 The format of the budget determines the level of detail to which financial control and budget management will be exercised.

B33 The CFO will:

- Advise members on the format of the budget to be proposed by the executive to be approved by full Council in accordance with statutory requirements. The draft budget should include allocations to different services and projects, proposed taxation levels and contingency funds;
- Determine the detailed form of revenue and capital estimates and the method for their preparation. They shall be consistent with the approved budget.

B34 Directors will comply with the guidance issued by the CFO and provide the information required to produce a balanced budget, in the format and to the timescales specified.

Budget preparation

B35 The CFO is responsible for ensuring that a revenue budget is prepared on an annual basis and consistent with the MTFS, before submission to the full council.

B36 The full Council may amend the budget or ask the executive to reconsider it before approving it.

B37 The CFO is responsible for issuing guidance on the general content of the budget as soon as possible following approval by the full Council. They will ensure that:

- The Budget format will be consistent with statutory and CIPFA guidance and will be on a Total Cost basis. All expenditure budgets and revenue costs must be gross, and not reduced by any income, even where the income is in respect of a successful insurance claim or other reimbursements or abatements of expenditure;
- A Corporate Budget Book is issued at the start of each financial year at an appropriate level of detail;
- The revenue budget will be presented and approved at service level by full Council following the recommendation by the Cabinet and having considered the advice of the CFO. This will determine the level of detail to which financial control and management can be exercised.

B38 It is the responsibility of Directors to ensure that budget estimates reflecting agreed service plans are submitted to the executive and that these estimates are prepared in line with guidance issued by the CFO.

Preparation of the Capital Programme

B39 Capital expenditure, involves the acquisition, creation or the significant enhancement of fixed assets with a long-term value to the Authority, such as land, buildings, and major items of plant, equipment, vehicles or intangible assets such as IT systems or software licences. Capital assets shape the way services are delivered for the long term and create financial commitments for the future in the form of financing costs and revenue running costs.

B40. Any expenditure on a single capital item, or a group of similar items within a financial year, that totals less than the capital de minimis outlined in Section F, is to be treated as revenue.

B41 The CFO is responsible for:

- producing an annual capital strategy for approval by the Cabinet and Council;
- setting up procedures under which capital expenditure proposals are evaluated and appraised to ensure that value for money is being achieved;
- ensuring that a Medium-Term Capital Programme is prepared annually which is derived from the Capital Strategy, the Asset Management Plan, and the evaluation process;
- that the capital programme is consistent with corporate, service and asset management objectives and priorities;
- that there is a robust process for scrutinizing the capital schemes to be added to the capital programme;
- that the programme is fully funded and is affordable and sustainable in accordance with the Prudential Code;
- setting up procedures for corporate monitoring of all sources of capital funding;
- That the tax implications of significant capital schemes are considered, including the impact on the VAT partial exemption calculation;
- That the revenue implication of capital schemes are included in the Budget and MTFS.

B42 The inclusion of a scheme in the approved Capital Programme does not imply automatic approval to spend. These can be subject to meeting further criteria relating to the objectives, cost or funding confirmed through the governance process. Directors must ensure that all necessary levels of approval in accordance with the associated financial procedure note have been obtained for projects to proceed.

B43 Directors are responsible for ensuring that where a project is dependent on external funding, it must not proceed until there is confirmation that this has been secured and the grant conditions can be met.

B44 In all cases Directors must follow the Procurement Contract Procedure Rules before expenditure is incurred.

Budget Amendment

B45 Approved revenue budgets, subject to legislative limitations, may be amended during a financial year in the following circumstances:

- a) virements in accordance with the Scheme of Virement;
- b) underspendings approved for carry forward from previous years in accordance with approval guidelines;
- c) supplementary requests from General Fund reserves or the Council Contingency Funds with the approval of the Cabinet Member for Finance or full Cabinet;
- d) grants, in accordance with the scheme of virement.

B46 Where the responsibility for a service is transferred from one department to another, the Director of Finance will transfer the appropriate resources in consultation with the relevant chief officer(s) and report to the Executive at the earliest opportunity.

B47. The CFO will provide a schedule of revenue grants as part of the overall budget proposals to the Council. Capital grants are shown in relation to the capital programme. All grants including new grants received in year will be reported to the Cabinet via the quarterly financial monitoring.

Scheme of Virement

B48 A virement is a planned movement of resources between approved budgets that leaves the overall Authority revenue and capital budget unchanged. Ad-hoc virements during the year are generally discouraged, especially where they relate to temporary adjustments. The financial Limits for the scheme of virement are outlined in Section F and are intended to enable the Directors to manage their service budgets with a degree of flexibility within the overall policy framework determined by the Authority.

B49 The exceptions to the above framework that are not allowed are:

- (a) provisions included within departmental budgets on the instructions of the CFO, e.g. insurance, capital and depreciation charges, leasing costs, transfer payments, central support service recharges and revenue expenditure funded from capital etc, can only be vired by the CFO;
- (b) virement between capital and revenue;
- (c) virements between an income budget line and an expenditure budget line require the approval of the CFO, as they change the revenue commitments of the Authority;
- (d) Budget variances that apply to the current year only. These should generally be reported as a Variance in the monthly forecast;
- (e) Between salaries and non salaries budget heads unless supported by a properly approved amendment to the establishment.

B50 All requests for virement must be made in the format and at a time prescribed by the CFO. All virements require the approval of the CFO. The CFO who will keep a record of all virements and provide a summary report on the approved virements at least quarterly to the Corporate Management Team and the Executive.

B51 For the purposes of the financial limits outlined in Section F virements between the budget heads within the same financial year must be aggregated.

Budget Monitoring and Control

B52 The CFO is responsible for providing appropriate financial information to enable budgets to be monitored effectively and for presenting consolidated monitoring reports to the executive on a regular basis.

Overview and Control

B53 Budget management is a continuous process that ensures the approved resources are used for their intended purpose and are properly accounted for, subject to virement rules. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.

B54 The Authority itself operates within an annual cash limit, approved when setting the overall budget. To ensure that the Authority in total does not overspend, each budget holder is required to manage expenditure within their budget allocation, subject to the rules of virement.

B55 Management of budgets must not be seen in isolation but in conjunction with service outputs and performance measures, which bring together financial and non-financial information in a meaningful way.

Revenue Budget Monitoring

B56 The CFO has overall responsibility for ensuring that there are appropriate systems in place to ensure that relevant, accurate, complete and timely budgetary control information is received by budget holders, Directors and members. The process will include reporting the financial position relative to the revenue budget and capital programme to the Corporate Strategy Board (CSB) and the Cabinet on a regular basis.

B57 Directors must ensure that there is a clear allocation of responsibility for revenue budgets at cost centre level and capital schemes within their areas. Budget responsibility should be aligned as closely as possible to the decision making that commits expenditure.

B58 Directors have authority to incur expenditure on the approved policies and activities of the Council where financial provision exists in the approved budget for the year. The scheme of delegation is included at Section F. It sets out the limits for authorising financial transactions. Directors should ensure that they properly record any local delegations specific to their service area.

B59 Directors are responsible for ensuring that they manage expenditure within the total net budget for their services. Over spends and under spends relative to the approved budget should be formally reported as soon as they are known and closely monitored. At the same time corrective action to be taken by managers should be identified. Budget monitoring should reflect the level of risk associated with particular budgets.

B60 Directors and Budget Holders should monitor and report on significant and overall income performance at each monthly reporting interval with the same rigour as applied for expenditure monitoring. Income should be tracked each month to ensure overall income forecasts are likely to be met and to respond to any changes in income with either service or charge alterations.

Capital Monitoring

B61 The CFO is responsible for the preparation, review and monitoring of the capital programme. The CFO must ensure that all capital proposals are supported by option appraisals; robust costed business cases including whole life costing in accordance with proper governance arrangements as set out in the financial procedures. The size and substance of a capital scheme will determine the degree to which the Council's mandatory project management approach will be applied.

B62 Changes to the approved programme must be reported to the Cabinet for approval in accordance with the scheme of delegation.

B63 Directors are responsible for supplying accurate capital forecasts in the manner and to the timetable determined by the CFO, which identify and explain variances and clearly identify slippage."

Carried Forward Balances

B64 A year end balance is the amount by which actual income and expenditure varies from the final budget, normally identified down to budget holder level. In general unspent balances will not be carried forward, except with the permission of the CFO. Unspent balances will only be considered for carry forward where:

- the Council's revenue/capital budget is not overspent in total;
- reserves and balances are at an appropriate level; or
- all other commitments will have to be accommodated within the new year budget.

Statement of Accounts

Accounting Policies

B65 The CFO is responsible for the preparation of the authority's Statement of Accounts for each financial year ending 31 March, within the statutory deadline, in accordance with proper accounting practices as set out in the *Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC)*,

B66 key controls for accounting policies are:

- (a) systems of internal control to ensure that financial transactions are lawful;
- (b) suitable accounting policies are selected and applied consistently;
- (c) proper accounting records are maintained, and
- (d) financial statements are prepared which present fairly the financial position of the authority and its expenditure and income.

Responsibilities of the CFO

B67 To ensure detailed guidance is issued to Directors each year to ensure that the relevant information is collected and that the statutory deadline is achieved.

B68 To draw up a comprehensive timetable for final accounts preparation in accordance with statutory timetables, in consultation with the Head of Paid Service and the external auditor;

- To select suitable accounting policies in order to comply with professional guidance and to ensure that they are applied consistently;
- make judgements and estimates that provide a true and fair view of the authorities financial position and are both reasonable and prudent;
- comply with the relevant Code of Practise on Local Authority Accounting;
- prepare, sign and date the statement of accounts, stating that it presents fairly the financial position of the Authority at the accounting date and its income and expenditure for the financial year just ended;
- publish the approved and audited accounts of the Authority each year, in accordance with the statutory timetable;

B69 The CFO will ensure that the accounts are subject to external audit, to provide assurance that the accounts have been prepared properly, that proper accounting practices have been followed and that high quality arrangements have been made for securing economy, efficiency and effectiveness in the use of the authority's resources.

B70 The Governance, Audit and Risk Management Committee has specific responsibility for approving the statutory annual statement of accounts.

B71 The CFO is responsible for implementing appropriate accounting policies which comply with statutory requirements and codes of practice, ensuring that they are applied consistently and are set out in the statement of accounts.

Accounting Records and Returns

B72 Directors shall be responsible for ensuring that records are carefully and systematically filed and retained for inspection by the CFO, Internal and External Audit or Government agencies (e.g. HM Revenue and Customs).

B73 Accounting records should be retained for a period of 6 years plus the current financial year, unless otherwise instructed by the CFO. The advised minimum periods for the retention of financial records are set out below:

- mortgages, bonds, stocks and other holdings, insurance, contracts, pension information and transfer values should be held indefinitely;
- PFI contracts should be retained for the period of the contract plus 12 years;
- other contract documents including the final account where the contract is under seal should be retained for 12 years.

