

PERFORMANCE AND FINANCE SCRUTINY SUB-COMMITTEE MINUTES

21 JANUARY 2014

Chair: * Councillor Sue Anderson

Councillors: * Mano Dharmarajah * Chris Mote
* Graham Henson * Anthony Seymour

In attendance: * Barry Macleod-Cullinane Minute 168 and 169
(Councillors)

* Denotes Member present

161. Attendance by Reserve Members

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

162. Declarations of Interest

RESOLVED: To note that the following interests were declared:

Agenda Item 8 – Revenue and Capital Monitoring

Councillor Sue Anderson declared a non-pecuniary interest in that her son was a patient of the Central and North West London NHS Foundation Trust and she had also made a complaint to the Clinical Commissioning Group regarding his treatment. She would remain in the room whilst the matter was considered and voted upon.

Agenda Item 9 – Progress Against the Recommendations of the Report on the Standing Scrutiny Review of the Housing Revenue Account Budget

Councillor Barry Macleod-Cullinane declared a non-pecuniary interest in that he had originally been the Chair of the Standing Scrutiny Review prior to

being appointed as a Portfolio Holder. He would remain in the room whilst the matter was considered and voted upon by the Sub-Committee.

163. Minutes

RESOLVED: That the minutes of the meeting held on 30 September 2014, be taken as read and signed as a correct record.

164. Public Questions & Petitions

RESOLVED: To note that no public questions were put or petitions received.

165. References from Council and Other Committees/Panels

RESOLVED: To note that no references were received.

RESOLVED ITEMS

166. Chair's Report

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

The Chair advised that she had received a briefing in November 2013 to look at the items for this meeting. The outlook for future items was positive.

RESOLVED: That the report be noted.

167. Revenue and Capital Monitoring Q2

The Sub-Committee received a report which set out the Council's revenue and capital monitoring position as at 30 September 2013.

The Director of Finance and Assurance introduced the report and made the following points:

- the figures represented the position up until the end of September 2013. the position had improved from the previous two quarters;
- an overspend of £1.9 million was currently forecasted;
- the 2013/14 Central Contingency was £3.17 million and was set aside to fund unforeseen pressures.

A Member queried about the slippage relating to Pinner Park Farm. The Director responded that there was work being conducted to bring the property back into Council ownership.

A Member commented that it would be helpful to have up to date data presented to the Sub-Committee. Another Member commented that it would

be helpful to have more data and information in the reports particularly in relation to overspends. The Director responded that they always aimed to provide the correct balance in reports presented to the Sub-Committee. If there were any requests from Members then he was happy to consider this.

The Director of Finance and Assurance then highlighted some of the headlines in the Medium Term Financial Strategy which included the following:

- a report would be presented to Cabinet in the near future relating to External Recruitment Advertising;
- talks were ongoing regarding the reduction in the number of formal Committees;
- more work was ongoing regarding parking particularly in the Civic Centre;
- a review was being undertaken into the Public Realm service reduction;
- a review of Trade Waste required further work at this stage.

A Member queried the savings in relation to agency costs. The Director responded that agency staff could sometimes be a useful tool and gave the Council greater flexibility rather than using permanent staff particularly in the current financial climate. The Council as an organisation had to determine how it would manage agency staff in a better way.

RESOLVED: That

- (1) the revenue and capital forecast outturn position at the end of Quarter 2 be noted;
- (2) the Capital virements detailed in paragraphs 49 to 50 of the report be noted.

168. Progress Against the Recommendations of the Report on the Standing Scrutiny Review of the Housing Revenue Account Budget

The Sub-Committee received a report which set out the progress made against each of the recommendations within the report from the standing scrutiny review budget on the self financing of the Housing Revenue Account (HRA).

The Sub-Committee welcomed the Portfolio Holder for Adults and Housing to the meeting and he introduced the report. He made the following points:

- the report welcomed moves to a self financing HRA which would mean buying out of the national scheme given that a quarter of the tenants' rents in Harrow was funding other parts of the country;

- as part of the Government Reform that was going through, the Council had bought out from the national HRA scheme. This had meant that the Council had assumed some of the debt but it had reduced its exposure and expenditure. Additionally there was a low rate of interest on the debt. It was envisaged that this would result in the HRA being approximately £3 million better off;
- the Standing Review explored the possibility of what to do with the surplus amounts contained within the HRA;
- the rules relating to 'Right to Buy' were changing. This potential loss of housing stock could create further pressure on the capacity of the council to pay back the HRA debt;
- the issue of Shared Services was important and required further consideration.

