

Overview and Scrutiny Committee

AGENDA

DATE: Tuesday 24 February 2015

TIME: 7.30 pm

VENUE: Committee Rooms 1&2
Harrow Civic Centre

MEMBERSHIP (Quorum 4)

Chair: Councillor Jerry Miles

Councillors:

| | |
|-------------------|------------------|
| Ghazanfar Ali | Richard Almond |
| Jeff Anderson | Kam Chana |
| Michael Borio | Chris Mote |
| Kiran Ramchandani | Paul Osborn (VC) |

Representatives of Voluntary Aided Sector: Mrs J Rammelt / Reverend P Reece

Representatives of Parent Governors: Mrs A Khan / 1 Vacancy

(Note: Where there is a matter relating to the Council's education functions, the "church" and parent governor representatives have attendance, speaking and voting rights. They are entitled to speak but not vote on any other matter.)

Representative of Harrow Youth Parliament

Reserve Members:

- | | |
|--------------------------|----------------------------|
| 1. Ms Pamela Fitzpatrick | 1. Susan Hall |
| 2. Adam Swersky | 2. Barry Macleod-Cullinane |
| 3. Phillip O'Dell | 3. Lynda Seymour |
| 4. Antonio Weiss | 4. Stephen Wright |
| 5. Jo Dooley | |

Contact: Una Sullivan, Democratic & Electoral Services Officer
Tel: 020 8424 1785 E-mail: una.sullivan@harrow.gov.uk

1. ATTENDANCE BY RESERVE MEMBERS

To note the attendance at this meeting of any duly appointed Reserve Members.

Reserve Members may attend meetings:-

- (i) to take the place of an ordinary Member for whom they are a reserve;
- (ii) where the ordinary Member will be absent for the whole of the meeting; and
- (iii) the meeting notes at the start of the meeting at the item 'Reserves' that the Reserve Member is or will be attending as a reserve;
- (iv) if a Reserve Member whose intention to attend has been noted arrives after the commencement of the meeting, then that Reserve Member can only act as a Member from the start of the next item of business on the agenda after his/her arrival.

AGENDA - PART I

2. DECLARATIONS OF INTEREST

To receive declarations of disclosable pecuniary or non pecuniary interests, arising from business to be transacted at this meeting, from:

- (a) all Members of the Committee;
- (b) all other Members present.

3. MINUTES (Pages 5 - 22)

That the minutes of the meeting held on 9 December 2014 and of the Special Meetings held on 20 January 2015 at 6.00pm and 7.30pm be taken as read and signed as correct records

4. PUBLIC QUESTIONS *

To receive any public questions received in accordance with Committee Procedure Rule 17 (Part 4B of the Constitution).

Questions will be asked in the order notice of them was received and there be a time limit of 15 minutes.

[The deadline for receipt of public questions is 3.00 pm, 19 February 2015. Questions should be sent to publicquestions@harrow.gov.uk

No person may submit more than one question].

5. PETITIONS

To receive petitions (if any) submitted by members of the public/Councillors under the provisions of Committee Procedure Rule 15 (Part 4B of the Constitution).

6. REFERENCES FROM COUNCIL/CABINET

(if any).

7. SHORT QUALITY SCREENING INSPECTION BY HMI PROBATION SERVICE
(Pages 23 - 58)

Report of the Director, Children and Families

8. CORPORATE PLAN 2015/16 (Pages 59 - 80)

Report of the Corporate Director of Resources

9. REVENUE CHALLENGE PANEL REPORT (Pages 81 - 116)

Report of the Divisional Director, Partnership Development and Performance

10. CAPITAL CHALLENGE PANEL REPORT (Pages 117 - 144)

Report of the Divisional Director, Partnership Development and Performance

11. LIBRARIES REVIEW SCOPE (Pages 145 - 152)

Report of the Divisional Director, Partnership Development and Performance

12. MINUTES OF THE SCRUTINY SUB-COMMITTEES

For information

(a) Minutes of the Health and Social Care Scrutiny Sub-Committee held on 24 November 2014 (Pages 153 - 156)

(b) Minutes of the Performance and Finance Scrutiny Sub-Committee Meetings held on 27 November 2014 and 6 January 2015 (Pages 157 - 176)

13. ANY OTHER BUSINESS

Which the Chairman has decided is urgent and cannot otherwise be dealt with.

AGENDA - PART II - NIL

*** DATA PROTECTION ACT NOTICE**

The Council will audio record item 4 (Public Questions) and will place the audio recording on the Council's website, which will be accessible to all.

[**Note:** The questions and answers will not be reproduced in the minutes.]

| | |
|------------------------|---|
| Deadline for questions | 3.00 pm on Thursday 19 February 2015 |
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OVERVIEW AND SCRUTINY COMMITTEE MINUTES

9 DECEMBER 2014

| | | |
|---|--|---|
| Chair: | * Councillor Jerry Miles | |
| Councillors: | * Ghazanfar Ali * Richard Almond * Jeff Anderson * Michael Borio Simon Brown | * Kam Chana Graham Henson * Barry Macleod-Cullinane (2) * Kiran Ramchandani * Lynda Seymour (3) |
| Voting Co-opted: | (Voluntary Aided) | (Parent Governors) |
| | † Mrs J Rammelt Reverend P Reece | † Mrs A Khan |
| Non-voting Co-opted: | * Harrow Youth Parliament Representative | |
| In attendance: (Councillors) | Simon Brown Graham Henson | Minute 53 and 54 Minute 52 |

* Denotes Member present
 (2) and (3) Denote category of Reserve Members
 † Denotes apologies received

47. Attendance by Reserve Members

RESOLVED: To note the attendance of the following duly constituted Reserve Members:

Ordinary Member

Councillor Chris Mote
Councillor Paul Osborn

Reserve Member

Councillor Lynda Seymour
Councillor Barry Macleod-Cullinane

48. Declarations of Interest

RESOLVED: To note that the following interests were declared:

Agenda Item 8 – Children and Families Self-Assessment

Councillor Lynda Seymour declared a non-pecuniary interest in that both her children received speech and language therapy from Children's Services. She would remain in the room whilst the matter was considered.

Agenda Item 7 – Programme Minerva

Councillor Barry Macleod-Cullinane declared a non-pecuniary interest in that he had been a member of the Cabinet when the decision had been taken to end the Capita contract. He would remain in the room whilst the matter was considered.

49. Minutes

RESOLVED: That the minutes of the meeting held on 18 November 2014 be taken as read and signed as a correct record.

50. Public Questions and Petitions

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

51. References from Council/Cabinet

None received.

RESOLVED ITEMS

52. Programme Minerva

The Committee received the report of the Corporate Director, Resources, which provided an update on progress to date on Programme Minerva since the last report in April. He reminded the Committee of the rationale and intent for the programme and described the scope and market tests undertaken to determine which services would remain in-house and which might be outsourced or shared.

The Director of Customer Services and Business Transformation gave an update on the procurement exercise to replace the Council's provider of ICT services, including the professional advice sought and the progress on short-listing prospective contractors.

The Portfolio Holder for Performance, Corporate Resources & Policy Development informed the Committee that there had been cross party involvement on the programme, and that the update did not entirely reflect the amount of work that had been undertaken to date.

The Corporate Director of Resources described research into opportunities for shared services, and the barriers to successful integration, which were largely systems based.

Members raised the following points:

- the need for a thorough assessment of risks and mitigation measures for the new contracts, with appropriate penalty clauses;
- the need for full due diligence in advance of the contract being let;
- the scope for network security, back-up and resolution within deadlines.

A Member requested that a glossary be provided in respect of the abbreviations and jargon used in the report, as while this was known to the professionals involved, Members and the public would not necessarily be clear about the terms used.

RESOLVED: That

- (1) progress to date on Programme Minerva be noted;
- (2) that a further progress report be brought back to the Committee in 6 months.

53. Children and Families Self-Assessment

The Committee received the report of the Corporate Director, Children and Families, which provided the additional information requested by the Committee at its meeting on 7 October 2014, including a 'scorecard' and summary of strengths and weaknesses. He outlined the assessment grades, adding that there was now a much stricter inspection regime, and that only a handful of authorities achieved a 'good' rating. He was satisfied that Harrow's Children's Services were in a strong, improving position, and was confident that no child was unsafe. He stated that actions were being taken to achieve improvement where required, and that the service hoped to recruit more permanent social workers. One factor shared by 'good' authorities was that staff had manageable caseloads, with an average of 15 per social worker. Harrow was aiming for a model caseload number of 18, but with a current number of 21/22, as it had not been possible to recruit a full complement of social workers.

A Member commented that it would have been helpful to have the 'weaknesses' listed first, as these were the areas the Committee would focus on within the requirement to monitor performance. Another Member asked if

a colour version of the report could be circulated in order to aid comparison and understanding of the statistics provided.

In response to the Youth Parliament representative's query about whether the closure of children's centres would impact on the Council's ability to deliver services and achieve improvements, the Corporate Director explained that the service would look to reach the same number of vulnerable families by using data and feedback to plot locations of the greatest need and target action accordingly. Public consultation was underway, and would inform the final proposals. He commented that keeping children safe should be a community-led endeavour, and it was important to build capacity within the community and across agencies.

Members were also informed about cultural issues and the difficulty of identifying prospective adoptive and foster parents within specific ethnic groups.

RESOLVED: That the report and additional information be noted.

54. Child Sexual Exploitation

The Committee received the report of the Corporate Director, Children and Families, which set out an overview of Child Sexual Exploitation (CSE), including background information on the national context, CSE in Harrow, and Harrow's response to the risk of CSE.

The Independent Chair of Harrow Safeguarding Children Board and the Service Manager, Quality Assurance, described the extent of the problem locally, and the opportunities and mechanisms for identifying those children most at risk, including increased awareness on the part of those working with children, and the wide range of symptoms and signs that could indicate a problem.

Members considered their role in supporting and monitoring the work of safeguarding teams, and compared Harrow's position in relation to other boroughs.

A Member queried the use of the word 'Asian' in describing the identity of perpetrators, as he believed it was possible to specify the ethnicity of certain groups, and that this should be done.

In response to a Member's query about the scope for working with Youth Offending Teams and the Safer Harrow Partnership, the Independent Chair stated that there had been meetings with Safer Harrow Partnership in order to clarify roles and actions.

The Head of School Improvement explained that officers were focussing on school policies and procedures to increase awareness among staff and assist them in identifying existing or potential targets and addressing concerns. Schools would also look to educate children through their PHSE programmes.

A Member added that work on combatting female genital mutilation and forced marriages should continue and form part of the strategy.

RESOLVED: That

- (1) the report be noted;
- (2) the strategic direction of the partnership action plan be endorsed.

55. Termination of the Meeting

In accordance with the provisions of Committee Procedure Rule 14 (Part 4B of the Constitution) it was

RESOLVED: At

- (1) 9.55 pm to continue until 10.30 pm;
- (2) and at 10.25 pm to continue until 10.45 pm.

(Note: The meeting, having commenced at 7.30 pm, closed at 10.35 pm).

(Signed) COUNCILLOR JERRY MILES
Chair

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OVERVIEW AND SCRUTINY COMMITTEE (SPECIAL) MINUTES

20 JANUARY 2015

| | | |
|-------------------------------------|---|--|
| Chair: | * Councillor Jerry Miles | |
| Councillors: | <ul style="list-style-type: none"> * Ghazanfar Ali * Richard Almond * Jeff Anderson Sue Anderson James Bond * Michael Borio | <ul style="list-style-type: none"> * Kam Chana Keith Ferry Chris Mote * Paul Osborn * Kiran Ramchandani |
| Voting Co-opted: | (Voluntary Aided) | (Parent Governors) |
| | Mrs J Rammelt Reverend P Reece | † Mrs A Khan |
| Non-voting Co-opted: | * Harrow Youth Parliament Representative | |
| In attendance: (Councillors) | Sue Anderson James Bond Keith Ferry Barry Macleod-Cullinane | Minute 60, 61 Minute 59 Minute 59 Minute 62 |

- * Denotes Member present
- † Denotes apologies received

56. Attendance by Reserve Members

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

57. Members' Right to Speak

RESOLVED: That, in accordance with Committee Procedure Rule 4.1, the following Councillors, who were not Members of the Committee, be allowed to speak on the agenda items indicated:

| <u>Councillor</u> | <u>Agenda Item</u> |
|-------------------------|--------------------|
| James Bond | 3a |
| Barry Macleod-Cullinane | 5 |

58. Declarations of Interest

RESOLVED: To note that the following interests were declared:

Agenda Item 4 – Petition – Harrow Museum

Councillor Sue Anderson declared a non-pecuniary interest in that she was a 'Friend of Harrow Museum'. She would remain in the room whilst the matter was considered and voted upon.

Councillor Chris Mote declared a non-pecuniary interest in that he was a 'Friend of Harrow Museum'. He would remain in the room whilst the matter was considered and voted upon.

Councillor Janet Mote declared a non-pecuniary interest in that she was a 'Friend of Harrow Museum'. She would remain in the room whilst the matter was considered and voted upon.

Councillor Barry Macleod-Cullinane declared a non-pecuniary interest in that he was a 'Friend of Harrow Museum'. He would remain in the room whilst the matter was considered and voted upon.

RESOLVED ITEMS

59. Reference from Cabinet - 16 October 2014 - Petition on Cambridge Road Car Park

Members received a reference from Cabinet in relation to a petition which requested that the Council consider a change to the status at Cambridge Road car park from 'District' to 'Local' and a change in the charge for the first hour from 80p to 20p.

A Member introduced the petition, which had the support of all the Headstone North ward councillors, and described the impact of car park charges on local businesses and residents. She stated that local business owners had reported a significant loss in business. A promised free hour of parking had not materialised with the failure of a major supermarket to locate in the area, and this fact, together with the loss of banking facilities, suggested that a 'local' designation was more appropriate. She proposed that a pilot scheme be introduced at a cheaper rate, to be evaluated and monitored over a suitable period.

The Service Manager, Traffic & Highway Network Management, described the 5 planning area designations (4 of which existed in Harrow) and explained that the rationale for aligning the parking charges structure to the planning designations had been to set charges consistently to reflect the retail provision and demand in an area. Amending a planning designation would require changes to a number of statutory documents and would be difficult to justify.

The Portfolio Holder for Business, Planning and Regeneration, concurred with the Service Manager, adding that there were criteria governing the designations, and it was not an easy matter to change these. It would also be necessary to consider the impact on neighbouring areas of any proposed changes. He commented that a case could be made for a trial programme to support regeneration.

Members considered whether aligning parking policy to planning area designations allowed sufficient flexibility to respond to community and business needs, and what measures were available to address residents' and traders' concerns. The Service Manager noted that the worst rates for shop vacancies had occurred during a period of free parking. He explained that there was little evidence that concessionary parking charges supported local businesses, and that improvements in vacancy rates in recent years had resulted from targeted initiatives by the Economic Development team. He believed that linking charges to the planning designations was a fair system as it treated similar retail centres equally, and noted that prior to the reform of the charges structure there had been over 30 different charging schemes. He advised careful consideration for determining how one local centre might take priority over another of a similar type.

The Corporate Director of Environment and Enterprise reminded the committee that the proposed change would need the agreement of the Portfolio Holder for Environment, and observed that it would be wise to monitor demand and vacancy rates for another quarter before introducing the change.

A Member stated that the proposal for a trial period at a lower rate, to be monitored and evaluated over a defined period, had cross-party support.

The Chair concluded that it would be appropriate to suggest to Cabinet that consideration be given to the introduction of a lower charge for the first hour for a trial period.

RESOLVED: That the following conclusion be referred to Cabinet:

That consideration be given to the introduction of a lower charge for the first hour of parking in the Cambridge Road Car Park for a trial period, and that economic activity and shop vacancy rates be monitored during this period.

60. Reference from Council - 13 November 2014 - Petitions on Harrow Arts Centre

Members received a reference from Council in respect of two petitions objecting to the Council's proposal to close Harrow Arts Centre; one from the Hatch End Association containing approximately 6000 signatures, and the second from U3A containing approximately 5300 signatures..

The Chair invited the Lead Petitioner for Hatch End Association, Claire Goldschmidt, to read the terms of the petition. She added two further points, namely that the Arts Centre provided a community centre for all ages, abilities and interest groups, and that proposals for the future of the Arts Centre should encompass the entire campus.

The Lead Petitioner for the University of the Third Age, Anne Gerrard then read the terms of the second petition, and posed a number of questions:

- when would the business plan for the Arts Centre be finalised ?
- would lottery funding be available ?
- if no viable plan for the future of the Arts Centre could be found, could it continue at another venue ?

The Portfolio Holder for Community, Culture and Resident Engagement and the Divisional Director of Community and Culture responded and explained that a business plan was being prepared on which stakeholders would be consulted. Depending on the options put forward, either a draft or final business plan would be taken to Cabinet for decision in April. Once a project was agreed, lottery funding could be sought. It was not possible to say whether another venue would be available; the draft Regeneration Strategy would look at all Council assets, but no decision had been made in respect of properties.

A Member stated that any preferred options could have lengthy lead-in times and early progress would be necessary to save the resource within the available timescales.

A Member noted that the Arts Centre had high usage by older age groups and he queried whether the loss of the resource would impact on other services and increase costs elsewhere, thereby cancelling out any savings. The Divisional Director replied that viable alternative options for user groups were being considered, and that this would be addressed in the Equality Impact Assessment.

A Member stated that the Arts Centre provided a valuable service and it was important to generate income and keep the resource open. He asked if other authorities had faced similar problems and found a viable solution.

The Chair thanked the petitioners for their contribution and said the Committee would await further developments with interest.

RESOLVED: That the petition and proposed actions be noted.

61. Petition - Harrow Museum

A Member presented a petition containing over 1,400 signatures, which had been received via the Council's 'Take Part' consultation programme. As the petition contained over 1000 signatures, it had come to the committee for consideration.

The Petition stated:

We, the undersigned

- are concerned by the proposals put forward by the Council's Labour administration to close Harrow Museum at Headstone Manor. We believe that the museum plays a vital role in preserving local history, providing educational resources and attracting exciting exhibitions.
- petition the administration against closing Harrow Museum.

The Member added that since receipt of the petition, the Council had deferred closure of the Museum, and she expressed her thanks for this.

The Divisional Director, Community & Culture, informed the committee that a bid for lottery funding had been submitted, and a decision was expected in March.

RESOLVED: That the petition and the deferred closure of the Harrow Museum be noted.

62. Cabinet's Response to the Council Tax Scheme Challenge Panel Report

The Committee received the response from Cabinet to the Scrutiny Review of the Council Tax Support Scheme Challenge Report.

The Chair of the Review Group expressed his thanks to Members and officers who had taken part in the review, which he believed had shown the scrutiny operation at its best, particularly in considering the potential impact of a decision prior to its implementation, and in its constructive cross-party approach. He urged committee members to read the report and its recommendations before consideration of the matter at Council on Thursday.

A Member thanked the Chair of the Challenge Panel and expressed his own concerns that elements of the proposed scheme would prove a disincentive to employment. He did not feel that the cabinet response addressed the issues raised.

RESOLVED: That the Cabinet response to the Council Tax Support Scheme Challenge Panel be noted.

(Note: The meeting, having commenced at 6.00 pm, closed at 7.12 pm).

(Signed) COUNCILLOR JERRY MILES
Chair

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OVERVIEW AND SCRUTINY COMMITTEE (SPECIAL) MINUTES

20 JANUARY 2015

| | | |
|------------------------------------|--|---|
| Chair: | * Councillor Jerry Miles | |
| Councillors: | * Ghazanfar Ali * Richard Almond * Jeff Anderson * Michael Borio * Kam Chana | * Barry Macleod-Cullinane (2) * Paul Osborn David Perry * Kiran Ramchandani Sachin Shah |
| Voting Co-opted: | (Voluntary Aided) Mrs J Rammelt Reverend P Reece | (Parent Governors) † Mrs A Khan |
| Non-voting Co-opted: | * Harrow Youth Parliament Representative | |
| In attendance (Councillors) | David Perry Sachin Shah | Minute 65 Minute 65 |

- * Denotes Member present
- (2) Denote category of Reserve Members
- † Denotes apologies received

63. Attendance by Reserve Members

RESOLVED: To note the attendance of the following duly constituted Reserve Members:

Ordinary Member

Councillor Chris Mote

Reserve Member

Councillor Barry Macleod-Cullinane

Declarations of Interest

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

RESOLVED ITEMS

65. Question and Answer Session with the Leader of the Council and Head of Paid Service on the Budget 2015/16

The Chair welcomed the Leader of the Council, Portfolio Holder for Finance, the Head of Paid Service and the Director of Finance and Assurance to the meeting and explained that any questions which could not be answered at the meeting would receive a written response.

The Leader of the Council gave a brief introduction and confirmed that, whilst agreeing the budget had been a very difficult process, particularly in view of a £25m deficit, his Group had achieved a balanced budget. Staff and residents had been engaged with through a range of initiatives, including the 'Take Part' programme and public consultations on Harrow Libraries and Harrow Museum. The budget was still a work in progress, and all petitions and suggestions received would be noted before the February Cabinet meeting. He had been open about the difficult decisions now faced by the Council, and he believed the reductions in services were not as severe as they could have been. He stressed the importance of consultation with the public in order to ensure that their views were heard and to be mindful that councillors were here to serve the residents of Harrow.

The Head of Paid Service was pleased that a balanced budget had been achieved, despite the scale of reductions, and noted that steps had been taken towards achieving savings in future years. There was scope for income generation and increasing work with partners. He was pleased that the 'Take Part' programme had given a voice to the community.

The Portfolio Holder for Finance reiterated that the budget process had been difficult this year, given the need to find savings of £75m over 4 years. Recent revised figures suggested that the total figure could be closer to £82m, which would pose an even greater challenge.

Members asked a series of questions and received responses as follows:

Can you provide a fully costed budget for waste collection, including information on the separate charge for garden waste? Does the budget fully reflect possible costs in respect of vehicles and operational equipment?

The Portfolio Holder stated that the budget included both savings and income generation. The income assumed a 40% take up of the garden waste scheme, which was a prudent estimate when benchmarked against other authorities, and he was consulting on discounts for residents on means tested benefits. The Leader stated that a written answer would be provided to give greater detail on the operational costings.

A number of savings are predicated on increased use of IT for engagement with the Council and services, eg via Access Harrow. Currently residents can use libraries to avail of IT facilities, but if they close then this option will be lost.

The Portfolio Holder agreed that this was an important point and it was intended to use the welfare contingency fund to provide more staff on telephone services. The Leader added that some investment in more response resources was already taking place, eg there were 5 extra staff in the Revenues and Benefits team.

Some libraries earmarked for closure were in areas of deprivation, why had these been chosen, and had the knock-on effect been considered, particularly in respect of residents' ability to interact with the Council?

The Leader responded that those libraries with the lowest attendance, and reducing year on year, had been identified. There would inevitably be adverse impacts, but any possible mitigating measures would be considered. The Head of Paid Service advised that there would be an Equality Impact Assessment on the budget in its entirety which would consider such issues.

The loss of school crossing patrols would achieve a very small saving but could have a very significant impact on those affected – what was the feedback on this proposal?

The Leader agreed that there were a number of proposals which affected schools, and Members were working with schools to consider if they could take over the cost.

On what basis was the assumption made of a 40% take up of the garden waste scheme, and how would the charge be collected?

The Leader explained that models in other boroughs had been looked at, and the figure was a conservative estimate of what the minimum take-up might be. Residents could opt-in to the scheme at any time.

How was the charge of £75 decided? Residents would often clear leaves outside their properties themselves in the autumn, but a charge for disposing of the waste was a disincentive. If there was a reduction in street cleaning and maintenance in parks, other costs could arise as a result. Had these factors been considered in a risk register?

The Leader noted that there was a £172k saving from the cut in street cleansing, which might not seem significant when set against the total figure, but was more about a shift in priorities as the council could not continue with existing commitments. Similarly, maintenance in parks was not a priority against other identified needs, although it was hoped to increase community activity in these areas. The Council would need to communicate effectively about its straitened financial circumstances and difficult choices. The Portfolio Holder stated that cuts had been imposed by government and that the Council's priorities were important in deciding which services to protect, for

instance, there would be more social workers and more adult social care provided for in the budget.

The Leader stated that all proposals had been assessed for risk, and he believed risk assessment was something local authorities did very well. The £75 charge for garden waste collection was not yet final, but compared sensibly with charges by other boroughs.

Had the teenage perspective been taken into account when proposing the closure of libraries and loss of security in parks, as this group would be particularly affected?

Proposals in the budget would affect all age groups. While libraries were heavily used at certain times, attendances were declining, probably as a result of greater internet use. All parts of the community had been encouraged to give their views. The Portfolio Holder stated that libraries were not closing because they were not valued, but because the Council had lost half its budget and cuts had to be made. He believed it was right to maintain services for the most vulnerable, but was aware that other proposals would also have an impact. The Head of Paid Service said that there were initiatives, such as the 'Community Clicks' scheme and the housebound library service, to address issues of isolation, which were covered in other budget areas.

Would the Council have sufficient funds to fully implement the requirements of the Care Act from April 2015, and what was the impact of government funding cuts?

The Leader replied that the funding formula had been disappointing and insufficient, with an ageing population and more people eligible for care packages. The Portfolio Holder added that the impact was devastating and would affect the most vulnerable.

Had the capital programme been completed within the financial year? It was difficult to find the £75m savings, how would the £82 be achieved?

The Director of Finance and Assurance explained that each February Members agreed a capital programme and the current programme now spanned 4 years. There had been a history of slippage, and it was not always possible or desirable to spend according to a timetable, as Members' priorities could change, or planning obstacles could arise. Slippage was acceptable if it arose from operational issues. The current programme stood at 60-70% achieved in the third quarter. The Portfolio Holder said the extra £7m of savings would be extremely difficult to achieve; there was no contingency for this, and it would have to be looked at going forward.

What had been the impact of welfare reforms on the Council in the last year, and would this continue going forward? Had the high level of interest in the 'Take Part' programme contributed to a 'participatory' budget?

The Portfolio Holder stated that welfare reforms had had a massive impact on the budget and increased the burden on the Council. Residents could not

avoid incurring penalties as a result of the 'bedroom tax' as they had nowhere to move to, and only the bottom 5% of housing stock had entitlement to benefit. The Leader said it was right to be honest with residents and involve them in budget decisions. He hoped discussions with the voluntary sector would lead to new ways of working, and co-designing services.

What provision was there for people with autism arising from the Autism Act 2010?

The Head of Paid Service replied that while there were no specific proposals, the department was undertaking an 'autism self-assessment' and the budget had built in growth for young people with disabilities and transition to adult provision. There were plans to develop 'personalisation' with a range of services, and he could provide further information on this outside the meeting.

Can you rule out council tax rises over the next 3 years?

The Leader replied that this could only be considered on a year by year basis

Given that a prospective Labour administration has said that there would need to be £500m of cuts, funding will be reduced regardless of who wins the general election – what options are there for savings if contracts are better managed?

The Leader stated that it was clear where 'back office' savings could be made. The Portfolio Holder added that a procurement team had been created with a view to secure savings in contracts, and that these skills should become mainstream throughout the organisation.

The charge for garden waste could impact on other areas, eg more leaves on the ground could result in a greater flood risk if drains became blocked. If a policy had the potential to impact on another area, had this been fully costed? Would it be possible to have a full business case for street cleansing and waste services, including gritting?

The Leader replied that costings on waste collection would be provided, if possible by Friday as requested. All budget lines had been considered; if a particular pressure point arose, then a one-off investment could be made.

What is the statutory minimum provision for the Parks Service? Would reductions in service at Canons Park breach the terms of the agreement for receipt of lottery funding?

The Leader explained that maintenance of parks could not continue as before, and that a programme of 'naturalisation' would replace tree pruning and other tasks. He was not familiar with the details of statutory obligation, but this could be provided. The proposals for Canons Park had been given legal clearance and must therefore be lawful.

If Community Champions, whose role is to empower the community, report problems to the Council but no action is taken, this will demotivate them.

The Leader agreed that a nil response could demotivate Community Champions and that if this occurred it would be looked into.

Had the police been consulted on proposals such as non-closure of parks at night, which could lead to a rise in crime?

The Leader confirmed that regular consultation took place with the police, who were statutory partners in a number of areas.

Would the budget be cut for consultancy and agency staff?

The Leader stated that while they would like to reduce the use of agency staff where possible, it would continue if necessary.

Are there plans to generate income? Would the Council involve more young people in community work, and consider greater use of social media to interact with them?

The Leader stated that income generation was a priority for the Council. The Council would use its relationship with the youth parliament and the voluntary sector to promote greater involvement and co-design services.

Cabinet has already moved to paperless meetings, would other committee meetings follow?

The Portfolio Holder stated he hoped that committees would be paperless by the end of the year, but noted that opposition members were not committed to this.

The Chair thanked the Leader, Portfolio Holder and Head of Paid Service for their attendance and responses, and all present for their contribution.

RESOLVED: That the Committee's comments be forwarded to Cabinet for consideration.

(Note: The meeting, having commenced at 7.30 pm, closed at 9.22 pm).

(Signed) COUNCILLOR JERRY MILES
Chair

**REPORT FOR: OVERVIEW AND
SCRUTINY COMMITTEE**

| | |
|---------------------------------------|---|
| Date of Meeting: | 24 th February 2015. |
| Subject: | Report of Short Quality Screening Inspection (SQS) of youth offending work in Harrow undertaken by HMI Probation |
| Responsible Officer: | Chris Spencer Director, Children and Families |
| Scrutiny Lead Member area: | Councillor Simon Brown, Portfolio Holder for Children Schools and Young People. Simon.Brown@harrow.gov.uk |
| Exempt: | No |
| Wards affected: | Not ward specific |
| Enclosures: | Report of Short Quality Screening (SQS) of youth offending work in Harrow Youth Offending Team SQS Action Plan |

Section 1 – Summary and Recommendations

Summary

This report sets out the HMI Probation inspection regime for Youth Offending in England and Wales. It summarises the recommendations of Core Case Inspection (CCI) of Harrow Youth Offending Team in 2011, the progress made following that inspection and the findings of the Short Quality Screening (SQS) Inspection of Harrow Youth Offending Team in 2014.

The Action Plan details the steps to be taken to address the recommendations following the SQS Inspection.

There is evidence of significant improvements in performance following the 2011 Core Case Inspection as detailed in the report and the performance data.

The report also provides the changing landscape of youth offending work and the particular challenges which have been addressed and continue to be addressed by the Youth Offending Team.

Recommendations:

To note the contents of the report, the SQS action plan and progress made since the Core Case Inspection in 2011.

Section 2 – Report

Introductory paragraph

Youth Offending Teams throughout England and Wales are inspected by HMI Probation. Since the establishment of Youth Offending Teams in 2000 HMI Probation Inspection regime has evolved from a Youth Offending Team Inspection (YOTI) programme, to a Core Case Inspection programme (CCI). The Core Case Inspection programme of work ended in 2012 and HMI Probation developed a programme of three inspection types, Full Joint Inspection, Thematic and Short Quality Screening.

Between April 2009 to April 2012 all 158 Youth Offending Teams in England and Wales received a Core Case Inspection. In 2011 HMI Probation undertook a Core Case Inspection of youth offending work in Harrow.

In 2014 a Short Quality Screening inspection. was undertaken in Harrow by HMI Probation.

This report considers the progress made since the 2011 Core Case Inspection and the action plan in response to the more recent Short Quality Screening Inspection. It highlights some of the challenges within the service and identifies where progress has been made.

Background .

Multi-agency Youth Offending Teams (YOT) were established in 2000 following the 1998 Crime and Disorder Act with the intention of reducing risk

of young people offending and re-offending, and to provide counsel and rehabilitation to those who do offend.

The Youth Justice Board (YJB) has 3 key indicators for all YOTs

Reducing first time entrants to the criminal justice system

Reduce re-offending

Reducing the use of custody

In 2011 HMI Probation undertook a Core Case Inspection of youth offending work in Harrow. The focus of the inspection was the quality of work undertaken with children and young people who offend. A representative sample of youth offending cases (38 cases) were examined to judge how often the Public Protection and Safeguarding aspects of work were done to a sufficiently high level. The 38 cases were made up of first tier (referral orders, action plan and reparation orders), youth rehabilitation orders and detention and training orders and other custodial sentences. Case Managers were interviewed and 34 young people completed a questionnaire for the Inspection.

The findings of the Inspection were

- Substantial improvement was required in the areas of Safeguarding
- Substantial improvement was required in Public Protection (likelihood of reoffending)
- Drastic improvement was required in Public protection (risk of harm).

The Inspection made 9 recommendations for improvement including

- A timely and good quality assessment and plan, using ASSET, is completed when the case starts
- As a consequence of the assessment, the record of the intervention plan is specific about what will now be done in order to safeguard the young person from harm, to make them less likely to re-offend, and to minimise any identified Risk of Harm to others
- Children and young people, and their parents/carers are actively and meaningfully involved in assessment and planning, including through the timely use of self assessments (what do you think in ASSET), and the assessment of learning styles
- Oversight by management, especially of vulnerability and Risk of Harm to others is effective in ensuring the quality of practice and provision of services, and is clearly recorded within the case record
- Purposeful home visits are undertaken, as appropriate to the needs of the case and consistent with Safeguarding needs and the Risk of Harm to others.

The implementation of the action plan in response to the inspection was overseen by the multi agency Youth Offending Management Board which met on a monthly basis to monitor progress.

Changing context since the inspection in 2011.

Staffing in the Youth Offending Team.

Following the inspection in 2011 additional staff including 2 Case Managers to manage young people and a Senior Practitioner to provide increased management oversight were appointed.

An experienced Team Manager was appointed to the YOT Team Manager post in 2012. This was following a gap of a number of years when the Team Manager post had been covered by several agency staff.

Performance management was implemented and a challenging action plan was put in place.

A number of staffing challenges have been dealt with.

There has been considerable staff turnover over the past three years at both a practitioner and senior level with an over reliance on agency staff.

The structure of the YOT is currently being reviewed to ensure that it is able to meet the changing youth justice landscape both nationally and locally.

Youth Offending Management Board.

The multi agency Harrow Youth Offending Management Board has also undergone significant changes with Governance being a key aspect of Full Joint Inspections. In recent months the Board has been strengthened with a greater emphasis on youth offending across the partnership, and overview and scrutiny of performance and the delivery of the Youth Offending annual plan.

Information Technology.