Finance Comments on Reports

B74 The CFO is responsible for monitoring the quality of the financial implications information included in Committee Reports, Scrutiny reports and other formal reports by Directors and providing financial comments where there are implications such as corporate revenue or capital resources requirements.

B73 Directors are responsible for ensuring:

- Suitable options appraisal are carried out in relation to all significant policy issues;
- that financial implications in the current and future years are identified in all relevant reports and that such financial implications are agreed by the CFO and are in accordance with virement rules;
- that where reports impact on other directorates or have implications for corporate resources, financial implications comments are requested from them and/or the CFO sufficiently in advance of reporting deadlines;
- the financial implications in reports are reflected in current budgetary provisions and in the agreed Budget and MTFS.

C. Corporate Governance, Risk Management and Control of Resources

C1 It is essential that robust, integrated systems are developed and maintained for identifying, evaluating and managing risk to the authority. This process should be integrated with the Financial Planning and Business Planning process.

Treasury Strategy

C2 The CFO will ensure that an Investment or Treasury Strategy is prepared, formally agreed in line with the constitution and published annually before 31 March. The strategy will comply with statutory regulation, including that issued under section 15(1)(a) of the *Local Government Act 2003* (CLG Investments Guidance) and the CIPFA Treasury Management Guide. In particular:

- a) the investment priorities should be security and liquidity. Yield should be considered but only within the properly established security and liquidity levels;
- b) the Investment strategy should go to the full Council at the start of each year and reviewed mid-year, or more often should market conditions require it;
- d) it should comment on the use of credit ratings and of any additional sources of information on credit risk;
- e) It should comment on the use of treasury management advisers;
- f) It should contain the training programme for officers and members;
- f) Strategies should comment on the investment of money borrowed in advance of spending need;
- g) It will include a policy in regard to Minimum Revenue Provision.

Pensions Governance

C3 The CFO will publish annually a Pensions Report by the statutory deadline that sets out the Council's approach to meeting its pensions obligations and for the efficient administration of the scheme.

C4 The CFO must ensure that a Pension Funding Strategy is published whenever there is a significant or material change.

Asset Management Plan

C5 The Corporate Director of Environment and Enterprise is responsible for corporate asset management. They should maintain adequate asset management plans (AMPs) for Schools, Housing and Corporate assets. These plans should show the number and value of the assets held, how assets are used and whether they are operational or non-operational, running costs, the condition of assets and the maintenance required. The plans will inform the Council's capital and revenue budget strategy and disposals policy.

C6 The CFO must ensure that the Asset Management Plans are supported by detailed asset registers and accurate valuations. The registers are used as a day to day management tool and to provide information for the Council's accounts and insurance purposes.

C7 Directors must ensure that records and assets are properly maintained and securely held. They should also ensure that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place in line with Corporate Policy. Directors must supply the information required by the CFO.

C8 Budget holders are responsible for ensuring that all assets in their control are appropriately maintained, clearly identified and marked as property of the Council where appropriate. No Council asset should be subject to personal use by an employee without prior authorisation from their Chief Officer.

Projects and Programmes

C9 The Director for Customer Service and Business Transformation Programme (BTP) is responsible for issuing guidance on the preparation of business cases and programme management.

C10 Directors are responsible for ensuring that programmes are conducted using the Council's mandatory project and programme management approach. The degree to which the approach will be applied will be determined according to the limits defined in the procedure guidance notes.

C11 Directors must obtain the agreement of the CFO as to the expenditure and funding for all new schemes not included in the approved budget or capital programme and submit to Cabinet for approval. See Section F.

Leasing arrangements

C12 Property leases may constitute a capital liability. Directors shall notify the CFO of all proposed property leases or renewals before any agreement is made and these shall be included in the proposed capital programme. Any lease with a value, or term, above the limits set out in Section F shall be approved by Cabinet.

C13 Directors must not enter into credit arrangements, such as leasing agreements, without the prior approval of the CFO and, if applicable, approval of the scheme should be included as part of the capital programme.

C14 The CFO shall be responsible for the evaluation and arrangement of all Capital financing facilities. This excludes the short term hiring of equipment for periods of less than 12 months.

C15 The Budget Holders must take appropriate advice from Finance and Legal before entering into a lease agreement.

Contingent Asset and Liabilities

C16 The CFO must maintain a register of contingent assets and contingent liabilities and review these at least annually.

C17 Directors must inform the CFO of any potential contingent assets and contingent liabilities

Maintenance of Provisions and Reserves

C18 Provisions are held against present obligations (liabilities) of uncertain timing that can reasonably be estimated. If the event itself rather than the timing is uncertain then it would be a Contingent liability or asset.

C19 Any sum set aside that is not a provision, is a reserve. Reserves can be Earmarked Reserves set aside for specific policy purposes or General Reserves, set aside for purposes such as general contingencies and cash flow management.

C20 The CFO is responsible for advising on prudent levels of reserves for the Council when the annual budget is being considered, having regard to assessment of the financial risks facing the authority and the views of the external auditor.

C21 The CFO must make an annual statement on the adequacy of general reserves and provisions.

C22 All contributions to, and appropriations from, General Fund reserves must be approved by the Cabinet member for Finance, subject to any limitations set by the Council in the approved budget framework.

C23 The CFO can establish earmarked reserves. The CFO is responsible for ensuring that detailed controls are established for the creation of new reserves and provisions and any disbursements therefrom. This should include:

- the reason for the reserve;
- how and when it can be used;
- the responsibilities for their management and reporting in the **Medium Term Financial Strategy** and annual budgets;
- the timescale for review, at least annually, to ensure adequacy;

C24 Directors must inform the CFO of any future liabilities that have been incurred and may need to be accounted for.

Reporting Key Decisions

C25 The definition and rules concerning Key Decisions are to be found in Article 13 of the Constitution.

Equalities Impact Assessments

C26 The Head of Paid service is responsible for ensuring there are adequate processes in place to ensure that equalities issues have been properly considered when decision are made, in accordance with statutory guidance.

C27 Directors and Members must ensure that equalities issues are adequately addressed when implementing new policies, procedures or services.

Risk Management

C28 All organisations face risks to their people, property, finances, services, reputation and continued operations. Whilst risk cannot be eliminated altogether, risk management provides a planned and systematic approach to the identification, evaluation and control of risk. It is an integral part of good business practice and is essential to the Council achieving its objectives, securing its assets and to ensuring continued financial and organisational well being.

C29 The Accounts and Audit Regulations 2011¹ specifically require that the “relevant body shall be responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions and which includes arrangements for the management of risk.”

Business Continuity and Disaster Recovery

C30 The Head of Paid Service will establish and regularly test comprehensive business continuity and disaster recovery procedures to deal with the consequences of events and minimise potential disruption.

C31 Directors will ensure that controls are in place to minimise the likelihood of the risk occurring and/or minimising its potential impact through regular inspection and continuous monitoring of identified key risk areas.

Risk Strategy

C32 The Head of Paid Service in conjunction with the Monitoring Officer is responsible for the preparing and promoting the authority's risk management policy and strategy, securing the endorsement of the Council, and maintaining the corporate risk register and other risk registers and risk analyses as appropriate.

C33 Directors are responsible for ensuring that there is a continuous review of exposure to risk within their departments, maintaining detailed risk registers and action plans, and maintaining business continuity plans. It is essential that risk management is integrated into business processes in line with corporate guidelines. These processes include budget preparation and integrated service and financial planning, budget monitoring and performance management, programme and project management, procurement and contract management.

Insurance

C34 The Council maintains insurance cover to deal with the financial consequences of any incident which may give rise to a claim being made by/against the Council or result in financial cost or loss which may not otherwise be provided for. The extent to which the Council “self insures” is informed by the perceived risk and the Council's claims history.

C35 The CFO is responsible for effecting corporate insurance cover, through external insurance and internal funding, and negotiating all claims in consultation with other officers, where necessary.

C36 Directors should

- notify the CFO immediately of any loss, liability or damage that may lead to a claim being made by/against the Council and take appropriate action to prevent a repeat loss;
- Inform the CFO of all new risks, properties or vehicles that may require insurance, and of any alterations or disposals affecting existing insurances;
- ensure that claims against insurance policies are made promptly and comply with the timescales for investigating claims and the insurer's conditions;

¹ <http://www.legislation.gov.uk/ukxi/2003/533/contents/made>

- ensure that before any contract for works is made, that adequate insurance cover is furnished by the contractor in respect of any act or default;
- ensure that appropriate business continuity plans are developed, implemented and tested on a regular basis;
- produce and maintain an up to date comprehensive risk register, taking corrective action at the earliest possible opportunity to either transfer, treat, tolerate or terminate the identified risk;
- Ensure that procedures are in place to identify Contingent Liabilities, which are doubtful events that may represent a charge to the authority at a future date, and ensure that these are recorded in a note to the annual accounts;
- ensure that employees, or anyone covered by the authority's insurances, do not admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim. Failure could directly affect the authority's ability to make or defend a claim or could result in financial penalties being imposed on the authority; and
- consult the CFO and seek legal advice on the terms of any indemnity that the authority is requested to give.

Internal Controls

C37 Internal control are systems put in place by management to mitigate risk, increase the likelihood that the Authority's objectives are met and to safeguard the Authority's staff, assets and interests.

C38 Internal controls should be reviewed on a regular basis. Control systems should provide for clarity of policies, objectives, targets, responsibilities and accountabilities, and appropriate authorisations and approvals, separation of duties, level of internal check, management information and physical safeguards.

C39 The CFO will ensure that the authority's financial management arrangements conform with the governance requirements of the *CIPFA Statement on the Role of the Chief Financial Officer in Local Government*.

C40 The CFO will ensure that effective internal controls are an integral part of the authority's underlying framework of corporate governance and that they are reflected in its local code, ensuring that clear Financial Procedure Rules exist.

C41 The CFO in conjunction with the Monitoring Officer is responsible for assisting the authority in putting in place an appropriate control environment and effective internal controls that comply with all applicable statutes, regulations and codes of practice.

C42 The Accounts and Audit (England) Regulations 2011 require the publication of an Annual Governance Statement. The statement includes a description and evaluation of the internal control environment, the review process, and identifies any gaps. It must include a statement that the authority's financial management arrangements conform with the governance requirements of the *CIPFA Statement on the Role of the Chief Financial Officer in Local Government*. There should be an action plan to address the issues identified and a report on progress on the issues identified in previous years. The Governance, Audit and Risk Management Committee should seek to satisfy itself that it has obtained sufficient, relevant and reliable evidence to support the disclosures made and that statutory guidance has been followed.

C43 The governance statement should be approved at a meeting of the authority or delegated committee and signed by the Head of Paid Service and a leading member.

C44 Directors are responsible for establishing, maintaining, monitoring and reporting on systems of internal control which guard against risk and promote the achievement of objectives. On an annual basis they are required to complete a management assurance statement, in the format and timescale specified the Head of Paid Service, for each Directorate of the Council. The statements and supporting evidence will be independently reviewed by Internal Audit, evaluated by the Corporate Governance Group and results fed into the Council's Annual Governance Statement.