A Member queried why the debt in the HRA self financing was to be paid off over 50 years. An officer responded that this was the most attractive terms available at the time. The interest on the debt was low and it was felt that this was the best option to secure the long term future of the HRA.

A Member asked whether 2 or more bedroom houses would be built on redevelopment sites to encourage families to live there. An officer responded that in terms of the finance, 50 units had been calculated on the basis of consisting of 3 bedrooms. These would be focused on where the need was.

A Member queried whether the debt in the HRA would prevent the funding of new projects in the future. An officer responded that the HRA currently had a significant amount of debt. No further funds could currently be borrowed. However the HRA generated a significant amount of revenue and the HRA could pay off its debt to the Council's general fund if the Council wished. The level for rents had been increased and as a result the HRA was much healthier and provided options for the future. It was expected that the HRA could continue to increase its revenue year on year because of a number of factors including a reduction in repair bills and greater measures in tackling fraud.

A Member commented that it had been the right decision to take a long term loan under the HRA self financing arrangements. The rent increases had assisted in clearing up the backlog of repair works required and rent collection rates were high. However it was also important to remember that personal debt amongst individuals remained high and residents still required the appropriate support especially when rents were collected. The Portfolio Holder responded by stating that issues relating to personal debt of residents in Harrow was maybe an issue that the Sub-Committee may wish to investigate further.

RESOLVED: That the progress made to date be noted.

169. Update on Private Rented Sector

The Sub-Committee received a report which set out the current activity in procuring private rented housing.

The Portfolio Holder for Adults and Housing introduced the item and made the following points:

- there were challenges in utilising the private rented sector for housing. The Council had a small housing stock;
- the Council had a waiting list which was several years long. There had been a change in allocation policy and those in the lowest category of priority had little chance of obtaining housing;
- this was the reason why the Council sometimes had to use the private rented sector. Currently there was extra demand for privately rented accommodation.

An officer also addressed the Sub-Committee and made the following points:

- utilising the private rented sector was an important option in preventing homelessness. Historically the Council had always worked closely with landlords. However there was now increased competition for private sector housing and the Council needed to match the incentives being offered to landlords by other councils. All councils were now facing these pressures;
- there was a significant gap between market rents and Housing Benefit payments;
- the Council had developed a range of incentives to help compete. These included a Tenant Finding Service and a Repair to Lease Service. The Council also offered a Private Sector Leasing Service which meant that the Council acted as the Landlord and provided a guaranteed rent;
- the demand for and the difficulty in obtaining private rented properties arose from the new proposals relating to Welfare Reform. This places a cap on Household Benefit. This meant that the extra costs were being covered by the budget set aside for this;
- utilising Bed and Breakfast accommodation was not ideal because of the costs involved. However sometimes they were useful in helping families that had a desperate need.

A Member queried if there was a property managed by the Council on behalf of a landlord and it required major structural work, who would pay for this. The officer responded that any such works would still remain the responsibility of the landlord. Other than these types of issues properties had to be

returned to Landlords in a like for like condition except for normal wear and tear.

A Member also queried how tenants were protected from increases in rent and notices of eviction being served. An officer stated that the Council worked closely with landlords to avoid this situation from arising.

A Member asked whether there was a correlation between the numbers of people utilising bed and breakfast accommodation and the number of properties available in the private rented sector. The officer responded that there was a correlation because the greater number of properties in the private rented sector that the Council were able to utilise meant less reliance on bed and breakfast accommodation.

A Member also questioned the numbers of residents that the Council had placed outside of Harrow. An officer responded that out of 208 placements, 40 had been placed outside London but only to a place where they had a link or interest. This was only done because there was not enough local accommodation.

RESOLVED: That the report be noted.