The Youth Offending Team uses a data base, YOIS, (Youth Offending Information System) and Connectivity which is used to share information about young people with other YOTs, the secure estate and the YJB. Both systems have been unreliable /unavailable at times over the past 18 months which has impacted on performance. In addition as a result of not being able to consistently provide documents to the YJB through Connectivity when a young person has been remanded/sentenced to custody Harrow is the subject of an action plan with the YJB.

YOIS is an ageing system which is being phased out across all YOTs in 2015. An alternative data base, Capita 1, has been purchased and is scheduled for implementation in June 2015, with a go live date in July. The concern remains in respect of the IT infrastructure to support the system. In addition with any new data base there are potential implementation problems and the impact of such problems on performance are unknown.

Youth Justice Landscape.

Following the Core Case Inspection in 2011 the youth justice landscape has changed significantly due to changes in legislation and identified outcomes and priorities.

- Reduce first time entrants
- Reduce re-offending
- Reduce the use of custody
- Deliver effective practice in youth justice services
- Safeguarding of children and young people who come into contact with youth justice services
- Protection of the public from harmful activities of children and young people who offend

- **Legal Aid and Sentencing and Punishment of Offenders Act (LASPO)** came into effect in December 2012 . The Act reformed the justice system and the administration of legal aid and created a new youth remand and sentencing structure that allows courts greater flexibility when deciding on appropriate disposals for young people. This significantly changed the management of young people within the Youth Justice system.
- An increased focus on reducing the number of young people remanded into custody , with a greater emphasis on offering robust and creative bail packages which address the risk and need of each young person The Act requires that any child remanded into custody from April 2013 is treated as 'Looked After' by the local authority Changes to “out of court” disposals mean an automatic referral to the YOT for interventions must be offered to young people who have been made the subject of a Youth Conditional Caution , and on a second youth caution the young person must be assessed and offered a voluntary rehabilitation programme.
- The introduction of education requirements as part of a Youth Rehabilitation Order, makes it a statutory requirement for young people on such Orders to attend education or to be in breach of their court order.
- Referral Orders can be used repeatedly.

Youth Justice Board National Standards.

A revised set of Youth Justice Board National Standards were issued in 2013. The National Standards define the minimum required level of service provision to ensure effective delivery of practice, safeguarding of young people in contact with youth justice services, and protection of the public from the harmful activities of young people who offend. An annual audit is undertaken to ensure that the standards are being adhered to and improvements are tracked.

Adherence to the standards is a mandatory requirement and in the future may be linked to the Good Practice Grant.

National Probation Service.

There are also significant reforms to the National Probation Service including the separation of the service into two arms, the National Probation Service (managing high risk within the community) and the Community Rehabilitation Company (managing medium and low risk) This will potentially impact on those young people who at the age of 18 years transfer to Probation to serve the remainder of their sentence. YOT will be required to develop stronger links to inform appropriate referrals of young people to Probation.

SEND reforms.

The Children and Families Act 2014 transforms the system for disabled children and young people and those with special educational needs (SEN). The new statutory requirements for when a child or young person is detained will come into force on 1st April 2015. In effect YOT and social worker (if there is one) are responsible for the young person's special educational provision whilst in custody and for support to be put into place immediately on release and to review the provision on release.

Unpaid work.

Responsibility for the delivery of unpaid work transferred in 2014 from the national Probation Service to Youth Offending Teams. From 2015 unpaid work is required to have greater emphasis on skill acquisition and qualifications but retaining the punitive side of the order. It is proposed that this will be delivered in partnership with one of our partners. This is an additional demand upon YOT to identify and support appropriate unpaid work.

Serious youth crime.

There has been an increase in serious youth violence and youth crime in Harrow and across London.

Increased intensity levels.

The Youth Offending Teams has experienced an increase in the numbers of young people who have been assessed as high risk/high risk of vulnerability, which requires an increase in the frequency of the statutory contacts the YOT has with the young person.

36.1% of interventions are Intensive, (seen minimum three times a week)
44.3% are enhanced (seen minimum once a week)
19.7% are standard, (seen once a fortnight).

Current situation

The most recent Short Quality Screening (SQS) Inspection of Harrow YOT was undertaken over two and a half days in October 2014.

This is a very different inspection to the Core Case Inspection in terms of the scope of the inspection and the number of cases inspected. It is therefore not possible to compare the findings of the two inspections, as they inspected different aspects of youth offending. The focus of SQS inspection is of the quality of work at the start of the sentence in a small number of recent cases with young people who have offended, through to the point when initial plans should have been in place post-sentence. The records of 14 young people were assessed comprising first tier cases, community cases and young people in custody.

The Inspection highlighted 3 areas for improvement.

- Significant improvement is needed to improve the overall quality of management oversight in order to drive up the quality of assessment, planning and review.
- Measures to improve the quality and consistency of safeguarding and vulnerability work, at both management and practitioner level, needs to be implemented urgently.
- In order to support improvement in staff practice and performance, personalised training and induction plans should be in place, specifically addressing; assessment; planning; MAPPA; and speech, language and communication needs.

The action plan to address the recommendations of the SQS inspection is being overseen by the Youth Offending Management Board. It has also been scrutinised by the Safer Harrow Partnership and the Local Safeguarding Children's Board. It has been shared with the Youth Justice Board who have provided additional support to deliver the action plan.

Why a change is needed.

The SQS identified 3 key areas for improvement as detailed above.
Continuing implementation of LASPO.

There continue to be a number of key challenges

- Ensuring that high performance is achieved and maintained
- Compliance with the YJB guidance for referral Orders and Youth Offender Panels (2012) including the recruiting, training and supporting of panel members, engaging and supporting victims and ensuring Referral Order Panels take place within 20 working days of the young person being sentenced
- Ensuring a range of Reparation activities are available in a timely manner so that young people are aware of the impact their offending has on their community and enable them to make amends.
- An effective staff group with the skills and abilities to meet the changing youth offending landscape
- Creative delivery of unpaid work
- Further develop an effective relationship with the Court

Implications of the Recommendation

Financial Implications

Harrow Youth Offending Team has been resourced by contributions from Harrow Council, statutory partners, the Youth Justice Board and some additional grant funding for example the Restorative Justice Development Grant. Statutory partners have also contributed through deployment or secondment of key personnel, including 2 Police officers, 1 Probation Officer and a mental health worker.

The SQS action plan does not have any additional financial implications.

Staffing/workforce.

The SQS action plan has identified specific issues for practitioners and managers which are to be addressed through supervision, training and development, and annual appraisal.

Legal comments.

The new youth sentencing and remand provisions are contained in the Legal Aid, Sentencing and Punishment of Offenders (LASPO) Act 2012. Sections 79-84 deal with referral and rehabilitation orders. Sections 91 to 107 and Schedule 12 make significant changes to the remand framework for 10 to 17 year olds in criminal proceedings.

Where a child/young person has been remanded on bail, the provisions of Bail Act 1976 continue to apply but where a child/young person has been remanded in custody the new framework introduced by section 91 of the LASPO will permit the court to remand a child to local authority accommodation or to youth detention accommodation.

Sections 70-75 of the Children and Families Act 2014 set out the statutory requirements for the provision on services for children/young people with special educational needs who are detained

Performance Issues

The **Harrow Council Corporate Plan** (2014-2015) priority is “to become the safest borough in London by reducing the overall level of crime and incidences of anti-social behaviour through

- Work to reduce the fear of crime
- Strengthen the links between the anti-social behaviour teams and their links with the youth offending team

The **Youth Justice Board** has identified 3 outcome indicators for all Youth Offending Teams

- Reduction in the number of first time entrants to the youth justice system
- Reduction in re-offending
- Reduction in the use of custody

In addition the Harrow Youth Offending Management Board receives regular performance reports in respect of the youth offending team. These reports include

- First time entrants and the type of order
- Number of ASSETs (assessment) completed
- Number of Pre-sentence reports (PSR)
- % of interventions with plans created
- % of risk management and vulnerability management plans countersigned
- % of new interventions with a home visit
- Proportion of what do you think forms
- Number of young people remanded into custody
- Young people who are known to YOT/CIN/CLA
- Number of young people receiving a custodial sentence
- Ethnicity of young offenders

Current performance demonstrates

- a reduction in first time entrants to the youth justice system from 127 young people in 2011 to 79 young people in 2013.
- a reduction in re-offending rates from 41.6% (99 out of 238 young people) to 35% (70 out of 200 young people)
- a reduction in the number of remand nights to Young Offenders Institution (YOI) from 398 in 2013/14 to 13 April-Dec 2014 with a corresponding significant reduction in the cost of remand beds
- a reduction in the number of remand nights to Secure Training Centres (STC) from 403 in 2013/14 to 50 April-Dec 2014 with a corresponding significant reduction in the cost of remand beds
- a reduction in the numbers of young people sentenced to custody. In 2011-12 16 young people were in custody compared to 10 young people in 2013-14.
- 95% of ASSETs completed within 15 days (Quarter 3)
- 95.2% of home visits undertaken (Quarter 3)
- 100% of what do you think forms (Quarter 3)
- 100% of plans countersigned by managers

Environmental Impact

None.

Risk Management Implications

Risk included on Directorate risk register? No

Separate risk register in place? No

Failure to implement the action plan to address the recommendations from the Inspection would adversely impact on outcomes for young people and future inspections.

Equalities implications

An EqIA has not been completed as this is an information item.

Council Priorities

The Council's vision:

Working Together to Make a Difference for Harrow

The administration's priorities.

- Making a difference for the vulnerable
- Making a difference for communities
- Making a difference for local businesses
- Making a difference for families

Section 3 - Statutory Officer Clearance

| | | |
|--------------------------------------|--------------------------|--|
| Name: Jo Frost Date: 27/01/15 | <input type="checkbox"/> | on behalf of the* Chief Financial Officer |
| Name: Lanna Childs Date: 30/01/15 | <input type="checkbox"/> | on behalf of the* Monitoring Officer |

| | |
|-----------------------------------|-----------|
| Ward Councillors notified: | NO |
|-----------------------------------|-----------|

Section 4 - Contact Details and Background Papers

Contact: Ann Garratt
Service Manager
0208 736 6976

Background Papers:

Report of Short Quality Screening (SQS) of youth offending work in Harrow.

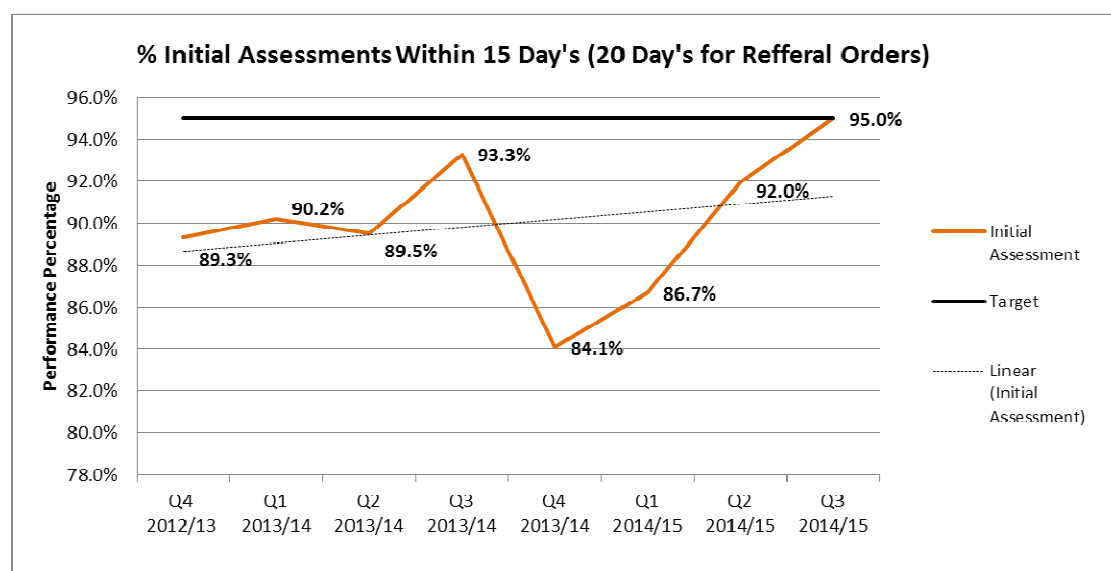
Youth Offending Team SQS Action Plan.

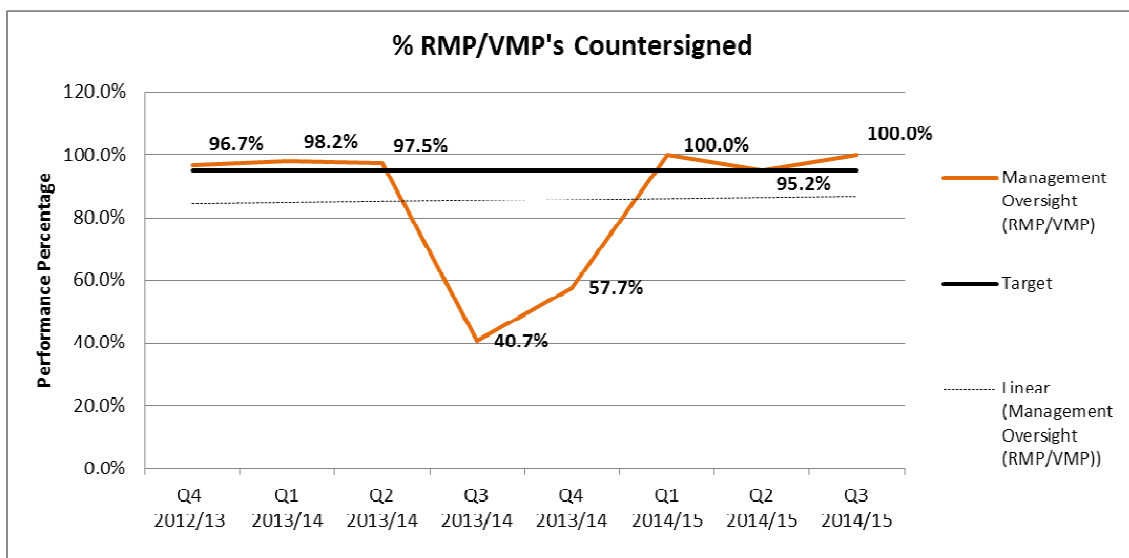
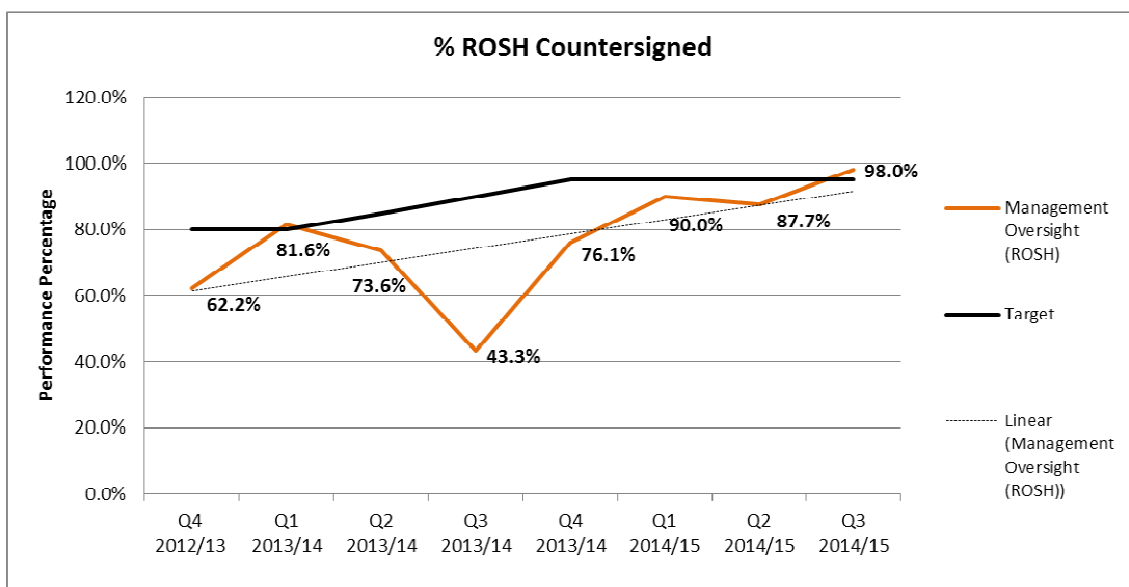
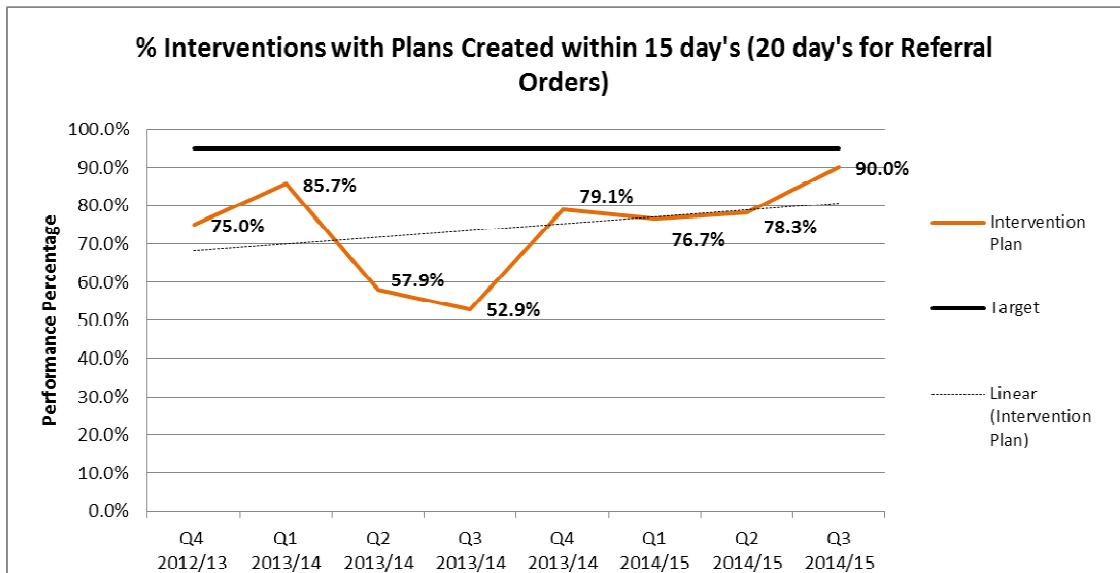
Appendix One

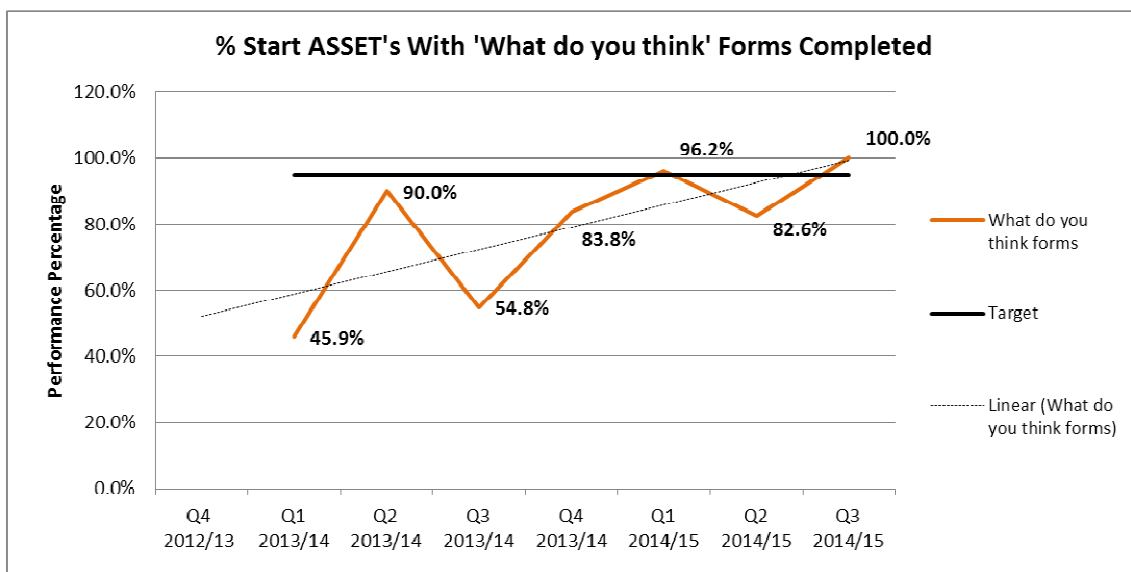
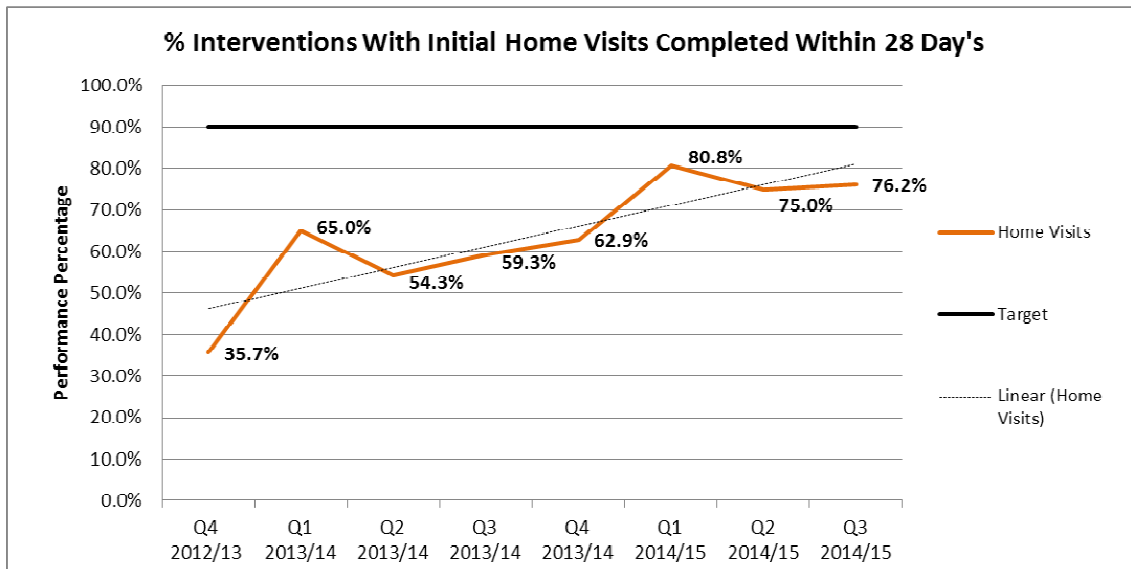
Youth Offending Supporting Data

Quarterly Performance Targets

| Number | Description of Measures/Indicators | Target |
|--------|--|--------|
| 1 | Initial Assessment % of interventions starting in period with start ASSET's Completed within 15 days of intervention start (20 days for referral orders) | 95% |
| 2 | Intervention Plans % of interventions starting in period with plans created within 15 days (20 days for referral orders) | 95% |
| 3 | Management Oversight % of ROSH's completed in period which were countersigned | 95% |
| 4 | Management Oversight % of RMP's and VMP's started in the period which were countersigned | 95% |
| 5 | Home Visits Of those appropriate for Home Visits, % having them within 28 days of the intervention start | 90% |
| 6 | What do you think forms Proportion of current interventions having 'What do you think forms', which were recorded on the system. | 95% |
| 7 | Education, Training & Employment (ETE) Proportion of caseload who are currently 'Actively Engaged' in education, training and employment (ETE). (25+hrs for statutory school age and 16+ hrs for 17-18 year olds) This figure does not include those in custody. | 75% |







Young people committing crime

Table 1: Harrow Offences and Disposals – 3 year comparison

| | Offences | | Disposals | | | | | % change from previous year |
|-------------------------|----------------|----------|----------------------------|-----------------------------|----------------------------|--------------------------|-----------------|-----------------------------|
| | Total Offences | % Change | No. of Pre-court disposals | No. of First-tier disposals | No. of Community disposals | No. of Custody disposals | Total Disposals | |
| April 2013 – March 2014 | 301 | 12.3% | 25 | 100 | 78 | 10 | 213 | 18% |
| April 2012 - March 2013 | 268 | - 27.4% | 5 | 78 | 77 | 20 | 180 | -32% |
| April 2011 - March 2012 | 369 | - 10.0% | 19 | 152 | 78 | 16 | 265 | -5% |
| April 2010 - March 2011 | 410 | - | 47 | 128 | 87 | 17 | 279 | - |

Overall youth crime had shown a significant decrease in 2012-13 compared to previous years. Which is reflected in the number of offences taking place and the number of individuals committing crime. However, the 2013-14 figure covering the period April to March shows an overall increase compared to 2012-13. Although this has not reached the pre 2012-13 figures.

Total offences had fallen to 240 in 2012-13. Between 2010-11 and 2011-12 there was a 10.0% decrease from 410 to 369. Between 2011-12 and 2012-13 there was a further decrease of 35.0% from 369 to 240. However, there have been a total of 301 offences in 2013-14, compared with the 2012-13 figure of 268, which represents a 12.3% increase on 2012-13.

The total number of young people who have been found guilty of a crime had fallen overall between 2010/11 and 2012/13. In 2010/11 this was 162 individuals, rising to 174 in 2011/12, which represents a small increase of 7.4%. In 2012/13, this figure fell to 111, a significant decrease of 36.2%. However, there have been a total of 133 young people found guilty in 2013-14, this compared with the 2012-13 figure of 117 represents a 13.7% increase.

There were a total of 213 disposals granted in the year compared to 180 in 2012-13, this represents an 18% increase.

First Time Entrants

The data for first time entrants to the youth Justice Service relates to proven offences, where a young person is given a formal out of court or court disposal. Figures are based on data from the police national computer (PNC) and are given as a rate per 100,000 population (10-17). The figure used covers a 12 month reporting period which runs from January to December.

An offence is defined as a first offence if it results in the person receiving their first reprimand, warning, and caution or court conviction – i.e. they have no previous criminal history recorded on the PNC.¹

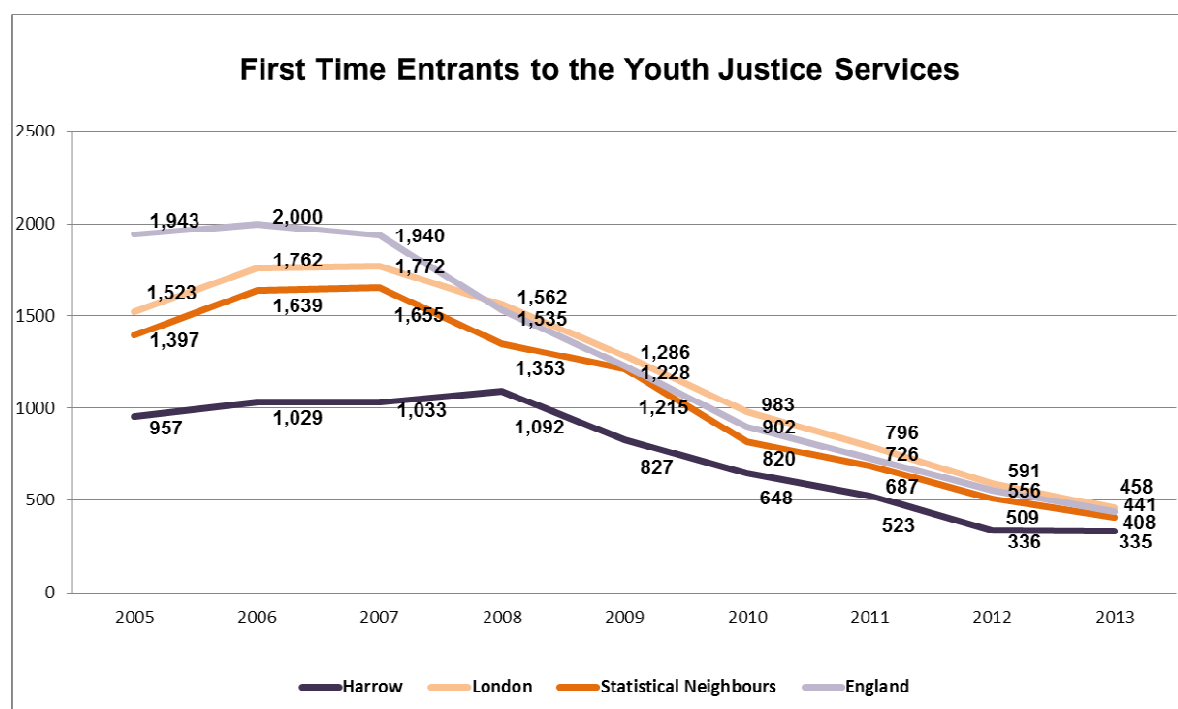
Table 2: First time entrants to the Youth Justice Service 2005 - 2013²

| First Time Entrant to Youth Justice Services – Per 100,000 (10-17) Population | | | | | | | | | |
|---|---------|---------|---------|---------|---------|--------|--------|--------|--------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Harrow | 956.60 | 1029.20 | 1032.70 | 1092.10 | 827.10 | 647.70 | 523.30 | 335.80 | 334.60 |
| London | 1523.30 | 1762.00 | 1771.90 | 1561.70 | 1285.80 | 983.10 | 795.90 | 591.30 | 458.20 |
| Statistical Neighbours | 1397.42 | 1638.91 | 1655.05 | 1352.89 | 1214.84 | 819.52 | 687.28 | 508.58 | 408.49 |
| England | 1942.50 | 2000.10 | 1939.70 | 1534.80 | 1228.40 | 901.70 | 725.60 | 556.00 | 440.90 |

¹ YJB/MOJ - Youth Justice Annual statistics 12-13 <https://www.gov.uk/government/statistics/youth-justice-statistics>

² DFE – Local Authority Interactive Tool (LAIT) 18/12/2014. <https://www.gov.uk/government/publications/local-authority-interactive-tool-lait>

Chart 1: First time entrants to the Youth Justice Service 2005 – 2013²



Since 2007 the national trend has been a year on year decrease in the number of first time entrants to the youth justice system. The national trend is reflected in Harrow's figures which decreased from 1,092 in 2008 to 335 in 2013. Harrow has consistently performed well against National, London and Statistical Neighbour averages. There has been only a slight decrease between 2012 (336) and 2013 (335) which may suggest that numbers are levelling out.

In total Harrow had 79 first time entrants during 2013 (Jan 13 – Dec 13) this is slightly down from 81 in 2012 and 127 in 2011.

Re-offending Figures

Table 3: Proportion of young offenders who re-offend 2005 – 2012³

| Proportion (%) of Young Offenders Who Re-offend 2005 - 2012 | | | | | | | | |
|---|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| Harrow | 29.50 | 30.10 | 31.50 | 29.90 | 33.20 | 33.00 | 39.50 | 39.90 |
| Statistical Neighbours | 32.32 | 31.52 | 31.95 | 32.71 | 33.04 | 35.17 | 36.20 | 38.66 |
| England | 33.60 | 33.90 | 32.50 | 32.90 | 32.80 | 35.30 | 35.90 | 35.70 |

Chart 2: Proportion of young offenders who re-offend 2005 – 2012³



On a national scale re-offending has seen a steady increase in the proportion of re-offenders between 2005 and 2012. However, the size of the cohort from which re-offending has been measured has been decreasing year on year with particular reductions among those young people who have had no previous offences. This has left a smaller, more challenging group within the youth justice system which is reflected in a higher rate of re-offending.³

Harrow has followed the national trend with the proportion of re-offenders increasing steadily since 2005. Although, since 2010 harrow's rate of re-offending has moved above national and statistical neighbours for the first time. This is likely due to harrow's levels of first time offenders reducing at a faster rate during those periods.

Harrow's 2012 figure for re-offending representing the period between Jan 11 – Dec 11 was 39.95% (63 re-offenders out of a cohort of 158 offenders) which is in line with the 2011 figure of 39.50% (85 re-offenders out of a cohort of 215 offenders). Although the proportion of re-offenders has remained stable between 2011 and 2012, the 2012 figure represents a smaller cohort with 63 re-offenders compared to 85 in 2011.

³ YJB/MOJ - Youth Justice Annual statistics 12-13 <https://www.gov.uk/government/statistics/youth-justice-statistics>

Chart 3: Proportion of young offenders who re-offend

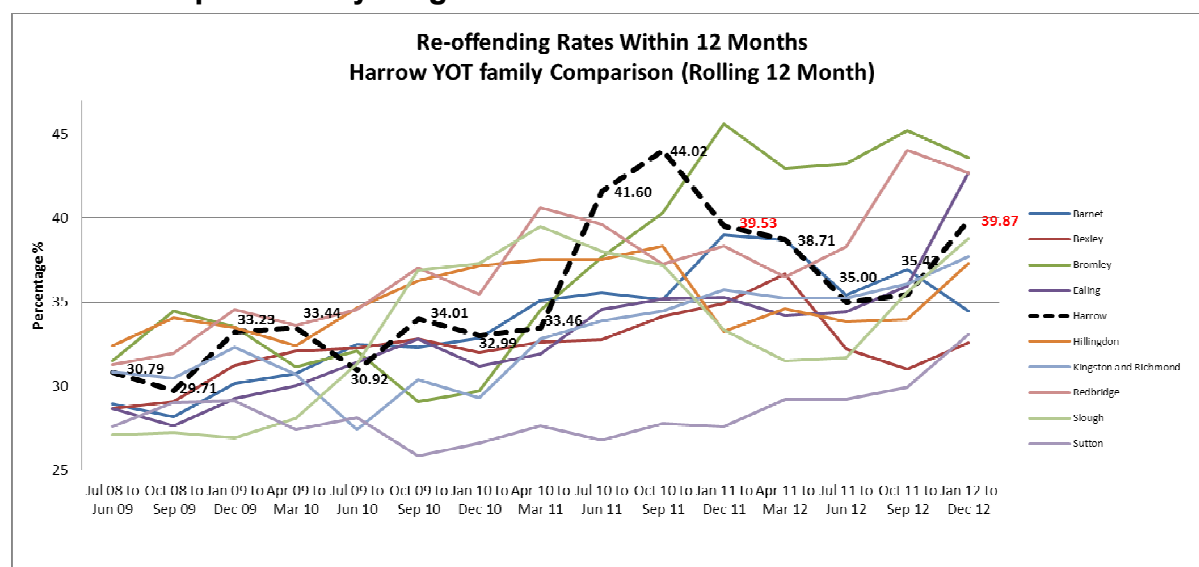


Chart 3 shows Harrow's re-offending rate in comparison to its statistical Neighbours. The table offers a more balanced view of the changes over time based on a 12 month rolling period. The figures from chart 2 represent the 12 month rolling period between Jan – March which have been highlighted in red in table 3. In contrast to this, there was a significant decrease between Jun10 – Jun 11 (41.6%) and Jun11 – Jun 12 (35.0%).