Internal Audit

C45 Section 151 of the Local Government Act 1972, requires that the Authority 'makes arrangements for the proper administration of their financial affairs. Further specific arrangements are detailed in the Accounts and Audit Regulations 2011 (as amended) in that a 'relevant body must undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control'. The arrangements must follow statutory guidance and professional standards. The key features of internal audit are:

- independence of service operations in its planning and operation;
- sufficient organisational status to facilitate effective discussion and negotiation of the results of its work;
- utilisation of risk based methodologies in planning and delivering its work and does not have undue limitations placed on its scope;
- direct access to senior managers, elected members and the external auditor as appropriate; and
- Internal auditors comply with guidance issued by professional bodies.

C46 Internal audit is an independent and objective appraisal function established by an authority to add value and improve the organisation's operations. It helps the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management.

C47 The CFO must develop and maintain an effective Audit Committee.

C48 The CFO must support the authority's internal audit arrangements and ensure that the authority's Audit Committee receives the necessary advice and information, so that both functions can operate effectively.

C49 The CFO ensures the provision of an effective, properly resourced, internal audit service, for the internal audit of the control environment and systems of internal control as required by professional standards.

C50 The Head of Internal Audit:

- is responsible for reviewing financial and management systems and controls throughout the Council in accordance with professional standards prescribed by the CIPFA Code of Audit Practice and the Auditing Practices Board and its operating procedures as set out in its Internal Audit Manual;
- has a duty to act if fraud or corrupt practices are suspected or detected;

- must report to the Audit Committee on any relevant matter relating to the Council's financial controls;
- must set out an Annual Audit programme in advance;
- will keep a register of Audit recommendations and monitor their implementation.

C51 Internal auditors have the authority to:

- access authority premises at reasonable times;
- access all assets, records, documents, correspondence and control systems;
- receive any information and explanation considered necessary concerning any matter under consideration;
- require any employee of the authority to account for cash, stores or any other authority asset under his or her control;
- access records belonging to third parties, such as contractors, when required (third party contracts should specify access rights); and
- directly access the senior managers and elected members where appropriate.

C52 The CFO provides professional advice on the strategic and annual audit plans prepared by the Head of Internal Audit, which take account of the characteristics and relative risks of the activities involved. The Head of Internal Audit must consult the CFO and the Head of Paid Service on the Internal Audit Plan and the Internal Audit Reports.

C53 Directors are required to notify the Head of Internal Audit of new areas of risk which may need to be subject to audit review and ensure that internal auditors are given access at all reasonable times to premises, personnel, documents and assets and provided with information and explanations that the auditors consider necessary for the purposes of their work.

C54 Directors are also required to consider and respond promptly to recommendations in audit reports, ensure that agreed actions arising from audit recommendations are carried out in a timely and efficient fashion and in line with the timescale agreed with the Head of Internal Audit, and report on progress.

C55 Directors must provide internal audit with access to their premises, records and systems and staff in a timely manner.

External Audit

C56 The basic duties of the external auditor are defined in the Audit Commission Act 1999, the Local Government Act 1999 and the Code of Audit Practice. These require the auditor to review and report upon:

- the Council's Accounts;
- whether the Council has made proper arrangements for securing financial resilience and
- whether the Council has proper arrangements for securing economy, efficiency and effectiveness.

C57 The CFO in conjunction with the Head of Paid Service advises on the development of the annual audit plan, leads on any negotiations related to the annual audit fee and advises the Cabinet and Directors on their responsibilities in relation to external audit and issues arising from the Annual Audit and Inspection Letter.

C58 Directors are required to ensure that external auditors are given access at all reasonable times to premises, personnel, documents, and assets, and provided with information and explanations which the external auditors consider necessary for the purposes of their work, in the timescales required.

C59 Directors are also required to consider and respond promptly to recommendations in audit reports, ensure that agreed actions arising from audit recommendations are carried out in a timely and efficient fashion and in line with the timescale agreed with the external auditor, and report on progress.

Preventing Fraud, Bribery and Corruption

C60 The Council is responsible for substantial public funds and other assets and has a duty to demonstrate the highest standards of probity and stewardship in the day to day management of its affairs. It is therefore essential to develop and maintain an anti-fraud culture and to create a working climate in which all staff and elected members remain alert to the potential for fraudulent or corrupt behaviour against the Council from outside or inside the organisation and are aware of the mechanisms available for the confidential reporting and investigation of any reported instances.

C61 The key controls regarding the prevention of financial irregularities are that:

- The Head of Paid Service will ensure a formal code of conduct is established and widely publicised and, as part of this, a register of interests is maintained and the receipt of hospitality and gifts covering both members and officers in accordance with any relevant statutory code of conduct;
- The Public Interest Disclosure Act 1998 (PIDA) protects workers who 'blow the whistle' about malpractice or wrongdoing within an organisation. The Head of Paid Service will maintain and make available a whistle-blowing policy and procedures that enables officers, the general public and contractors to make allegations of fraud, misuse and corruption in confidence, and without recrimination, to an independent contact. All such allegations are diligently and robustly investigated;
- The CFO will ensure that the authority has an effective anti-fraud and corruption policy consistent with legislation including the Bribery Act 2010, the Public Interest Disclosure Act 1998 and the Freedom of Information Act;
- The CFO will ensure internal control systems exist which minimise the risk of fraud and corruption occurring;
- The CFO is responsible for developing and maintaining an anti-fraud, bribery and corruption policy and ensuring that effective internal controls are in place to minimise the risk of fraud, corruption and financial irregularities;
- The CFO is responsible for the corporate fraud team and ensuring that effective procedures are in place to identify fraud and investigate promptly any suspected fraud. The team investigates cases of both internal fraud and external fraud.

C62 Council employees and members have a duty to report to the authority any impropriety, bribery, breach of procedure or failure of the manner in which services are being provided without fear of recrimination (Code of Conduct). This includes a duty to report a suspected breach of the Council's Contract Procedure Rules and Financial Procedure Rules.

C63 Directors are required to ensure that their policies comply with Council's Contract Procedure Rules and Financial Procedure Rules and that staff are trained where appropriate and adopt suitable compliance and disciplinary measures.

C64 Directors must ensure that where financial impropriety is discovered or suspected, the CFO and the Head of Internal Audit are informed immediately and take all necessary steps to prevent further loss and to secure records and documents against removal or alteration. Directors must ensure the full co-operation of senior management in any investigation and instigate the authority's disciplinary procedures where the outcome of an audit investigation indicates improper behaviour.

C65 Officers and members must ensure that they comply with all of the Council's codes, protocols and procedures particularly the officers' code of conduct, its procurement practices and its anti-fraud and corruption policies.

Money Laundering

C66 Money laundering involves the 'cleaning' of illegal proceeds through legitimate transactions, usually cash, in order to disguise their criminal origin.

C67 Local Authorities must be mindful of the Money Laundering Regulations, 2007 Regulations. There is substantial reputational risk for an authority who do not have money laundering policies and procedures in place and they have a duty of vigilance to prevent the financing of terrorism and money laundering.

C68 The Council enters into thousands of transactions every day and could be subject to money laundering attempts when accepting payments by cash, cheque or credit/debit cards for instance in relation to the purchase of a council house, the payment of substantial bills, or receiving an overpayment in cash which is then refunded by cheque.

C69 The CFO will:

- Ensure that processes are in place to identify and appropriately train staff most likely to be exposed to money laundering of the organisations and their own obligations under POCA and the TA to detect and report suspicious activity.
- Establish procedures to preclude the acceptance of cash sum or series of sums (in coin, notes or travellers cheques) in respect of goods that total more than in excess of the maximum allowed for any single customer account per annum in Section F
- Maintain a written Anti- Money Laundering Policy

C70 All staff have a duty to report any suspicions to the Money Laundering Reporting Officer (currently the CFO) or their deputy. There is a template for reports attached to the policy. It is very important that in the process of reporting nothing is done to tip off anyone connected with the transaction.

C71 Directors and managers will ensure that staff who regularly accept payments, or administer payments or the Council's bank accounts receive training on money laundering. It is the responsibility of the CFO to ensure that these staff are identified and trained.

Proceeds of Crime

C72 The relevant Corporate Director in consultation with the Monitoring Officer and the CFO is authorised to institute investigations under the Proceeds of Crime Act 2002 as amended (POCA) on behalf of the Council.

C73 The relevant Corporate Director will ensure that in relation to POCA investigations all statutory guidance is followed, including ensuring there is an appropriate, accredited financial investigator.

C74 Prosecutions under POCA must be jointly authorised by the CFO and the Monitoring Officer.

C75 Awards made to the authority under POCA incentive schemes or from asset recovery shall be applied first to the authority's costs in relation to the related investigation and prosecution and any statutory charges. The balance shall be used as determined by the MTFs and any statutory limitations.

Security of Assets

C76 The authority holds valuable assets in the form of property, vehicles, equipment, furniture and other items. It is important that assets are safeguarded and used efficiently in service delivery, and that there are arrangements for the security of both assets and information required for service operations.

C77 The CFO will ensure an up-to-date Asset Register is maintained to enable sound fixed asset accounting and asset management.

C78 The monitoring officer will ensure a corporate property database is maintained containing the details of all council properties to support land and property management.

C79 The monitoring officer will ensure a terrier is maintained to identify all the land and property holdings of the Council recording the location, extent, plan, purchase details, nature of the interests, tenancies granted, charges held, rents payable and purpose for which held.

Inventories

C80 Inventories must be maintained by Directors for portable, high value items above the De-Minimis in **Section F**. The inventories shall contain an adequate description of the asset including where relevant the model number, serial number and location and its estimated value.

C81 Budget Holders are required to check the existence of a random sample of inventory items on an annual basis.

Stocks and Stores

C82 Directors are responsible for:

- ensuring that stocks of goods and materials are held at a level appropriate to the business needs of the Council, and that stock levels are checked regularly and as a minimum as part of year end annual stock take procedures;
- ensuring that adequate arrangements are in place for their care and custody; and
- writing off the value of obsolete stock in their Departments in accordance with the procedures.

Intellectual Property

C83 Intellectual property is a generic term that includes inventions and writing. Certain activities undertaken within the authority may give rise to items that may be patentable, for example, software development. Breaching copyright laws exposes the Council to financial risk.

Responsibilities of Directors

C84 To put controls in place to ensure that staff do not carry out private work in the Council's time and that staff are aware that anything they create during the course of their employment, whether written or otherwise, belongs to the Council.

C85 To comply with the copyright, designs and patent legislation and, in particular, to ensure that:

- (a) only licensed software is installed by the authority is used on its computers,
- (b) staff are aware of legislative provisions, and
- (c) in developing systems, due regard is given to the issue of intellectual property rights.