170. Towards Excellence Update

The Sub-Committee received a report which provided an update on the progress in delivering the Towards Excellence Programme, which incorporated the project previously known as PRISM (Public Realm Integrated Services Model).

The Divisional Director, Business and Service Development, introduced the report and advised that Alex McArthur from Capita was present to answer any technical questions. The Divisional Director advised that:

- there were three main themes of the Towards Excellence Programme. These included Staffing (restructure), technology and service reviews;
- the total number of staff assimilated to roles was 342 out of 373. Interviews relating to roles were held before Christmas to provide more certainty to staff;
- the project teams had worked closely with Trade Unions during the role evaluations. This work had been recognised as part of the corporate CREATE awards;
- it was hoped that no compulsory redundancies would be required. Where possible staff would be redeployed to suitable alternative roles and given training to meet the requirements of these roles. It was expected that there would be voluntary redundancies;
- in terms of new ways of working, the Towards Excellence Programme had focused on enabling professional staff to concentrate on delivering

their service and establishing robust technical support and community engagement teams;

- the project team had been working very closely with Service Managers regarding process mapping. Additionally a series of 'Service Definition Documents' for each team were being finalised. Capita had assisted with this work;
- the transition process had begun and it was aimed that the new structure and new ways of working would 'go live' in February 2014;
- the next key theme related to Technology. The implementation of new technology would be conducted in two phases. The first phase would involve changes to the system which would only be visible to staff. The second phase would involve changes to the system which would then be visible to the public;
- all Design documents had been completed with the exception of two. One of these exceptions was due to the provision of information from an external supplier to Capita;
- the technology would only be deployed following robust user testing and once the Council were confident that the technology was close to perfect;
- Service Reviews were being managed by Harrow Council staff. A first draft report was scheduled to come out shortly. Operational improvements were also being looked at across a number of services.

A Member queried why further objectives had been added to the Towards Excellence Programme other than those which had been carried forward as part of the Public Realm Integrated Services Model (PRISM). The Divisional Director responded that this represented a change in approach by the Council with a greater focus on commercialism, understanding costs and delivering customer satisfaction. Customer satisfaction was a key area to focus on and Service Managers were building this into service provision.

Another Member queried how technology would be utilised as part of the Towards Excellence Programme which was different to that proposed under PRISM. An officer responded that the technology would be based on that which already existed within the Council. It would allow officers to obtain real time information and increase productivity by 20%. It was anticipated that for urgent work the infrastructure would alert the nearest officer available. This would lead to an increase in customer satisfaction. It was anticipated that the financial savings targeted as a result of this aspect of the Towards Excellence Programme would be met.

A Member also queried whether the proposed changes would enable issues with trees to be dealt with quicker when reported by residents. The Divisional Director responded that it was anticipated that residents would be kept updated on information relating to issues that they have reported including

likely dates of when the issue was likely to be resolved. Another Member commented that there were a number of people in the borough who did not have access to the internet. These residents still needed to be kept updated on the progress of issues that they reported. The Divisional Director acknowledged that this was a valid point. A Community Engagement Team would be liaising with these members of the public and would ensure that there was some form of correspondence sent to them. However it was also important to realise that the Council as an organisation was moving away from telephone contact due to the need to realise efficiencies.

A Member then asked a question relating to the progress of restructures particularly in the Licensing Team. The Divisional Director responded that the Licensing Team had been restructured and was now under a bigger team relating to public protection. Recruitment to the team was ongoing and it was expected that this would be completed by the middle of February 2014.

A Member queried how Community Engagement Teams would operate. The Divisional Director commented that a consultation process would be conducted across the Environment and Enterprise Directorate into how they were engaging with the public. Work would also be undertaken with the business community and with area centres. The new roles under the Community Engagement Team would co-ordinate all of this work. The Community Engagement Team would also advise Ward Councillors if there was anything that affected their ward or if they required their input into any issues.

A Member also asked if the process of raising issues online would be made easier for residents. The Divisional Director explained that plain English was used on the website and web forms and this would help to assist.

RESOLVED: That the report be noted.

(Note: The meeting, having commenced at 7.30 pm, closed at 9.35 pm).

(Signed) COUNCILLOR SUE ANDERSON
Chair