Custody Figures

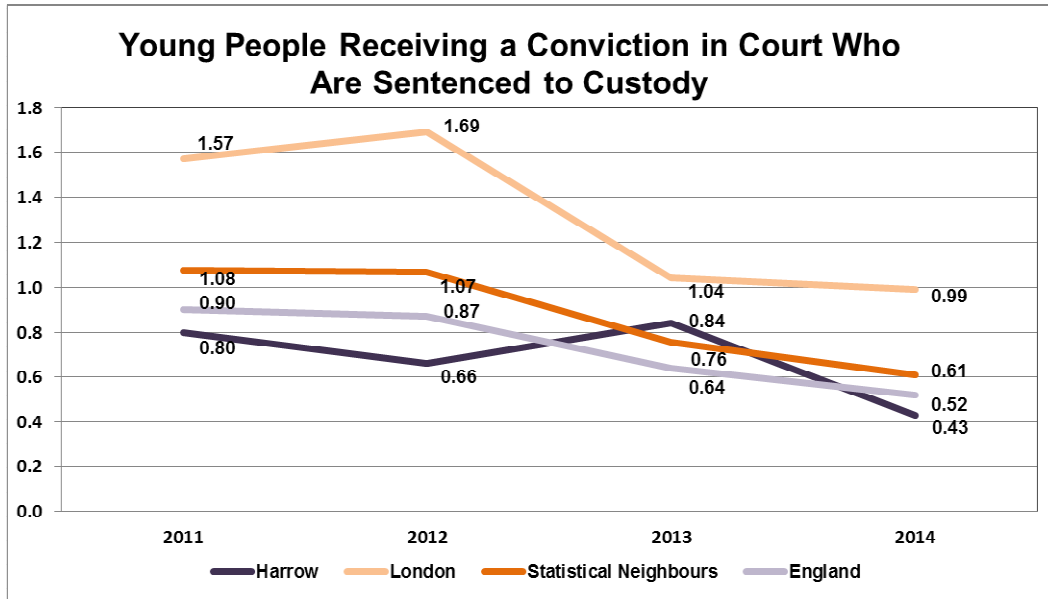
Table 4: Number of young people sentenced to Custody⁴

| Young People Receiving a Conviction Who Are Sentenced to Custody | | | | |
|--|------|------|------|------|
| | 2011 | 2012 | 2013 | 2013 |
| Harrow | 0.80 | 0.66 | 0.84 | 0.43 |
| London | 1.57 | 1.69 | 1.04 | 0.99 |
| Statistical Neighbours | 1.08 | 1.07 | 0.76 | 0.61 |
| England | 0.90 | 0.87 | 0.64 | 0.52 |

⁴ DFE – Local Authority Interactive Tool (LAIT) 18/12/2014.

<https://www.gov.uk/government/publications/local-authority-interactive-tool-lait>

Chart 4: Number of young people sentenced to Custody⁵



The data for young people sentenced to custody is based on the rate per 1000 population (10-17) sentenced within a 12 month period (April to March).

Over that past four years Harrow's rate has generally been lower than National, London and statistical neighbour averages, apart from in 2013 where the figure increased to 0.84 which was above both the statistical neighbour averages of 0.76 and the national average of 0.64.

During 2013-14 (April-March) Harrow has had a considerable decrease in the numbers being sentenced to custody in relation to previous years. The actual number for 2013-14 is 10 compared to 20 in 2012-13 and 16 in 2011-12. As a percentage of all disposals in the year, custody represents 4.6% for 2013-14, this is a significant decrease from the 2012/13 figure of 11.1%.

In 2014-15 so far (April-Dec) Harrow has had 7 custodial sentences.

Remand Data

Table 5: Remand Bed Day's – 3 year comparison

| | 2012/13 | 2013/14 | 2014/15 (YTD) |
|---------------------------------------|----------|----------|---------------|
| Number of new remand episodes in year | 17 | 11 | 4 |
| Total STC Bed Day's | 403 | 182 | 50 |
| Total STC Cost | £244,621 | £105,378 | £28,950 |
| Total YOI Bed Day's | 398 | 129 | 123 |
| Total YOI Cost | £68,917 | £21,027 | £20,049 |

There has been a year on year decrease in the use of remands since 2012/13, from 17 in 2012/13 to 11 in 2013/14 and only 4 year to date in

2014/15. This is reflected in a decrease in the cost of remands at a total of £313,538 in 2012/13 compared with only £48,999 in 2014/15 year to date.

YOT and CLA

Table 6: YOT/CLA snapshot

| | Oct 13 | Nov 13 | June 14 | Aug 14 | Dec 14 | Jan 15 |
|----------------------------------|--------|--------|---------|--------|--------|--------|
| Total children involved with YOT | 93 | 102 | 86 | 74 | 71 | 73 |
| Total children looked after | 12 | 13 | 14 | 9 | 6 | 10 |
| %YOT clients currently CLA | 12.9% | 12.75% | 16.28% | 12.6% | 8.45% | 13.7% |

The youth offending service monitors YOT/CLA on a regular basis. Table 6 represents the number and proportion of the YOT caseload who are looked after at snapshot's throughout the past year. The proportion of looked after children on the Youth offending caseload is variable but based on the above snapshot's, Harrow has an average of 12.8% of its youth offending caseload who are looked after.

Effective Implementation of LASPO

Table 7: Intensive surveillance and supervision requirements – 3 year comparison

| Year | Intensive Supervision and Surveillance in year | New Intensive Supervision and Surveillance |
|-----------------|--|--|
| 2011/12 | 32 | 26 |
| 2012/13 | 25 | 15 |
| 2013/14 | 13 | 8 |
| April to Dec 14 | 9 | 3 |

Table 7 compares the number of orders with an intensive supervision and surveillance (ISS) requirement over the past 3 years. The number of new ISS interventions starting year on year has decreased from 26 in 2011/12 to 3 in 204/15 (Year to date).

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| <i>To:</i> | Chris Spencer, Chair of Harrow YOT Management Board |
| <i>Copy to:</i> | See copy list at end |
| <i>From:</i> | Julie Fox, HM Assistant Chief Inspector |
| <i>Publication date:</i> | 12th November 2014 |

Report of Short Quality Screening (SQS) of youth offending work in Harrow

The inspection was conducted between Monday 20th and Wednesday 22nd October 2014. It is part of our programme of inspection of youth offending work. This report is published on the HMI Probation website. A copy will be provided to partner inspectorates to inform their inspections, and to the Youth Justice Board (YJB).

Context

The aim of the youth justice system is to prevent offending by children and young people. As good quality assessment and planning at the start of a sentence is critical to increasing the likelihood of positive outcomes, we examined 14 cases of children and young people who had offended and were being supervised by Harrow Youth Offending Team (YOT). Wherever possible this was undertaken in conjunction with the allocated case manager, thereby offering a learning opportunity for staff.

Summary

The published reoffending rate¹ for Harrow was 35.4%. This showed a substantial decrease on the outturn the previous year (44%) but was exactly the same as the England and Wales average. Between July 2013 and March 2014, there has been a steady decline in the local custody rate.

Overall, we found mixed picture with evidence of some good work to reduce reoffending, but also a number of important areas for improvement. An especial priority is work to protect the child or young person. More generally, inconsistency in the quality of assessment, adequacy of planning and review arrangements, and inefficacy of management oversight should form key areas of improvement activity. However, some aspects of assessment were done extremely well and the quality of reports was also largely good. Just prior to the inspection there had been a substantial turnover of staff, so it was pleasing to find that practitioners were committed, knew their cases well and keen to improve practice.

Commentary on the inspection in Harrow:

1. Reducing reoffending

- 1.1. In order to help stop reoffending, each child or young person is assessed to establish the factors which led to their offending, and as noted, the reoffending rate for Harrow was

¹ Published July 2013 based on binary reoffending rates after 12 months for the October 2011 – September 2012 cohort. Source: Youth Justice Board

the same as the national average. That said, in only half of the cases was this assessment found to be good enough. The main reasons for them being inadequate were; failures to identify positive factors; offence related vulnerability; and key drivers to a young person's offending. Nonetheless, we did find some good examples of practice. One practitioner sourced a range of information, including police intelligence, to build a picture of a young person's offending behaviour, including peer associations, and used it: *"...to challenge Graham about his assertion that he is disassociating himself from negative peers"*. They said this open and candid approach: *"...actually appears to have led to a respectful relationship"*.

- 1.2. Because children's lives change very quickly, reviews are required to take into consideration new information. Just over half of the reviews were of sufficient quality. Three had not been reviewed at all, whilst four had not been reviewed following a significant change in circumstances.
- 1.3. Nearly all the pre-sentence reports (PSRs) we examined were of sufficient quality. In the one instance that did not meet this level, vulnerability had not been adequately assessed. The consideration of alternatives to custody was an area of particular strength, and was met in all the reports considered.
- 1.4. Plans of work to reduce reoffending were not robust. Less than one-quarter were good enough. The main issues in planning were two-fold. In half, factors relating to offending as identified in the assessment were not always reflected in plans. As one inspector found: *"...the intervention plan was poor and did not address the key areas of concern that had been identified in the assessment"*. In a further six cases, the plans did not contain clear, measurable goals or objectives, or were written in very generalised terms. A number of actions were simply statements of supervision requirements, for example: *"...attend appointments with my case worker"*. Such actions gave little indication of the focus for work; the type or appropriateness of interventions; or the goals and objectives which the worker hoped to achieve with the child or young person.
- 1.5. Only one-third of plan reviews (from a total of 12 cases) were adequate. In eight insufficient cases, we found that reviews had not take place in two, were not timely in three, and had not been revised as required in four.
- 1.6. In two of the four cases in which children or young people had received a custodial sentence was the planning for the custodial phase sufficient. A custodial sentence plan was missing in one case although the worker had raised this as a concern with the YOI in an effort to rectify this situation. In another, there was a lack of clarity about which aspects of intervention were to be delivered in custody and which in the community.

2. Protecting the public

- 2.1. The initial assessment of risk of harm posed by the child or young person was more consistent, with all bar one of the 14 cases inspected being sufficient. There was clearly a strong understanding and appreciation of relevant risk factors, and analysis took account of the broader context of behaviour, in the family home, for example, or at school. As one inspector wrote: *"...there was a very clear analysis of family influences, the fact that Melanie was the youngest of six siblings, her feeling that she had not received the parental attention she craved, the impact of this on her self esteem and ultimately, offending was extremely well drawn"*.
- 2.2. Pleasingly, all the court reports contained a clear and thorough account of risk of harm, illustrating that there are elements of strong assessment practice in place.

- 2.3. Such solid foundations were, regrettably, undermined by a failure to review adequately in half of the relevant cases. The reasons for this included not being undertaken at all; not being timely; and not taking place following a significant change in the child or young person's circumstances.
- 2.4. Planning to manage the risk of harm was also inconsistent. Just over half were good enough, with plans missing altogether in four cases. Contingency plans to address identified risk were not robust in three cases.
- 2.5. Two cases met Multi-Agency Public Protection Arrangements (MAPPA) criteria. We judged that neither case was sufficiently engaged with the MAPPA process. No referral had been made on one and in the other, the referral had not been timely. Interviews with case managers also indicated that there may be a more general lack of understanding about MAPPA.
- 2.6. Risk of harm to identifiable victims was effectively managed in just 5 of the 12 relevant cases. The inadequacy of plans was a factor in all of the remaining insufficient cases. The recent appointment of a victim worker has the potential to improve this area of work.
- 2.7. As many of these matters had not been identified or rectified, management oversight of the quality of risk of harm work was found to be good enough in only 5 of the 13 relevant cases inspected. We saw a lack of rigorous follow-up in some instances and inconsistency in the application of management oversight exemplified in delays in requests for countersigning and differing levels of risk between the PSR and assessment.
- 2.8. For children and young people in custody, risk of harm work had been completed well enough in only one of the four cases where this was required. MAPPA issues had not been fully addressed in two cases, whilst planning or contingency planning was a deficiency in two cases.

3. Protecting the child or young person

- 3.1. The quality of assessment in respect of safeguarding and vulnerability was poor, with just four of the full sample being assessed as good enough. The most significant deficits were that either assessments of vulnerability were not undertaken, or where they had been completed, were of poor quality. Factors relating to emotional and mental health; physical health; education; and care arrangements, were those which had been most inadequately assessed. It is perhaps not surprising to find these results reflected in the quality of vulnerability assessments offered in reports.
- 3.2. Satisfactory reviews of assessments were completed in less than half of the cases where one was required. The single most frequent deficit was the failure to undertake a review following a significant change in the child or young person's circumstances. This may be indicative of an unduly process driven approach to review, rather than one informed by a professional judgement of a child or young person's needs.
- 3.3. Of most concern was that planning to address safeguarding and vulnerability was adequate in only 2 of the 14 cases inspected, mainly because plans has not been completed. Often, responses to identified vulnerability factors and contingency planning were not sufficient. Required interventions were not included in plans in four cases.
- 3.4. Adequate reviews were completed in one-quarter of cases where they were judged necessary.
- 3.5. The case records evidenced regular management oversight. However, it was not effective. All 12 cases that needed oversight had failed to either identify or redress deficiencies in assessment or planning. A lack of timeliness in management oversight, for example, in checking or countersigning assessments, was also identified as a factor in five cases. The

observations made earlier regarding a lack of rigour and consistency, also apply to management oversight of safeguarding and vulnerability.

- 3.6. In none of the four cases in which children and young people had received a custodial sentence, was planning for safeguarding and vulnerability sufficient. In one case, the assessment of the young person's vulnerability level, and planning following a serious incident, had not been reviewed sufficiently well, which was of concern.

4. Ensuring that the sentence is served

- 4.1. There was evidence that practitioners were able to build effective purposeful working relationships. In one case this had contributed to: *"Jennifer...[being] the most stable she has been for some time...She was engaging in education and this was followed through into an appropriate course in the community...which is clearly a positive and a credit to the worker."*
- 4.2. Case managers identified diversity factors and barriers to engagement in 8 of the 14 cases. In the remainder, speech, language and communication needs, and learning styles were areas which had been missed. Similar issues applied to court reports where three-quarters identified diversity factors and barriers to engagement well enough. This theme applied across other areas of work, such as planning, where there was also a lack of specific actions to address them. This disconnect between assessment, which is good in some respects, and planning, should be a key area for improvement.
- 4.3. The active engagement and involvement of children and young people, and their parents/carers, was found to be effective in just over one-third of cases.
- 4.4. Sufficient attention to health and well-being matters was seen in 8 of 13 cases where this was relevant.
- 4.5. The YOT's response to non-compliance overall was good with appropriate steps being taken in nine of the ten cases in which a response was required.

Operational management

All staff interviewed felt that their line managers possessed the skills and knowledge to effectively assess their practice, provide support, and improve the quality of their work. The majority felt that they received effective supervision. There had been a significant change in the staffing complement, with four of the seven practitioners interviewed being new to Harrow YOT, and one was relatively new to youth justice. We received some comments indicating the need for more in-depth local induction and grounding in youth justice practice prior to assuming full caseloads.

However, in the light of the findings of this inspection, it was of note to find that only around two-thirds felt that management oversight of risk of harm, and safeguarding and vulnerability, was effective. A lack of timeliness in countersigning work was identified, as was a lack of follow-up to management instructions. Both these observations are consistent with the findings from the case inspection.

It was also revealing that of the seven practitioners interviewed, only three felt that their training and skills development needs to do their current job were met. In particular, six of the seven practitioners identified that they had not had sufficient training to recognise speech, language and communication needs. This corresponds with our case sample findings.

Key strengths

- Assessment of risk of harm was generally good, and indicated that practitioners possessed relevant assessment skills and ability.

- Pre-sentence reports provided sentencers with good information about alternatives to custody and risk of harm.
- The YOT's response to non-compliance was effective.

Areas requiring improvement

- Significant improvement is needed to improve the overall quality of management oversight in order to drive up the quality of assessment, planning and review.
- Measures to improve the quality and consistency of safeguarding and vulnerability work, at both management and practitioner level, needs to be implemented urgently.
- In order to support improvement in staff practice and performance, personalised training and induction plans should be in place, specifically addressing; assessment; planning; MAPPA; and speech, language and communication needs.

We are grateful for the support that we received from staff in the YOT to facilitate and engage with this inspection. Please pass on our thanks, and ensure that they are made fully aware of these inspection findings.

If you have any further questions about the inspection please contact the lead inspector, who was Colin Barnes. He can be contacted at Colin.Barnes@hmiprobation.gsi.gov.uk or on 07826 905352.

| | |
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| Copy to: | |
| Service Manager | <i>Ann Garratt</i> |
| Local Authority Chief Executive | <i>Paul Najsarek</i> |
| Director of Children’s Services | <i>Chris Spencer</i> |
| Lead Elected Member for Children’s Services | <i>Simon Brown</i> |
| Lead Elected Member for Crime | <i>Varsha Parmar</i> |
| Deputy Mayor for Policing and Crime | <i>Stephen Greenhalgh</i> |
| Chair of Local Safeguarding Children Board | <i>Chris Hogan</i> |
| Chair of Youth Court Bench | <i>Ken Battye</i> |
| YJB Business Area Manager | <i>Lisa Harvey-Messina, Liz Westlund</i> |
| YJB link staff | <i>Malcolm Potter, Paula Williams, Linda Paris</i> |
| Ofsted – Further Education and Learning | <i>Sheila Willis</i> |
| Ofsted – Social Care | <i>Simon Rushall, Carolyn Adcock</i> |
| Care Quality Commission | <i>Fergus Currie</i> |
| HM Inspectorate of Constabulary | <i>Paul Eveleigh</i> |

Note 1: As an independent inspectorate, HMI Probation provides assurance to Ministers and the public on the effectiveness of work with those who have offended or are likely to offend, promotes continuous improvement by the organisations that we inspect and contributes to the effectiveness of the criminal justice system.

Note 2: We gather evidence against the SQS criteria, which are available on the HMI Probation website - <http://www.justiceinspectors.gov.uk/hmiprobation>.

Note 3: To request a paper copy of this report, please contact HMI Probation Communications at communications@hmiprobation.gsi.gov.uk or on 0161 240 5336.

Youth Offending Team Post SQS Action Plan December 2014

Recommendation 1:

Significant Improvement is needed to improve the overall quality of management oversight in order to drive up the quality of assessment, planning and review.

| Issue | How | Lead | By when | Impact |
|--|--|--|---|---|
| Implementation of Key principles of effective management oversight of risk of harm to others and safeguarding/child protection and vulnerability. | HMI Probation Guidance Nov 2014 Implementation detailed as follows: | Ann Garratt Service Manager YOT | 28 th February 2015 | |
| Key Principle 1 Quality assurance embedded in the service | <ul style="list-style-type: none"> i) Monthly audit of cases ii) Use of the YJB Quality Assurance tool which identifies insufficient practice through scoring iii) Monthly observations of practice iv) Quarterly QA reports presented to the Youth Offending Management Board | <ul style="list-style-type: none"> Neil Harris Service Manager Quality Assurance Ann Garratt SM <ul style="list-style-type: none"> Neil Harris SM <ul style="list-style-type: none"> Neil Harris SM | <ul style="list-style-type: none"> Immediate January audit 2015 January 2015 January 2015 | <ul style="list-style-type: none"> Improved assessment/planning/effective management oversight evidenced through audit |
| Key Principle 2 Staff supervision | 4-6 weekly supervision as per Harrow | Aman Sekhon Gill Team Manager YOT | Immediate | Regular effective supervision which drives forward |

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| | <p>Supervision Policy</p> <p>i) Dip sample audit of supervision files</p> <p>iii) Annual audit of supervision reported to Youth Offending Management Board</p> | <p>Ann Garratt SM</p> <p>Neil Harris SM</p> | <p>Jan 2015</p> <p>May 2015</p> | <p>improved interventions with young people ensuring they are safeguarded</p> |
| <p>Key Principle 3</p> <p>Facilitating improvements in practice</p> <p>See details in Recommendation 2</p> | <p>i) Discussion and implementation of case management guidance (YJB Nov 2014) at the team development meeting</p> <p>ii) Development of a bespoke training programme for YOT staff</p> | <p>Aman Sekhon Gill TM YOT</p> <p>Aman Sekhon Gill TM</p> | <p>3rd Dec 2014</p> <p>1st Jan 2015</p> | <p>See Recommendation 2.</p> |
| <p>Key Principle 4</p> <p>Ensuring young people are sufficiently protected from harm</p> | <p>i) Staff have a clear understanding of how offending behaviour increases the risks of safeguarding which are identified in the ASSET and addressed in the risk and vulnerability management plans - countersigned by SPs/TM (evidenced in audit)</p> <p>ii) Bespoke training programme</p> <p>iii) Implementation of an integrated plan</p> | <p>Aman Sekhon Gill TM</p> <p>Lara Mackin/Luke Shergill Senior Practitioners</p> <p>Aman Sekhon Gill TM</p> <p>Aman Sekhon Gill TM</p> | <p>31st Dec 2014</p> <p>1st Jan 2015</p> <p>1st Jan 2015</p> | <p>Young people are safeguarded through effective assessment and integrated planning.</p> <p>Young people are diverted from offending behaviour.</p> |
| <p>Key Principle 5</p> <p>Management oversight</p> | <p>i) Strengthen current practice of</p> | <p>Lara Mackin/Luke Shergill Snr Pracs /Aman Sekhon</p> | <p>1st Jan 2015</p> <p>Immediate</p> | <p>Effective management oversight which supports the</p> |

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| <p>assessing sufficiency and deficits in practice</p> | <p>management oversight by i) Evidenced in YOIS iii) Evidenced in audit plans include how deficits in practice are to be addressed v) Harrow capability procedure understood and applied where appropriate</p> | <p>Gill TM /Ann Garratt SM As above As Above As above HR to provide training session</p> | <p>Immediate Ongoing February 2015 February 2015</p> | <p>development of staff.</p> |
| <p>Key Principle 6 Ensure remedial actions identified and completed</p> | <p>i) Introduction of Duty Manager system ii) Use of electronic diary to track deadlines iii) Recording of management oversight in YOIS iv) Monday morning team performance meeting v) Weekly review of performance data and remedial action identified</p> | <p>Aman Sekhon Gill TM Lara Mackin/Luke Shergill Snr Pracs Lara Mackin/Luke Shergill/Aman Sekhon Gill As above Aman Sekhon Gill/Lara Mackin/Luke Shergill</p> | <p>24th Nov 2014 1st Dec 2014 Ongoing Ongoing Ongoing December 2014 Ongoing Ongoing</p> | <p>Remedial actions undertaken in a timely manner.</p> |
| <p>Key Principle 7 Sufficient underpinning knowledge of risk of harm and vulnerability</p> | <p>i) Relaunch the Public Protection Policy and Procedure ii) Appraisal iii) Attending LSCB and YOT bespoke training iv) Audit</p> | <p>Ann Garratt Aman Sekhon Gill</p> | <p>December 2014 Ongoing Ongoing</p> | <p>Staff have a good understanding of risk of harm and vulnerability and ensure that assessed needs are addressed in a timely way.</p> |
| <p>Key Principle 8 Understand the</p> | <p>Relaunch the Quality Assurance Policy and</p> | <p>Ann Garratt SM</p> | <p>January 2015</p> | |

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| <p>assessment, planning and management processes</p> <p>Key Principle 9</p> <p>Managers recognise indicators of raised risk of harm and vulnerability</p> | <p>Procedure</p> <p>Ensuring information sharing is robust to enable raised risk to be identified and addressed accordingly</p> <p>Work currently underway with the Metropolitan Police regarding information sharing</p> | <p>Ann Garratt SM</p> | <p>Immediate</p> | <p>Effective information sharing will help inform plans for statutory intervention for young people and disruption of the opportunity to offend/harm self and others</p> |
| <p>Key Principle 10</p> <p>Distinguish between good and insufficient practice</p> | <p>i) Advise and provide guidance through discussions</p> <p>ii) Countersigning reports to Court, referral panels and other formal settings</p> <p>iii) Provide honest, constructive feedback to enable practitioners to develop their practice</p> <p>iv) Use of the YJB Audit tool which identifies insufficient practice</p> | <p>Lara Mackin/Luke Shergill Senior Practitioners As above</p> <p>As above</p> <p>As above</p> | <p>1st December 2014</p> <p>Ongoing</p> <p>Ongoing</p> <p>January 2015</p> | <p>Insufficient practice will be identified and remedial action taken.</p> <p>A significant reduction in insufficient practice.</p> <p>Practitioners take responsibility in their professional development.</p> |

Recommendation 2:

Measures to improve the quality and consistency of vulnerability and safeguarding work, at both management and practitioner level, needs to be implemented urgently.

| Issue | How | Lead | By When | Impact |
|--|---|---|---|---|
| 2.1 Ways to improve practice: Case Management Guidance Section 8 (GOV.UK Oct 2014) | YJB Case Management Guidance November 2014 | Ann Garratt Service Manager | | |
| 2.2 Professional development of YOT workers to provide the best and most professional service to young people/justice system/community | <ul style="list-style-type: none"> i) Responsibility for own continuous professional development ii) Annual appraisal iii) Accepting feedback from managers/panels/young people/stakeholders iv) Use of the YJB e-survey to inform practice v) Use of YJB Learning and Skills Matrix to assess learning and development needs of staff vi) Feedback from Court reported to the Youth Offending Board vii) Review PSR feedback sheets on a monthly basis viii) Through supervision/audit/observation | <p>Ann Garratt Service Manager</p> <p>Ann Garratt SM Aman Sekhon Gill TM</p> <p>Denise Ailara Participation Co-ordinator Lara Mackin/Luke Shergill/Aman Sekhon Gill/Ann Garratt</p> <p>Mike Herhily twice yearly</p> <p>Lara Mackin Snr Prac Aman Sekhon Gill/Lara Mackin/Luke Shergill</p> | <p>Introduced at team meeting on 3rd Dec and thereafter in supervision</p> <p>Ongoing</p> <p>March 2015</p> <p>April 2015</p> <p>April / October 2015</p> <p>Immediate</p> | <p>A continuous learning environment to ensure that young people receive the most professional service.</p> |

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| <p>2.3 Rigour and consistency in assessing and planning for safeguarding and vulnerability</p> | <p>i) Multi-agency plans address safeguarding issues identified in the ASSET</p> <p>ii) PSRs contain a clear and thorough assessment of vulnerability (PSR feedback sheets from Court)</p> <p>iii) Liaison between case managers and social workers to ensure safeguarding issues are addressed in multi-agency plans. Workshop planned.</p> <p>iv) Planning for those young people in custody to manage the risk of harm / vulnerability during the custodial period</p> <p>v) "Admission and discharge from secure accommodation"</p> <p>OFSTED August 2010 to be a substantive agenda item at team meeting as part of training around DTO</p> | <p>Lara Mackin/Luke Shergill Snr Pracs</p> <p>Lara Mackin/Luke Shergill</p> <p>Ann Garratt Service Manager YOT/Parmjit Chahal Service Manager CIN</p> <p>Aman Sekhon Gill</p> <p>Aman Sekhon Gill</p> <p>Aman Sekhon Gill</p> | <p>February 2015</p> <p>Ongoing</p> <p>February 2015</p> <p>January 2015</p> <p>February 2015</p> | <p>Effective integrated planning manages risk of harm/vulnerability in the community, in custody and on release.</p> |
| <p>2.4 YOT staff understand and act upon their safeguarding responsibilities</p> | <p>i) Bespoke training programme to enable a thorough understanding of the safeguarding</p> | <p>Aman Sekhon Gill</p> | <p>1st January 2015</p> | <p>All YOT staff fully understand and act upon their safeguarding responsibilities</p> |

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| | <p>issues for young people who offend and those in custody</p> <p>ii) Appropriate referrals to MASH, reviewed on a quarterly basis (reviewed Oct 2014)</p> <p>iii) Community Safety and Public Protection Incident Notifications (CSPPIN) to YJB/Youth Offending Management Board/LSCB</p> <p>iv) CSPPIN lessons learnt shared at team meetings/Youth Offending Management Board/LSCB</p> <p>v) Learning from Serious Case Reviews shared at team meetings</p> <p>vi) Identification of those young people assessed with increased risk/vulnerability to be presented to multi-agency Risk and Vulnerability Management Panel</p> | <p>Nasheen Singh Service Manager MASH</p> <p>Ann Garratt Service Manager YOT</p> <p>Ann Garratt Service Manager YOT</p> <p>Aman Sekhon-Gill</p> <p>Lara Mackin/Luke Shergill</p> | <p>January 2015</p> <p>January 2015</p> <p>As and when</p> <p>As and when</p> <p>Ongoing</p> | <p>Appropriate referrals are made to MASE Team learning and development through CSPPIN and SCR processes.</p> <p>Effective multi agency responsibility/management of those young people assessed as being high risk.</p> |
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Recommendation 3:

In order to support improvement in staff practice and performance, personalised training and induction plans should be in place, specifically addressing assessment, planning, MAPPA, and speech, language and communication needs.

| Issue | How | Lead | By When | Impact |
|---|---|---|---|--|
| 3.1 Case management guidance October 2014 | YJB Case Management Guidance November 2014 | Ann Garratt Service Manager YOT | | |
| 3.2 Staff identified gaps in their knowledge of youth offending | <ul style="list-style-type: none"> i) Personalised induction plans ii) Annual Appraisals iii) Personalised training plans including self responsibility for continuous professional development iv) YOT workers attend identified training to address knowledge gaps iv) Use of the YJB QA tool identifies trends on a team and individual basis which are addressed in Supervision. | <p>Aman Sekhon Gill</p> <p>Ann Garratt</p> <p>Lara Mckin/Luke Shergill/Aman Sekhon-Gill</p> <p>Lara Mackin/Luke Shergill/Aman Sekhon-Gill</p> <p>Lara Mackin/Luke Shergill/Aman Sekhon-Gill</p> | <p>February 2015</p> <p>Ongoing</p> <p>March 2015</p> <p>Ongoing</p> <p>March 2015</p> <p>Ongoing</p> | <p>Improvement in staff practice and performance.</p> <p>Effective assessment and planning.</p> <p>Attendance at appropriate training events and other learning opportunities.</p> |
| 3.3 Lack of knowledge regarding MAPPA processes. | Presentation to a team meeting regarding MAPPA | Sangeeta Gaddu. Probation Officer MAPPA lead | March 2015 | MAPPA processes are fully understood and used appropriately. |
| 3.4 Poor quality plans | SMART plans to be developed following assessment | Systemic Family Therapy | 26 th January 2015 | SMART plans impacting on young people and their offending behaviour. |
| 3.5 Lack of knowledge of speech, language and communication needs | Bespoke training for YOT staff | Aman Sekhon Gill | January 2015 | Staff ensure that planned interventions take into account speech, language and communication needs |

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**REPORT FOR: OVERVIEW AND
SCRUTINY COMMITTEE**

| | |
|---------------------------------------|--|
| Date of Meeting: | 24 th February 2015 |
| Subject: | Corporate Plan |
| Responsible Officer: | Tom Whiting – Corporate Director Resources |
| Scrutiny Lead Member area: | ALL |
| Exempt: | No |
| Wards affected: | All |
| Enclosures: | Corporate Plan 2015 - 2019 |

Section 1 – Summary and Recommendations

The Corporate Plan sets out the Council’s strategic direction, vision and priorities for the next four years. This year it also includes the Council’s Corporate Equality Objectives which have been reviewed as required by legislation. Together with the Final Revenue Budget 2015-16, they outline what the Council intends to do and how those actions and services will be funded. It will be refreshed annually.

Cabinet will have considered the plan by the time O&S meet, but it will then be presented to full Council on 26th February for formal adoption.

Recommendations:

O&S are asked to comment on the Corporate Plan.

Introductory paragraph

The Corporate Plan sets out the strategic direction for the authority, its vision, priorities, core outcomes and key initiatives which describe and illustrate the programme of activity for next four years and against which the Council is happy to be judged. This year the Corporate Plan also includes the Council Corporate Equality Objectives and together with the Final Revenue Budget 2015-16, it outlines what the Council intends to do and how those actions and services will be funded. The funding detail is set out in the budget reports.

In May 2014, a new administration took control of the Council, and agreed at Council on the 12th June a new vision and set of priorities:

Vision: *Working Together to Make a Difference for Harrow*

Priorities: *Making a difference for the vulnerable*
Making a difference for communities
Making a difference for local businesses
Making a difference for families

In April 2012, Harrow Council published eight equality objectives as required by the Equality Act 2010 and the Public Sector Equality Duty (PSED). They were developed based on extensive research, consultation and evidence. These objectives must be reviewed at least every four years. The review therefore took place over 3 weeks during November 2014 to align the review period with the political cycle and enable the Corporate Equality Objectives to be integrated with the Corporate Plan. As a result of the review, minor amendments have been made by the Corporate Equalities Group to the equality objectives.

Given the importance of the equalities agenda to the Administration, there was felt to be a logic in merging the Council's Equality Objectives with the Corporate Plan, to give greater status to the Equality Objectives and at the same time rationalise the Council's policy framework. This is in line with the process other authorities have also adopted.

Consultation

In the autumn the Council carried out its 'Take Part' consultation, the start of a conversation with residents about changes the council needs to make over the next four years to meet an estimated budget gap of £75m. The first phase has focused on talking to the community about:

- The indicative savings target of £30m for 2015/16
- Getting feedback on the impacts of proposed savings
- Residents priorities
- Understanding residents views on a proposed Council Tax increase up to the referendum level of 2%
- Exploring new and innovative ways to provide services in the future
- Identify any additional community capacity

As a result of the consultation 66% of people felt better informed about why the council needs to make savings and the top three priorities for residents that responded to the survey were:

1. Bringing together health and social care services so the public can have a better experience
2. Delivering over 3000 new jobs and 500 apprenticeships
3. Building affordable housing and homes for rent

The MTFs report to cabinet contains more detailed information about the process, feedback and results. Where necessary, further consultation will be undertaken with residents and communities to shape the delivery of the proposals within the Corporate Plan, in keeping with the ambition of the Administration to consult and engage.