Asset Disposal

C86 Assets that are surplus to service requirements or are not cost effective to retain should be disposed of safely, for the best price. Disposal should be in accordance with national legislative requirements for health and safety and waste disposal and the European Union's Waste Electrical and Electronic Equipment directive

Land and Buildings

C87 The Corporate Director of Environment and Enterprise (General Fund) and the Corporate Director of Community, Health and Well Being (Housing Revenue Account) are responsible for all disposals of land and property for the General Fund and the HRA respectively, in conjunction with the portfolio holder for Property and Major Contracts and for identifying any revenue implications arising from the sale of assets.

C88 These Corporate Directors in conjunction with the portfolio holder has delegated authority for General Fund disposals as outlined in Section F. Anything above this limit must be reported to the Cabinet for approval.

- C89 The Corporate Directors must before any disposal is agreed or negotiations begin:
- seek Legal advice to ensure that the disposal falls under a General Disposal Consent, Right to Buy legislation or if Secretary of State's permission is required;
 - Obtain an independent valuation, within 3 months of the sale;
 - Ensure that the disposal is consistent with the Asset Management Plan, that no other service requires the building and that it has formally been declared as surplus to requirements;
 - Seek financial advice to ensure the proper accounting of capital receipts, cost of sale and tax.

Other Assets

C90 Budget holders may seek the authority of their Chief Officer to dispose of revenue assets through sale, donation or scrapping. They must assure themselves that the assets concerned are the property of the Council (rather than a leasing company) and surplus to organisational requirements, before disposing of them. Budget holders must be able to demonstrate that value for money is obtained for every disposal and maintain adequate records demonstrating value for money, the reasons for the disposal, and that the assets are obsolete or surplus to requirements. All property, plant or equipment assets disposed of over the value shown in Section F must additionally be cleared with the CFO or his/her nominated representative before they can be disposed of.

C91 Budget Holders must ensure that legal and environmental issues are addressed when disposing of any assets. Budget holders should notify facilities management of any disposals, who will determine if the assets are surplus to requirements.

C92 The CFO will:

- issue guidelines representing best practice for the disposal of assets and consistent with statutory powers and best practice including:
 - Issuing of a receipt;
 - Accounting and banking of the income;
 - Segregation of duties between those who authorise of the sale and the receipt of the payment;
 - Adjustment to Inventory records;
- ensure appropriate accounting entries are made to remove the value of disposed assets from the authority's records and to include the sale proceeds in the Council's accounts.
- Maintain a schedule of disposals above the de minimis recorded in Section F with both estimated and actual values and disposal dates.

C93 Directors will notify the CFO of any disposals of assets above the de minimis in Section F.

Treasury Management

C94 The Council has adopted CIPFA's Code of Practice for Treasury Management in Public Services.

C95 The CFO is responsible for reporting to the Cabinet at least twice in each financial year on the activities of the treasury management operation and on the exercise of his or her delegated treasury management powers. He/she is required to produce:

- a proposed treasury management strategy for the coming financial year before the start of each financial year;
- an annual report on the treasury management activity for presentation by 30th September of the succeeding financial year; and
- a mid year report to Cabinet.

C96 The Council has delegated responsibility for the implementation and monitoring of its Treasury Management Policies and Practices to the CFO and for the execution and administration of Treasury Management decisions to the Treasury and Investments Manager, who will act in accordance with the Council's Treasury Policy Statement and CIPFA's 'Standard of Professional Practice on Treasury Management'.

C97 The CFO will ensure that all:

- Investments of money are made in the name of the authority or in the name of nominees approved by the full Council;
- securities which are the property of the authority or its nominees and the title deeds of all property in the authority's ownership are held in the custody of the Head of Legal Services;
- Borrowings are the name of the authority.

C98 Directors will not enter into any loan or credit arrangements with any party whatsoever or acquire an interest in companies, joint ventures or other enterprises whatsoever.

Pension Fund Investment

C99 The CFO will ensure that the accounting for the Pension Fund satisfies the Council's statutory obligations, including that it is accounted for separately, that only relevant costs, assets and liabilities are valued by an actuary every three years.

C100 The CFO is responsible for pension fund investment and makes recommendations to the Pension Fund Investment Panel about the appointment of the actuary, investment adviser, and external fund managers. The CFO provides regular reports to the Pension Fund Investment Panel on the performance of the fund and any regulatory matters.

C101 The CFO is responsible for ensuring the Council's contributions are consistent with its Pension Fund strategy and actuarial review.

Trust Funds, Funds Held For Third Parties and Other Voluntary Funds

C102 The CFO is responsible for trust funds and ensures that funds are only drawn down for the purposes intended by the Trustees and that accounts are prepared and audited each year.

C103 All trust funds, funds held for third parties and other voluntary (unofficial) funds excluding schools must be approved by the CFO. A voluntary fund is defined as any fund, other than an official fund for the Council, which is controlled wholly or in part by an officer by reason of his or her employment by the Council. Such funds should be separately identified but managed in line with the Council's Financial Procedure Rules.

Banking and Imprest Accounts

C104 The CFO is responsible for opening all bank accounts and agreeing the associated mandates.

C105 The CFO is responsible for managing the banking contract and the day to day administration and reconciliation of accounts.

C106 Staff must not open accounts in the name of the Council, Members or officers unless they are acting on the instructions of the CFO. Opening an unauthorised bank account is a disciplinary offence.

C107 An imprest or petty cash account must only be used in accordance with guidance issued by the CFO. It is the responsibility of Directors to ensure that systems are in place to monitor and control this.

C108 Imprest and petty cash accounts can facilitate very minor items of expenditure where it would not be cost effective to use a purchasing card or purchase order. Imprest and petty cash accounts must not be used to reimburse employee expenses which will be made through Payroll where it is not possible to use a purchase order or purchasing card.

C109 The Council has a single petty cash account operated by Cashiers. There are a number of imprest holders across the Council, where the total held should not exceed the limits specified in Section F, except where agreed and authorised by the CFO. The

establishment of and procedures for the operation of imprest accounts is approved by the CFO.

C110 Officers must complete an official petty cash voucher to draw cash or a cheque from petty cash or an imprest account. Supporting documentation must be attached including VAT receipts and the voucher should be authorised to confirm that the expenditure is reasonable and there is sufficient budget provision to cover the expenditure.

C111 Where the sum required exceeds the limits specified in Section F the voucher is countersigned by a Divisional Director. The maximum sum withdrawn at any one time must not exceed £500.

C112 Imprest holders must reconcile their accounts on a monthly basis or prior to seeking reimbursement. Imprest holders should seek reimbursement from the main petty cash account through Cashiers using the standard documentation and attaching supporting information. A certificate of value must be completed once a year and the cash/receipts must be produced on demand.

C113 Imprest accounts must never be used to cash personal cheques or to make personal loans and the only payments into the account should be the reimbursement of the float and change relating to purchases where an advance may have been made on an exceptional basis.

Staffing Establishment

C114 The Head of Paid Service will ensure there is in place accurate and effective systems to monitor the establishment and that the following procedures and regulations must be followed:

- appointments are made in accordance with HR and payroll regulations;
- appointments are in accordance with the approved establishment and grade for the post;
- the organisational structure on SAP must be kept up to date;
- all appointments, terminations or variations which may affect the pay or pension of an employee or former employee, are notified promptly and in accordance with required forms, timescale and authorisation;
- payments are only made where there is a valid entitlement;
- conditions and contracts of employment are correctly applied; and
- Employee's names listed on the payroll are checked at regular intervals to verify accuracy and completeness.
-

C115 Regulation 4 of the Accounts and Audit (Amendment No.2) (England) Regulations 2009 [SI 2009 No. 3322) introduced a legal requirement for reporting remuneration of senior employees. The Head of Paid Service will publish pay data on senior staff in accordance with guidance and a policy statement about staff pay, including senior and lower-paid staff.

C116 The CFO will agree annually the budget to support the approved establishment. The CFO will ensure appropriate procedures are in place to amend the establishment throughout the year.

C117 Directors are responsible for controlling total staff numbers within their approved establishment. Staff can only be appointed to an approved post and within the overall

budgetary provision and should not create a commitment which cannot be met in future years. Where the existing approved establishment cannot be fully funded from available budget – then an appropriate level of vacancy management in line with operational need should be exercised during the year. Where posts have been vacant for periods in excess of 12 months and are deemed not to be required, they should be deleted.

Use of Agency Staff

C118 Agency staff are temporary workers who must be obtained and paid for, through an approved agency via appropriately procured corporate contracts. Generally, agency should only be employed either to:

1. Cover budgeted seasonal or unusual demand periods (e.g. salting roads in winter, cleaning parks in summer);
2. Cover essential temporary establishment vacancies, where cover is unavailable and there will be an adverse service impact if the post is not filled. For example where the post holder is on long term sick or maternity leave, has been seconded, or a post is being held open pending a restructure;
3. Bring in Special Skills for a one of project or event, or time limited role, where appropriately skilled staff are not available internally or it is not cost effective to permanently fill.

C119 Where a vacancy is created by staff leaving following a normal notice period it is expected that the corporate recruitment process will be followed. Generally except in exceptional circumstances, agency staff should only be considered where the recruitment process has been completed and no appointment made.

C120 The CFO is responsible for ensuring that processes are in place to prevent unbudgeted agency staff being employed and monitoring agency staff costs.

C121 The Divisional Director HRD & Shared Services is responsible for ensuring that:

- The staffing establishment on SAP is up to date and accurate;
- Relevant employment law is complied with, including the Agency Workers Regulations, 2010;.
- Equal Pay regulations and case law are complied with.

C122 Directors are responsible for ensuring that all staff within their Directorates are recruited according to the corporate procedures and that there is no unbudgeted employee or agency related expenditure.

Use of Consultants

C123 Directors must ensure that their staff are familiar with the Council's guidelines on use of agency workers and understand the distinction between employees, agency workers and workers on contracts for services.

C124 Where a worker is engaged on a contract for services to carry out a project which has a clear start and end date and is described in a brief or specification, and where the worker will be taking on the risk and providing their own premises, equipment and insurance etc, then it is likely that the work will be governed by a contract for services with the Council and

the worker will be paid via the Corporate Accounts Payable system through the raising of an official order and goods receipt. In these circumstances the Council's contract procedure rules should be applied. The insurance requirements must be clear in the documentation supporting the contract and evidence that the policy is in place should be obtained from the worker.

C125 Directors must ensure that where payments are to be made to workers other than through the Council's payroll system, that there is a clear justification for this and that there are no tax implications that may arise.

C126 Managers should give careful consideration to the employment status of individuals employed on a self-employed contract or subcontract basis. HMRC applies a tight definition for employee status, and in cases of doubt, advice should be sought from the Payroll Manager and/or Legal.

D. Financial Administration

D1 Systems

The CFO has statutory duties for the proper administration of the authority's financial affairs. The CFO responsibilities are to:

- (a) Issue advice, guidance and procedures for officers and others acting on the Authority's behalf,
- (b) Determine the accounting systems, the form of accounts and supporting Financial records;
- (c) Establish arrangements for audit of the Authority's financial affairs;
- (d) Approve any new financial systems and interfaces to be introduced;
- (e) Approve any changes to be made to existing financial systems, including interfaces to the General ledger, Accounts Receivable and Accounts Payable;
- (f) Establish arrangements for access control and general security of the Authority's corporate financial systems.

D2 Directors' Responsibilities include:

- a. to ensure that local accounting prime records are maintained properly and held securely and only destroyed with the approval of the CFO;
- b. to incorporate appropriate controls to ensure that, where relevant:
 - (i) All input is genuine, complete, accurate, timely and not previously processed;
 - (ii) All processing is carried out in a complete, accurate and timely manner, and
 - (iii) Output from the system is complete, accurate and timely and in the format specified by the CFO.
- c. To ensure that the organisational structure provides an appropriate segregation of duties to facilitate adequate internal controls and to minimise the risk of fraud or other malpractice;
- d. To ensure, jointly with the Head of Paid Service, that there is a documented and tested Disaster Recovery Plan to allow information system processing to resume quickly in the event of an interruption;
- e. To ensure that effective contingency arrangements, including back-up procedures, exist for computer systems;
- f. To ensure that systems are documented and staff trained in the operation of them;
- g. To seek the approval of the CFO before changing any existing financial system or introducing new financial systems;
- h. To ensure that authorisation limits for staff are consistent with the authority's corporate financial systems;
- i. To ensure the Scheme of Delegation is maintained and complied with for those authorised to act on behalf of the CFO in respect of payments, income collection and placing orders, including variations;
- j. To supply lists of authorised officers, with specimen signatures and delegated limits, to the CFO, together with any subsequent variations;
- k. To ensure that relevant standards and guidelines for computer systems are observed, including data protection legislation and that their staff are aware of their responsibilities under the legislation;
- l. To ensure that computer equipment and software are protected from loss and damage through theft, vandalism, etc.

Chart of Accounts

D3 The CFO is the responsible officer and owner of the Chart of Accounts. The Chart of Accounts cannot be changed without express authority from the CFO Officer or their nominee. This includes all changes to the Chart of Accounts including the addition deletion or amendment of a:

- a. Hierarchy;
- b. Profit centre;
- c. Cost centre assignation;
- d. Cost element assignation;
- e. Sub cost centre hierarchy changes;
- f. Cost centre closure: input or hierarchy;

Income

D4 Directors are responsible for ensuring that there is as a minimum an annual review of fees and charges, and that proposals for the level of fees and charges are in accordance with guidance published by the CFO. These should be approved by the relevant Portfolio Holder and presented to the Cabinet as part of the Budget and MTFs proposals. It is required that an in depth review of each service area's fees and charges are conducted on a rolling three-year basis.

Income Collection

D5 The Council collects substantial amounts of income (council tax, business rates, rents, service charges and fees and charges) and effective income collection systems are necessary to ensure that all income due is identified, collected, receipted and banked properly, and that VAT is correctly accounted for.

D6 The CFO will ensure there are clear Corporate and Departmental Accountabilities for Accounts Receivable and income collection, supported by an appropriate Scheme of Delegation. Procedures for the receipt of income shall reflect the principles of separation of duties and internal check.

D7 The CFO is responsible for the procedures, systems and documentation relating to the setting, charging, and collection of all income due to the Council. In particular the CFO will ensure that there is an overarching debt management policy and a credit policy for Sundry debtors.

D8 The CFO must satisfy themselves with the adequacy of the arrangements for the control and safe storage of records, including electronic storage media.

D9 The CFO will ensure that Service Directorates bear the cost of their uncollected debts through an appropriate bad debt provision, based on a realistic annual assessment of the chances of recovery of all debts outstanding.

D11 Chief Officer are responsible for the recording and monitoring ongoing income levels each month and reporting any significant variations, as defined by the CFO.

Setting the Charge

D12 Directors are responsible for ensuring that appropriate fees and charges are considered for all activities, in accordance with the Council's strategies.

D13 Directors will review all their charges annually within the strategic, financial, economic and service context after appropriate consultation, in accordance with procedures laid down by the CFO. Charges can be changed at any point in the financial year with Portfolio Holder agreement and the CFO. Significant changes, as specified, should be presented to Cabinet for agreement.

D14 Unless required to in law or by Council policy, Directors will not set a charge that recovers less than it costs to collect. Where subsidies are applied Directors will ensure that the total cost of the subsidy is understood and linked to the Council's Corporate Priorities.

Billing

D15 Directors must ensure that the customer is provided with a clear and accurate bill for chargeable services within 5 working days of the service being provided, unless previously agreed with the CFO.

D16 Directors will ensure that all income due is identified and Accounts Receivable are raised via the Council's main financial system promptly, unless in the opinion of the Chief Financial Officer it is not practicable to do so.

Collection

D17 Directors will ensure that wherever possible and appropriate, that payment is received in advance of the service being offered and that the use of on-line payment systems is the default payment mechanism. Direct debits should be promoted, the use of cash, cheque or telephone payments should be avoided wherever possible.

D18 Directors will pursue all commercial debts until it is un-economic to continue to do so using agreed written procedures.

D19 Directors will set annual collection targets and VFM measures consistent with continuous improvement, the budgeted income and the medium term financial strategy. Performance will be monitored corporately every month.

D20 Directors will ensure that:

- income collection staff are appropriately trained;
- any cash or cheques received by their staff are stored securely whilst in their possession and passed as soon as possible to the CFO, or as he or she directs, to the authority's bank or National Giro account, and properly recorded;
- there is segregation of duties between those who authorise the sale and those who receipt of the payment;
- All income received for goods and services provided by the authority will be accounted for in the financial year in which the service was delivered. Where no debtor has been raised before the financial year-end by the authority then an accruals will be set up for the estimated debtor in accordance with guidance issued by the CFO.

Uncollectable Debts and Write Off's

D21 Once raised, no bona fide debt can be cancelled except by payment in full, its formal writing off or in the form of an adjustment under procedures agreed with the CFO.

D22 Directors are responsible for submitting quarterly debt write-off reports where debts are considered un-collectable, to the CFO in the format specified.

D23 The CFO is responsible for writing off irrecoverable bad debts up to the limits specified in Section F where necessary. All requests for write-off must be accompanied by a brief report in a format specified by the CFO that includes the following:

- a. A schedule of all debts to be written off, recovery action that has been undertaken and the reasons for the write-off request;
- b. The total debt outstanding, the current bad debt provision, the amount of provision required and the remaining balance.

Grants and External Funding

D24 External funding can be a very important source of income to Harrow. The main source of such funding for this Authority will tend to be specific government grants. Consideration needs to be given to the funding conditions to ensure they are compatible with the aims and objectives of the Authority.

D25 Any match funding requirements and exit strategies should be given due consideration prior to any bidding exercise or entering into any agreements and resources identified for future commitments.

D26 The Directors should consult the CFO on proposals to bid for external funding to support expenditure that has not already been included in the approved revenue budget or capital programme.

D27 The Council bids for funds from a number of UK and European programmes. Each funding regime is subject to rules and regulations and the process for submitting applications and drawing down funding varies.

D28 It is important to ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the Council are clearly understood.

D29 The CFO shall maintain a register of grants awarded to the authority, which will include as a minimum the grant name, the grantor, the allocation by financial year, a brief description of the purpose of the grant, grant conditions, and the responsible officer. The CFO will ensure that Grants are properly recorded in the authority's accounts.

D30 Directors shall:

- not commit to expenditure in relation to a grant, beyond the term of a grant allocation, without the permission of the CFO, and will ensure that the necessary contractual break clauses are in place at the grant review dates,
- ensure that all applications for funding are consistent with the Council's priorities and approve them in principle before detailed work commences;
- ensure that the Council's project management framework is applied and that a project initiation document (start form) is completed where appropriate;

- consult the relevant Directorate Finance Business Partner when preparing applications to ensure that full costs are identified including any match funding required, and ongoing commitments are taken into account;
- notify the CFO of all applications prior to submission;
- ensure that the application is signed off by the CFO or an appropriate officer in the Directorate;
- ensure that the rules and regulations for the particular funding stream are complied with at application stage and throughout the life of the project;
- ensure that all requirements relating to the delivery of outputs and spend are met in line with the approved bid or project plan;
- ensure that all funding notified by external bodies is claimed and received;
- Check the audit requirements and notify Corporate Finance of any claims that must be audited by the Council's external auditor.

D31 Grant expenditure and income is monitored and reported as part of the monthly monitoring process. All expenditure incurred must be in accordance with the terms and conditions attached to the grant and with Financial Procedure Rules and Contract Standing Orders.

D32 Proper records of expenditure must be kept to allow verification of amounts claimed by the grant giving body and the external auditor.

D33 Wherever possible and appropriate staff employed to meet the grant criteria for spending should be on fixed contracts intended to be terminated when funding ceases.

Section 106 and Community Infrastructure Levy (CIL)

D34 Section 106 of the Town and Country Planning Act 1990, section 278 of the Highways Act 1980 and section 75 of the Town and Country Planning Act 1997 permits local planning authorities to enter into enforceable 'planning obligations' with landowners and/or developers. A Community Infrastructure Levy (CIL) was set out in the Planning Act 2008 and subsequent regulations.

D35 The CFO will set out proper procedures for agreeing, collecting, recording, accounting and disbursing s106 and CIL monies, in accordance with legislation.

D36 The CFO will record, monitor and report on all s106 or CIL receipts and payments.

D37 Planning will notify the CFO of any agreements and will ensure that the procedures are followed. They are responsible for delivery of the agreements, including making payments and the billing and receiving of income.

D38 The Monitoring Officer will ensure that Obligations are registered as Local Land Charges.

Ordering and Paying for Work, Goods and Services

D37 The authority's procedures are designed to ensure that services obtain value for money from their purchasing arrangements. These procedures should be read in conjunction with the authority's procurement policy and contract procedure rules.

D38 Every officer and member of the authority must declare any links or personal interests that they may have with suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the authority, in accordance with appropriate codes of conduct.

D39 Sound systems and procedures are essential to an effective framework of accountability and control. The CFO is responsible for ensuring there are effective financial systems and controls, although the operations may be carried out in another directorate than Corporate Finance.

D40 The CFO is responsible for:

- The operation of the Council's General Ledger and its accounting systems, the form of accounts and the supporting financial records. All the authority's transactions, material commitments and contracts and other essential accounting information must be recorded completely, accurately and on a timely basis. All prime documents must be retained in accordance with legislative and other requirements;
- Determining the accounting procedures and records for the authority. Where these are maintained outside the finance department, or outside the Authority, the CFO must approve the controls to be applied in consultation with the Corporate Director concerned; and
- Ensuring there is adequate separation of duties in evidence in the accounting procedures.

D41 Directors must

- adhere to the accounting policies and guidelines approved by the CFO, supply information as and when required, and ensure that the advice of the CFO is sought on the development and implementation of any localised systems of costing, accounting and financial control;
- ensure all local systems are integrated with the central accounting system as far as possible and reconciled to the central accounting system on a regular basis;
- ensure that the organisational structure reflects an appropriate segregation of duties to provide adequate internal controls and to minimise the risk of fraud or other malpractice;
- maintain adequate records to provide an audit trail leading from the source of income/expenditure through to the accounting statements and ensure the secure retention of all documents and vouchers with financial implications for the periods stipulated by the CFO, usually a minimum 6 years;
- ensure that their staff receive relevant financial training;
- ensure that use of computer and other information systems are registered in accordance with data protection legislation and government connects where relevant; and
- ensure that staff are aware of and comply with freedom of information legislation.