As part of the review of the Corporate Equality Objectives an online and hard copy survey was issued to all staff, members and key stakeholders. The results were reported to the Corporate Equalities Group who agreed amendments to the objectives. The amended objectives also went to the Performance and Finance scrutiny sub-committee in January for comment.

Legal Implications

Approving the Council's policy framework is reserved to full council. The Corporate Plan will therefore be considered on 26th February 2015.

Financial Implications

The financial implications of the Corporate Plan are set out in the Final Revenue Budget 2015-16. The Corporate Plan incorporates those key activities that the Administration wish to be delivered between now and 2019 within the current spending envelope.

Performance Issues

A set of performance indicators are presented as measurement of each of the Council Priorities in the Corporate Plan. A more detailed and comprehensive set of indicators that will be used to monitor delivery of the Corporate Plan and the Corporate Equality Objectives will be contained within the Corporate Scorecard which will be signed off by the Portfolio Holder and measured quarterly and presented to Cabinet and Scrutiny through the Strategic Performance Report.

Equalities implications

The equalities implications of the Corporate Plan are set out in the attached EQIA. A number of the activities are proposals where final business cases are still being developed, so EQIAs will be being developed to support these.

The Corporate Plan also now incorporates the Council's Corporate Equality Objectives, which set out the Council's commitment to ensuring equality and diversity is integral to everything we do.

Council Priorities

The Corporate Plan sets the delivery plan for making the Council's corporate priorities a reality.

Section 3 - Statutory Officer Clearance

| | | |
|--------------------------------------|-------------------------------------|---|
| Name: Steve Tingle | <input checked="" type="checkbox"/> | on behalf of the Chief Financial Officer |
| Date: 10 th February 2015 | | |
| Name: Jessica Farmer | <input checked="" type="checkbox"/> | on behalf of the Monitoring Officer |
| Date: 10 th February 2015 | | |

| | |
|-----------------------------------|-----------|
| Ward Councillors notified: | NO |
|-----------------------------------|-----------|

Section 4 - Contact Details and Background Papers

Contact:

Rachel Gapp, Head of Policy 0208 424 8774

Background Papers:

CONTENTS

1. *Leader's Foreword*
2. *Our Borough - Our Harrow*
3. *Making a Difference for Harrow: A summary of our 4 year Vision*
4. *Our Vision for Harrow*
5. *Achievements in 2014/15*
6. *Our Equalities Priorities*
7. *Delivery Plan*

1. Leader's Foreword

I fervently believe that being open, honest and willing to involve and work with others is the best form of governance, and with an equally strong belief that we should protect our most vulnerable residents first.

This plan sets out our ambitions for the next four years and, through working with residents, our staff, local businesses, community and voluntary organisations and our partners, how they will be achieved and build a Borough that we can all be proud of.

With the Government imposing a further £82m of cuts from 2014 - 2018 on Harrow Council and a rising need for our services, the Labour administration has been open, honest and transparent about the decisions we are being forced to make – decisions made through listening; guided by the right values.

We have bought stability to the Council through hiring an experienced Chief Executive, with a desire to make residents at the heart of everything we do, particularly with the ambitious regeneration plans we have for Harrow.

We were delighted with the way in which community groups and thousands of residents got involved with our 'Take Part' budget consultation and expressed their views about what areas the Council should be prioritising. Our decisions on the Arts Centre and Harrow Museum are just two of many examples of how residents are influencing the decisions made at the Council.

I am proud that we ensured that Harrow Council pays the 'London Living Wage' to its employees, have invested £200,000 in services to support victims of domestic violence, as well as over £100,000 towards Harrow's Citizens Advice Bureau and £30,000 to support our sporting and health agenda.

Our staff do a magnificent job and are our greatest asset, they have played a pivotal role in implementing all the good work that has happened since the May elections.

We have rolled out a period of free parking in our shopping centres, introduced on the spot fines for littering, cleaned all war memorials in our Borough for the 100th centenary of the beginning of WW1, the re-starting of a council house building programme, started the first stages of redeveloping the Grange Farm Estate, put extra funding into the Xcite unemployment service – I could go on...

These investments show that amidst the challenges and almost impossible decisions we'll have to make, there is still the opportunity for positive developments.

With over a billion pounds of investment potential from a range of public and private sources, we have ambitious plans for Harrow. Through public meetings and resident involvement in the design stage of the plans, we will ensure that local people benefit from this investment; from local jobs, training and apprenticeships, as well as ensuring that we build the affordable houses that are so badly needed.

Throughout this plan the Council sets out how working together we will Make a Difference; for the Vulnerable, for Communities, for Local Businesses and for Families.

Now is the time for residents, local businesses and community organisations to come together and work with us to build a Harrow we can all be proud of, where residents live in strong communities – in neighbourhoods they are proud to call home. It won't be done in one year. But over time, and working together, we can achieve a brighter future for our Borough.

Cllr David Perry

2. Our Borough – Our Harrow

Our Borough

Harrow is an extraordinary place: we are the safest Borough in London; one of the most diverse places in the country; a suburb with bountiful green space with just over a quarter of the area (over 1,300 hectares) consists of open space, yet incredibly well-connected to a global airport hub and the centre of the world's greatest city.

Harrow is an outer London Borough in North West London, approximately 10 miles from central London. Covering 50 square kilometres (20 square miles) and is the 12th largest borough in Greater London in terms of size and 20th in terms of population. There are nine district centres, plus Harrow Town Centre which is one of London's twelve metropolitan centres.

The borough is divided into 21 wards and each served by three directly elected members. We currently have a Labour administration with 34 elected members and the opposition groups comprise 26 Conservative, 2 Independent, and 1 Liberal Democrat members. Of the total of 63 members, 25 are women (14 Labour, 10 Conservative and 1 Independent).

Our Harrow

Harrow is one of the most ethnically and religiously diverse boroughs in the Country with people of all different backgrounds and life experiences living side by side. It is the richness of this diversity, and the positive impact that it has on the borough and our communities, that we believe helps make Harrow such a great place to live, work and visit.

Despite our rich heritage, we face some exceptional challenges. We have more young and more elderly than ever to take care of, but our budgets are falling. We have great wealth and beautiful architecture, but we also have more low-paid jobs than nearly anywhere else in London and are caught in London's housing crisis.

In serving a diverse population, the Council aims to ensure there is equality of opportunity for its residents, service users, employees, elected members, stakeholders and partner organisations irrespective of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

As a community leader, we will continue to bring together public partners such as the NHS, police and fire brigade, and residents who want to make a difference in their communities like the Community Champions to ensure we achieve this vision for our borough.

3. Making a Difference for Harrow: A Summary of our Vision

Our vision and priorities:

Working Together to Make a Difference for Harrow

What we will do

Making a Difference for the Vulnerable

- Our most vulnerable residents are safe from harm and abuse
- Support our residents who fall on hard times and give them the opportunities they need, such as welfare support or employment opportunities
- Harrow residents live as independently as they can
- The mental health and well-being of residents improves
- Minimise health inequalities within the borough

Making a Difference for Communities

- Harrow is a pleasant place to live
- Maximise opportunities for volunteering
- Collaborative working with the voluntary and community sector
- Harrow is one of the safest boroughs in London
- Residents are empowered to influence local decisions
- People from all backgrounds are respected and treated fairly

Making a Difference for Local Businesses

- Residents and businesses benefit from local economic growth
- Sustainable business growth
- The skills and apprenticeship opportunities for residents improve
- Provide the homes, schools, jobs and infrastructure needed through regeneration
- Create and maintain strong local links and partnerships between the Council and local businesses

Making a Difference for Families

- Families live in quality, affordable homes
- Help is targeted at those families most in need of support
- Improve skills and apprenticeship opportunities for residents
- Secure an excellent education for every child

We will do this by:

ECONOMIC GROWTH & REGENERATION

Our proposed regeneration programme is a once in a generation opportunity to make a difference to the borough and residents' health and quality of life by accelerating the delivery of new homes, creating new jobs, commercial workspace and high quality town and district centres, increasing primary school provision and investing in leisure and sport facilities, an energy network and our transport infrastructure.

PROTECTING THE MOST VULNERABLE

There are people who are in real need of help and support in the borough. It is our role to do all we can to keep them safe and improve their quality of life, health and wellbeing. We will prioritise support to carers, quality health and social care provision, helping people deal with the rising cost of living and the education and protection of our young people.

ENGAGING WITH RESIDENTS DIFFERENTLY

Resident engagement will lie at the heart of how we work with the community to deliver those services most needed. We will seek to empower and inspire local people to become more active citizens, able to contribute to local decision-making and play a greater part in their community through volunteering.

A FAIR & EQUAL BOROUGH

Ensuring fairness and equality of opportunity for all residents and communities in Harrow is critical and we believe that it is fundamentally right that residents are aware of their rights and responsibilities and that Council services are underpinned by fairness for all.

ENSURING AN EFFICIENT AND EFFECTIVE ORGANISATION

We want to be a modern and efficient Council, with an outcomes-focused culture to help us meet the challenges ahead. We will work with our partners, in particular, health and social care and other councils to explore further opportunities for integrated and shared services. We will continue to reduce bureaucracy and embrace the opportunities that digital and smart technologies have to offer.

ALTERNATIVE SOURCES OF INCOME

We need to do all we can to diversify our income given the significant pressures on our budgets from ever decreasing government grant. We will seek to generate alternative long-term income streams for the Council so we are able to continue to provide important and vital services.

WORKING IN PARTNERSHIP WITH OTHERS

How we will do it

We will develop strong relationships with residents, staff, external partners and the local voluntary & community sector; consultation and engagement will lie at the heart of everything we do as a Council.

4. Our Vision for Harrow

This Plan sets out the Council's vision and ambitions for the borough over the next four years and how we intend to achieve them. It is clear that during this time we will continue to face significant challenges and the services residents use, whether run by the Council, NHS or central government will continue to change because of the continuous squeeze on public finances. Through our Take Part campaign we have been open and honest with residents about what the impact of the budget cuts will mean for the Council. With less resource, it is important that we are clear about our strategic direction and priorities for investment.

Therefore, in order to make a difference for the vulnerable, communities, families and businesses over the next four years, the Council will be focussing its attention on: economic growth and regeneration; protecting the most vulnerable people; putting equality, fairness and engagement at the heart of what we do; ensuring the Council is as efficient and effective as possible and securing alternative sources of income.

Economic Growth & Regeneration

Harrow as a place has significant potential and large regeneration opportunities. The proposed regeneration programme for the borough is a once in a generation opportunity to make a real difference to the place and people's quality of life by building new houses and schools, encouraging business development, improving the town centre and district centres and creating new job opportunities. Encouraging growth in the local economy is a vital component in being able to offset some of the worst effects of the public sector spending cuts. It raises much needed income to invest in social infrastructure such as schools, leisure and sports facilities and transport improvements that the people of Harrow can be proud of.

Regeneration provides an ideal opportunity to meet our council priorities and make a difference for:

1. Communities, by accelerating the delivery of new council housing, affordable private rented homes and homes for shared ownership and outright sale, vibrant town centres that attract business investment and jobs and offer enhanced leisure and sport facilities, transport infrastructure and an energy network.
2. Business, by providing new commercial workspace, support to access markets, advice and finance, addressing skills shortages.
3. Vulnerable residents, by breaking down the barriers to employment, reducing fuel poverty, tackling overcrowding and lowering crime and anti-social behaviour.
4. Families, by providing new family homes, renewing our housing estates and delivering new and expanded schools.

We are currently consulting residents, businesses, investors and our partner public sector bodies on this strategy and exploring alternative options. We will also be considering how the regeneration programme may have a positive impact on the health of Harrow residents and create a healthier place to live.

Our ambition is to deliver 5,500 new homes within the heart of Harrow between now and 2019. This regeneration would contribute to the creation of over 500 jobs and secure essential new infrastructure including two new primary schools, additional nursery provision, potential for a new civic centre, junction improvements, enhancements to playing pitches and sports facilities, a new health centre and new public parks and civic spaces in the borough. We also want local residents and business to be the beneficiaries of local economic growth. So we will use the Council's spend on third parties as an opportunity to invest in Harrow and to promote business and supply chain opportunities for local SMEs and VCS organisations and secure additional social benefits for communities beyond the core requirements of the contract.

Demand for affordable housing to rent and buy in Harrow is high and growing as the cost of rented and housing for sale rises. So the Council has drawn up plans to restart council house building. The Homes for Harrow programme aims to build up to 500 much needed new affordable homes for rent

or shared ownership on Council estates where there is suitable land or underused garages. We are also looking at some of our existing estates to see if they could be redeveloped to provide more and better quality homes.

Protecting the most vulnerable people

Harrow is a great place to live, however, there are many people who are in real need of help and support due to ill-health, poor housing, financial hardship or the impacts of welfare reform. We will continue to prioritise our core commitment to help and support those most in need in our community. For example, in Harrow there are a larger proportion of older people, when compared to the London average, and older people generally have greater support and care needs. We will therefore work closely together with the Clinical Commissioning Group (CCG) and other health partners to ensure quality health and social care provision for those in need, improve awareness of and access to autism support and advice, refresh our Health and Well-being Strategy and implement the Care Act.

Another important way in which we can help vulnerable residents improve their quality of life, health and wellbeing in these difficult times is to help them get out of or avoid poverty and help them to deal with the rising cost of living and welfare changes by helping them find work through our Xcite programme, our mental health and employment project and the creation of new jobs and apprenticeships on the back of our regeneration plans.

Harrow Council is also committed to working with families and their communities to educate, support and protect children and young people and ensure they achieve their potential throughout their journey to adulthood. We will continue to work with partner agencies to provide a range of services that: identify and support the needs of children and families before they become acute; prioritise the mental and physical health of all our children and families; aim to ensure everyone in Harrow is safe from harm and narrow the gap in educational attainment for disadvantaged pupils.

Active residents, either through caring for a relative or friend, or supporting those who need help to travel around the borough are vital for our success in helping those most in need. The Council owes a great debt of gratitude to carers within Harrow and we must never take them for granted. We will therefore invest in support for carers and listen to individuals and groups in the community to see how they can be better supported to continue to do the things which make such a real difference to the lives of so many people.

We also recognise that for some, the last few years of 'austerity' have been a struggle. We want to make sure that Harrow is a place where individuals and families can thrive and the aspirations of all residents can be met, whether it be from good quality, affordable housing and safe neighbourhoods, or good schools, vibrant town centres and new jobs. We know that the cost of living has risen in Harrow, and we will do all we can to support residents through this. The Council is already leading by example by paying the London Living Wage to its employees. Through our contracts and procurements we will work with and encourage our business partners and suppliers to also pay the London Living Wage.

Engaging With Residents Differently

To achieve our vision, the Council wants to encourage residents to become more active citizens by providing support and opportunities to contribute to the decision-making process and playing a greater part in their community to make Harrow better. We will place engaging and involving the community at the centre of our approach over the next four years. We will do this by working more closely with partners such as the voluntary and community sector whilst, at the same time, being more innovative and saving money in the Council. For instance, we will look at how we can make better use of technology, recognising that many residents in Harrow are online, and develop more innovative ways to get the views of those residents who rarely contact the Council or have previously found it difficult to get into a meaningful conversation with us.

We want to create a new model of local government where the Council works with local people and the voluntary sector every step of the way. We will look at how, by working with residents and the voluntary and community sector, we can improve the capacity and resilience of all communities

within the borough to be able to come up with solutions to the challenges that they face, and be able to step in where public services can no longer operate or are affordable.

Harrow already has a high proportion of residents who volunteer in their communities, gaining new skills and friends while helping others. We know volunteering is beneficial for health and wellbeing and can reduce social isolation, exclusion and loneliness. We want to build on the local resourcefulness within our communities. It will be the role of councillors to bring people together to make a real and positive difference to their area. Councillors should be leaders in their local community and therefore rooted in the area that they serve and be seen to be active; contributing to what matters to the community; facilitating debate; bringing people together and acting to deliver those things that make a big difference to communities.

Ensuring the Council is as efficient and effective as possible

We know there are tough times still ahead. Given that the Government's deficit reduction plan will continue until at least 2018, the need for the Council and other parts of the public sector to continue to make savings will not go away. Harrow Council is already a low spend authority that has made savings of £62m since 2010/11 and 75% of the savings proposals identified in the 2015/16 budget come from further efficiencies, contract savings, management savings and additional income. We will continue to seek efficiencies, reduce management costs and bureaucracy and get the best value for money from our contracts. But we will also have to reform the way in which the Council operates to be more resident and outcomes focused and re-design services together with the community to ensure they continue to be as efficient and effective as possible. We will also: explore all options for further collaboration and partnership working; seek to expand shared service arrangements such as HB Law; look at ways of generating alternative sources of income; and look into the opportunities that new digital and smart technologies can offer to enable greater access to our services.

Our workforce is our most important asset and we are very proud that our investment, support and management of staff has been recognised with our Investors in People accreditation. During these tough times however, it will be important that we continue to broaden and deepen our levels of engagement with staff about the future of the Council. We will continue to encourage our staff to be the best they can be to meet the future challenges. We will enable employees to lead healthier lives, ensure our workforce is at capacity by developing recruitment and retention packages that maximise our employment offer and ensure that we have the right workforce size and mix of people and skills to deliver the services residents want and need.

Alternative sources of income

As part of our ambition to reform the Council and given the significant pressures on our budgets from ever decreasing government grant, we will be seeking to generate alternative long-term income streams for the Council so we are able to continue to provide important and vital services and strengthen the Council's financial position. For example, rather than sell off all our assets outright when development opportunities arise, our intention is to retain freehold ownership and set up an arms-length trading company that could then manage new private rented housing on behalf of the Council. This would generate long-term revenue income for the council with sustainable returns, address the housing shortage in the borough, provide greater choice for those reliant on the private rented sector and improve standards of property management, condition and service.

Working in partnership with others

The staff are the lifeblood of any organisation, we are lucky in Harrow to have magnificent staff who serve residents. We will take every opportunity to support and engage with staff – our staff consultation regarding the Chief Executive was indicative of the open and transparent way in which we work. We will also develop strong relationships with our external partners, whether they are public sector organisations such as the NHS or private developers and local businesses as a part of the regeneration plans for Harrow. We are incredibly lucky to have a local voluntary & community sector that delivers outstanding services to our residents. We value all the work they do and want them to be at the heart of decision making, which is why we pledge to have a member of the local voluntary sector on Cabinet. We have also pledged that all Labour Councillors will do a minimum of 50 hours a year volunteering in the community.

5. Achievements in 2014/15

Despite the challenging financial situation we find ourselves in, the Council continues to work with local people, business and partners to provide high quality, low cost services and make improvements across the borough. This section sets out some of the Council’s most significant successes and achievements during the past year.

| <i>Making a Difference for the Most Vulnerable</i> |
|--|
| <ul style="list-style-type: none"> ○ Secured £38k to support residents with mental health issues into sustainable employment. ○ An extra £200k has been invested in domestic and sexual violence and strategy and an action plan for how to use that extra investment was agreed at Cabinet in September 2014. ○ Invested £120k into Harrow’s Citizen’s Advice Bureau, for face to face support services with our most vulnerable residents ○ An additional £715k has been committed to recruiting more Children’s social workers to meet rising demands. ○ Harrow’s Emergency Relief scheme has been successful in helping over 600 residents ○ We have supported the voluntary sector to launch the <i>Harrow Advice Together</i> portal. ○ M4Money Credit Union has been promoted to staff and residents. The Council is also promoting access to business loans for Harrow businesses through North London Credit Union. ○ Work to protect vulnerable people from spiralling debt has included banning access to pay day loan websites from all Council computers and the libraries’ Wi-Fi. ○ Over half of eligible Adult social care users have a cash Personal Budget ○ Over 250 adult social care clients now use My Community ePurse ○ Shared Lives participants have trebled over the last year. This voluntary scheme matches carers and service users in a family-like relationship. ○ The Families First project has so far helped some 300 families out of 395 identified with complex needs to make the improvements sought by the national Troubled Families programme and has qualified to continue with phase two. ○ The Firs respite care centre for children has again been graded Outstanding by Ofsted inspectors ○ Helped vulnerable residents ensure that their home is a warm and a healthy place to live ○ Launched a community campaign to target high rates of Tuberculosis in the borough ○ Improved the confidence, resilience, health and wellbeing of people with long term conditions and their carers by running a volunteer-led self-management programme. ○ Launched a walk programme for people with learning disabilities in addition to the 10 already established health walks |

| <i>Making a Difference for Communities</i> |
|--|
| <ul style="list-style-type: none"> ○ Streets are cleaner – 90% litter free (up from 86%) ○ Achieved 50% recycling rate (up from 46%) ○ 99.5% of our street lights are functioning ○ Introduced Fixed Penalty notice scheme for low level environmental crimes such as spitting and littering ○ Pledged that all Councillors will do a minimum of 50 hours a year volunteering in the community; this was kick-started in January 2015 ○ Creating a new Town Park and Performance Space in Lowlands ○ Introduced a pilot project for snow champions with training and provision of materials to volunteer residents to support the gritting of streets ○ The Community Champions Scheme has been launched with an updated website and |

annual conference, as a joint initiative between Harrow Council and the Metropolitan Police aiming to encourage more people to volunteer.

- Trained 45 local people to support residents to improve health and wellbeing and signpost them to services
- The Borough has the lowest levels of Anti-Social Behaviour in London
- A draft Regeneration strategy and Action Plan were approved by Cabinet.
- Invested £10m in highway improvements and maintenance.
- The Council's Carbon Reduction achievement exceeded its target
- The Council has re-launched its Fairer Grants campaign.
- £50,000 was made available to Harrow's Community Sport and Physical Activity Network.
- There were 3,451 responses to *Take Part*, a programme of consultation and engagement with residents to discuss how together we can meet the challenges of the future.
- The Under One Sky festival was successfully delivered in partnership with community organisations
- The Council held its annual volunteer award scheme - Harrow's Heroes, that celebrates the work of volunteers across the borough
- Cleaned all war memorials in our Borough for the 100th centenary of the beginning of World War 1
- Helped residents to bring three neglected and underutilised sites back to life for growing food.

Making a Difference for Local Businesses

- Rolled out a period of free parking in all our district centres
- Supported 300 local businesses with business support events including Barclays Ready for Business Seminar (for start ups), the regular big mentoring seminar in partnership with Ministry of Growth and Harrow College (for established enterprises) and the annual NatWest mobile Business School in Harrow Town Centre which offered free advice, one to ones and bite size seminars to would be entrepreneurs
- Won the High Impact Award for contributions to Global Entrepreneurship week.
- Supported the development of Harrow's first Business Improvement District
- Supported plans for Crossrail expansion
- Successful roll out of a period of free parking in our district shopping centres
- Invested in the Council's Xcite programme to help over 200 workless residents into employment and developed a 'How to' guide for taking on apprentices.

Making a Difference for Families

- A Housing Zone Bid for up to £35m to accelerate the delivery of new houses on major sites within the Heart of Harrow Area Action Plan has been submitted.
- A pilot scheme to introduce selective licensing for private-sector landlords is to be introduced in Edgware which will give the Council significantly greater powers to tackle rogue landlords.
- Proposals for estate regeneration across a number of sites have been developed
- A Housing Growth fund bid of £1.7m for phase 1 of the HRA new build programme has been approved
- A further £3.6m has been awarded from the Housing Growth fund for phase 2 of the HRA new build programme
- Harrow's homelessness prevention work is amongst the most successful in London against a background of increasing demand
- We have helped ensure that 98% of 16-18 year olds are in education, training or employment
- Created and recruited ten apprentices within the Council
- Strong schools inspection results continue
- Our Schools Expansion Programme sees a £45m investment in our Schools to meet

increasing demand for school places and Special Educational Needs schools. We permanently increased Reception intakes at 8 primary schools in September 2013 and will deliver a further 15 by September 2015.

- Implemented the Special Educational Needs and Disabilities provisions of the Children and Families Act 2014

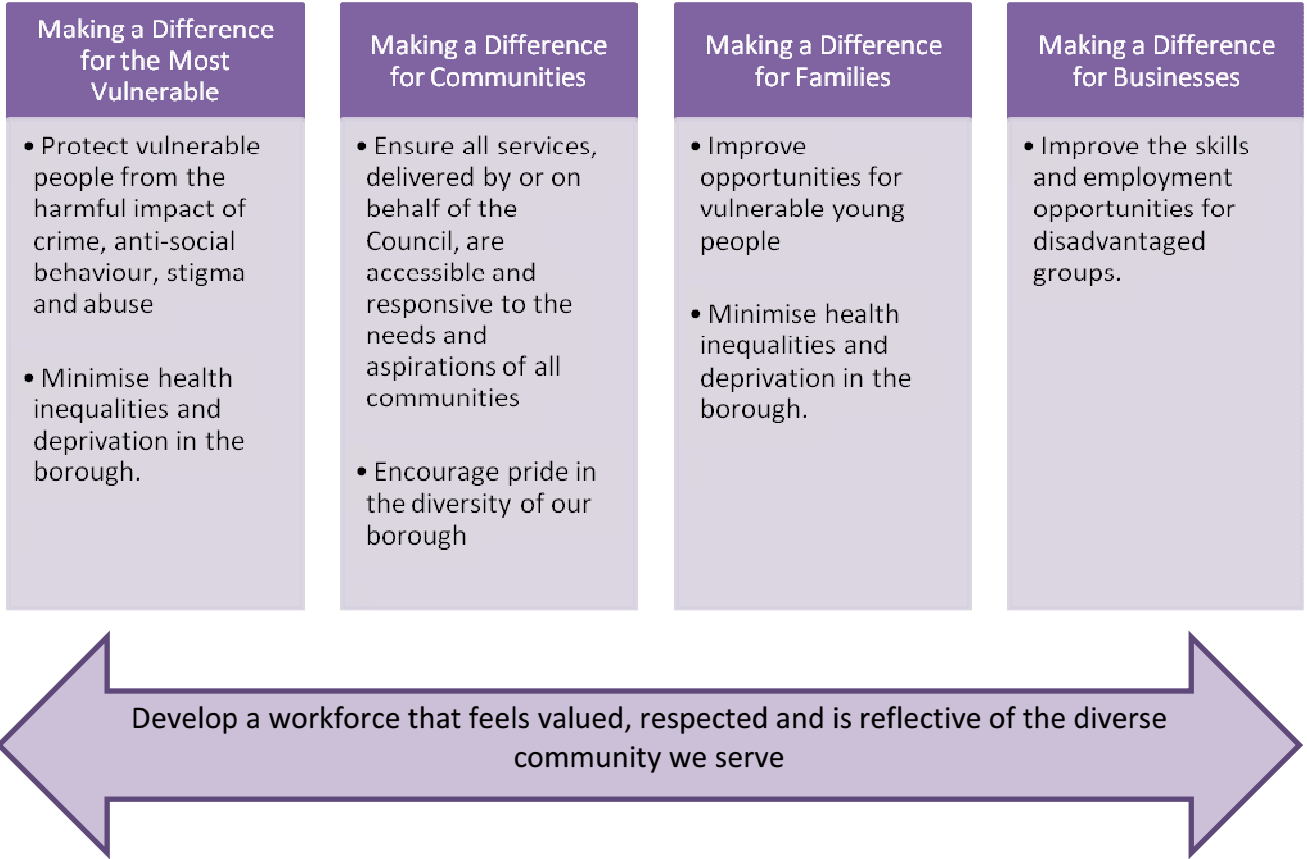
Efficient and Effective Organisation

- 68,500 residents now have Access Harrow accounts
- 75% of customer interactions are by self-service
- Satisfaction with the One Stop Shop remains very high at 96%
- The Council as an organisation has been awarded the Investors in People mark, while the Resources Directorate and the Housing service gained the IIP Gold award
- A review was completed into the reinstatement of the post of Chief Executive and an appointment to the position was confirmed by Council on 13 November 2014.
- Delivered £12m of cashable savings in 2014/15
- Over 120 staff have successfully completed our Leadership Development Programme which has also been accredited by the Institute of Management and Development

6. Our Equalities Priorities

Harrow is one of the most ethnically and religiously diverse boroughs in London and this richness of diversity is something to value and encourage as we believe it helps make Harrow a great place. As a Council, we are committed to ensuring equality and diversity is integral to everything we do irrespective of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

That is why we have included our key equality objectives for 2015-2019 in this plan. They set out our commitment as a community leader to work in partnership with the public, voluntary and private sectors to ensure we recognise the needs of every local community and promote inclusion, cohesion, fairness and justice. Our commitment as an employer is to employ a diverse workforce, to help us to understand and relate to the communities we serve. And our commitment as a service provider and commissioner is to ensure our services are open, fair and accessible.



Measures for each equality objective are integrated into the Council’s overall performance scorecard. This is then reviewed quarterly through the Council’s performance management framework and reports to Cabinet and Scrutiny through the Strategic Performance Report.

We will continue to ensure all key decisions have an Equalities Impact Assessment that highlights any disproportionate impact and enables the Council to put in place appropriate mitigations.

7. Delivery Plan

This section sets out the key projects and initiatives the Council will prioritise over the next four years to make the ambition, priorities and outcomes of this Council Plan a reality. It also sets out some of the key measures and targets we will use to evidence our performance (The full list of our performance measures is contained within our Corporate Scorecard and reported to Cabinet and Scrutiny through the Strategic Performance Report. The reports are available on the Council's website at: www.harrow.gov.uk/strategicperformance.)

| Corporate Priority | Making a Difference for the Vulnerable |
|--|---|
| Outcomes we want to achieve | <ul style="list-style-type: none"> a. Our most vulnerable residents are safe from harm and abuse b. Support our residents who fall on hard times and give them the opportunities they need, such as welfare support or employment opportunities c. Work with our partners in the NHS to ensure that Harrow residents live as independently as they can d. The mental health and well-being of residents improves e. Minimise health inequalities within the borough |
| Key projects and initiatives to deliver the Council Plan | <ul style="list-style-type: none"> o <i>Invest an extra £1m into domestic violence, support to carers and those in need</i> o <i>Provide investment for extra children's social workers</i> o <i>Deliver our Child Sexual Exploitation action plan to help keep children safe</i> o <i>Deliver our offer around Special Educational Needs & Disability provision</i> o <i>Joint working with the CCG and health partners to ensure quality health and social care provision for those in need</i> o <i>Implementation of the Care Act which is making major changes to the way in which adult social care is funded</i> o <i>Deliver the West London Mental Health and Employment Integration Trailblazer to help support people with mental health issues into work</i> o <i>Improve awareness of and access to autism support across the borough to create a strong, coherent support package in partnership with partner organisations</i> o <i>Prevent homelessness by helping families stay in their homes or find suitable alternative accommodation</i> o <i>Invest in extra staff in Access Harrow to deal with residents' Council Tax enquiries</i> o <i>Campaign for a fairer grant for Harrow residents</i> o <i>Work with and encourage businesses to pay the London Living Wage as a minimum</i> o <i>Refresh the Health and Well-being strategy for the borough</i> o <i>Tackle fuel poverty in the Borough</i> |
| Key Performance Indicators and targets | <p>The extent to which those with long term support had their care needs reviewed during the year</p> <p>Percentage of children with Child Protection Plan for over two years</p> <p>Stability of placements of Children Looked After (% with more than 2 placement moves)</p> <p>Repeat referrals to Children's Social Care (within 12 months)</p> <p>% of social care users who receive self-directed support</p> <p>% of carers who receive self-directed support</p> <p>Council adaptations: average time taken from assessment to completion</p> <p>Number of eligible people receiving health checks</p> <p>Adult participation in sport and active recreation</p> <p>Number of people setting a quit date with Smoking Cessation services who successfully quit at 4 weeks</p> <p>Violence with injury - Domestic abuse</p> <p>% of street lights functioning</p> <p>Number of schools registered for the Healthy Schools London Awards</p> |

| Corporate Priority | Making a Difference for Communities |
|--|---|
| Outcomes we want to achieve | <ul style="list-style-type: none"> a. Harrow is a pleasant place to live b. Maximise opportunities for volunteering c. Collaborative working with the voluntary and community sector d. Harrow is one of the safest boroughs in London e. Residents are empowered to influence local decisions f. People from all backgrounds are respected and treated fairly |
| Key projects and initiatives to deliver the Council Plan | <ul style="list-style-type: none"> o <i>Restart a council house building programme</i> o <i>Begin the regeneration of key sites in the Borough, such as the Civic site, Greenhill Way, Grange Farm Estate and Gayton Road</i> o <i>Explore opportunities for a sustainable future for both the Arts Centre and Harrow Museum, as well as exploring the development of cultural opportunities within the Borough</i> o <i>Develop a resident engagement & involvement agenda, with a residents regeneration board to look at all key sites in the borough and greater citizen control over budgets</i> o <i>Support and promote greater community engagement to give residents more control over local decisions and make neighbourhoods more pleasant places for residents to live</i> o <i>Secure improvements to public transport – access to Harrow on the Hill Tube station and a potential crossrail link to Harrow & Wealdstone station</i> o <i>Maximise further opportunities for volunteering in the borough</i> o <i>Design and deliver a new ‘Community Champions’ volunteering scheme</i> o <i>Set up Park User Groups</i> o <i>Ensure that residents have access to sport facilities and opportunities for physical activity</i> o <i>Ensure that the centenary of the First World War is commemorated each and every year</i> o <i>Tackle fly-tipping in the Borough and introduce on the spot fines for littering and spitting</i> |
| Key Performance Indicators and targets | <ul style="list-style-type: none"> Street and environmental cleanliness – litter, detritus, graffiti (excluding private land), fly posting Number of active park user groups No. of hours contributed by volunteers supporting the direct delivery of Community & Culture services Number of trained Community Champions Number of voluntary & community sector events supported in the delivery of Harrow’s Cultural Calendar Percentage of food establishments broadly compliant with food hygiene law Residents who are satisfied with the safety of Harrow Town Centre Residential burglaries Rate of proven re-offending by young offenders Percentage of residents who feel that they can influence decisions affecting their local area Percentage of residents who agree that people from different backgrounds get on well together in their local area |