Purchase Orders

D42 It is mandatory to raise Purchase Orders on the Corporate Financial System prior to procuring goods and services, unless an exemption is approved by the CFO.

D43 Purchase Orders must be raised on the Corporate Financial System for all works, goods and services to be supplied to the authority, except for periodic payments such as rent or rates and petty cash purchases or unless specifically agreed with the CFO.

D44 Commitments will be automatically recorded onto the Corporate Financial System through the approval of the purchase order. This ensures that the finance system gives a true picture of the amount of expenditure incurred and the balance remaining against each budget head.

D45 Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of authority contracts.

Goods Receipting

D46 Budget Managers are responsible for ensuring that:

- all works, goods or services received are “goods receipted” onto the Corporate Financial System;
- any mismatches between the order and the goods receipt are resolved in a timely fashion in accordance with the procedures;
- any mismatches between the goods receipt and the actual invoices are cleared on the system in a timely fashion in accordance with the procedures; and
- Any blocked invoices notified are dealt with in a timely manner.

Purchasing Cards

D47 Purchasing Cards can provide an effective method for payment for designated officers who, in the course of their official business, have an immediate requirement for expenditure which is relevant to the discharge of their duties.

D48 Purchasing cards are available for use by authorised council staff for emergency purchases (petty cash) value items and for travel and subsistence expenses.

D49 Each Directorate has a number of card holders and authorisers. Key controls are built into the system through card limits, merchant categories, defined suppliers, and other measures.

D50 The CFO is responsible for issuing guidance on the use of purchasing cards and authorising card holders.

D51 Directors must report any misuse of purchasing cards to the CFO. Misuse of a purchasing card would normally constitute gross misconduct and could result in dismissal.

D52 Directors are responsible for ensuring the cards are operated in a responsible manner, in accordance with corporate guidelines and that they are only used where there is sufficient budget available to cover the cost of the transaction.

D53 Purchase Card holders must use the card in accordance with corporate policies and are responsible for the security of their card. They must report all lost or stolen cards to the Service Manager Corporate Accounts payable and receivable in Shared Services immediately.

D54 The purchasing card accounts are settled through the bank on a weekly basis. Detailed statements are provided to enable cardholders to check transactions and coding.

Payments to Suppliers

D55 Payment to external organisations for goods and services accounts for a large percentage of the Council's expenditure each year. Directors should ensure that Contract Procedure Rules are followed for all spending in their departments and that all ongoing arrangements are 100% compliant with a contract and order in place before the issuing of invoices.

D56 Notwithstanding the need to ensue VFM in all internal & external arrangements, Divisional Directors, Heads of Service and Service Managers should all ensure that the full requirements of contracts are met before payments are made and that any non-delivery areas are deducted from invoices. Annual and up-front payments to external organisations or contractors should not be made without prior agreement from the relevant Finance & Commercial Procurement Business Partners.

D57 Where a purchase order has been raised, the supplier will normally send an invoice to the Corporate Accounts Payable Department. Any invoices received elsewhere in error should be forwarded to the Corporate Accounts Payable Department. For large corporate contracts, the supplier may send a spreadsheet listing all transactions in place of individual invoices. The spreadsheet is forwarded to the Payments team and uploaded into the creditors system.

D58 Payment of all invoices and corporate contracts is made by the Corporate Accounts Payable Team or the SAP support team. The preferred method of payment for invoices is BACS and all suppliers/contractors are asked to complete a BACS form.

D59 The Direct Debit payment method is not allowed under normal circumstances. Exceptional circumstances must be authorised by CFO.

D60 Payment will not be made unless a proper VAT invoice quoting the appropriate purchase order number (or spreadsheet in an approved format) has been received, Corporate Accounts Payable will be responsible for entering all invoices into the Corporate Finance System and matching against purchase orders raised and the Goods Received. Any blocked invoices will be automatically notified to the requisitioner, responsible for the purchase order.

D61 Directors are responsible for ensuring that any blocked invoices notified to managers are dealt with in a timely manner.

D62 The CFO is responsible for ensuring that there is a separation of duties between the person authorising the Purchase Order and the person authorising the payment.

D63 Directors are responsible for ensuring that suppliers are requested to provide invoices for goods, services and works in a timely manner quoting the purchase order number.

D64 With respect to contracts for works, Directors should document and agree with the CFO the systems and procedures to be adopted in relation to certification of interim and final payments.

D65 Where a payment under a contract varies from the value specified in the contract, documentation must be obtained to explain the variation, approved as necessary, and retained on file to provide a full audit trail.

Single Payments or One-Time Vendors

D66 All payments to third parties for goods and services should be made to a supplier that has been set up in the financial system, to ensure that proper procurement process has been followed. Where single payments have to be made to an individual (and no further payments can reasonably be expected) then the Council's One-Time vendor process can be used. Examples of allowable payments are refunds, insurance claims and legal payments.

D67 The CFO is responsible for the provision of appropriate guidelines and systems controls to prevent the use of single payments to avoid the purchase to pay controls. These will ensure that there is appropriate segregation of duty between raising and authorising the payment.

D68 Directors must ensure that the One-Time vendor process is used appropriately, that guidance issued by the CFO is followed, and that all expenditure is appropriately authorised and falls within the definition of a One-Time Vendor. This will include ensuring that there is not an appropriate approved supplier that could be used on the system, no previous payments have been made and no future payments are likely.

Urgent or Emergency Payments

D69 In very rare circumstances, the Council may wish to make an urgent payment, for example when a child is at risk or if it would incur a penalty charge if it did not do so. The CFO is responsible for issuing guidance on urgent payments. All urgent payments must be authorised by the CFO.

Payments to Employees and Members

D70 Staff costs are the largest item of expenditure for most services. It is therefore important that payments are accurate, timely, and made only where they are due for services to the authority, and that payments accord with an individual's conditions of employment. It is also important that all payments are accurately and completely recorded and accounted for and that members' allowances are in accordance with the scheme adopted by the full Council.

D71 The CFO is responsible for all payments of salaries and wages and expenses to staff, including payments for overtime, honoraria etc and submission of tax returns to HM Revenue and Customs by their due date for the above. The CFO is also responsible for the timely provision of information, and the maintenance of sound financial controls to meet the responsibilities in connection with taxation issues arising from payments to employees.

Taxation

D72 Local Authorities are exempt from corporation tax, income tax and capital gains tax.

D73 Under section 33 of the Value Added Tax Act, 1994 Local Authorities are able to fully recover VAT. Like all organisations, the Authority is responsible for ensuring its tax affairs are in order. Tax issues are often very complex and the penalties for incorrectly accounting for tax are often severe. It is important that all relevant officers are kept up to date on tax issues and instructed on required record keeping.

D74 The CFO is responsible for

- a. providing information to HMRC as required including Pay as You Earn (PAYE), and the Construction Industry Tax Deduction Scheme;
- b. advising Directors of their responsibilities under the scheme;
- c. completing an accurate monthly return of VAT (inputs and outputs) to HMRC and ensuring that all payments are made within statutory deadlines;
- d. monitoring the VAT partial exemption calculation in respect of the Authority's de minimis limit of 5% to ensure that it is not exceeded. Completing the annual VAT partial exemption calculation in respect of the Authority's de minimis limit of 5%.

D75 Directors and Budget Managers are responsible for ensuring that the appropriate controls and procedures are operated within the Department or relevant service area in relation to taxation issues. This will include seeking advice from the CFO on VAT matters and ensuring that the correct VAT liability is attached to all income due and that all VAT payable on purchases complies with HM Revenue and Customs regulations.

D76 The CFO will ensure that the Authority receives appropriate advice on the taxation implications of all significant policy and management initiatives involving partnerships and joint ventures.

Ex Gratia Payments

D77 An ex gratia payment is a payment made by the Authority where no contractual or legal obligation has been established. An example may be out of court settlement for costs associated with a member of staff acting on behalf of the authority or to a member of staff.

D78 Ex-gratia payments should generally not be made and must always be approved by the CFO and the Monitoring Officer above the limit specified in Section F.

Trading Accounts

D79 In some areas the Council may operate a trading account. This means that the costs and income from charges relating to the service are ring-fenced in the accounts. Any surplus or deficit is added to a reserve each year.

D80 The CFO is responsible for ensuring that trading accounts are treated properly in the Council's accounts.

D81 Directors are responsible for ensuring that, in line with the Local Government Act 2003, charges are set to recover costs without building up significant surpluses, and that any changes in take up of the service which could result in a deficit are reported at an early stage. All charges must be reviewed on a regular basis and annually as a minimum as part of integrated service and financial planning.

D82 Directors must ensure that work for third parties is approved and covered by a suitable contract or agreement so that the responsibilities of each party are clear. Financial and legal advice should be sought at an early stage. This will ensure that the Council only carries out work that is within its legal powers, and that financial issues such as insurance and taxation are properly considered.

D83 Directors must provide appropriate information to the CFO to enable a note to be entered into the Statement of Accounts where necessary.

Internal Recharges

D84 The CFO will establish a framework for budgeting and accounting for internal recharges for central support services and other departmental recharges in accordance with proper accounting practices and SeRCOP.

D85 The CFO will arbitrate on disputed recharges where these cannot be satisfactorily resolved between departments within the specified timescale.

D86 The Chief Officer will maintain proper service level agreements for all significant internal services.

D87 The CFO will ensure accurate and timely recharges are made for Central Support Services.

D88 Directors will:

- Notify and agree with client departments in advance of any service provision of all recharges.
- Notify and/or respond to disputed recharges in accordance with the timescales laid down by the CFO.
- Ensure that internal recharges for their services are processed on a monthly basis.
- Ensure that budgets for the purchase and provision of internal services are agreed between purchaser and provider and properly reflected in annual budgets and business plans and budget monitoring statements.

Journals

D89 Journals are used to correct the coding of income and expenditure, recharges or to carry out balance sheet transactions on the financial System. The CFO will establish a process to ensure that:

- (a) Journals can only be generated within agreed levels of delegation and security;
- (b) Only authorised inputters and authorisers can generate journal entries;
- (c) An authorised list of inputters and authorisers is maintained on the corporate finance system to verify compliance;
- (d) There is a separation of duties between inputters and authorisers of journals,
and
- (e) The corporate financial system will only allow 'balanced' journals to be accepted.

E. External Arrangements

Contractual Relationships

E1 Directors must ensure that work carried out by third parties for the Council is approved and covered by a suitable contract or agreement so that the responsibilities of each party are clear. Financial, legal and procurement advice should be sought at an early stage. This will ensure that the organisation only carries out work that is within the relevant legal powers, and that financial issues such as responsibility for managing budgets, insurance and taxation are properly considered. All contractual arrangements should be consistent with the Contract Standing Orders.

Partnership Arrangements

E2 The Council provides a distinctive leadership role for the community and brings together the contributions of the various stakeholders. It must also act to achieve the promotion or improvement of the economic, social or environmental well-being of the Borough.

E3 The Cabinet is responsible for approving delegations, including frameworks for partnerships.

E4 The CFO must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are proper. He or she must also consider the overall corporate governance arrangements and legal issues when arranging contracts with external bodies. He or she must ensure that the risks have been fully appraised before agreements are entered into with external bodies.

E5 Directors must ensure that the full implications of any partnership are explored and that Finance and Legal officers are consulted at an early stage. The following issues should be addressed:

- Is a partnership the best vehicle for achieving the desired outcome?
- What are the objectives of the partnership and are they consistent with the Council's priorities?
- What is the legal status of the partnership and how will it be governed?
- What is the liability of the Council and the other partners?
- Are the roles and responsibilities clear?
- What are the risks and how will they be managed and monitored?
- How will the performance of the partnership be monitored and how will success be measured?
- Who employs and manages the staff?
- How will the partnership be funded and who is responsible for the financial management, accounts and audit arrangements?
- Are there any taxation issues?
- Is there a robust business case?
- How will goods and services required by the partnership be procured?
- What are the resource implications in terms of staff, premises etc?

E6 Directors are responsible for appropriate approvals before any commitment or agreement is entered into.

E7 A partnership arrangement must not be used as a means of avoiding the procurement rules. Chief Office Responsibilities are to:

(a) Report all new partnerships proposals as required by the Scheme of Delegation.

(b) The value of the partnership for this purpose is the sum of the Council's contribution over the life of the partnership (whether capital or revenue) and the value of any contributions in kind e.g. premises, staffing, IT systems etc.

(b) Ensure that all new partnerships have a written agreement between the partners covering the following points

- i) the duration, purpose and benefits to be derived from the partnership;
- ii) the governance arrangements, including the accountable body;
- iii) Agreed service targets and performance reporting;
- iv) Financial reporting, partner contributions over time, ownership of assets, and fees and charges;
- v) Arrangements for joining, leaving and winding up the partnership;
- vi) Employer and terms of conditions of any staff;
- vii) Insurance arrangements;
- viii) Treatment of VAT and any other tax implications of the partnership.

Public Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT)

E8 A PFI scheme is one where the local authority is purchasing a capital intensive service from the private sector over the period of a long term contract, normally between 25 to 30 years.

E9 The CFO and Cabinet authorisation is required for PFI projects.

E10 Chief Officer must notify the CFO of any proposed PFI projects before negotiation or funding requests are made and seek cabinet approval, supported by a business case and an option appraisal. The Chief Officer must seek Financial, Legal and Procurement advice from the outset.

Grants to outside Bodies

E11 Grants to voluntary bodies and community organisations must be effectively managed, in a similar way to partnerships and procurements.

E12 Decisions to approve assistance to an outside body by grant must follow the agreed procedures and scheme of delegations:-

- i) The receiving body has been properly identified, has suitable lead parties, a defined work area or purpose, and suitable trust documents or constitution;
- ii) Any conflicts of interest have been declared and properly managed;
- iii) Any risks to such agreements and to the Council's interests are being adequately and appropriately managed;
- iv) The assistance contributes to the delivery of the Council's services or to the achievement of the Council's corporate objectives;
- v) The extent and purpose of the assistance have been properly identified;
- vi) Arrangements for the repayment of any loan have been made;
- vii) Arrangements to gain repayment or recovery for the value of the assistance are in place in the event of default by the recipient;
- viii) Any specific conditions relating to the assistance have been identified;

- ix) Monitoring arrangements have been put in place, linked to stage payments, to ensure the assistance is used for the purpose approved;
- x) the recipient will provide evidence to the Council demonstrating proper accounting for, and use of, the assistance, including, access to the accounts of the body for the CFO, or designated representative, and to supporting information, documents and evidence;
- xi) A legally binding agreement is in place between the Council and the body covering the above conditions relating to the use of grant or other assistance;
- xii) full records will be maintained of all grants and related applications for assistance, which should identify which staff are involved in the processing of applications and grants, and record the date of approval of any grant or other assistance, and by whom, and any other relevant transaction information;
- xii) Members will approve all grants and assistance to external bodies in accordance with the agreed grants programme guidance;

E13 The Responsibilities of the CFO are:

- To advise on effective controls;
- To advise on any funding implications of grants or assistance;
- To ensure the accounting arrangements are satisfactory;.

E14 The responsibilities of Directors are:

- To ensure that the key controls set out above are implemented in respect of all grants made and assistance provided;
- To undertake any research, e.g. by making enquiries of the Charity Commissioners, into the financial standing of proposed grant receiving bodies;
- To ensure the use of any corporate standard agreements drawn up by the CFO (as updated from time to time), with any specific conditions incorporated therein.

Accountable Body

E15 The Council may from time to time may choose to act as the Accountable body for a third party, for example to support local partnership arrangements, pooled budget arrangements or as a condition of grant funding. These arrangements may from part of our contribution in kind to a valued partnership. However, there is work required to support the accountable body role and assuming this responsibility also carries financial risks

Chief Financial Officer

E16 The CFO must approve all Accountable Body arrangements before they are entered into on behalf of the authority

E19 In doing so the CFO will confirm:

- There is a suitable formal agreement in place covering duties and responsibilities or all the parties for financial matters (See Partnership Section)
- the resources are available to undertake the Accountable Body role;
- There are adequate arrangements are in place to recoup the Accountable Body costs from the 3rd party or include them as part of the Council's contribution to the 3rd party arrangements;
- Appropriate checks and safeguards are in place to prevent financial loss to the Council arising from its duties as Accountable Body, the arrangements, such as grant claw back, overspends, loss of assets or fraud;
- The Council retains the power to retain funding where there is a breach of governance arrangements.

Directors Responsibilities

E20 To refer all Accountable Body agreements to the CFO for approval before they are entered into.

E21 To provide the CFO with all information and documentary evidence requested in order for the CFO to undertake the Accountable Body role.

Emergency Planning

E22 In the event of a catastrophic incident being declared, the CFO is authorised to make emergency payments under the London Councils Gold resolution, to be reimbursed by central government.

E23 Nothing in these regulations shall prevent expenditure being lawfully incurred by the Head of Paid Service in respect of an emergency under section 138 of Local Government Act, 1972, in accordance with the agreed scheme of delegation and emergency plans.

E24 The CFO must ensure systems are in place keep proper records are of all such emergency expenditure to allow for the submission of a formal claim under the Bellwin or other relevant scheme.

F25 Directors must ensure that records of all payments and receipts are kept and made available to the CFO in order to facilitate any future claim for assistance.

F Scheme of Delegation for Financial Transactions

F1 Where there is an adequate budget provision, the officers shown below may authorise financial transactions up to the limits indicated in relation to the approved policies and activities of the Council. Where the decision to spend is a key decision then, it will go to the Cabinet for approval.

Scheme of Delegation for Financial Transactions

F3 The officers shown below may authorise financial transactions up to the limits indicated in relation to the approved policies and activities of the Council and provided there is adequate budget provision.

F4 Financial delegations in relation to Maintained Schools are maintained locally by the appropriate Governing Body.

Delegation	Approval of Orders	Approval of unsupported invoice	Contracts Value	Petty Cash Payment	Virements,	*Counter signed
System Role	EBP Approver	Completed Off line	Completed Off line	Completed Off line	Completed Off line	
CFO	unlimited	unlimited	£100,000	Above £500	£500,000	
CE	unlimited	unlimited	£500,000	Above £500	*£100,000	CFO
Corporate Directors; Head of Paid Service; Monitoring Officer	unlimited	unlimited	£100,000	Above £500	*£100,000	CFO
Director	£500,000	£100,000	£100,000	£500	*£50,000	Corporate Director & CFO
Divisional Director (SPM1)	£300,000	£50,000	£100,000	£500	*£50,000	Corporate Director & CFO
SPM 2/3 Head of Service	£100,000	£20,000	£50,000	£100 cash £250 cheque	*£25,000	Divisional Director & CFO
SPM 4/5 Service Manager/ Team Leader	£50,000	£10,000	£25,000	£50 cash £100 cheque	*£10,000	Divisional Director & CFO

Approval Required for schemes in the approved capital programme	Amount £
CFO	< £500,000
CFO, Leader and Portfolio Holder for Finance	>=£500,000 < £1,000,000
CSB and Cabinet	>= £1,000,000
Capital De Minimis - Assets or a group of like assets will be treated as revenue below this level	£2,000
Ex Gratia Payments – CFO & Monitoring Officer	£1,000 <£100,000
Ex Gratia Payments – CFO, Monitoring Officer & Cabinet	>=£100,000

Debt Write off

F5 Write-offs are subject to approval as follows:

Category	Limit (£)
CFO	0 - 10,000
Portfolio Holder with responsibility for Strategy, Partnership and Finance	10,001 – 25,000
Cabinet	>25,000

F6 The limits apply to individual debts or category of debts. A quarterly report will be submitted to Cabinet summarising write offs below £25,000.

Assets

F7 The CFO shall maintain inventories that record an adequate description of portable and desirable items such as computers, monitors, printers, facsimile machines, mobile phones and photographic equipment above the value shown below.

£1,000

Land and Property Disposals

F8 Corporate Directors in conjunction with the portfolio holder has delegated authority for General Land and Property disposals

£0.250m. - Anything above £0.250m must be reported to the Cabinet for approval.

Fixtures and Fittings Disposals

F9 All property, plant or equipment assets disposed of over the value of £10,000 must be cleared with the CFO

Money Laundering

F10 The maximum amount receivable from a single customer in coin, notes, or travellers cheques in respect of goods or services.