| Corporate Priority | Making a Difference for Local Businesses |
|--|---|
| Outcomes we want to achieve | <ul style="list-style-type: none"> a. Residents and businesses benefit from local economic growth b. Sustainable business growth c. The skills and apprenticeship opportunities for residents improve d. Provide the homes, schools, jobs and infrastructure needed through regeneration e. Create and maintain strong local links and partnerships between the Council and local businesses |
| Key projects and initiatives to deliver the Council Plan | <ul style="list-style-type: none"> o <i>Create up to 3,000 new jobs and 500 apprenticeships for young people through the delivery of the regeneration strategy and action plan</i> o <i>Support low paid residents to gain higher level skills, through employment and training plans with developers and contractors and Harrow's Employment and Construction Training Initiative</i> o <i>Provide free recruitment service through Job Fairs and Xcite to help business recruit locally</i> o <i>Work with businesses to encourage them to pay the London Living Wage</i> o <i>Deliver the commercial and procurement strategy to support local business and achieve additional social value that meets the needs of Harrow's residents and businesses</i> |
| Key Performance Indicators and targets | Vacancy rates in Town Centre |
| | Resident perceptions of town centre and range of shops |
| | Number of businesses supported by the Council (annual) |
| | Percentage of 3rd party contract spend placed with local organisations |
| | 16 to 18 year olds who are not in education, employment or training (NEET) |
| | Number of residents supported in sustained employment with job outcomes sustained for 6 months or more |
| | Number of apprenticeships / work experience places offered by the Council |
| | The number of young people supported into apprenticeships and jobs |
| | Net number of new homes completed |

| Corporate Priority | Making a Difference for Families |
|--|---|
| Outcomes we want to achieve | <ul style="list-style-type: none"> a. Families live in quality, affordable homes b. Help is targeted at the families most in need of support c. Create skills and apprenticeship opportunities for residents improve their life chances d. Secure an excellent education for every child |
| Key projects and initiatives to deliver the Council Plan | <ul style="list-style-type: none"> o <i>Deliver the schools expansions programme and build 2 new primary schools in the borough</i> o <i>Seek to close the educational attainment gap for disadvantaged groups of young people</i> o <i>Restart a council house building programme - 'Homes for Harrow' and renew the Grange Farm estate</i> o <i>Tackle landlords that are trying to take advantage of families, through licensing, support and the tenants and landlords charter</i> o <i>Help turn around the lives of families with complex needs by delivering the second phase of the national Troubled Families Programme</i> o <i>Help parents meet the cost of childcare, and ensure they have all the support they need</i> o <i>Support low paid residents to gain higher level skills, through employment and training plans and the creation of 500 apprenticeships</i> |
| Key Performance Indicators and targets | <ul style="list-style-type: none"> Number of affordable family homes completed Number of social housing homes freed up through Council intervention/Grants2Move Total number of households to whom we have accepted a full homelessness duty Adult and Community Learning - success rates (annual) 16 to 18 year olds who are not in education, employment or training (NEET) Number of residents supported into employment by the Council The % of children with a good level of development. Children are meeting or exceeding the Early Learning Goals The percentage inequality gap in achievement across all the Early Learning Goals at Early Years Foundation Stage Achievement gap between pupils with special educational needs and their peers, based on pupils achieving level 4 or above in reading & writing and mathematics at Key Stage 2 The Special Educational Needs (SEN) / non-SEN gap – achieving 5 A*- C GCSE inc. English and Maths GCSEs (equalities measure) Permanent and fixed term exclusions as percentage of Harrow school population Termly rate of overall absence in primary and secondary schools Achievement gap between pupils eligible for free school meals and their peers, based on pupils achieving level 4 or above in Reading & Writing and mathematics at Key Stage 2 and 4 Percentage of Children Looked After for 1 year plus achieving Level 4+ at KS2 in both English and Maths Percentage of Children Looked After for 1 year plus achieving 5+ A*-C GCSEs including English and Maths GCSEs at KS4 |

| | Efficient and Effective Organisation |
|--|---|
| Outcomes we want to achieve | We want to be a modern and efficient Council, able to meet the challenges ahead. In order to help protect frontline services we will continue to deliver support functions in the most cost effective way, seeking alternative sources of income and continuing to collaborate with regional bodies and other boroughs on shared services and procurement opportunities. We will protect people and Council assets from risks and retain our customer services in Harrow where possible, modernising and simplifying the access channels to the Council, making more services available online and therefore accessible on a more 24/7 basis. |
| Key projects and initiatives to deliver the Corporate Plan | <ul style="list-style-type: none"> ○ <i>The development of a commercialisation strategy for the Council</i> ○ <i>Look at ways of increasing alternative sources of income, i.e. Private Rented Sector Programme Pilots</i> ○ <i>Implement a senior management restructure</i> ○ <i>Continue to ensure appropriate use of agency and interim staff</i> ○ <i>Put consultation and resident engagement at the heart of everything the Council does</i> ○ <i>Work with our partners and other councils to explore further opportunities for integrated and shared services</i> ○ <i>Rationalise and maximise the use of all Council assets</i> ○ <i>Consider the options for a cost-effective re-provision of the Civic Centre</i> ○ <i>To be the leader in cross council working in west London</i> |
| Key Performance Indicators and targets | Percentage of residents who agree the Council provides good value for money |
| | Percentage of residents who feel the Council keeps them informed of services & benefits it provides |
| | Percentage of residents who are satisfied with the way the Council runs things |
| | Customer enquiries that should not have been necessary (percentage) |
| | The proportion of enquiries that were resolved at the first point of contact |
| | Proportion of web forms and web visits as a percentage of overall contact |
| | Average wait on calls in Access Harrow |
| | Average cost per transaction (£) (Access Harrow) |
| | Total debt collected, at year to date, as a % of total debt raised |
| | Percentage of Council Tax collected |
| | Percentage of non-domestic rates collected |
| | Variation in business rate yield |
| | Time taken to process housing benefit and council tax benefit new claims and change events |
| | Staff sickness - average days per FTE excluding schools |
| Workforce with appraisal in last 12 months (previously IPAD) | |

**REPORT FOR: OVERVIEW AND
SCRUTINY COMMITTEE**

| | |
|---------------------------------------|---|
| Date of Meeting: | 24 th February 2015 |
| Subject: | Report from 'The Funding Challenge. Saving £75m from the Council's Budget' Challenge Panel. |
| Responsible Officer: | Alex Dewsnap Divisional Director, Partnership Development and Performance |
| Scrutiny Lead Member area: | Councillor Steve Wright: Policy Lead – Resources Councillor Adam Swersky: Performance Lead - Resources |
| Exempt: | No |
| Wards affected: | All |
| Enclosures: | Report from 'The Funding Challenge. Saving £75m from the Council's Budget' Challenge Panel. |

Section 1 – Summary and Recommendations

This report accompanies the report from the Council Tax Support Scheme Challenge Panel. The report outlines the review's observations and findings with regard the council's budget-setting and associated processes.

Recommendations:

Councillors are recommended to:

- I. Consider the findings and recommendations of the Challenge Panel
- II. Refer the review's recommendations to cabinet for consideration

Section 2 – Report

Introductory paragraph

Within this current climate, where the Council is faced with the challenge of making £75million savings over three years, it is imperative that we as a Council make the best decisions for the residents of Harrow.

The Scrutiny Leadership Group decided to undertake a review of Harrow's budget-setting and associated (particularly consultation) processes. The Challenge Panel took place on the 14th January 2015 and the main aims were to:

- Review the budget setting process
- Understand how budget proposals have been derived
- Review resident and staff consultation methodologies and how responses inform the budget decision processes.
- Understand the long term impact and consequences of the proposed budget decisions.
- Review the way Overview & Scrutiny considers the budget.

The panel invited and heard evidence from Council officers, Portfolio Holders, the Voluntary and Community Sector Representatives and other local authorities and organisations that support them. Local voluntary sector organisations and council recognised trade unions were also invited to submit evidence or viewpoints in advance.

Financial Implications

There are no financial implications associated with this report. However, if the report's recommendations are accepted, the services considered will provide detail of any costs likely to be incurred.

Performance Issues

There are no specific performance issues associated with this report.

Equalities Implications

An EqIA was not carried out specifically for this report as the report includes no proposals for service change. Where changes result from the acceptance of this report's recommendations, these will be accompanied by an EqIA.

Council Priorities

This review relates to all four of the Corporate Priorities 2014/15, including:

- Making a difference for the most vulnerable
- Making a difference for communities
- Making a difference for families
- Making a difference for local businesses

Ward Councillors notified:

N/A

Section 4 - Contact Details and Background Papers

Contact: Edward Smith, Policy officer. 0208 424 7602

Background Papers: 'The Funding Challenge. Saving £75m from the Council's Budget' Challenge Panel Scope.

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HARROW COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE

18TH NOVEMBER 2014

'THE FUNDING CHALLENGE – SAVING £75 MILLION FROM THE COUNCIL'S BUDGET' CHALLENGE PANEL

VERSION NUMBER 2.00

VERSION HISTORY 17TH OCTOBER 2014

| | | |
|---|---|---|
| 1 | SUBJECT | The Funding Challenge – Saving £75m from the Council's Budget |
| 2 | COMMITTEE | Overview and Scrutiny Committee |
| 3 | REVIEW GROUP | Councillors Cllr Kiran Ramchandani (L) Cllr Barry Macleod-Cullinane [C] Cllr Chris Mote [C] Cllr Manji Kara (C) Cllr Pamela Fitzpatrick (L) – Chair Cllr Primesh Patel (L) Cllr Aneka Shah (L) |
| 4 | AIMS/ OBJECTIVES/ OUTCOMES | <p>Aims/ Objectives</p> <ul style="list-style-type: none">• To review the budget setting process• To understand how budget proposals have been derived• To review resident and staff consultation methodologies and how responses inform the budget decision processes.• To understand the long term impact and consequences of the proposed budget decisions.• To review the way Overview & Scrutiny considers the budget. <p>Outcomes, recommendations for:</p> <ul style="list-style-type: none">• Future budget-setting and related processes to enable the council to find the savings needed in the next three years.• How the Council could develop its thinking on alternative sources of income to mitigate the loss of grant-based income.• Encouraging and exploring the innovative ideas that will be needed in the next three years.• The way Overview & Scrutiny is involved in the budget process in future• Avenues of questioning at Overview and Scrutiny Committee's Budget Q&A on 20th January 2015. |
| 5 | MEASURES OF | <ul style="list-style-type: none">• Changes in approach to future-budget setting and related |

| | | |
|----|--|--|
| | SUCCESS OF REVIEW | processes are accepted and implemented. |
| 6 | SCOPE | <p>This Challenge Panel will review the 2015/16 budget-setting and related processes and their outputs with a view to recommending how such processes may work in future years, to ensure they are as effective as possible, to best meet challenging savings requirements.</p> <p>The Council's systems for planning and using capital budgets are not in scope as they are being considered by a separate Challenge Panel.</p> |
| 7 | SERVICE PRIORITIES (Corporate/Dept) | <p>This review relates to all four of the Corporate Priorities 2014/15, including:</p> <ul style="list-style-type: none"> • Making a difference for the most vulnerable • Making a difference for communities • Making a difference for families • Making a difference for local businesses |
| 8 | REVIEW SPONSOR | Simon George, Director of Finance |
| 9 | ACCOUNTABLE MANAGER | Rachel Gapp, Head of Policy |
| 10 | SUPPORT OFFICER | Edward Smith, Policy Officer |
| 11 | ADMINISTRATIVE SUPPORT | Business Support Service |
| 12 | EXTERNAL INPUT | <p>Written submissions will be requested from:</p> <ul style="list-style-type: none"> • Voluntary Sector Organisations • Other local authorities (targeted approach) • Trade Unions representing Council employees • Organisations with expertise relating to public sector budget planning processes. <p>A small number of witnesses may be invited to attend the Challenge Panel based on the content of their submissions.</p> |
| 13 | METHODOLOGY | <p>Research in advance</p> <p>In advance of the Challenge Panel, members will have the opportunity to consider:</p> <ul style="list-style-type: none"> • Draft budget for 2015/16, which will be published in the papers for the 11th December Cabinet meeting. • The Commissioning Panel papers that are published at the same time as the Cabinet Papers. • The methodology and results of the 'Take Part' resident and staff consultations |

| | | |
|----|---------------------------------|---|
| | | <ul style="list-style-type: none"> • Consultation plans for specific budget proposals (where applicable). • A briefing paper, from desk-based research that will: <ul style="list-style-type: none"> ○ Identify key themes in the budget proposals ○ Highlight areas of potential risk ○ Identify how other councils are responding to budget challenges, particularly innovative responses. ○ Compare budget-setting and consultation processes in other councils, with case studies. • Any submissions from Review Group members (or other Councillors) from their own research/ experience/ knowledge. <p>The Review Group will meet to discuss the above documents and formulate questions to ask at the Challenge Panel on the week of the 8th December.</p> <p>At the Challenge Panel:</p> <p>The following people will be invited to update on budget-setting and related processes this year, including learning for future years, and to answer questions:</p> <ul style="list-style-type: none"> • Cllr Sachin Shah (Portfolio Holder for Finance and Major Projects) • Cllr Sue Anderson (Cabinet Member with lead responsibility for consultations) • Simon George (Director of Finance) • Carol Yarde (Take Part lead officer) <p>Input from external people will be as described in section 12 above.</p> <p>The report and recommendations will then be written up and submitted to Overview and Scrutiny Committee.</p> |
| 14 | EQUALITY IMPLICATIONS | <p>The review will consider during the course of its work, how equality implications have been taken into account in current policy and practice and consider the possible implications of any changes it recommends.</p> <p>This could include looking at the Equalities Impact Assessment for the draft budget (which will try to estimate cumulative impact) and ‘Take Part’ consultation, and reflecting on what these tell us about the budget-setting and related processes.</p> |
| 15 | ASSUMPTIONS/ CONSTRAINTS | <p>The timing of the Challenge Panel may make it very difficult for recommendations regarding changes to the 2015/16 budget to be fully considered and responded to before the final budget needs to be agreed.</p> |

| | | |
|----|---|--|
| | | Given this constraint, the most impactful recommendation are likely to be those that inform approaches to budget-setting and related processes for the 2016/17 and subsequent budgets. As such, this is the focus of the Challenge Panel scope. |
| 16 | SECTION 17 IMPLICATIONS | |
| 17 | TIMESCALE | 1) Agree panel members and draft scope virtually - Oct 2) O&S 18th Nov - agree scope 3) Challenge Panel - 16/19 Dec 4) (in parallel) Budget Q&A with Leader & HoPS - 20th Jan 5) O&S agree report & forward to Cabinet - 24th Feb 6) Cabinet receive the report - 19th March 7) Cabinet respond to report - 23rd April |
| 18 | RESOURCE COMMITMENTS | Project costs will be met from within existing scrutiny resources |
| 19 | REPORT AUTHOR | Edward Smith, in consultation with Challenge Panel members |
| 20 | REPORTING ARRANGEMENTS | To O&S Committee <input checked="" type="checkbox"/> When...24 th February 2015..... To Cabinet <input checked="" type="checkbox"/> When... 19 th March 2015..... |
| 21 | FOLLOW UP ARRANGEMENTS (proposals) | It is anticipated that Cabinet would respond to any recommendations made at the Cabinet meeting in April. Any changes made to budget setting processes at this stage could be implemented at an early stage of planning for the 2016/17 budget. |

‘THE FUNDING CHALLENGE – SAVING £75 MILLION FROM THE COUNCIL’S BUDGET’

A HARROW COUNCIL SCRUTINY CHALLENGE PANEL REPORT

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Chair's Foreword

The process of setting a budget is more than an accounting exercise. The New Local Government Network believes that 'budgets should be the financial expression of a Council's priorities and objectives'.¹ Therefore, within this current climate, where the Council is faced with the challenge of making £75million savings over three years, it is imperative that we as a Council make the best decisions for the residents of Harrow.

The incremental budget setting process that Harrow has traditionally used works by considering the previous year's budget and making incremental changes. Whilst this process has worked effectively in previous years, the Challenge Panel has sought to consider how an outcomes-based budget could contribute to making more savings in the coming years, whilst delivering good outcomes for people in Harrow. The Budget Challenge Panel, which took place on the 14th January 2015, therefore drew upon the evidence and experience of other boroughs that have adopted outcomes-based budgeting.

During the Panel, we have also sought to understand the Council's interactions with Harrow residents and how these have informed the Council's budget and have identified much good practice and hard work. We have come to the conclusion that an outcomes-based budgeting process would better reflect the needs of Harrow residents, as consultations can be based on what Harrow should prioritise or do differently, not just what it should stop doing.

I would like to give my heartfelt thanks to all the witnesses, whether external, officer or portfolio holder, who attended and provided evidence at the Challenge Panel. They provided us with valuable information, were open in discussions of their methods and processes, and joined us in the process of identifying potential solutions.

On behalf of the members of the review Challenge Panel group, I commend this report.

Councillor Pamela Fitzpatrick

Challenge Panel Chair

¹ 'Smart Budgeting: Integrating Financial & Strategic Planning for Outcomes', by C. Mansfield & M. Beresford, *New Local Government Network*, p. 33.

Executive Summary

It is clear that the next few years will see big budgetary challenges for Harrow Council. It is essential that Harrow Council's budget-setting process and other associated processes are as effective as possible at enabling Harrow to rise to the financial challenges ahead.

Incremental Budgeting uses the last year's budget as a starting point, and makes incremental changes according to new legislative requirements, additional or reduced resources, service developments, anticipated price inflation and labour costs. This approach has helped Harrow to make significant savings to date but it is less well suited to scrutinising the cost and effectiveness of spending. Further, since departments consider spending reductions separately, cross-departmental efficiencies are likely being overlooked.

The Challenge Panel supports the ideas of reform in the budget-setting process, particularly moving to an Outcome Based Budgeting approach, with zero-based budgeting elements. This allocates funds according to a set of pre-defined outcomes and priorities, focussing on what impact the wide variety of services run by a Council has on outcomes.

The Panel believes that the key benefits of such an approach could be:

- Providing the evidence to support investment in prevention and early intervention.
- Allowing us to be much clearer about the impact of capital programme proposals on outcomes and therefore to prioritise between them, or between revenue and capital spending.
- Encouraging innovative ideas to reduce duplication or improve outcomes in areas in which multiple departments operate, through new ways of thinking
- Using zero-base budgeting to re-set the expectation that funding levels for a service will be derived from adjusting previous funding levels, rather than the level of funding needed for a service to deliver outcomes.

The Panel believes that the Greater Manchester 'Cost Benefit Analysis' tool may help the Council advance along a journey to outcome based-budgeting, and perceive this to be very useful for advancing public sector partnerships to deliver public value and better outcomes too.

In this context, public consultation approaches will need to change to give the public a say on the Council's priority outcomes and help them understand the outcome impacts from various options featured in a consultation. Whatever the budgeting process, in future, consultations must give residents a choice and give them the information they need to understand the trade-offs involved in these choices.

Summary of Recommendations

1. Harrow Council to set a budget covering at least three years from 2016/17, to provide a greater degree of certainty and ensure that all budget decisions are aligned to a medium-to-long term strategic vision. Changes will need to be made on an annual basis, but these should be amendments to a complete three year plan, rather than a significant development upon loosely defined or partial plans.

2. Harrow Council to establish clear criteria or principles for budget decision-making for future budget-setting processes and communicate these clearly and widely within the Council and to the public.
3. Harrow Council to give much greater emphasis to understanding and improving how Council money is spent, rather than dedicating most of the available time and energy to deciding what the Council will not spend money on in the future.
4. Harrow Council to move away from a directorate-based budgeting process to an outcomes-based one that:
 - a. Is meaningful to residents, rather than based on the Council's internal structure.
 - b. Is based on residents' needs.
 - a. 100% outcomes-based by 2019/20 or earlier.
 - b. Draws on 'zero-based budgeting' elements: where new ideas are developed from the ground up, rather than incrementally developing upon past ideas.
5. Harrow Council to draft a proposal for a gradual transition to an Outcomes-Based Budgeting approach, for consideration by Overview and Scrutiny prior to finalisation and implementation.
6. Harrow Council to give careful consideration to getting the following right when planning and implementing an outcomes-based budget approach:
 - a. **Communication, culture change and change management:** Avoid confusion and uncertainty by planning in advance and dedicating sufficient resource to programme management; recognise that some members of staff may feel threatened and behave defensively and plan a response to this.
 - b. **Leadership:** Ensure that Members and everyone at Senior Management level have a common vision and are fully engaged in the design and delivery of an approach. Choose individual outcome leads on their leadership ability not their service knowledge.
 - c. **Contingency Plan:** In recognition that a changing approach is experimental and involves some risk. This may include setting key milestones and review points at which contingencies trigger.
7. Harrow Council to give consideration to whether additional resourcing is needed to support the budgeting process in light of the above recommendations and any other considerations.
8. In determining how best to deliver priority outcomes, Harrow Council should consider the totality of public spend in Harrow and work collaboratively with public sector partners to deliver shared objectives as effectively as possible. Use of the Greater Manchester Cost Benefit Analysis Tool (see below) should be investigated with partners, to see if this can be used as a Common Approach.
9. Harrow Council to equip all Members with the skills and knowledge needed to improve Harrow's journey towards outcome based budgeting. For instance by increasing awareness of which services are statutory, what this means and how much scope there is for altering the nature and scale of these services. The reason for this is because simply labelling something "statutory" doesn't inform about what it means for services in terms of outcomes, quantity or quality, or other features of a service.
10. Harrow Council to write to the Government, welcoming the 2014 Autumn Statement commitment to giving local authorities indicative multiyear budgets as soon as possible after the next Spending

Review, and lobby all relevant parliamentary political parties to deliver this if they are in Government after the General Election.

11. Harrow Council to consider how resources can be freed up to resource early intervention and prevention services.
12. Harrow Council to further develop evidenced-based decision-making, to make sure that resources are used as effectively as possible to deliver public value. In particular, it is recommended that Harrow Council pilots the use of the Greater Manchester 'Cost Benefit Analysis' Tool as a method to help us understand the costs and benefits of early intervention and prevention, and build evidence for pooling budgets with partners where benefits are derived by more than one public sector body. This could be for any or all of the following:
 - a. To evaluate a core service with strong preventative elements.
 - b. To evaluate a service with preventative elements that is at risk of being cut – to help the Council decide whether it should or shouldn't be cut.
 - c. To help us estimate the costs and benefits of a new service delivery model that the Council might invest in, to help the Council decide whether it should do so.
13. Harrow Council to adopt a consultation approach that focusses on public engagement in determining priority outcomes – linking outcomes to service options to some extent, in order to ensure that it is meaningful to the public.
14. Harrow Council to investigate and evaluate options for budget-simulation consultation tools, in which respondents select from cuts and spending options to form a balanced budget, such as that developed by the London Borough of Redbridge. These might need to be adapted to align with an outcomes-based budgeting approach, rather than an incremental based budgeting approach.
15. Harrow Council should at the very least, ensure that consultations encourage meaningful choices and encourage people to think about trade-offs in their responses. This may or may not be through the mechanism described in recommendation 14.
16. Harrow Council to investigate and feedback on how local businesses should be positively engaged in future budget-setting and consultation processes, including ideas for how they can contribute to the achievement of Harrow's vision and objectives.
17. Harrow Council to investigate the remaining concerns of the Voluntary & Community Sector Reps raised when giving evidence to this Challenge Panel (see appendix 2), report its conclusions to Overview & Scrutiny Committee and outline what it intends to do differently in the future as a result.
18. Scrutiny to increase its 'pre-decision' Scrutiny (on topics to be decided by Overview and Scrutiny Members). Council officers to notify Scrutiny of forthcoming 'key decisions' at least 6 months in advance to facilitate this, allowing Scrutiny to input at an early stage of policy, strategy and proposal development.

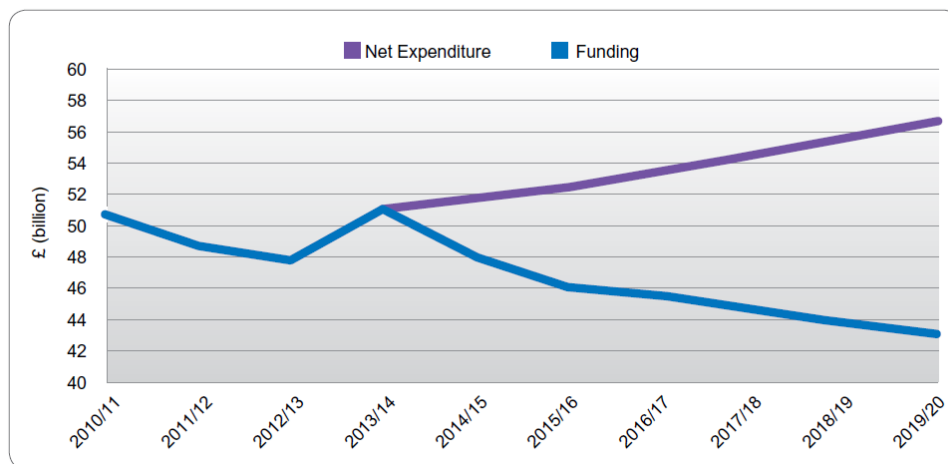
Introduction

From 2010/11 up to 2013/14, local authorities had made savings of £10 billion. The main political parties agree that public spending will contract at least until 2018/19. Over the period 2010/11 – 2019/20, total Council funding is predicted to fall by 26% in real terms, or 33% once the introduction of public health funding is accounted for.

However, LGA modelling predicts that an increase in expenditure in cash terms of 1.7% per year is needed to maintain 2013/14 levels of service, based on increasing costs and few remaining efficiencies.

Comparing projections for funding to projections for expenditure shows a funding gap growing by an average of £2.1 billion a year, adding up to £12.4 billion by the end of the decade (see graph).

Figure 6: Income against Expenditure 2010/11 to 2019/20



To close this gap, after expenditure on the services that can most clearly be identified as statutory (social care and waste management) is met, funding for other Council services would need to drop by 43% in cash terms by the end of the decade. However, within these “other services” are many statutory obligations, which impacts on the savings options available as they cannot be cut significantly: concessionary fares, libraries etc.

Authorities in relatively deprived areas, which are more dependent on Government grants, are the worst affected. In 2019/20, Councils in London will have 74% of the funding needed to maintain services at 2013/14 levels. This compares to 94% for shire districts, 82% for shire counties, 79% for unitary authorities and 71% for Metropolitan Districts.²

It is clear that the next few years will see big budgetary challenges for Harrow Council.

It is essential that Harrow Council’s budget-setting process and other associated processes are as effective as possible at enabling Harrow to rise to the financial challenges ahead.

The purpose of this Challenge Panel is to form a view on the effectiveness of Harrow processes in the past and generate recommendations for how it can be more effective in the future.

² ‘Future Funding Outlook 2014’, July 2014

Panel Membership

Cllr Pamela Fitzpatrick – Chair

Cllr Manji Kara

Cllr Kiran Ramchandani

Cllr Primesh Patel

Cllr Barry Macleod-Cullinane

Cllr Antonio Weiss

Cllr Chris Mote

Cllr Adam Swersky

Methodology

The Challenge Panel considered the following sources of information and evidence:

- **Literature Review** (drawing heavily on ‘Smart Budgeting’, New Local Government Network, 2014)
- **Budget Cabinet Paper 11 Dec 2014:** “Draft Revenue Budget 2015/16 and Medium Term Financial Strategy 2015/16 to 2018/19”. Available at: <http://tinyurl.com/lf4ah3x>
- **Commissioning Panel Papers**
 - The papers considered by Commissioning Panels in the Autumn of 2014, while developing the Medium Term Financial Strategy proposals considered at December Cabinet
- **Take Part (Budget Consultation) Background Papers:** Information Booklets x2; Questionnaire
- **Submissions from Voluntary and Community Sector organisations**
 - Voluntary & Community Sector Representatives (elected by the sector)
 - Relate London North West
 - Harrow Association of Disabled People (HAD)
 - MIND in Harrow
 - Linda Robinson
 - Clare Goldschmidt
- **Briefings and Presentations from Harrow Council Officers & Portfolio Holders**
 - Cllr Sachin Shah, Portfolio Holder for Finance and Major Contracts
 - Cllr Sue Anderson, Portfolio Holder for Community, Culture & Resident Engagement
 - Simon George, Director of Finance & Assurance
 - Carol Yarde, Head of Transformation Community Health & Well Being
- **Presentations from the following external speakers**
 - David Leigh, Business Adviser, Camden Council

- Julian Cox, Deputy Director of Research, New Economy
- Mark Gillham, Chief Executive, Mind in Harrow, on behalf of the Voluntary & Community Sector Reps
- Deputy Director of Finance, Warrington Council
- Scrutiny Manager, Lewisham Council

Harrow's Financial Position

Harrow is one of the lowest funded Councils in London. A focused piece of work was recently commissioned from LG Futures to investigate Harrow's funding settlement and the reasons behind the variances from other London Boroughs and across England. The review identified that in 2015/16 Harrow's revenue spending power per head is projected to be £159 (or 17.3%) lower than the London average, which ranks Harrow 26th out of 32 boroughs. A similar comparison with the England average shows Harrow's revenue spending power per head is £127 (or 14.3%) below average and ranks Harrow 105th out of 120 top-tier Local Authorities.

In addition, in 2012/13, Harrow's financial reserves were just 5% of revenue expenditure. This represents one of the very lowest reserve ratios in the country. In fact, Harrow has been significantly below the average for several years before this and Harrow's reserve ratio was increased in 2012/13 for the only time in the period from 07/08 onwards.³

Approaches to Budget Setting⁴

The below table summarises theoretical approaches to budget-setting⁵

| | |
|---------------------------------|---|
| Incremental Budgeting | A method of budgeting that uses the previous years' budget as a model and makes small, incremental changes each time. |
| Incremental Plus | As above, but mixed with elements of other models such as outcome-based budgeting, or zero-based budgeting. |
| Outcomes-based Budgeting | A method of budgeting in which funds are allocated accordingly to a set of pre-defined outcomes or priorities. This model often is part of a more commissioning-based approach to service delivery. (A variation on this is 'priority based budgeting': where resources are allocated based on 'priorities' e.g. should council tax rise, or should fees and charges increase – <i>CFPS, Raising the Stakes, 2014</i>). |
| Zero-based | A method of budgeting that starts completely from scratch – from a 'zero base'. Each budgeting decision is made as if for the first time. This means that each |

³ Audit Commission Financial Ratios Tool.

⁴ 'Smart Budgeting: Integrating Financial & Strategic Planning for Outcomes', by C. Mansfield & M. Beresford, *New Local Government Network*, pp. 11-12.

⁵ 'Smart Budgeting: Integrating Financial & Strategic Planning for Outcomes', by C. Mansfield & M. Beresford, *New Local Government Network*, p. 23, p. 37.

| | |
|------------------|---|
| Budgeting | decision must be justified, and services that previously received a certain amount of funding are not guaranteed to receive it again. |
|------------------|---|

The traditional approach to budget-setting in local authorities, 39% of Councils now use only 'incremental budgeting'. Another 39% use it in tandem with outcome or zero-based budgeting methods.

Broadly speaking, Harrow has followed an incremental approach for setting its 2015/16 budget.

Incremental budgeting is the process of taking last year's budget as the starting point and adjusting it for known factors such as new legislative requirements, additional or reduced resources, service developments, anticipated price inflation and labour costs. Typically, a Council working with a reduced budget will work out the scale of the cut it faces for the coming year, set targets for each directorate to meet, and then invite proposals for efficiencies and transformation. Options for savings are presented to Council Members who decide the Council's priorities, based on "how much things hurt at the margins".

The New Local Government Network offer the following critique of Incremental Based Budgeting.

Positives of this approach:

- Relatively low-cost in terms of time and labour intensiveness.
- Does not involve much conflict.
- For fairly minor financial changes, the process can be an efficient way of testing relative priorities.
- Allowed councils to make significant savings and deliver balanced budgets to date.

Limitations of this approach:

- Effective way to distribute new money, but much weaker at scrutinising the cost and effectiveness of existing spending.
- Often leads to salami slicing, where the headline budget for each silo service area is squeezed without fundamentally questioning the impact each cut has on outcomes.
- Duplication & Silos: Because each department considers its spending reductions separately, it is easy to overlook efficiencies that could be made across departments. Can hinder joined up thinking about problems and impede an integrated approach to service delivery.
- Can lead to a focus on the budget for next year rather than planning for the medium and long term. Many solutions will only deliver the desired positive outcomes and savings over a much longer period.
- An incremental approach is often alienating or demoralising for Councillors if presented with a menu of options for what not to spend money on, rather than considering how it could be spent better. Members elected with imagination and zeal can be given little real input into future plans for services.

Harrow's Internal Budget-Setting Process for the 2015/16 Budget

Revenue Budget Process

- The revenue budget setting process for 2015/16 commenced in approximately March 2014. The £75m target (2015/16 to 2018/19) was arrived at by using the estimated budget gap, per the finance model, of £24.74m for 2015/16 and £20.765m for 2016/17 (as reported to Cabinet/Council in February 2014) and assuming savings of £15m per annum for 2017/18 and 2018/19. Although the funding gap for 2015/16 was £24.74m, a working target of £30m was agreed to allow for slippage for those savings that required a long lead in time.
- Any methodology used for allocating the savings target has its advantages and disadvantages. It was agreed at Corporate Strategic Board (CSB) to allocate the target *pro rata* based on directorate net budget. In recognition of the desire to look at savings both directorate specific and cross Council, 20% of the target (£15m) was allocated to cross Council saving suggestions.
- Through the budget process there was a very clear steer that Officers must come forward with a range of saving proposals to give members options to achieve the indicative target of £30m. Following this steer and Cabinet agreeing the budget planning process in July, officers worked up a series of savings proposals in accordance with the process timetable.
- To ensure the indicative target of £30m for 2015/16 was achieved, a number of savings for 2015/16 were taken early in-year (2014/15). Cabinet agreed in-year savings of £1.601m and £131k in July and November 2014 respectively. All early savings were recurrent and could be counted against targets for 2015/16.

Commissioning Panels

- The savings proposals were presented to a number of Commissioning Panels (CP) which took place in late September/early October to challenge and scrutinise savings proposed. The dates were set as such to ensure draft 15/16 Budget and Medium Term Financial Strategy (MTFS) were presented to December Cabinet for consultation. The Commissioning Panels are not decision making bodies.
- There was a CP per directorate, except for Community Health and Wellbeing which was split into three, and one for cross council. The panels were chaired by the Leader of the Council and attended by Portfolio Holders and relevant officers.
- The emphasis of the CP pack was a high level summary of the directorates covering areas such as service purpose and offer, key challenges and opportunities, risk, finance and performance. The narrative was supported by a series of savings schedules and equality impact assessments. In the interest of openness and transparency, all CP papers have been published on the intranet.
- For each savings proposal the following information was presented to the CP: brief description, RAG status, estimated savings and their profile, and estimate of redundancy and pension strain costs, capital implications, risk, volumetrics, key milestones, equality implications and consultation required.
- The CP's looked at multi-year savings and not just 15/16.