£5,000

Associated Procedure Notes

Financial Procedure Rules section		Procedure Notes	Lead Officer	Reference
Corporate Strategies and Plans				
No.	Financial Procedure Rules section	Procedure Notes	Lead Officer	Reference
S1	Risk Management and Internal Control	Risk Management Strategy	Head of Internal Audit	Uk corporate governance Code, 2010, Neale Burns http://harrowhub/info/200193/risk_management/313/risk_management/2
	Risk Management and Internal Control	Statement of Risk Appetite	Risk Manager	Uk corporate governance Code, 2010, Neale Burns http://harrowhub/info/200193/risk_management/313/risk_management/2
S2	Financial Planning and Management	Medium Term Financial Strategy	Director	
S3	Financial Planning and Management	Capital Strategy	Deputy 151 Officer	
S4	Financial Planning and Management	Treasury Strategy	George Bruce, Treasury and Pension Fund Manager	
S5	Financial Planning and Management	Pensions Funding Strategy	George Bruce, Treasury and Pension Fund Manager	
S6	Financial Planning and Management	Asset Management Plan	CFO/Head of Property	

Policy and Procedures				
No.	Financial Procedure Rules section	Procedure Notes	Lead Officer	Reference
P1	Roles & Responsibilities	Scheme of Delegation	Monitoring Officer, Corporate Directors, Directors and Divisional Directors	
P2	Other Financial Accountabilities	Closure of Accounts and Accounting Policy	Deputy 151 Officer	
P4	Risk Management	Anti-Fraud and	Head of Internal Audit	

	and Internal Control	Corruption Policy		
P5	Risk Management and Internal Control	Whistleblowing Policy and Procedure	Head of Internal Audit	
P6	Risk Management and Internal Control	Fraud Investigation guidelines	Head of Internal Audit	
P7	Risk Management and Internal Control	Proceeds of Crime Act and Anti Money – Laundering Policy	Head of Internal Audit	
P8	Financial Planning and Management	Financial Planning	Deputy 151 Officer	
P9	Financial Planning and Management	Capital Programme	Deputy 151 Officer	
P10	Financial Planning and Management	Fees and Charges Policy	Deputy 151 Officer	
P11	Financial Planning and Management	Budget Monitoring	Deputy 151 Officer	
P12	Financial Systems and Business processes	Debt Management overall Policy Sundry Credit Policy	Deputy 151 Officer	
P13	Financial Systems and Business processes	Goods Receipt and Invoice Receipt	Head of Technical Finance and Accountancy	
P14	Financial Systems and Business processes	Payment of Invoices	Accounts Payable/Accounts Receivable Manager	
P15	Financial Systems and Business processes	Purchase Cards	CFO	
P16	Financial Systems and Business processes	Expenses, travel and subsistence allowances	Divisional Director (Human Resources and Development)	
P17	Financial Systems and Business processes	Management of the Banking Contract and Operation of Bank Accounts	Treasury and Pension Fund Manager (Services)	
P18	Financial Systems and Business processes	Cash Book	Divisional Director (Shared Services)	
P19	Financial Systems and Business processes	Bank Reconciliation	Head of Technical Finance and Accountancy	
P20	Financial Systems and Business processes	Retention of Documents	Head of Internal Audit	

P21	Property Resources and	Asset Management, including Disposal	Head of Property and Infrastructure	
P22	Property Resources and	Stocks and Stores and Inventories	Head of Internal Audit	
P23	Property Resources and	Treasury Management policy and practices	George Bruce, Treasury and Pension Fund Manager	
P24	Property Resources and	Use of Consultants	Divisional Director (Human Resources and Development)	
P25	Chart of Accounts/SAP Hierarchy Control		Head of Technical Finance and Accountancy	
P26		Establishment Control	Divisional Director (Human Resources and Development)/CFO	

Registers and Lists

Registers and Lists				
No.	Financial Procedure Rules section	Register Name	Lead Officer	Reference
R1		Grants Register	Head of Technical Finance and Accountancy	
R2		Asset registers	Directors	
R3		Register of contingent assets and contingent liabilities	CFO	
R4		Register of Audit recommendations	CFO	
R5		Register of interests	Monitoring Officer	
R6		Risk Register	Head of Internal Audit	
R7		Local Land Charges Register	Monitoring Officer	
R8		Lists of authorised officers, with specimen signatures and delegated limits	Monitoring Officer	
R9		Schedule of disposals	Corporate Director of Environment and Enterprise	

R10		Petty Cash Procedures	Deputy 151	
R11		S106 and CIL	Deputy 151	
R12		Purchasing Cards	CFO?/Procurement	See procurement. CAPCAR
R13		Terrier	Monitoring Officer	

G:\FER & SAP Refresher Training\Financial Procedure Rules\Associated Procedure Notes

Section G - Glossary and Abbreviations

Accounting Officer

Every central Government organisation is required to have an Accounting Officer, who is usually the senior official in the organisation. They have personal responsibility for the overall organisation, management and staffing of the department and for department-wide procedures in financial and other matters.

Accounting Records

All of the prime documentation, whether paper, electronic or in another form, involved in the preparation of financial statements or records relevant to audits and financial reviews. Accounting records include records of assets and liabilities, monetary transactions, ledgers, journals, and any supporting documents such as purchase orders, goods receipt notes,, cheques, invoices and receipts.

Accrual

Procedure for accounting in one financial year for expenditure actually made or income actually received in the following year although due or chargeable in the year of account – entries made in the year of account are reversed in the following year.

Agency Staff or Worker

Under Regulation 3 of the Agency Workers Regulations 2010, an “agency worker” is defined as an individual who is supplied by a temporary work agency to work temporarily for and under the supervision and direction of a hirer. They have a contract of employment with the agency or a contract to perform work and services personally with the agency. See also Consultant

AMP (Asset Management Plan)

Corporate and departmental plans outlining how the Council plans to manage its assets.

Audit Committee

In Harrow the Governance, Audit and Risk Management Committee is the Audit committee.

Balances

Amounts carried forward in the accounts from one financial year to another

Budget

The Council’s spending plans for a financial year. The revenue budget, when approved by the full Council and after deduction of Revenue Support Grant and redistributed Business Rates, determines the Council Tax for the year. The capital budget represents the approved amount of capital expenditure for a year together with how it will be funded. (Budget can refer to the total budget or to a service or part of a service).

Budgetary Control

Comparison of actual expenditure and income against approved budgets during the year and the taking of action to resolve any variations which arise.

Capital Expenditure

Expenditure on making, buying or substantially improving fixed assets.

Capital Programme

Sets out the Council's capital expenditure plans for the near future.

Capital Receipts

The net proceeds arising from the sale of land, buildings and other fixed assets owned by the Council and any other income deemed by statute to be of a capital nature.

Capital Resources

Amounts available to finance capital expenditure - including borrowing, capital receipts, capital grants and revenue.

Cash Limit

A budget set at a fixed level with no scope for subsequent increase.

Charges

Income raised from the users of services both external or internal, which may be either set by central government or set by the authority.

Chart of Accounts

The organisation and numbering of accounts held in the general ledger. For local authorities recommended best practice is contained within CIPFA's "Statement of Recommended Practice" (SeRCOP)

Chief Financial Officer (CFO)

The Chief Financial Officer (CFO) is the organisation's most senior executive role charged with leading and directing financial strategy and operations. All Local Authorities must appoint a Chief Finance Officer (CFO) under Section 151 of the Local Government Act 1972. The CFO is critical to:

- Maintaining strong financial management underpinned by financial controls to maintain probity. This includes corporate risk management, partnership arrangements, effective prudential borrowing and fund management, internal audit function, anti-fraud and corruption, financial systems, sound financial records and information
- Leading and managing an effective and responsive financial service.
- Supporting and advising officers in their operational roles.
- Supporting and advising democratically elected representatives.
- Contributing to corporate management and leadership, ensuring that finance advice carries the appropriate weight and is of the proper standard.

Chartered Institute of Public Finance and Accountancy (CIPFA)

One of the six chief accountancy institutes which make up the Consultative Committee of Accountancy Bodies. CIPFA is responsible for the education and training of professional accountants in the public sector and for setting accounting standards for local government. Much of the guidance issued by CIPFA has statutory force.

Consultant

Temporary workers genuinely engaged on a self-employed basis as a consultant or interim, those working on a Council 'as and when contract' or through a managed service contract, for example Capita employees.

Contingency

Amount set aside within an approved budget but not assigned for a specific purpose which may cover, for example, inflation increases or sums retained centrally for allocation during the year.

Contingent Liability -

A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the organisation's control

De Minimis

Numerical limit below which the relevant rule or regulation does not apply.

Document Retention Schedule

Details the time, dictated by statute or good practice, for which prime records for various areas of the Council's activity should be retained for possible examination.

Estimate

Anticipated expenditure or income - generally synonymous with "budget".

Executive, The

the decision making body of the Council, consisting of elected members, in accordance with the Constitution. It can legally take the form of a leader and cabinet, an elected mayor and cabinet, or an elected mayor and council manager.

Finance Lease

A form of credit arrangement where the Council accepts the risks and rewards of ownership of an asset for a major part of the economic life of the asset in return for a periodic payment.

FRS (Financial Reporting Standard)

Accounting standards adopted by Accounting Standards Board.

Head of Internal Audit

The Head of Internal Audit is a senior manager who heads the Internal Audit Service. They must be professionally qualified and suitably experienced. They support the delivery of the Council's strategic objectives by providing objective scrutiny and advice and championing best practice on all aspects of governance, risk management and internal control.

Head of Paid Service

The Chief Executive undertakes the statutory role of Head of Paid Service and is responsible for the leadership and general administration of the Authority.

Maintained Schools

Maintained schools are funded by central government via the local authority. Maintained schools are accounted for within the Council's accounts.

Medium Term Financial Strategy (MTFS)

The MTFS is a forward looking financial strategy for the Council covering at least three years that both revenue and capital

Monitoring Officer

The Monitoring Officer is a designated officer of the Authority appointed under section 5(1) of the Local Government and Housing Act 1989. The Monitoring Officer has responsibility for ensuring the legality of the actions of the Authority and its officers, and for ensuring that the policies of the Authority are properly developed and implemented. The monitoring officer is responsible for promoting and maintaining high standards of financial conduct and therefore provides support to the standards committee and the CFO.

MTFS

See Medium Term Financial Strategy

Money Laundering Reporting Officer

Businesses that are regulated by the Money Laundering Regulations must appoint a nominated officer to receive and make reports on suspicious activities.

Operating Lease

An agreement whereby the leaser retains the risks and rewards associated with ownership of an asset and normally assumes responsibility for repairs, maintenance and insurance.

Overspending

The excess of actual expenditure at the end of a year or contract which is greater than the approved budget, or actual income which is less than the approved budget.

Provision

The setting aside of financial resources to meet the potential cost of a past occurrence likely to lead to a future obligation of which the timing or amount cannot be precisely quantified.

Reserves

Amounts set aside for specific purposes to meet future expenditure which do not qualify as provisions (also called earmarked reserves).

Revenue Budget

Approved amount of revenue expenditure for a financial year.

Revenue Expenditure

Any expenditure that does not meet the capital test must be charged to the Consolidated Revenue Account, including capital charges and any capital expenditure not met from capital resources.

Scheme of Delegation

A formal document recording the agreed handing down of statutory (where allowed) and other responsibilities by the Council to the Cabinet, Cabinet Members, Committees, Panels and Officers.

Slippage

Expenditure on a capital scheme delayed from one financial year into the next but which does not affect the total cost of the **scheme**.

Trading Accounts

Under the SeRCOP Councils may choose to maintain trading accounts for services that provide goods and service under a commercial or semi commercial agreement:

Underspending

The amount that actual expenditure is less than the approved budget for a given period or conversely actual income is above the approved budget. This represents amounts that will never be incurred or received and should be distinguished from Slippage, which is merely delayed expenditure.

Virement

The approved transfer of budget from one area to another.

Wednesbury Rules

When developing policy or taking decisions, under the Wednesbury Rules, all officers should ensure that the authority took into account those matters it should, ignored those it shouldn't and came to a reasonable conclusion.