After the Commissioning Panels

- 'Take Part', the start of a conversation with residents was carried out over an eight week period from 11 September to 8 November 2014. .
- The Autumn Statement was announced in early December and the central government grant settlement followed on 18 Dec. The implications of these were worked into the MTFs and financial model and presented to December Cabinet.
- The draft savings proposals were taken to December Cabinet, asking members to approve the draft budget for 2015/16 and the MTFs 2015/16 to 2018/19 for general consultation, being mindful of the results of the Take Part consultation and equality impact assessment.
- The consultation required for each individual saving proposal was detailed in the December Cabinet report. A number of individual public consultations have/continue to be carried out including consultations on Children's Centres, Libraries, Voluntary sector funding and services within the Environment & Enterprise directorate. Consultation results will be reported back to Cabinet to ensure informed decision making.
- The final budget and MTFs will be taken to February Cabinet asking for Cabinet to recommend the budget to full Council.

In his evidence to the Challenge Panel, the Director of Finance & Assurance outlined the following features of a good budget-setting process:

- Fair and transparent within the officer corps.
- Minimises opportunities for 'gaming' within officer corps.
- Process has to deliver options for members so that members can make decisions in line with administration priorities.

Administration Plans for Future Budget-Setting Process

At the Challenge Panel, Councillor Sachin Shah outlined the Administration's views on processes used for the 2015/16 budget and their plans for budget setting processes in future years as follows:

- Harrow has an incremental process: total spend is broken down into approximately 30 budgeting-areas, which are largely considered separately from one another, and incremental changes are made from a starting point of what was done the previous year. This is likely to see some odd spending patterns as in the last ten years much has changed in the Council and the context in which it operates, for instance, the technology available.
- This approach has operated in a time of reduced income by giving savings targets to Council Directorates, on an organisational structure basis. This has no meaning outside of the Council or to the public. The Administration would like to move away from directorate-based budgeting to a more outcomes-based budgeting approach that is more closely linked to what Harrow residents want, than what current approaches are.

- The Administration would like to change to an approach that looks at what we are spending, not what we are cutting. Much larger sums of money are being spent rather than being saved and this spending needs to be considered further.
- For the 2015/16 budget, the Council has followed a one-year budgeting process. This approach means that every year we look for more and more cuts. The Administration intends to move to a balanced 2-3 year budget to increase stability for all relevant stakeholders. This was not possible for the 2015/16 budget due to timing of the election and the level of savings needed.
- It is unlikely that all of the above will feature in our next budget-setting process as these things take time to implement. This may take three or four years.

Voluntary & Community Sector Reps feedback on process for 2015/16

In advance of the Challenge Panel, voluntary and community sector organisations were invited to submit their views on the budget-setting process and the associated consultation processes. The Challenge Panel have considered the submissions received in its deliberations. At the Challenge Panel meeting, The Chief Executive of Mind in Harrow (at the request of the Voluntary and Community Sector Reps, who are elected by organisations in the sector to represent their views), presented the following key points:

- The Council has lacked a vision or strategy and needs to answer the question ‘how do we together meet the needs of the most disadvantaged Harrow citizens with so much less money?’ Strategic areas to consider include health and social care related partnerships, for instance with the NHS, voluntary sector and wider community of citizens.
- There has been a lack of any criteria or principles for the Council to decide in a transparent and rational way what to propose for savings. This has led to short-term thinking, a focus on some ‘soft targets’ like voluntary sector grants, and inadequate consideration of the impact of proposals. For instance there is likely to be higher social care costs in the future because of cuts to preventative services.
- Current proposals for voluntary sector funding cuts breach several Administration election manifesto commitments, which should be the Administration’s minimum guiding principles.
- There has been lack of coordination across departments in the budget decision-making process. Examples include:
 - Care Act implementation: many voluntary sector services within the scope of the Care Act are proposed for cuts.
 - Health & Wellbeing Strategy: the budget-setting approach seems not to have shown any regard for the Mental Health & Dementia priorities in this strategy.
- National Policy drivers are being disregarded, for example there is an expectation of equity of funding for Mental Health, but Council budget proposals will create greater inequity.

The sector acknowledged and welcomed a number of positive elements to the Council’s approach, namely:

- There was clarity on the total level of savings needed, as stated in the Take Part consultation document 'Help Shape Your Harrow of the Future' (September 2014)
- There were meetings between voluntary sector CEOs and Portfolio Holders to explain some of the budget in detail
- Commitments to minimise budget cuts that impact on the most disadvantaged people in Harrow were made (e.g. avoiding further Council Tax Support reductions).

Panel's Views

Whilst some of the specific concerns raised by the voluntary sector were too specific for the panel to explore in detail within the scope of the review, the panel agrees with a number of the strategic themes. It is encouraging that the Portfolio Holder for Finance and Major Contracts has also articulated many of these themes and the panel are pleased to see the emergence of a consensus on key issues.

Recommendations: A Strategic Budgeting Approach

1. Harrow Council to set a budget covering at least three years from 2016/17, to provide a greater degree of certainty and ensure that all budget decisions are aligned to a medium-to-long term strategic vision. Changes will need to be made on an annual basis, but these should be amendments to a complete three year plan, rather than a significant development upon loosely defined or partial plans.
2. Harrow Council to establish clear criteria or principles for budget decision-making for future budget-setting processes and communicate these clearly and widely within the Council and to the public.
3. Harrow Council to give much greater emphasis to understanding and improving how Council money is spent, rather than dedicating most of the available time and energy to deciding what the Council will not spend money on in the future.

Experiences of Outcome-Based Budgeting

Warrington and Camden Councils attended the Challenge Panel meeting to talk about their experiences of Outcome-Based Budgeting. In addition, the Panel considered written cases studies based on experiences at Lambeth and East Hampshire, from the NLGN Report 'Smart Budgeting'. The Challenge Panel found a high degree of commonality between the experiences of these Local Authorities. The content of this section is largely based on Warrington and Camden as their experiences were explored in more detail.

All authorities emphasised that they had taken positive steps towards full outcomes-based budgeting, rather than fully implemented it to a consistently high standard.

Approach:

- Priority outcomes were discussed and defined.
- Leadership: Each outcome was led by an Assistant Director, who was not necessarily the delivery lead for the outcome. In Camden, almost every AD took on an outcome. In Warrington, the AD

leads were chosen by leadership skills rather than knowledge of relevant service-areas. The leads brought together groups of relevant officers. In Lambeth, 13 outcomes were split into three Outcome panels, each led by a relevant Cabinet Member, whose roles were re-conceived as 'commissioners'.

- Wider strategic approaches underpinned or sat alongside the outcomes based budgeting process. These were similar in both authorities and included 'Investing in Local Growth', 'Developing New Solutions with Partners to Reduce Inequality', and 'Redefining our Role and Relationship with Citizens (self-sufficiency, community resilience and building trust)'. Camden also had a 'Right First Time/Systems Thinking' approach.
- Authorities were clear that a key outcome was the need to be making savings – but intended to do this in an evidence-based and/or transformational way. Camden required officers to evidence that services were delivering outcomes, not just outputs, to inform decision making about what should be cut.
- However, ideas and proposals for new investment were also encouraged. In Camden four 'investment tests' were used for both existing and new services: outcome focus; tackle inequality; invest in early intervention and the capacity to act decisively, make every pound count. Warrington found that many people adapted to the process quickly, generating some ambitious ideas and leaving 100-150 ideas for further exploration after the end of the 15/16 process.
- To create the evidence base for decision-making in Camden, processes of 'data discovery' (continued iteration and constant learning) were promoted and joined up support from policy and finance teams helped to enable this. Service design proposals were iteratively developed in line with the data discovery.
- Saving Targets: Warrington started off by setting no savings targets, although they were re-introduced later, whilst Camden asked for savings proposals at three levels for each service – from minimal through to severe.
- Camden were trying to set a three-year budget and looked for £100m worth of savings options to allow a degree of choice in where £75m of savings needed over the three years should be made.
- Political Decision-Making Broadened: Groups of portfolio holders received and discussed proposals put forward by officers – not just individual portfolio holders. One authority described this as 'breaking down silos at the Member level too'.
- Ambition & Contingency Planning: Camden agreed 'break points' at which the experiment would be scaled back or ended if milestones weren't hit. Similarly, Warrington ran an incremental process in parallel, aiming to get only 25% of their savings from the outcomes-based process (achieved 40%). Warrington also prepared for the possibility of the process failing to deliver a balanced budget through planning to use some of their financial reserves in the case of a shortfall.
- Engagement from Partners: The process increased this in Warrington. New Economy's 'Cost Benefit Analysis' Tool (see below) was unsuccessful in engaging partners a few years ago, but as partners were now becoming a lot more engaged, there is an opportunity to use this tool again.
- Administration: Were fully engaged and supportive; this is considered an important factor in the success.

- Statutory Services: Not seen as an excuse for protection – in Camden these had to demonstrate outcomes too and the authority is planning to cut some that demonstrated low outcomes.

Learning:

- Selecting outcome themes was not a straightforward process. Warrington began with their Health and Wellbeing Strategy priorities, but found that this didn't cover all aspects of the Council's work and some service areas were hard to place. Camden began with the political priorities in the Camden Plan, but found that these missed out aspects of the Council's work (e.g. safeguarding).
- Project Management: Insufficient resources for this led to some false assumptions, duplication and confusion in Warrington.
- Communication and Change Management: at Warrington, the evolving nature of the process meant that there was a degree of uncertainty that some found demoralising. Others believed this was the same process under a new name, and variable levels of support and engagement at a senior management level restricted progress. Other authorities are clear that they are only beginning to change managers' approaches and refine their data and systems for outcome-based budgeting.
- Time and Resourcing: These needs are high and need to be planned for, Warrington has planned to do 'best-value' type service reviews, but had to skip this stage in their first year.

Panel's Views

The Challenge Panel supports the ideas of reform in the budget-setting process, particularly moving to an Outcome-Based Budgeting approach. Besides the preventative spend benefits (see below), the Panel believes that the key benefits of such an approach could be:

- Impact of capital projects: OBB should allow us to be much clearer about the impact of capital programmes on outcomes (and reductions in demand for statutory services), and therefore to prioritise between them, or prioritise between current and capital spending.
- Cross-functional areas: OBB is a new framing, or way of thinking for officers and councillors, encouraging innovative ideas to reduce duplication or improve outcomes in areas in which multiple departments operate. A classic example would be health and social care, where focusing on the outcome (appropriate care tailored to need) creates a lot of opportunity to reduce costs and improve outcomes.

Recommendations: Outcome-Based Budgeting

4. Harrow Council to move away from a directorate-based budgeting process to an outcomes-based one that is:
 - c. Meaningful to residents, rather than based on the Council's internal structure.
 - d. Based on residents' needs.
 - c. 100% outcomes-based by 2019/20 or earlier.
 - d. Draws on 'zero-based budgeting' elements: with new ideas are developed from the

ground up, rather than incrementally developing upon past ideas.

5. Harrow Council to draft a proposal for a gradual transition to an Outcomes-Based Budgeting approach, for consideration by Overview and Scrutiny prior to finalisation and implementation.
6. Harrow Council to give careful consideration to getting the following right when planning and implementing an outcomes-based budget approach:
 - d. **Communication, culture change and change management:** Avoid confusion and uncertainty by planning in advance and dedicating sufficient resource to programme management; recognise that some staff may feel threatened and behave defensively and plan a response to this.
 - e. **Leadership:** Ensure that Members and everyone at Senior Management level have a common vision and are fully engaged in the design and delivery of an approach. Choose individual outcome leads on their leadership ability not their service knowledge.
 - f. **Contingency Plan:** In recognition that changing approach is experimental and involves some risk. This may include setting key milestones and review points at which contingency plans are triggered.
7. Harrow Council to give consideration to whether additional resourcing is needed to support the budgeting process in light of the above recommendations and any other considerations.
8. In determining how best to deliver priority outcomes, Harrow Council should consider the totality of public spend in Harrow and work collaboratively with public sector partners to deliver shared objectives as effectively as possible. Use of the Greater Manchester Cost Benefit Analysis Tool (see below) should be investigated with partners, to see if this can be used as a Common Approach.
9. Harrow Council to equip all Members with the skills and knowledge needed to improve Harrow's journey towards outcome based budgeting, for instance increasing awareness of which services are statutory, what this means and how much scope there is for altering the nature and scale of these services, as simply labelling something "statutory" doesn't inform anything about what it means for services in terms of outcomes, quantity or quality or other features of a service.

Recommendations: Lobbying

10. Harrow Council to write to the Government, welcoming the 2014 Autumn Statement commitment to giving local authorities indicative multiyear budgets as soon as possible after the next Spending Review, and lobby all relevant parliamentary political parties to deliver this if they are in Government after the General Election.

Greater Manchester Cost Benefit Analysis Tool⁶

The Greater Manchester Cost Benefit Analysis Tool (CBA) is designed to assess and evaluate service transformation proposals in a systematic way in order to better understand the benefits, and how these are apportioned across local and national organisations and communities. It has been refined with and backed by HM Treasury and the Public Sector Transformation Network.

It is a tool that can help Councils and other organisations make budget and investment decisions based on what service models give the most benefit for the available money.

It can also be used to help evaluate existing service arrangements to determine which are delivering most and least value.

In short, CBA can be used to deliver:

- Informed decision-making
- Cost-Effective decision-making
- Equitable decision-making

Cost Benefit Analysis Tool Overview

Cost Benefit Analysis (CBA) is an appraisal method that aims to put a monetary value on the costs and benefits expected from a project. The aim of CBA is to measure on a consistent basis, the overall fiscal, economic and social costs and benefits resulting from a policy change. It aims to place monetary (£) values on benefits from a project and compares total value with total cost.

In a period of reduced budgets, it is important that decisions to spend money are based on as full an understanding as possible of what will result from that expenditure. CBA can tell us whether we will see a return; and provides intelligence on the scale of that return, i.e. the higher the Benefit to Cost Ratio, the bigger the return on investment.

The balance between benefits and costs can be used to decide whether a policy change is worth making, and to help choose between alternatives. Typically this includes analysis of alternatives to maximise economic, social & environmental outcomes.

CBA can be applied at the start of project planning, during delivery to support changes in project implementation; and at the end (commonly called ex-post analysis). As such, it can form an important part of project planning, alongside tools to support project management, performance monitoring, risk assessment; and evaluation.

Every CBA model is imperfect. No individual or agency could ever provide exact detail on how much it costs to deliver an activity, or forecast the exact impacts of an activity. Given these imperfections, the use of CBA models will always necessitate a 'leap of faith' on the part of the policymaker.

To reduce these risks, the model has been built using the best available intelligence, but it also uses a series of clearly outlined assumptions. The model's assumptions (and our approach to CBA modelling) are typically conservative in nature; and they help CBA users by providing benchmarks for measurement.

The model also uses a range of adjustments to account for any optimum bias. Project appraisers have the tendency to be over optimistic. Explicit adjustments should therefore be made to the estimates of a

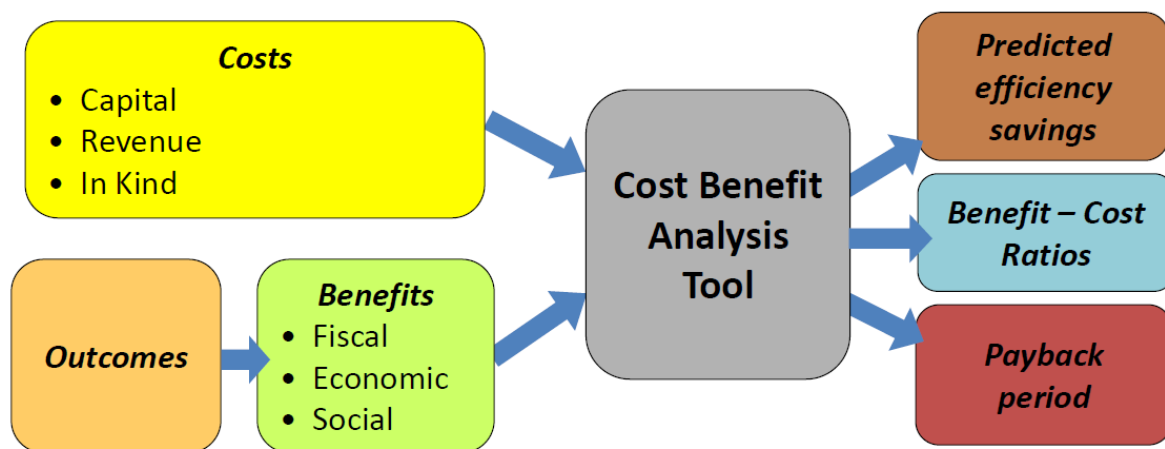
⁶ Greater Manchester Cost Benefit Analysis Model: User Guide Version 1.0

project's costs, benefits and duration, which should be based on data from past or similar projects, and adjusted for the unique characteristics of the project in hand.

The CBA tool draws on a unit cost database that may be useful when making budgetary and investment decisions regardless of whether the full CBA Tool is used. It brings together more than 600 cost estimates in a single place, most of which are national costs derived from government reports and academic studies. The costs cover crime, education & skills, employment & economy, fire, health, housing and social services. For instance, the database contains an estimate of the average cost of a 'common assault' offence, and apportions this cost differently to police, probation, courts, prisons and the NHS based on research findings.

The below diagram indicates how the CBA Tool works:

The GM CBA model



CBA Tool in a Partnership Context

CBA provides a common approach for initiating joint analysis and ventures between investment partners, as well as comparing costs and benefits for periods of a year or more. It can also provide investors with more detailed pieces of information regarding project delivery, such as the point in time when an activity's benefits will begin to exceed its costs (the payback point or period), the absolute amount (£s) by which an activity's benefits will exceed/undershoot costs; and the Benefit to Cost Ratio experienced by different investors in an activity.

CBA Tool use by the West London Alliance

This tool was used by Harrow Council and the West London Alliance as part of its 'Community Budgets' work. During this period the WLA was supported by the 'Public Sector Transformation Network' to develop business cases for investment in new delivery models, several of which are now being piloted, including the following two that Harrow is involved with:

- 'Skills Escalator' – Assisting low income, low skilled people in employment and in temporary accommodation to increase their skill level to secure higher income.
- Employment Programme tailored to the needs of people with mental health issues.

Further Information

For more information about the Greater Manchester CBA Model, please see the key slides at appendix 1.

Recommendations: Early Intervention and Evidence-Based Policy Making

The Panel strongly support the principle of investing in prevention and early intervention, both as a way of achieving social value for residents and as a way of reducing demand for and spend on responsive public services in future years.

This approach has also been a feature of all outcome-based budgeting approaches investigated for this review. Frequently, Harrow only counts savings if they're immediate, that is the Council invests in changing processes to allow us to reduce staff in an area. Preventative spend requires us to estimate the impact of investment in preventative services on the demand for higher-cost services in later years. Outcome Based Budgeting should allow us to include those estimates in budget forecasts, which makes the business case for preventative services much more compelling.

In his evidence to the Challenge Panel, the Portfolio Holder for Finance and Major Projects acknowledged that investment in prevention and early intervention could have been a greater area for focus in the 2015/16 budget, but that the post-election timescales for budget-setting and the related decision to set a one-year budget combined with a need to make high levels of savings quickly to limit focus on this.

The Administration's intention is that setting a multi-year budget will allow greater early investment/prevention, as demand reductions on responsive services can be factored into cost savings in the later years.

The Challenge Panel welcomes this, but notes that the need to find high levels of savings will continue in the coming years and that the full benefits of prevention and early intervention may not always be realised within a timeframe of 2-4 years. In this context, the Administration will need to be resolved to make tough, principled decisions for the long-term benefit of Harrow residents and to deliver public value. Using robust methodologies to create the evidence-base needed for early intervention business cases would help decision-makers have confidence that they are making the right decisions.

11. Harrow Council to consider how resources can be freed up to resource early intervention and prevention services.

12. Harrow Council to further develop evidenced-based decision-making, to make sure that resources are used as effectively as possible to deliver public value. In particular, it is recommended that Harrow Council pilots the use of the Greater Manchester 'Cost Benefit Analysis' Tool as a method to help us understand the costs and benefits of early intervention and prevention, and build evidence for pooling budgets with partners where benefits are derived by more than one public sector body. This could be for any or all of the following:

a. To evaluate a core service with strong preventative elements.

b. To evaluate a service with preventative elements that is at risk of being cut – to help the

Council decide whether it should or shouldn't be cut.

- c. To help us estimate the costs and benefits of a new service delivery model that the Council might invest in, to help the Council decide whether it should do so.

Budget Consultation in Harrow

The Challenge Panel was convened whilst the consultation on the 2015/16 Budget Proposals was still underway.

Approach Taken

The Council Budget Consultation was branded 'Take Part' and was a two-phase process.

Phase one was carried out over an eight week period from 11 September to 8 November. Information was provided about the context, proposals and options and residents were asked for their overall priorities for the Council, which proposed cuts would impact most on their families and their communities, if they would support a Council Tax rise, and whether they had other ideas for how the Council could save money.

Respondents were also asked if they would be interested in volunteering and what ideas they had for how residents could volunteer to help save the Council money.

An information booklet and an 11 question survey (plus equalities monitoring questions) were produced and distributed – 100,000 via Harrow People and 6,000 at events. It was also available online. This first phase also involved 361 face-to-face in depth conversations and 50 community meetings, with 52 Councillors and 23 Senior Officers involved in road show/drop-in sessions. Some events were supported by British Sign Language interpreters; others were conducted in languages other than English, whilst easy-read versions of the background information booklet and the consultation form were produced for those with learning difficulties.

This phase was intended to be the start of conversation with residents about changes the Council needs to make over the next four years to save £75m, rather than to purely focus on the 2015/16 budget.

3,451 responses to Take Part were received, including 468 from Harrow Youth Parliament (who debated the budget, and devised a survey for their peers), 15 petitions with 15,845 signatures in total, 53 emails, 33 letters, 32 telephone calls, 4 videos, approximately 50 communications to the Labour office, 245 respondents to a survey devised by the voluntary sector for their service users, and letters from a Jenny Jones (Green Party Assembly Member) and English Heritage.

The Challenge Panel heard that 66% of respondents felt better informed about why the Council needs to make savings.

As a result of the consultation, the following changes to budget planning were made:

- Proposals for Arts Centre and Museum (continuing Council subsidy for one year to allow time for alternative operating models to be devised and implemented).
- Reduced level of cuts to the voluntary sector (adult social care and voluntary sector grants programme).

- Reduced number of libraries proposed for closure.
- Reduced levels of cuts in Children's and Family Services.
- Proposed increase in Council Tax (by 1.99%).

The second phase was a follow up consultation regarding specific proposals that the Administration wished to take to the next stage of consultation. At the time of the Challenge Panel these were (ongoing consultations unless otherwise stated):

- Children's & Families individual consultation completed (findings to be reported at Feb. Cabinet)
- Environment & Enterprise individual consultation (findings to be reported at Feb. Cabinet)
- Library Strategy (report going to March Cabinet)
- Voluntary and Community Sector consultation

Panel's Views

It was clear to the Panel that a wide range of consultation and engagement approaches were used in Phase 1 of the 2015/16 consultation, with considerable efforts made to reach a large and diverse group of residents. This was a sentiment echoed by the Voluntary & Community Sector Reps in their evidence. The Panel commends all Officers and Portfolio Holders responsible for designing and delivering this approach for this with limited resources and within time constraints.

However, as noted above, the Panel agrees with the Portfolio Holder for Finance and Major Projects that the Council needs to articulate a clear and hopeful vision for the future of the Council in a time of considerably reduced budgets. Doing so would enable consultation respondents to feedback on the vision as a whole (for instance on whether they agreed with what was being prioritised), or on individual proposals in the context of the vision, rather than considering them in isolation.

At the Challenge Panel, Officers and Portfolio Holders noted that financial information in relation to proposals should have been incorporated into the core consultation literature. Financial information was put on the website in response to early requests for this information. The Panel agrees with this perspective and would welcome the inclusion of this information in future consultations to allow respondents to give a more informed response to proposals, based on the relative costs and (perceived) benefits of different services and budgetary options. The inclusion, of data for services on which the Council would *continue or start* to spend money on would be helpful to provide more context and allow for informed suggestions on alternative ways to find savings.

The introduction of an outcome-based budgeting approach would benefit from public consultation on priority outcomes, and from linking the proposals and their costs to their outcomes.

The Voluntary & Community Sector representative at the Challenge Panel raised additional concerns about the consultation process used in 2015/16. The Panel feels that there was not time for a full response to all of these by Portfolio Holders or Officers, or to understand the concerns in more detail. As such, the concerns not covered in this section of the report have been included in Appendix 2 and Cabinet are asked to consider them in detail and respond appropriately.

Recommendations: Budget Consultation in Harrow

Budget Consultation:

13. Harrow Council to adopt a consultation approach that focusses on public engagement in determining priority outcomes – linking outcomes to service options to some extent, in order to ensure that it is meaningful to the public.
14. Harrow Council to investigate and evaluate options for budget-simulation consultation tools, in which respondents select from cuts and spending options to form a balanced budget, such as that developed by the London Borough of Redbridge. These might need to be adapted to align with an outcomes-based budgeting approach, rather than an incremental based budgeting approach.
15. Harrow Council should at the very least, ensure that consultations encourage meaningful choices and encourage people to think about trade-offs in their responses. This may or may not be through the mechanism described in recommendation 14.
16. Harrow Council to investigate and feedback on how local businesses should be positively engaged in future budget-setting and consultation processes, including ideas for how they can contribute to the achievement of Harrow's vision and objectives.
17. Harrow Council to investigate the remaining concerns of the Voluntary & Community Sector Representative raised when giving evidence to this Challenge Panel (see appendix 2), report its conclusions to Overview & Scrutiny Committee and outline what it intends to do differently in the future as a result.

Budget Scrutiny

Budget Scrutiny in Lewisham

The Challenge Panel were given a presentation about the Scrutiny process in relation to budget setting in Lewisham:

- 1) All savings proposals go to one or more of their six 'select committees' in October/November. Any proposals that they are concerned about get referred to the 'Public Accounts Select Committee.
- 2) The Public Accounts Select Committee, attended by the standing members, the chairs of the five other select committees, the directly elected Mayor and various cabinet members and senior officers, discussed all referred proposals. Remaining concerns or suggestions are formally referred to Cabinet.
- 3) Where further concerns or questions remain, task and finish groups are set up to investigate in more detail.
- 4) The final proposed budget is taken to the Public Accounts Select Committee again in February. This meeting is again attended by the Mayor, portfolio holders and senior officers. This meeting again makes referrals to Cabinet.

In addition, once a budget has been set, there is quarterly budget monitoring by the Public Accounts

Select Committee. This includes the submission of a report highlighting areas of overspend and underspend, corporately and in each directorate. This process has identified topics for further scrutiny; in Lewisham this includes looking at 'No Recourse to Public Funds'.

It was noted that whilst there are a number of advantages to the above approach, it was time consuming and this meant that there was less time for other Scrutiny work.

A key strength was that this led to thorough pre-decision Scrutiny, which therefore allowed an influence on decision-making before it was too late to change plans. Lewisham's Scrutiny Manager advised that pre-decision Scrutiny required on-going efforts from both Scrutiny Councillors and Officers supporting Scrutiny to identify planning at a very early stage.

Recommendations: Scrutiny

18. Scrutiny to increase its 'pre-decision' Scrutiny (on topics to be decided by Overview and Scrutiny Members). Council officers to notify Scrutiny of forthcoming 'key decisions' at least 6 months in advance to facilitate this, allowing Scrutiny to input at an early stage of policy, strategy and proposal development.

Conclusion

Whilst there is no doubt that Harrow Council will be confronted with big challenges in the next few years, the Panel believes there is much that we can do to ensure that these challenges are risen to as effectively as possible. It is time for a clear and hopeful vision, new ideas and ways of working, and an unwavering focus on making as much impact as possible with the resources available to us, which include Harrow's workforce, partnerships and citizens.

The Panel urges the Council to act upon the recommendations in this report and make our budget-setting and related processes fit for the future.

Appendix 1

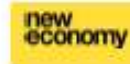
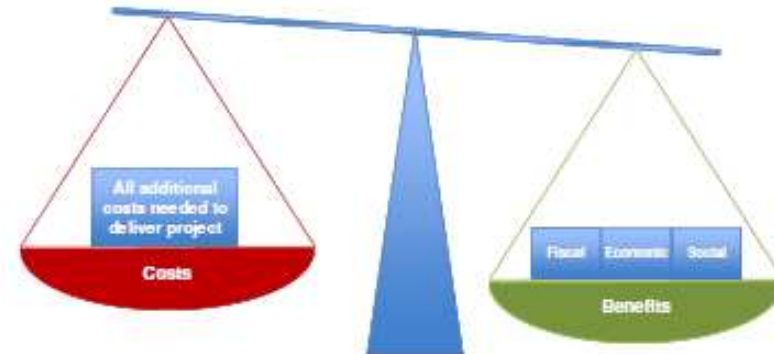


Cost Benefit Analysis – overview Harrow Scrutiny Challenge Panel

Julian Cox, Deputy Director, Research

14th Jan 2015

What do we mean by costs and benefits?

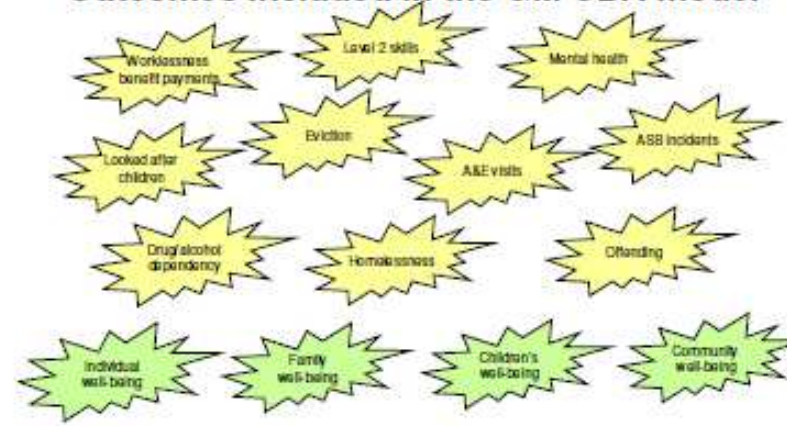


Types of benefits

| Example | Fiscal benefits | Public Value benefits |
|--|--|--|
| Employment mentoring programmes for people with mental health problems | Reduction in unemployment payments as individuals gain employment | Increased output resulting from increased employment Improved health with related impacts on well-being (e.g. confidence and self esteem) |
| Programme to tackle antisocial behaviour | Reduction in police, housing and local authority time spent responding to incidents. | Opportunity cost of avoided time spent by public sector agencies. Increased patronage of local businesses resulting in net growth in local economy once displacement has been taken into account. Reduced fear of crime amongst local residents. |
| Drug treatment programme | Savings in reactive health and criminal justice costs - emergency hospital visits, long term health costs, responses to crime. | Opportunity cost of avoided time spent by public sector agencies. Improved health and life expectancy of individual |



Outcomes included in the GM CBA model



Turning outcomes into benefits

| Outcome | Fiscal benefit | Public Value benefit |
|---|----------------|----------------------|
| Getting someone into a job | £9,800 | £14,610 |
| Gaining a Level 3 apprenticeship | £1,391 | £1,925 |
| Reduction of one child taken into care per year | £63,362 | £70,822 |
| Reduced incident of crime | £609 | £2,933 |

new economy

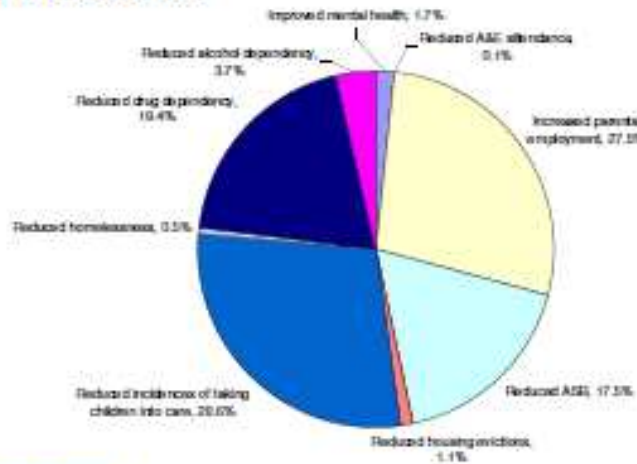
Example outputs from CBA model

| Intervention | Fiscal Return on Investment | Payback period |
|-----------------------------------|-----------------------------|----------------|
| Family intervention project | 1.4 | 5 years |
| Intensive Community Orders | 14.5 | <1 year |
| Integrated Health and Social Care | 0.9 | N/A |

new economy

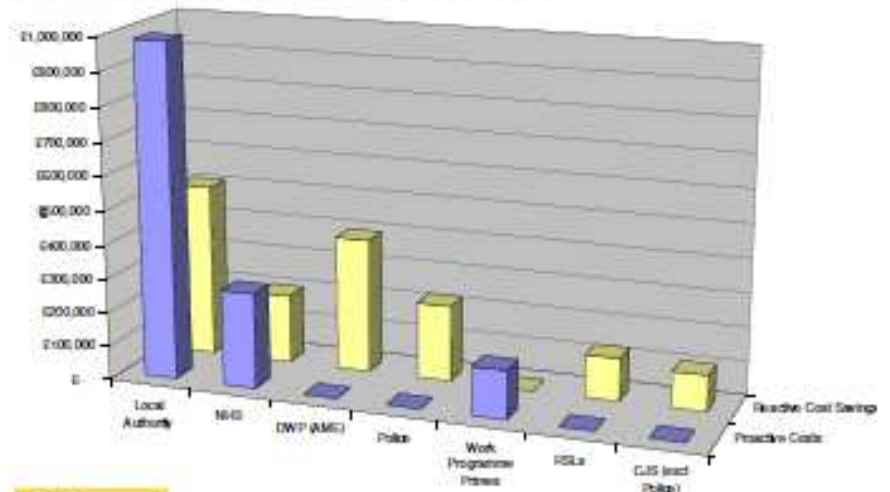
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Family Intervention Project – fiscal value of outcomes



new economy

Family Intervention Project



new economy

Appendix 2: Voluntary & Community Sector Representatives Feedback on 2015/16 Budget Consultation Process (selective)

| Key Points | Evidence references |
|---|--|
| <p>Flaws in the consultation process 1: Phase 1</p> <p>It was very misleading and inappropriate to frame the Take Part consultation Phase 1 public consultation survey using the wording for questions 5 and 6 to assess impact: ‘Cut funding provided to the voluntary sector’. The consultation should have been framed in terms of the services or client groups impacted.</p> <ul style="list-style-type: none"> • Voluntary organisations had regular feedback from service users that they did not realise that this could mean that the service that they accessed could be totally cut. This feedback was communicated by voluntary sector organisations to David Perry in a letter dated 7 October and at the Take Part EqIA meetings. • For example, from Findings report for the Take Part phase 1 public consultation in December Cabinet papers it is evident that for the Youth Parliament consultation, when described as ‘the voluntary sector’ (on page 28) the services were voted as one of the high priorities for cutting but when described in another section as ‘support provided to other and disabled people’ (on page 30) the services were voted as one of the highest priorities NOT to be cut. | <ul style="list-style-type: none"> • From some voluntary sector organisations: an Open letter to David Perry 7 Oct and Harrow Councillors 17 Oct • Findings report for the Take Part phase 1 public consultation in December Cabinet papers |
| <p>Flaws in the consultation process 3: Phase 2</p> <p>At the Voluntary sector consultation event on 25 November, voluntary sector organisations were misled by a written and verbal statement that the Administration was proposing ‘around 9.5%’ cut on voluntary sector funding.</p> <ul style="list-style-type: none"> • There can be no excuse or explanation for the misleading nature of this verbal and written statement. It is absolutely clear from the written notes of 25 November event that people present believed the proposed cut to be ‘around 9.5%’. • Voluntary sector organisations wrote a letter stating concerns about this misleading information to Cllrs Sue Anderson and Sachin Shah dated 10 December. | <ul style="list-style-type: none"> • Harrow Council written statement circulated at 25 November consultation event • Notes of 25 November consultation event • Voluntary sector organisations’ letter to Cllrs Sue Anderson and Sachin Shah dated 10 December |

| Key Points | Evidence references |
|---|---|
| <ul style="list-style-type: none"> I am calling on the Administration to end their ‘spin’ on the proposed funding cuts for the voluntary sector services. You cannot fulfil election manifesto commitments by proposing a budget cut which is an outrageous breach of your manifesto and then proposing bad breach of your manifesto, as though a success and response to consultation feedback! | |
| <p>Flaws in the consultation process 4: Phase 2</p> <p>Voluntary sector organisations wrote in the letter dated 10 December many concerns about the phase 2 consultation process to Cllrs Sue Anderson and Sachin Shah. A number of these concerns were also recorded at the EqIA meeting on 16 December.</p> <ul style="list-style-type: none"> It is welcomed that Cllrs Sue Anderson and Sachin Shah addressed some of these concerns in a statement circulated on 23 December, particularly by extending the consultation period from 19 January to 13 February and by committing to no less than 3 months’ notice of any funding reductions. <p>We continue to haven many concerns about other aspects of this phase of the consultation, for example:</p> <ul style="list-style-type: none"> In order to be able to have a fair chance to respond to the consultation via this survey, we request the ‘analysis’ which ‘shows that a number of organisations deliver the same or similar services (advice, advocacy etc.) for the same or similar demographics’ under question 8, as this analysis is not provided in the supporting document and is therefore an un-evidenced statement. This question is leading and does imply that a decision has already been made to cut services, although this is meant to be a consultation. We note that both organisations and service user surveys ask for very little information about the potential impact of services reductions, which we would understand to be one of the main purposes of the consultation so that the Council can complete an accurate Equality Impact Assessment. It appears that online surveys only for service users are being offered, which will be inaccessible for many service users who do not have access to or the capability to use online surveys. No face-to-face events appear to be planned to explain the consultation process and information. There are a number of inaccuracies in the information about services in the supporting information documents. | <ul style="list-style-type: none"> Voluntary sector organisations’ letter to Cllrs Sue Anderson and Sachin Shah dated 10 December Action points from 16 December EqIA meeting Take Part voluntary sector specific online surveys for organisations and service users with supporting information. Harrow Council’s website Take Part pages. |

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**REPORT FOR: OVERVIEW AND
SCRUTINY COMMITTEE**

| | |
|---------------------------------------|---|
| Date of Meeting: | 24 February 2014 |
| Subject: | Report from the Capital Expenditure Challenge Panel |
| Responsible Officer: | Alex Dewsnap Divisional Director, Partnership Development and Performance |
| Scrutiny Lead Member area: | Corporate Resources: Councillor Adam Swersky (Performance Lead) Councillor Stephen Wright (Policy lead) |
| Exempt: | No |
| Wards affected: | All |
| Enclosures: | Report from the Capital Expenditure Challenge Panel |

Section 1 – Summary and Recommendations

This report accompanies the report from the Capital Expenditure Challenge Panel. The report outlines the review's observations and findings with regard the council's Capital programme.

Recommendations:

Councillors are recommended to:

- I. Consider the findings and recommendations of the Capital Expenditure Challenge Panel.
- II. Refer the review's recommendations to Cabinet for consideration.

Section 2 – Report

Introductory paragraph

A Challenge Panel to investigate the recurrent capital underspend of the Capital Programme Budget was requested at the meeting of the Performance and Finance Scrutiny Sub-Committee (3 July 2014).

The Challenge Panel gathered evidence, heard from and questioned witnesses, and considered evidence put before them in order understand the impact of the capital underspend upon the residents of Harrow, the Council and its partners. The Panel also sought to identify the key reasons for the capital under spend and to assess the financial implications. Additionally, the panel reviewed the management of the Council's capital programme and identified proposals for improvement.

The panel found that overall, the corporate business processes to develop the capital programme is strong and well managed, but there are areas of weaknesses within the management of the programme which require improvement.

Financial Implications

There are no financial implications associated with this report. However, if the report's recommendations are accepted, the services considered will provide detail of any costs likely to be incurred.

Legal Implications

Performance Issues

No specific performance issues are associated with this report.

Environmental Impact

No specific environmental impact is associated with this report.

Risk Management Implications

There are none specific to this report.

Equalities Implications

A comprehensive Equality Impact Assessment (EqIA) was undertaken in the development of our Council Tax Support Scheme which was considered by the challenge panel as evidence. However, an EqIA was not carried out specifically for this report. as the report includes no proposals for service change. Where changes result from the acceptance of this reports recommendations, these will be accompanied by an EqIA.

Council Priorities

This review relates to all four of the Corporate Priorities 2014/15, including:

- Making a difference for the most vulnerable
- Making a difference for communities
- Making a difference for families
- Making a difference for local businesses

| | |
|-----------------------------------|-----|
| Ward Councillors notified: | N/A |
|-----------------------------------|-----|

Section 4 - Contact Details and Background Papers

Contact: Stella Agunabor, Policy officer. 0208 424 1820

Background Papers: Capital Expenditure Challenge Panel Scope.

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February 2015

Overview and Scrutiny Committee

Capital Expenditure

Report from Scrutiny Challenge Panel

Members of the review group

Councillor Barry Kendler (Chair)
Councillor Jeff Anderson
Councillor Nitin Parekh
Councillor Phillip O'Dell
Councillor Barry Macleod-Cullinane
Councillor Manji Kara
Councillor Marilyn Ashton
Councillor Vina Mithani

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1 CHAIR'S FORWARD

The Council's capital programme for the four year period 1st April 2015 to 31st March 2019 is estimated to be valued at £220.5m. For the last three years there has been a recurrent underspend¹ of the budget for the capital programme and it is predicted that by the end of the current financial year, the fourth consecutive year, there will be an underspend. The 2014-2015 underspend is projected to be 27%as at the end of quarter 2. This represents a substantial amount of unused resources and is a point of great concern for elected members due to the potential and actual negative impact on the residents of Harrow- especially the most vulnerable. The under-utilisation of financial resources also damages the reputation of the Council and its partners, especially partners who wish to invest in the Borough. In this time of financial stringency it is important that we are seen to be spending the Council's limited financial resources as efficiently and effectively as possible in order to maintain our credibility

The panel explored why this under spending is happening and looked at how the capital programme is managed and identified ways in which programme management can be improved. We are aware of the need to determine the genuine underspend from slippage and the key is to identify this with more accurate profiling of the capital expenditure. We are also aware that the capital programme requires more direct input from members in terms of its development and outcomes.

In our recommendations we identify measures to improve the financial management, project management and governance of the capital programme.

I would like to thank all the witnesses who attended and provided evidence to the Challenge Panel. They provided my colleagues and I with valuable information and the Panel appreciated their frankness and openness about the problems that caused the overspends from their point of view. The witnesses were critical in enabling us to develop our recommendations.

¹ For the purpose of the panel, the term underspend is defined as 'expenditure below profile'

I would like to offer my thanks to members of this panel for their time, participation and constructive debate. I would also like to thank the Portfolio Holders, councillors Sachin Shah and Keith Ferry for their input

I am very grateful to the following officers who attended the panel and offered the benefit of their experience and knowledge to contribute to this scrutiny panel:

- Russell Eacott, Interim Head of capital- Children's Capital Project
- Maggie Challoner, Head of Asset Management
- Mala Kripalani, Service Manager, Programme Management Office
- Susan Dixson, Head of Internal Audit
- Dawn Calvert, Head of Strategic Finance and Business
- Simon George, Director of Finance & Assurance

I also acknowledge officers of Harrow Council who contributed to the scrutiny. Particular thanks go to Rahim St John, Head of Business Transformation Partnership, Paul Newman, Service Manager, Programme Management Office and most of all Stella Agunabor who has worked and continues to work so hard and so effectively to ensure this Panel is effective in identifying problems and coming up with effective solutions.

2 EXECUTIVE SUMMARY

A Challenge Panel to investigate the recurrent capital underspend of the Capital Programme Budget was requested at the meeting of the Performance and Finance Scrutiny Sub-Committee (3 July 2014).

The Challenge Panel gathered evidence, heard from and questioned witnesses, and considered evidence put before them in order to understand the impact of the capital underspend upon the residents of Harrow, the Council and its partners. The panel also sought to identify the key reasons for the capital underspend and to assess the financial implications. Additionally, the panel reviewed the management of the Council's capital programme and identified proposals for improvement.

The key findings and recommendations are presented in the report, grouped by the following themes:

- Governance Management
- Financial Management
- Project Management

The panel found that overall, the corporate business processes to develop the capital programme is strong and well managed, but there are areas of weaknesses within the management of the programme which require improvement. The current system needs to be strengthened to ensure that there is a corporate overview of the whole programme; that a formal interface is established between the programme management boards and members; and that the Council's decision making, payment and contract process does not delay the start and completion of capital projects. Extending the rolling capital programme in alignment with the four year Medium Term Financial Strategy (MTFS) will give greater stability and opportunities to plan spend.

Furthermore, the panel recognise the importance of improving the profiling of capital expenditure so as to better identify genuine underspend from slippage.

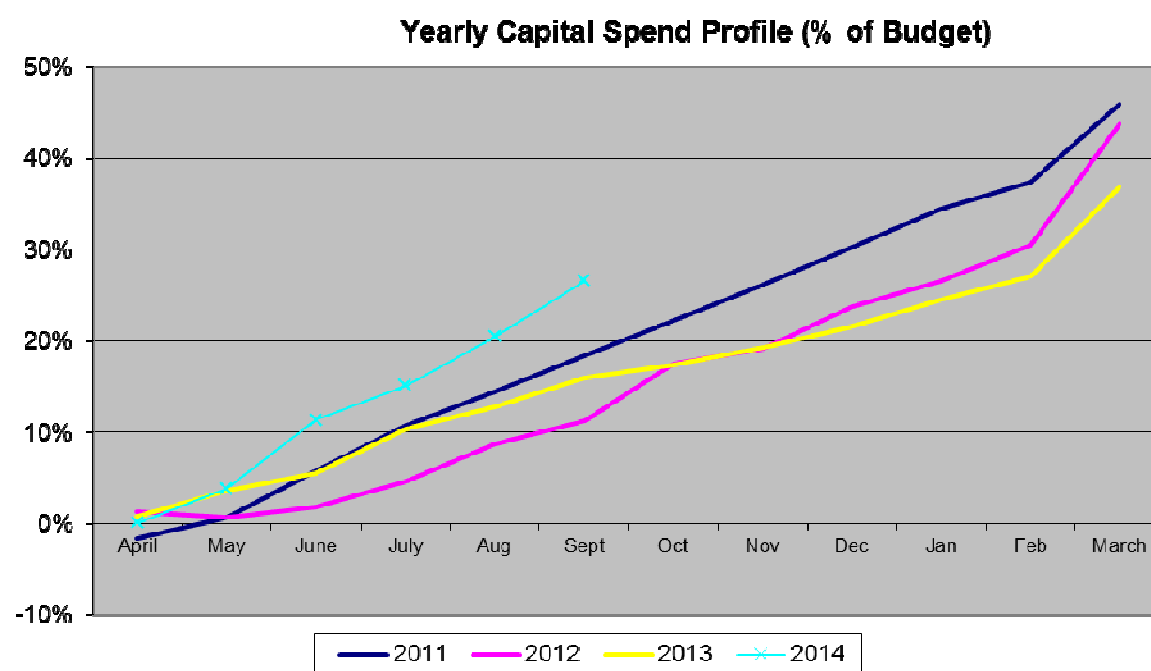
It is hoped that our recommendations will bring about the necessary improvements to the capital programme to enable maximum effectiveness.

3 INTRODUCTION AND SCOPE

Over the last three financial years, the Capital Spend Profile has shown that the capital spend was below budget with 2011/12 at 46%, 2012/13 at 44% and 2013/14 at 37% of the budget respectively as illustrated in the chart below.

The forecast position at Quarter 2 of 2014/15 is that 73% of the total capital programme will be spent in-year which is a considerable improvement compared to previous years but is still below the desired target of 95% as suggested by the scrutiny panel members. Of the 27% that is forecast not to be spent, 26% (£29.9k) is required as slippage into 2015/16 to complete schemes and 1% (£1.8k) is a true budget underspend.

Chart 1



The Performance and Finance Scrutiny Sub-Committee (3 July 2014) requested that there should be a review of the recurrent underspend of the Capital Budget.

A Capital Funding Panel was set up:

- To understand the financial implications of capital underspends.

- To understand the impact that the capital underspend has upon the council's and its partners services in terms of delivery and performance.
- To review the management of the Council's capital programme.
- To identify key reasons for the under spend.
- To identify proposals designed to improve the management of the Council's capital programme.

The scope for the project is attached to this report as Appendix One.

The Challenge Panel invited submissions and heard evidence from Council Officers, the Portfolio Holder for Finance and Major Contracts, and the Portfolio Holder for Business Planning and Regeneration. The purpose was to identify the extent and significance of the impact of Capital Underspend on the residents of Harrow, the Council and its partners.

4. POLICY BACKGROUND

Underspend is defined as the act of spending less than one is able to or than was planned, or the amount not spent (Business English Dictionary).

The Local Authorities (Capital Finance and Accounting) Regulations 2003 SI 3146 and chapter 26 of the Local Government Act 2003 sets out the definition of capital expenditure as expenditure which increases the values of the Council's assets. It is expenditure on items that are expected to provide benefit for several years and this can be achieved by purchasing, building creating or improving assets. The assets can be immovable, (e.g. roads) moveable (e.g. vehicles) or intangible (e.g. software).

Costs on maintenance repairs which do not increase the value of assets are not considered as capital expenditure and as it is often difficult to distinguish between improvements and repairs, a "de minimis" (threshold) level is set before expenditure is treated as capital. In Harrow, this amount is £10,000.

All other expenditure such as employee costs, utility bills, supplies and service contracts is revenue expenditure.

Capital expenditure can be funded in the following ways:

- Prudential Borrowing - The Council sets its own borrowing limits based on what it can afford.
- Grants from external funding sources including government grants - In Harrow, this totalled £60m in 2014/15, approximately 50% of the capital

programme. Across the next four year period, 2015/16 to 2018/19, the total capital programme (inc HRA) is estimated at £220.5m of which £73m will be funded externally.

- By selling land and property to generate capital receipts. And
- By using their revenue budget- capital expenditure charged to the General Fund balance.

The income generated in the above way, cannot be used to fund revenue expenditure except in special circumstances. Therefore capital and revenue budgets are managed separately. Transfers may be made from revenue budgets to capital budgets, but not from capital to revenue. The capital budgets can vary substantially from year to year, depending on what projects are underway and are set on the Cabinet's recommendation taking into account factors such as affordability, availability of government grant, service priorities and demographic changes.

The Local Authorities (Capital Finance and Accounting) Regulations 2003 SI 3146 and chapter 26 of the Local Government Act 2003 also set out the sums to be treated as capital receipts and their use.

The panel was concerned about the persistent pattern of under-spending on the capital programme and wanted to explore the financial implications of capital underspend

Financial Implications of Capital Underspend

The implications of the slippage and true underspend depends upon the project's funding source. For example, in 2014/15 approximately 50% of the capital programme is funded from external sources which are governed by their own controls and criteria. Therefore any underspend on completion of the project is likely to be repaid to the awarding body and would not impact on the Council's finances. It is important to note that many grant funded schemes are subject to time limits for completion and there could be implications if these are not met.

For capital schemes funded by the Council there could be implications on the Council's treasury management and capital financing charges. For example, the council may plan to borrow money and budget for the appropriate capital financing costs. If the plans slip and the borrowing is not required, or required at a later date, the budgeted financing costs will not materialise resulting in a revenue under spend which will be accounted for in the monthly budget monitor.

Impact of Capital Underspend

- Service levels- It is projected that £1.822m of the General Fund underspend is no longer required and whilst it could be seen that any underspend is evidence of

the Council's prudence, it needs to be confirmed that service levels have not suffered as a result.

- Changing business needs- If the underspend is as a result of winding down a contract as in the case of the Capita contract, planned work is cancelled, which impacts on the ability to respond to changing business needs. This is because, pragmatically, it may not be reasonable to invest further in systems that are likely to be replaced by a future contractor or to start projects that cannot be completed.
- Presentational problems-If the Council continues to underspend it's capital budget, it is difficult to justify any further cuts to other services and jobs when the money already budgeted for has not been spent.

Management of the Capital Programme

The considerations and methodology of allocating capital funding is set out within the Council's Capital Strategy which was introduced in 2010 in response to a review of the Capital Programme.

The purpose of the Council's Capital Strategy is to enable the allocation of the Council's funds in an effective and objective manner, to the benefit of the people of Harrow in line with the Council's priorities and strategies for example, the Asset Management Plan and The Property Strategy. The Capital Strategy is the key document used in the management of the Council's capital programme. The strategy was last updated in the 2012/13 financial year.

The process for allocating funding is based on a scoring system with four key criteria each with their own sub- criteria.

Criteria

1. Physical
 - a) Type of asset
 - b) Public access
 - c) Physical condition
 - d) Asset usage
 2. Risk
 - a) H&S risk
 - b) Political & Reputation risk
 - c) Service risk
 - d) Liability risk
 3. Council Objectives
- Scored against the Council's strategic objectives
4. Impact Criteria
 - a) Environment
 - b) Sustainability
 - c) Equalities Impact Assessment process

d) Potential loss of funding if project does not go ahead

The criteria are weighted in line with the council priorities of:

- Making a difference for the most vulnerable
- Making a difference for communities
- Making a difference for local businesses
- Making a difference for families

Each sub-criterion is scored out of 10 by the service area.

Project bids are accepted from any service area requiring capital funding to complete its objectives and the application is made by the individual bidder using a standard proforma.

The bids are validated by a Capital Bid Valuation Panel which is taken from a cross section of directorates. The panel scrutinises the capital and revenue implications of the bids to ensure a consistent, objective and balanced approach to the projects bids presented for consideration. Having validated the projects, the panel then categorises them into one of four categories

1. Spend to save. Projects where revenue outstrips the capital cost within five years of project completion.
2. Contractually committed- these are projects where the Council has already started or are contractually committed to completing the projects
3. Statutory. Projects relating to Harrow Council's statutory duties
4. Non-statutory- Non essential projects that may have a positive effect on the community

The projects are scored, categorised, allocated a cut-off point by the Director of Finance and Assurance and cleared for approval by the Portfolio Holder; taking into account funding to meet legislative requirements, available funding for the year, implications of not completing projects which fall below the cut-off point and the risk factors detailed in the individual project bids.

The Capital Programme is referred to Corporate Strategic Board and approved by the Council on the recommendation of Cabinet.

Budget Managers for the approved projects in the Capital Programme must submit a formal business case to Capital Forum which is developed in VERTO (the project management system) to establish project viability at which point any adjustments can be made and approval is given by the Chief Financial Officer. The project managers develop a Project Initiation Document (PID) in VERTO to show how the project will be delivered and this is quality assured and reviewed by the Project

Management Office (PMO), after which a cost code is released by the finance team and the project is moved into the live gateway in VERTO. If any changes are required to the project after the approval of the business case and PID, then the Project Manager will be required to make a re-presentation to the Capital Forum to obtain finance approval.

The live projects are monitored by the project managers in line with the Project Management System. This informs the capital budget monitoring which is done on a monthly basis. Project Managers are required to estimate the outturn expenditure and the value of any slippage and true underspend together with progress against key milestones

Where a carry forward into the next financial year is required for a project, the Project Manager completes a proforma which is considered by the Director of Finance and Assurance in line with delegated authority as set out in the financial regulations and subsequently reported to Cabinet for information

5. FINDINGS AND RECOMMENDATIONS

The challenge panel met on 21 January 2015.

The following officers submitted written evidence, contributed to the investigation by interview or appeared as witnesses to answer Members questions:

- Russell Eacott, Interim Head of capital- Children's Capital Project
- Maggie Challoner, Head of Asset Management
- Mala Kripalani, Service Manager, Programme Management Office
- Susan Dixson, Head of Internal Audit
- Dawn Calvert, Head of Strategic Finance and Business
- Simon George, Director of Finance & Assurance
- Rahim St John, Head of Business Transformation Partnership
- Venetia Reid-Baptiste, Divisional Director Commissioning Services

The evidence presented has highlighted the following themes of Governance Management Financial Management and Project Management. This section therefore looks at these themes highlighting the evidence provided and recommendations put forward by the Panel.

Governance Management

The key points emerging from the evidence presented and discussion under this theme included:

- The current system operates as a financial approval board not as a programme board for the capital programme. Once programmes have been funded it appears that very little attention is given to monitoring risks, issues and delays. Monitoring and reporting of project's progress tends to be at directorate level at project boards, which operate independently with no co-ordination between the different boards. The panel felt that the lack of a corporate board is a weakness of the current system as there is no way of taking an overview of the total programme. For example, the Interim Head of capital- Children's Capital Project, explained that there is a programme board for the Children's Capital Project, (The Schools Expansion Board) to which he and the programme manager report. The board consists of senior officers within the organisation- The service director, legal officers, Head of Procurement and Director of Finance & Assurance. It meets monthly but it is not integrated into a corporate reporting structure.
- There appears to be an absence of a corporate governance structure for programme reporting from individual boards to the Member/Office interface with evidence from officers showing conflicting views as to whether there are formal monthly meetings with officers and the directorate Portfolio Holders. It is the opinion of the panel that members should be able to know information about the progress, delays or issues concerning projects in their wards and the overall programme so they can understand and manage the risks involved and bring the benefit of their local knowledge and input to schemes at the appropriate stage.
- The Council's decision making process can cause delays to the capital programme. For example, the council's constitution states that any addition to the capital budget must be approved by full council. The panel heard evidence that recently, additions to the capital programme up to the value of £500,000 which are wholly covered by additional external resources and meet the criteria specified in the Financial Regulations can be approved by cabinet instead of being approved by full council. The panel would like to see this limit increased.
- In written evidence submitted after the call for evidence, the Divisional Director – Commissioning Services states: *"The two stage process is unhelpful. Once the bid has been agreed, there should not be a separate requirement to gain approval for each individual project in the programme. For example, a bid for Parks Building capital funding would list the parks buildings that we would be repairing. Once that overall bid is approached, it is unnecessary to have to seek approval again for each individual project. Most council have a one stage bidding process."*
- The panel heard that the role of the Capital Forum is that of an officer panel with no input from members. It meets monthly to consider business cases

and the technical and legal viability of the project. Evidence presented suggests that the requirement for an approved project to have their business case approved by the Capital Forum has caused delays in the past and that this has had an adverse impact on projects funded from hypothecated grants. The panel felt that the role of the Capital Forum should be clarified, strengthened and extended to take on capital monitoring/programme management.

- Some schemes are put into the programme prematurely without adequate scoping and the perception of witnesses is that project managers rush through plans just to get the funding but have not thought through how the project will be delivered in practice. For example, the bid for the project to install energy efficient measures for home owners did not have enough detail as to how it would be delivered. Due to the specialist nature of the project, one of the delivery problems is the appointment of to find an appropriate contractor to undertake the works. Another problem is that the home owners are to contribute 60% towards the cost of the work and whilst they are expressing interest, this is not translating into take up of the scheme.
- The panel is concerned that the VERTO system is not operating as effectively as it should. It is the opinion of witnesses that the system does not get updated as regularly as it ought and the information is out of date. There is a time lag in the information process before it gets to members. For example the panel heard evidence that a report was run on 21 January 2015 from the VERTO system but the last updated information related to November 2014. However, we note that the project managers did say that they do make efforts independent of VERTO to ensure that operational decision information is up to date and accurate so that their portfolio holders receive up to date information concerning the progress of projects on the capital programme. The Programme management office argue that the time lag in information processes may not necessarily be related to the VERTO system and could be down to other factors such as staff training or the nature of the reporting cycle.

Recommendations

1. To establish an overarching Corporate Board with responsibility for monitoring all individual projects across the Council in order to give a better overview of the capital programme and to ensure that the project management system is applied across all schemes and departments.
2. To develop the role of the capital forum into a senior officers' forum where its existing role is maintained but extended to take on capital monitoring/programme management. Each directorate will send a senior representative who presents a directorate report based on the RAG system.
- 3 That the VERTO system be reviewed in terms of its staff training processes, to establish its purposefulness and to maximise its effectiveness .
4. To change the Council's constitution so that elected members are part of the decision making process to vary the capital programme.
- 5 That the Director of Finance & Assurance and the Head of Internal Audit, explore whether the centralised scanning of invoices has a deleterious impact on project timetables and contractor payments and to assess the risk of fraud.
- 6 That all projects be realistically scoped and planned before being put into the capital programme.

Financial Management

The key points emerging from the evidence presented and discussion under this theme included:

- The extension of the rolling capital programme in alignment with the four year Medium Term Financial Strategy (MTFS) will allow for work substitution if there are any delays with specific projects within the four year programme.
- The introduction of the longer term programme will give the Council the ability to procure longer term contracts where appropriate so that delivery can be commenced on 1st of April every year, rather than being required to go through a procurement process for each element of the programme which could take between 3-6 months.
- In 2014/15, the Finance Team has been working with budget holders to increase the robustness of capital forecasting, with clear distinctions being made between what is slippage and will require a carry forward and what is a true underspend. The Quarter 2 monitoring saw a significant improvement in the capital forecast position.
- The panel heard that slippage/underspend may be for valid reasons, for example if the contractor performance is poor, then the Council may halt payment until performance is improved. This was the case for the Highways project which underspent by 50% in 2013/14. It was identified that the issues related to contractor performance and the Council had no mechanism to enforce performance as the contract did not have workable KPIs. In February 2014, there was a meeting with the Highway contractor to resolve the issue. The contract was renegotiated to include a suite of KPIs with financial penalties for non-performance. These were implemented in July 2014 and the Highways programme is now spent and committed.
- In written evidence, the Divisional Director Commissioning Services has commented that the carry forward process should be amended so that business cases for each carry forward request includes a timeline as to when the project will be completed or the funding taken away.
- There should be regular re-profiling of the capital budget. The profile of how a capital scheme will be delivered will change and it is important to ensure that the budget is realigned over the revised delivery plan period. It is common practice in other Local Authorities to have a re-refresh of the capital programme in-year to reflect such changes and this will be implemented for 2015/16.

Recommendations

7. That the Capital Forum has the power to vire money from under spending projects/budgets to other projects to ensure that slippage is minimised.
8. That all budgeted allocations should be split in monthly budgets and monitored monthly to ascertain underspend/overspend.
9. That slippage/underspend should be monitored in terms of efficiency saving and other underspend.

Project Management

- Many projects suffer from slippage which is defined as the time a project is late compared to the initial schedule baseline. Slippage can also be defined as the variation between the planned dates of a project starting and finish. Slippage may take place when initiation of activities on the planned start dates is delayed and not controlled. In 2014/15, 96% of the projected General Fund underspend will be slipped into the 2015/16 year.

The panel heard that there are several possible reasons for slippage

1. Projects are suspended, on hold or identified as savings.

An example is that whilst the New Housing regeneration programme was being developed decisions could not be made on the housing capital programme until June 2014. This delayed the start of procurement and delivery of the programme.

2. Procurement process/market forces/lack of expertise in the market

Projects find it difficult to recruit contractors with the relevant technical expertise, or market forces means that there is a scarcity of contractors. For example in the HRA capital programme, there is a problem because there is a lack of leaseholder expertise in the market and despite a number of thorough recruitment exercises the Council has struggled to recruit staff who understand the implications of leases and the rules on statutory consultation with and charges to leaseholders. Another example is that market prices have increased by 12% in the last twelve weeks.

3. Payment process/contract terms

The project managers view is that the council's payment and contract processes can cause delay to the start and completion of projects and programmes. The panel heard that the DECC programme which is grant funded and awarded on 31 March 2014, cannot be spent because since September 2014, the contract process has not been finalised. The project managers feel that they do not have any indication as to the length of time that the legal section requires to complete their processes. If there was some service level agreement between the services and legal, then this could be factored in negotiations with the contractors.

The Internal Audit Service has found no evidence during their reviews that the contract processes have contributed to project delays. Further exploration will be required to establish whether or not that this is the case.

The panel also heard from one of the members that the strict rule about who can scan invoices is leading to delays in Harrow's payment process, with potential adverse consequences for small businesses and organisations. Whilst the panel appreciates that this is an anti-fraud measure; further

investigation should be taken to determine the actual risk from fraud and the impact on small business.

4. Annual budget programme

Although that the capital programme is four year rolling programme, the fact that the programme budgets are released and monitored annually means that projects are working to annual deadlines. The effect of this is that a lot of projects are scheduled to deliver in March, if there is a slippage of a week or two, this can push the final project spend into the next financial year and this gives the appearance of an underspend.

Reasons for slippage are recorded in the VERTO system but this is not detailed and according to witnesses, does not “record the true picture of slippage”. The panel would like to see more comprehensive information concerning project slippage.

- The panel members seek assurance that there is an appropriate level of project management applied across all capital programme schemes including the update of the relevant systems such as the risk register and the VERTO system. From the evidence given at the challenge panel, it was not completely clear that this consistency was fully applied across all schemes and all departments.
- The panel members are satisfied with the monitoring arrangements for the capital programme. They were presented with evidence that adequate processes were in place. However, monitoring is fragmented and the council should explore ways of better dissemination of cross directorate information. The panel heard that the council is exploring outcomes based budgeting through the Revenue Challenge Panel as a means of improving this dissemination.
- There is no collation of the problem/solutions and good practices outlined in the Lessons Learned Log of individual projects and also no means of ensuring dissemination to the whole council.
- The panel heard evidence that, on occasions, tenant/resident involvement may not have been as strong as it could have been- although on some schemes it has worked well. It is the panel’s opinion that it is vital that tenants have the opportunity to comment on how works are progressing and to raise problems/issues as they arise. It is also important that residents/leaseholders be consulted or informed of works in development before they commence.

| Recommendations | |
|------------------------|--|
| 10. | That all members should have monthly updates on the capital programme within their wards with a RAG report explaining what action is to be taken to resolve the Red/Amber projects. The Finance Portfolio Holder should see the minutes of the Capital Forum and he/she should advise Portfolio Holders of underperformance on capital |

projects.

11. That the Capital Programme/Budget agreed in the February of each financial year should be over-programmed by a factor of 25%. This will enable slippage to be moved to different projects in-year without reference back to Full Council. The decision to vire should be either a Cabinet or Portfolio Holder decision depending on the urgency.
12. That once slippage/under-spending is reduced to levels below 15% then the over-programming is reduced to 10%.
13. To ensure that a summary of the Lessons Learned Log be distributed periodically to all project managers. This should include problems and solutions and good practices and success that could be applied to future works.
14. To appoint a nominated officer to ensure that there is adequate resident engagement in the capital programme process.
- 15.. To produce more stringent corporate documentation requiring officers to provide detailed information on reasons for project slippage.
16. That the capital programme, while based on the financial year should be structured around when the project is best suited to start.
- 17.. To ensure that contracts are negotiated and signed before the commencement of any works.

Appendix 1

Overview & Scrutiny SUB-COMMITTEE

DATE 18 November 2014

REVIEW OF Capital Expenditure Challenge

31 October 2014

| | | |
|---|---------------------------------------|--|
| 1 | SUBJECT | The Capital Funding Challenge |
| 2 | COMMITTEE | O&S Sub-Committee |
| 3 | REVIEW GROUP | <p>Councillors</p> <p>Cllr Barry Macleod-Cullinane (C) Cllr Manji Kara (C) Cllr Marilyn Ashton (C) Cllr Vina Mithani (C) Cllr Barry Kendler (Chair) (L) Cllr Jeff Anderson (L) Cllr Nitin Parekh (L) Cllr Phillip O’Dell (L)</p> <p>Co-optees</p> |
| 4 | AIMS/ OBJECTIVES/ OUTCOMES | <ul style="list-style-type: none"> • To identify the key reasons for recurrent General Fund underspending. • To review the management of the Council’s capital programme (General Fund and HRA). • To identify proposals designed to improve the management of the Council’s capital programme. • To examine the capital programme’s funding criteria. • To understand the impact that capital underspending has upon the council’s and its partners’ services in terms of delivery and |

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| | | <p>performance.</p> <ul style="list-style-type: none"> To understand the financial implications of capital underspends. |
| 5 | MEASURES OF SUCCESS OF REVIEW | <ul style="list-style-type: none"> Understand the reasons for capital programme underspend. Develop proposals to achieve a reduction in underspend of the capital programme ensuring that the capital programme is realistically profiled and spent to within 5% -10% of profile. To identify improvement in the management of the Council's capital programme. To track the financial and performance implications of Capital budget underspending on the Revenue budget. |
| 6 | SCOPE | The challenge panel will investigate the way that the Council manages its capital programme (covering both General Fund & HRA). It will identify the reasons for underspending and recommend proposals to improve its management. |
| 7 | SERVICE PRIORITIES (Corporate/Dept) | <ul style="list-style-type: none"> Making a difference for the most vulnerable Making a difference for communities Making a difference for families Making a difference for local businesses |
| 8 | REVIEW SPONSOR | Simon George |
| 9 | ACCOUNTABLE MANAGER | Rachel Gapp |
| 10 | SUPPORT OFFICER | Stella Agunabor- Policy Officer |
| 11 | ADMINISTRATIVE SUPPORT | Business Support Service |
| 12 | EXTERNAL INPUT | <ul style="list-style-type: none"> PMO Project Managers of amber & red projects Portfolio Holder The Director of Finance and Assurance The Capital Forum |

| | | |
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| 13 | METHODOLOGY | <p>The Challenge Panel will involve three phases. A desk-based research phase which will look at written material and responses from other authorities, evidence will be taken from interested bodies and officer networks and any partners.</p> <p>The information from this phase will inform the structure and lines of questioning for the Challenge Panel. At the Challenge Panel, evidence will be taken from key officers, managers and the Portfolio Holder.</p> <p>The report and recommendations will be written-up and submitted to Cabinet.</p> |
| 14 | EQUALITY IMPLICATIONS | <p>The review will consider, during the course of its work, how equality implications have been taken into account in current policy and practice and consider the possible implications of any changes it recommends.</p> |
| 15 | ASSUMPTIONS/ CONSTRAINTS | <p>The success of the challenge panel will be dependent on the ability and willingness of officers, partners and stakeholders to participate and contribute fully in this work.</p> |
| 16 | SECTION 17 IMPLICATIONS | <ol style="list-style-type: none"> 1) Agree panel members and draft scope virtually – late October 2) O&S 18th November – agree scope 3) Capital Challenge Panel - January 4) O&S agree report & forward to cabinet - 24th February 5) Cabinet review report –19th March 6) Cabinet respond to report – 23rd April |
| 17 | TIMESCALE | <p>October 2014 – April 2015</p> |
| 18 | RESOURCE COMMITMENTS | <p>Project costs will be met from the existing scrutiny resources</p> |
| 19 | REPORT AUTHOR | <p>Stella Agunabor, in consultation with Challenge Panel members.</p> |
| 20 | REPORTING ARRANGEMENTS | <p>Outline of formal reporting process:</p> <p>To Service Director [] When.....</p> <p>To Portfolio Holder [] When.....</p> <p>To O & S [x] When.....</p> |

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| | | To Cabinet <input checked="" type="checkbox"/> When..... |
| 21 | FOLLOW UP ARRANGEMENTS (proposals) | Cabinet will respond to any recommendations made at the Cabinet meeting in April. Any agreement reached could be implemented in the 2015/16 financial year. |

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REPORT FOR: OVERVIEW AND SCRUTINY COMMITTEE

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| Date of Meeting: | 24 February 2015 |
| Subject: | Draft Scope for Scrutiny Review of Libraries |
| Responsible Officer: | Alex Dewsnap Divisional Director, Strategic Commissioning |
| Scrutiny Lead Member area: | Community Health and Wellbeing: Policy Lead – Councillor Chris Mote Performance Lead – Councillor Kiran Ramchandani |
| Exempt: | No |
| Wards affected: | All |
| Enclosures: | Draft scope for Scrutiny Review of Libraries |

Section 1 – Summary and Recommendations

This report sets out the draft scope for the scrutiny review of libraries.

Recommendations:

The Overview and Scrutiny Committee is asked to:

- Consider and agree the scope for the review.

Section 2 – Report

The Scrutiny Leadership Group asked that a scrutiny review of libraries form part of the scrutiny work programme for 2014/2015. Colleagues at Ealing Council had also raised the wish to conduct a joint scrutiny review of the contract and performance of library services that Ealing Council and Harrow Council share with Carillion Integrated Services. The 5-year contract with Carillion commenced in September 2013.

The main objective of the review will be twofold: to examine with Ealing current performance of libraries, as provided by Carillion, and to consider issues specific to Harrow following consultation on proposed service changes and the development of the library strategy.

The review is to be chaired by Councillor Paul Osborn. The joint meeting with Ealing will take place on 4 March at Ealing Town Hall and the Harrow-specific challenge panel is likely to take place the following week.

Financial Implications

The costs of delivering this project will be met from within existing resources.

Performance Issues

There is no specific performance issues associated with this report.

Environmental Impact

There is no specific environmental impact associated with this report.

Risk Management Implications

There are none specific to this report.

Equalities Implications

The review will consider during the course of its work, how equality implications have been taken into account in current policy and practice and consider the possible implications of any changes it recommends.

Council Priorities

- Making a difference for communities

Section 3 - Statutory Officer Clearance

Statutory clearances not required.

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| Name:..... <input type="checkbox"/> | on behalf of the Chief Financial Officer |
| Date: | |

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| Name: <input type="checkbox"/> | on behalf of the Monitoring Officer |
| Date: | |

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| Ward Councillors notified: | N/A |
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Section 4 - Contact Details and Background Papers

Contact:

Nahreen Matlib, Senior Policy Officer, 020 8420 9204

Background Papers:

- Scope for the Scrutiny Review of Libraries

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OVERVIEW AND SCRUTINY COMMITTEE

FEBRUARY 2015

REVIEW OF LIBRARIES - DRAFT SCOPE

VERSION HISTORY:

- Version 1 – 22 December 2014 (NM)
- Version 2 – 22 January 2015 (TB/ML)
- Version 3 – February 2015

| | | |
|---|---|--|
| 1 | SUBJECT | Libraries |
| 2 | COMMITTEE | Overview & Scrutiny Committee |
| 3 | REVIEW GROUP | <p>Councillors: Councillor Paul Osborn (Chair, C) Councillor Michael Borio (L) Councillor Barry Kendler (L) Councillor Jerry Miles (L) Councillor Lynda Seymour (C) Councillor Rekha Shah (L) Councillor Stephen Wright (C)</p> |
| 4 | AIMS/ OBJECTIVES/ OUTCOMES | <p>Jointly with Ealing Council:</p> <ul style="list-style-type: none"> • To jointly review with Ealing Council the current contract with Carillion Integrated Services for the delivery of library services across the two boroughs. • To examine the current performance of libraries in Harrow and Ealing, as provided by Carillion. <p>Harrow specific:</p> <ul style="list-style-type: none"> • To consider the changes proposed for Harrow’s libraries in light of the proposed budget savings for 2015/16 and the outcome of consultation with residents (November 2014 to January 2015). • To develop an understanding of what residents want from their local libraries. • To explore innovative practices in the delivery of library services by councils. • To identify ways in which Harrow Council can deliver 21st century libraries for residents within the context of the financial challenges facing local government. • To inform the implementation of a 3-year Harrow Library Strategy and work towards a potential West London Library Strategy with the other library authorities also managed by Carillion (Ealing and Hounslow). |

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| 5 | MEASURES OF SUCCESS OF REVIEW | <ul style="list-style-type: none"> To inform the future development of Harrow's libraries service so that it best meets the needs of residents. |
| 6 | SCOPE | This review will consider Carillion's performance in providing a library service for Harrow and Ealing residents in the first year of the contract (2013/14). It will also consider the outcomes of the Take Part consultation on the future of Harrow libraries which ran from November 2014 to January 2015. Given the timeframe for this review, it will not be in a position to influence the decisions around budget decisions for 2015/16 but rather inform the strategic direction of library services for 2015/16 and beyond. |
| 7 | SERVICE PRIORITIES (Corporate/Dept) | This review relates in particular to the Corporate Priorities 2014/15 of: <ul style="list-style-type: none"> Making a difference for communities |
| 8 | REVIEW SPONSOR | Marianne Locke, Divisional Director Community & Culture |
| 9 | ACCOUNTABLE MANAGER | Rachel Gapp, Head of Policy |
| 10 | SUPPORT OFFICER | Nahreen Matlib, Senior Policy Officer |
| 11 | ADMINISTRATIVE SUPPORT | Business Support Service / Policy Team |
| 12 | EXTERNAL INPUT | <p>The input of the following may be useful for the review:</p> <p>Stakeholders:</p> <ul style="list-style-type: none"> Relevant corporate/divisional director(s) Relevant portfolio holder(s) Residents <p>Partner agencies:</p> <ul style="list-style-type: none"> External contractor - Carillion Integrated Services <p>Experts/advisers:</p> <ul style="list-style-type: none"> Representative interest groups |
| 13 | METHODOLOGY | <p>This review will involve three phases:</p> <ol style="list-style-type: none"> Desktop research – including gathering evidence from local and national studies around library services, the results of the current consultation on changes to Harrow's libraries, performance data on the current contract with Carillion, other written/oral evidence from senior managers, ward councillors, residents and experts. This will inform the structure and lines of questioning for the next phase of the review. Challenge sessions – to take evidence from Carillion Integrated Services (our contractor for library services), key managers, relevant portfolio holders, residents: <ol style="list-style-type: none"> Joint Committee session through Ealing's Standing |

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| | | <p>Review Panel (Ealing's Customers) on 4 March 2015 at Ealing Town Hall – Carillion will be present to answer members' questions.</p> <p>b) Harrow challenge panel session – date tbc, early to mid-March</p> <p>3. Writing up of final report and recommendations - for the approval of the Overview and Scrutiny Committee on 14 April 2015, for onward transmission to Cabinet on 23 April 2015.</p> |
| 14 | EQUALITY IMPLICATIONS | <p>The review will consider during the course of its work, how equality implications have been taken into account in current policy and practice and consider the possible implications of any changes it recommends.</p> <p>In carrying out the review, the review group will also need to consider its own practices and how it can facilitate all relevant stakeholders in the borough to have their voices heard.</p> |
| 15 | ASSUMPTIONS/ CONSTRAINTS | The success of the review will depend upon the ability and willingness of officers, partners and stakeholders to participate and contribute fully in this work. |
| 16 | TIMESCALE | December 2014 to April 2015 |
| 17 | RESOURCE COMMITMENTS | To be met from existing Policy Team budget. No significant additional expenditure is anticipated. |
| 18 | REPORT AUTHOR | Nahreen Matlib, as advised by the Review Group. |
| 19 | REPORTING ARRANGEMENTS | <p>Outline of formal reporting process:</p> <ul style="list-style-type: none"> • The relevant Divisional Director (Marianne Locke) and portfolio holder (Councillor Sue Anderson, Community, Culture & Resident Engagement Portfolio Holder) will be invited to both the Ealing/Harrow joint committee and Harrow challenge panel meetings. They will be consulted in the drafting of the final report and recommendations. • Report to Overview and Scrutiny Committee, 14 April 2015. • Report to Cabinet, 23 April 2015. |
| 20 | FOLLOW UP ARRANGEMENTS (proposals) | Implementation of recommendations to be monitored by exception on a 6-monthly basis by the Performance and Finance Scrutiny Sub-Committee. |

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HEALTH AND SOCIAL CARE SCRUTINY SUB-COMMITTEE MINUTES

24 NOVEMBER 2014

| | | |
|---------------------|-----------------------------|----------------------------------|
| Chairman: | * Councillor Mrs Rekha Shah | |
| Councillors: | * Michael Borio | * Mrs Vina Mithani |
| | * Niraj Dattani | * Chris Mote |
| Advisers: | * Julian Maw | - Harrow Healthwatch |
| | † Dr N Merali | - Harrow Local Medical Committee |

* Denotes Member present

† Denotes apologies received

26. Attendance by Reserve Members

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

27. Declarations of Interest

RESOLVED: To note that the following interests were declared:

All Agenda Items

Councillor Vina Mithani declared a non-pecuniary interest in that she was employed by Public Health England. She would remain in the room whilst the matters were considered and voted upon.

All Agenda Items

Councillor Chris Mote declared a non-pecuniary interest in that his daughter was employed at Northwick Park Hospital and that he was employed in the

private health sector. He would remain in the room whilst the matters were considered and voted upon.

28. Minutes

RESOLVED: That the minutes of the meeting held on 20 October 2014, be taken as read and signed as a correct record, subject to the following amendment to minute 21:

RESOLVED: To note

1. that 1 public question had been received and responded to and the recording had been placed on the website;
2. no Petitions or References had been received.

29. Public Questions *, Petitions & References

RESOLVED: To note that none were received.

RESOLVED ITEMS

30. JHOSC Update Report

The Sub Committee received a report of the Divisional Director, Strategic Commissioning which provided an update on the work of the Joint Health Overview and Scrutiny Committee.

Following a brief overview of the report by an officer, Members highlighted the following concerns regarding the report from the Central London, West London, Hammersmith & Fulham, Hounslow and Ealing Clinical Commissioning Groups (CWHHE) submitted to JHOSC regarding the planned transition of maternity and interdependent services from Ealing Hospital to the other West London Hospitals:

- the transition of maternity and interdependent services would impact heavily on Hillingdon and Northwick Park Hospitals;
- the recent Care Quality Commission (CQC) inspection of the North West London Hospital's Trust had rated the standard of care at Northwick Park Hospital Maternity Services as 'Inadequate' and that measures set out in the CQC Compliance Action Plan for Maternity Services at Northwick Park Hospital were still in the early stages of implementation;
- lessons should have been learnt from the recent transfer of A&E services from Central Middlesex and Hammersmith Hospitals to other West London hospitals. In particular, the fact that A&E services at Central Middlesex had closed before measures to increase capacity at Northwick Park had been implemented, which had resulted in

additional pressures on resources and capacity issues at A&E services at Northwick Park Hospital.

Bearing in mind the above points, the Sub-Committee was of the view that maternity and interdependent services at Ealing Hospital should not be closed unless

(i) the Maternity unit at Northwick Park hospital had the capacity to absorb the additional cases;

(ii) the implications and risks relating to the transfer of Maternity Services from Ealing to other West London Hospitals had been fully explored and evaluated.

Members requested that the above concerns be communicated at the earliest opportunity to the CWHHE.

RESOLVED: That

1. a letter to the CWHHE, setting out the Sub-Committees concerns regarding the transfer of maternity and interdependent services from Ealing Hospital to other West London Hospitals be sent on behalf of the Sub-Committee;
2. the report be noted.

31. Harrow CCG Commissioning Intentions 2015/16

The Sub-Committee received a report of Chief Operating Officer, Harrow Clinical Commissioning Group, which had previously been considered at the Health and Wellbeing Board on 6 November 2014.

It was noted that the CCG had been invited to attend the meeting to respond to Members' questions, however, no one from the CCG was present at the meeting. Members therefore requested that their comments below be forwarded to the CCG for consideration.

An adviser to the Sub-Committee stated that the final version of the report had been issued earlier in the day and differed only slightly from the draft version, which had been circulated to the Sub-Committee.

The adviser added that the issue of decommissioning of community services at Northwick Park Hospital and their re-commissioning from other sources in 2015/16 should be added to the Sub-Committee's work programme. Members concurred with this view and agreed that a progress report should be sought in due course from the Hospital Trust regarding this.

Members also made the following comments and highlighted the following areas of concern in the report:

- identification of key health priorities and health inequalities for Harrow was a positive, however, there was insufficient detail in the report as to how these would be addressed;
- the possible impact of the potential closure of three children's centres in Harrow and the impact on the provision of health services that used those premises;
- the potential impact of reduced grant funding to voluntary and community sector bodies (VCS) in Harrow and how this would affect the CCGs stated intention to actively engage with the VCS;
- the likelihood that the out of hospital strategy would increase GP's workloads;
- the fact that mental health services had been prioritized for improvement, was a positive.

Following questions and comments from Members, it was advised that Harrow CCG was looking for a suitable site for an additional primary care walk in centre in Harrow.

An officer advised that a CQC inspection of CNWL was planned for February 2015. The Members agreed that that the Sub-Committees comments regarding this would be forwarded to the CQC prior to the inspection.

RESOLVED: That the report be noted.

(Note: The meeting, having commenced at 7.30 pm, closed at 8.18 pm).

(Signed) COUNCILLOR MRS REKHA SHAH
Chairman

PERFORMANCE AND FINANCE SCRUTINY SUB-COMMITTEE MINUTES

27 NOVEMBER 2014

Chairman: * Councillor Phillip O'Dell

Councillors: * Richard Almond * Barry Macleod-Cullinane
* Mrs Chika Amadi (1) * Adam Swersky

In attendance: Sue Anderson Minute 21
(Councillors) Simon Brown Minute 22

* Denotes Member present
(1) Denotes category of Reserve Members

17. Attendance by Reserve Members

RESOLVED: To note the attendance of the following duly constituted Reserve Members:

Ordinary Member

Reserve Member

Councillor Kiran Ramchandani

Councillor Chika Amadi

18. Declarations of Interest

RESOLVED: To note that the following interests were declared:

Agenda Item 7 – Mid Year VCS (Voluntary and Community Sector) Grant Monitoring Report

Councillor Richard Almond declared a non-pecuniary interest in that he was a trustee of the Harrow Citizens' Advice Bureau. He would remain in the room whilst the matter was considered and voted upon.

Councillor Sue Anderson declared a non-pecuniary interest in that she was a member of the following organizations: ADHD & Autism Support Harrow, Harrow Association of Disabled People and was a Council appointed representative on the Harrow Environmental Forum and the Harrow Nature Conservation Forum. She would remain in the room whilst the matter was considered and voted upon.

Councillor Barry Macleod-Cullinane declared a non-pecuniary interest in that he was employed by the Citizens' Advice Bureau at a national level. He would remain in the room whilst the matter was considered and voted upon.

Councillor Adam Swersky declared a non-pecuniary interest in that he was a trustee of the Harrow Citizens' Advice Bureau. He would remain in the room whilst the matter was considered and voted upon.

19. Minutes

RESOLVED: That the minutes of the meeting held on 9 October 2014, be agreed at the next meeting.

20. Public Questions, Petitions and References

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

RESOLVED ITEMS

21. School Expansion Programme

The Sub-Committee received a report of the Corporate Director Children & Families and the Director of Finance and Assurance which provided an update on the implementation of the school expansion programme and related matters. A document which set out the most up to date information regarding the School Expansion Programme (SEP) was tabled at the meeting.

The Chair welcomed the Portfolio Holder for Children, Schools and Young People to the meeting. Following a brief introduction to the report by the Portfolio Holder and the Interim Corporate Director of Children and families, Members made the following comments and asked the following questions:

- What types of difficulties had affected the SEP and why had it been necessary for officers to have meetings with the Keepmoat, the contractors?
- There were systemic failings across the council with regard to the terms and conditions of large contracts and it was the responsibility of the Procurement team to ensure there were adequate safeguards written into large contracts. Why had lessons not been learnt from previous building contracts and were there penalty clauses and strict

deadlines specified in the current contract? Why had fluctuations in the construction market not been anticipated and mitigated against?

- What quality issues had there been related to the works carried out by the current contractors and were these of a serious nature?
- Who was expected to flag up issues relating to ongoing building works – was this the responsibility of school heads or Council officers?

The Portfolio Holder stated that the main quality issues had not been serious and did not relate to structural issues but were on the whole minor issues related to finishing off works, for example, painting. These had occurred due to inadequate communication between the contractors and schools. They were also a consequence of a demanding summer programme of work fitted into a shortened 5½ week summer holiday period.

The Corporate Director added that a Head Teachers Consultative Group had been set up in order to ensure early engagement by schools with building plans and to ensure good communication between schools and contractors. The regional Director at Keepmoat had met with school heads recently. Officers were making every effort to ensure that there was a mutually supportive process between school heads and council officers. These measures would be of benefit during phases 3 and 4 of the SEP.

An officer advised that the building trade had been in recession this time last year and was now experiencing a boom. This rapid change in market conditions had seen a sharp increase in construction costs and a sudden shortfall of trade contractors, who had reduced their capacities during the recession. A notable recognition of this change in market conditions was the 12% increase in construction costs that the Education Funding Agency (EFA) had agreed this year.

Keepmoat, like all main contractors, had recently had a high turnover of staff as there was an ongoing clamber to recruit new staff to meet the increase in demand. Subcontractors, who were recently chasing work, were now finding that they could pick and choose which contracts they wished to undertake. Consequently, it had taken some time to agree costs and finalise details of current projects.

The Portfolio Holder stated that the original contract had been negotiated over four years ago, without penalty clauses. However, going forward, officers were looking at different ways of procuring for phases 3 and 4 of the SEP and would seek the expertise of the Corporate procurement team to do this.

The Corporate Director advised that the Harrow framework contract with Keepmoat (formerly Apollo) for Phase 1 of the SEP had been used for phase 2 in order to ensure continuity of the SEP.

An officer advised that the schools' summer break in 2014 had been shorter than usual and consequently the works at Pinner Park Primary and Stanburn Primary Schools had been delayed. However, the contractors had been obliged to complete all outstanding works in their own time and at their own expense.

- What was the likelihood of delays in the future?

An officer stated that he anticipated some delays in the current programme, whereby some building works would extend into the first weeks of the school term, but crucially, all new classrooms required for the start of the new term in September would be ready.

The Corporate Director advised that the amber rated projects were ones that were Harrow's responsibility and that those rated red, were being undertaken directly by the EFA.

One of the building projects in SEP1 had been severely delayed, due to a re-design and to meet the budget, and would be delivered a year later than planned, however, it had been possible to accommodate the pupils within the school site while the works continued.

Some of the delays could not have been anticipated, for example, at Belmont Primary School, builders had discovered existing foundations and BT data cables, both of which had needed to be removed and led to a 5 week delay, which was the reason for the amber rating. It may be possible for the builders to make up this lost time. He added that there was risk provision in the budget for such eventualities.

- Why had the predicted costs which were in excess of 5% over/under the budget, been rated red?

The Corporate Director advised that the SEP had tight timescales attached and therefore the margin for error was equally limited. He expected that phase 2 of the SEP would be delivered on budget, however, all contingency would be exhausted. Any minor fluctuations in the future could lead to an over spend and fluctuations in the market could equally impinge on the works.

A Member proposed that it might be more useful to gradually rate project delays by using more colours than green, amber, red. For example, those with delays of 1 week or less as light green, those experiencing delays of 1-2 weeks as dark green, 2-3 weeks as amber etc. Members would expect to see this level of granular data in the report. The Corporate Director undertook to ensure this level of detail in future such reports.

- What was the Council's relationship with the EFA and who had overall responsibility for building projects? What leverage did the Council have with the contractors in cases of slippage?

The Corporate Director advised that both the Council and the schools had very little involvement in the PSBP projects, which were managed directly by the EFA. The EFA set the costs and procured them. The EFA had recently moved to a regional procurement arrangement in a bid to drive down costs. He added that all PSBP projects had been centrally funded, not through Harrow Council funding. It was noted that it was possible for the Council to tender to build PSBP schools for the EFA through its procurement team.

He added that the Council had a statutory duty with regard to the education of children in the borough and would ensure works were completed on time. In cases of slippage, the Council would engage in dialogue with the contractors and put pressure on them to complete works on time and within budget. Contingency measures were also currently being agreed with the contractor, at their cost, for any projects that may fall behind the programme.

- How many applications for Free schools had been received?

The Corporate Director advised that three bids had been received and had progressed to the next stage.

- What information was there regarding the flow of pupils at 6th form? Were more pupils from Harrow travelling out of borough or were more pupils from outside the borough coming to study in Harrow? Was Harrow a net exporter to other London boroughs? Had the council lobbied central government regarding the unique situation in Harrow?

The Corporate Director advised that the GLA formula that was used by local authorities to predict the number of school places that would be required had in recent years become less accurate and less predictable due to demographic changes and economic factors. He added that recent successful bids for government grants had made the case for Harrow's unique demographic issues related to education and Harrow had received a proportionately higher amount of grant than other authorities.

- The report cited Planning and Finance as the highest priority risks for the SEP, however, was the team responsible for the SEP adequately staffed and resourced to ensure delivery within the timescales set?

The Corporate Director stated that the success of the SEP would depend on the skills, knowledge and expertise of officers across the Council, for example the Procurement team. However, a very large proportion of senior officers involved in the project were interims, including himself, which was an area of concern. However, the Director of Finance and Assurance had been allocated final sign-off for particular areas of the project to help mitigate against this.

An officer added that the programme had been a corporate endeavour and had relied heavily on the expertise and support of the Planning and

Finance departments. The SEP was also supported by excellent project managers, the school travel planning service, Corporate Finance and the Communications team.

- In cases where there was slippage in those building works funded by the EFA, there was a reputational risk to the Council, in that it may be blamed unjustly for any delays – how had this been mitigated against?
- How were the different phases of the SEP funded? The report stated that if the programme was not deliverable within the current programme then borrowing may be required. What were the implications of this?

An officer advised there were regular meetings with school staff, parents and other stakeholders to keep them updated and informed of progress with projects.

The Corporate Director advised that the current 3 phases of the SEP had mixed funding. The majority of funds, ie £34m of the £55m for SEP2 phase, had been received as a result of successful Targeted Basic Need (TBN) bids.

An officer advised that the Council had a statutory duty to provide sufficient school places for children in the borough and the Council was lobbying the government for additional funding. However, if the current programme was not deliverable within the EFA funding, then it would be necessary to borrow the money. The Council was actively working with the applicants for Free schools to help them identify appropriate sites, as the establishment of Free schools would relieve some of the pressure for school places.

- What strategies were being used to improve standards in schools? What was the latest thinking with regard to the design of schools from both a physical and educational perspective?

The Corporate Director advised that local authorities had a statutory responsibility for measuring performance and improving standards in schools. This work was carried out by the Harrow School Improvement Partnership (HSIP). Both schools and the council contributed financially to HSIP and Harrow was doing well in this area, to the extent that Brent had commissioned HSIP to deliver its school improvement programme.

An officer advised that the policy regarding school design had changed over the years. Officers worked closely with school heads in the design of schools. Central Government prescribed standard models for classrooms ie they should be low maintenance, energy efficient, maximise on the use of natural light. All the schools in the SEP would have Wifi networks and interactive whiteboards.

- Increasing numbers of pupils now were allocated school places via the Fair Access Protocol (FAP), which meant that classes were often over their Planned Admission Number (PAN). Had there been an increase in classroom size to take account of this factor? In addition, there were traffic congestion issues at school pick-up and drop-off times. Who was responsible for this?
- There was severe congestion in the vicinity of Park High School, which had been exacerbated by insufficient enforcement. These issues were likely to worsen with the increase in the school population. It was important to understand how TfL bids were allocated and the impact of the SEP on those who lived in the vicinity of schools being expanded. What plans were in place to deal with these issues?

The Corporate Director advised that there had been no increase in the physical capacity of classrooms and that the new classrooms, as part of the SEP, were built to accommodate 30 pupils. However, he recognised that in practice, some classes would have more than 30 pupils. He added that in recent years bulge classes had been introduced to keep pace with increasing demand.

The Corporate Director advised that this was a borough-wide issue that required a corporate response - through enforcement, school travel and access plans and educating parents. He added that the EFA funds did not include monies for improvement to local infrastructure in the vicinity of schools. Traffic congestion was the responsibility of the Environment and Enterprise Directorate.

The Portfolio Holder advised that the Council currently had one camera loaded enforcement vehicle and had recently hired a second one. Both he and the Corporate Director undertook to look at enforcement data, including the issue of Fixed Penalty Notices relating to congestion and parking issues during school pick-up and drop-off times and report back to the Sub-Committee.

The Chair added that the success of school travel and access plans were included in the Scrutiny Watchlist and he would raise this issue at the next Chair's Briefing and Scrutiny Leads meeting.

RESOLVED: That the report be noted.

22. Mid Year VCS (Voluntary and Community Sector) Grant Monitoring Report

The Sub-Committee received a report of the Corporate Director of Community Health and Well-Being, which set out information on the monitoring of projects or services awarded grant funding in 2014-15 and provided a summary of information provided by organisations on the delivery of their services as part of the mid-year monitoring process.

The Chair welcomed the Portfolio Holder for Community, Culture and Resident Engagement to the meeting.

Following a brief overview of the report by an officer, Members made the following comments and asked the following questions:

- Some of the outcomes set out in the Monitoring forms were not sufficiently detailed. It was not clear how the grants would be used to achieve the outcomes set out or how these would be measured by the organisation in question or by the Council. Why had this information not been more clearly defined and specified in the report?

An officer advised that a maximum of £5k was available per organization and most organisations received less than the maximum amount. There was less specificity required for the small grants. Some organisations had provided detailed outcomes for grant funded projects and set out who the proposed beneficiaries would be. This information would be validated by officer validation visits to the organisations in question.

She added that the report had been written before any of the validation visits had been undertaken. Historically, a more complete version of the report would have been reported to the Grants Advisory Panel in December. She added that the outcome based grants report was also submitted to the relevant Portfolio holder and to Cabinet. Furthermore, officers were able to hold back or even claw back grants in cases where the organisation was deemed to be under-performing.

- Was it possible to differentiate between those organisations that were in receipt of additional funding from other sources and those which were solely funded by Harrow?

An officer advised that organisations were asked to identify other additional funding streams for their projects. She added that the appendices to the report contained only extracts from the monitoring forms and did not go into full detail.

- Why did the extracts not set out which protected groups would be targeted by the organisations?

An officer advised that this level of detail would have been specified on the original grant application forms submitted by groups.

- Some groups appeared to be operating in neighbouring boroughs. Surely this was unfair on Harrow residents?

The Portfolio Holder advised that there was an expectation that grants awarded to groups in Harrow would be used to benefit Harrow residents. However, some groups had members living in neighbouring boroughs. An officer added that Community & Voluntary Sector (CVS) organisations did not operate within borough boundaries, however, officers would expect to see evidence of delivery of services to Harrow residents during their validation visits. The officer added that, in

hindsight, she realized that it would have been more useful if the report had included both the original grant application forms, the SLAs and the complete monitoring forms submitted by organisations.

A Member stated that it would have been useful if the report had provided more qualitative data, flagged up those organisations that were under-performing and highlighted areas of concern. This would have facilitated Members' scrutiny of the report. An officer undertook to ensure that this level of detail was included in future such reports.

- How did the Council benefit from the services and activities provided by the CVS as a result of council grants? Did the Council refer residents to some services, such as translation services, provided by some of the CVS groups? Several organisations seemed to provide similar services and there appeared to be duplication of services in other areas. Why didn't organisations group together to provide some services jointly in order to avoid duplication?
- It would have been useful to know whether particular services were best provided by the CVS or the Council. This information could have a bearing on the amount of grant allocated, particularly in cases where services proved to be more effectively and economically provided by the CVS.

An officer advised that many CVS groups provided discretionary services, such as translation services and other types of services which were currently not provided by the Council. She added that officers were in discussion and for example, encouraging larger organisations to commission smaller organisations to deliver some services jointly.

- The Chair stated that, in his view, the Scrutiny Lead Members needed a better understanding of the overall grant application and monitoring process. He asked how much officer time and resource was available for the grants process?

An officer advised that there were 1.5 officers assigned to this area of work, however, the monitoring exercise was carried out jointly with officers from other council Departments. She added that she expected the monitoring visits to be completed by January 2015.

- Was there a mechanism to refer victims of domestic violence to those CVS groups which provided support in this area?

An officer advised that such referrals were made. However, the Council did not currently fund such initiatives, which were funded through other funding streams and existing SLAs.

RESOLVED: That the report be noted.

23. Exclusion of the Press and Public

RESOLVED: That the press and public be excluded from the meeting for the following items of business, on the grounds that they involve the likely disclosure of confidential information in breach of an obligation of confidence, or of exempt information as defined in Part I of Schedule 12A to the Local Government Act 1972:

| <u>Agenda Item No</u> | <u>Title</u> | <u>Description of Exempt Information</u> |
|-----------------------|--|---|
| 11. | Appendix 1 to item 7 – Mid Year VCS (Voluntary and Community Sector) Grant Monitoring report | Information under paragraph 1 (contains information relating to any individuals). |
| 12. | Appendix 2 to item 7 – Mid Year VCS (Voluntary and Community Sector) Grant Monitoring report | Information under paragraph 1 (contains information relating to any individuals). |

(Note: The meeting, having commenced at 7.30 pm, closed at 9.58 pm).

(Signed) COUNCILLOR PHILLIP O'DELL
Chair

PERFORMANCE AND FINANCE SCRUTINY SUB-COMMITTEE MINUTES

6 JANUARY 2015

| | | |
|---|-----------------------------|---------------------|
| Chair: | * Councillor Phillip O'Dell | |
| Councillors: | * Richard Almond | * Kiran Ramchandani |
| | * Barry Macleod-Cullinane | * Adam Swersky |
| In attendance: (Councillors) | Graham Henson | Minute 30 |
| | Anne Whitehead | Minute 31 |

* Denotes Member present

24. Attendance by Reserve Members

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

25. Declarations of Interest

RESOLVED: To note that the following interest was declared:

Agenda Item 7 – Revenue and Capital Monitoring

Councillor Barry Macleod-Cullinane declared a non-pecuniary interest in that he had been part of the administration that had passed the outline budget. He would remain in the room whilst the matter was considered and voted upon.

26. Minutes of the meeting held on 27 November 2014

RESOLVED: That the minutes of the meeting held on 27 November 2014, be taken as read and signed as a correct record.

27. Minutes of the meeting held on 9 October 2014

Further to the decision at the last meeting to defer consideration of the minutes of the meeting held on 9 October 2014, amended wording to Minute 15 with regard to the second paragraph of bullet point 2 on homelessness and B&B accommodation was circulated.

It was proposed and seconded that the minute be amended to include that the Portfolio Holder for Housing had stated that 'The ideal number in B&B accommodation was zero, and he was hoping to achieve that in 12 months.' Upon being put to the vote the motion was lost.

The minutes of the meeting as amended by the circulated wording were put to the vote and carried.

RESOLVED: That the minutes of the meeting held on 9 October 2014 be approved as previously circulated with an amendment to the second paragraph of bullet 2 on minute 15 to read:

'The Portfolio Holder for Housing stated that homelessness was an ongoing area of challenge. B&B accommodation in London was costly and it could cost between £12k-£16K to keep a family in B&B accommodation. Whilst the ideal number in B&B accommodation was zero, it was difficult to predict a timescale for the achievement of this aim. The Council had placed some families out of borough, however moving families into accommodation outside the borough or outside London was a far from ideal solution. The Council was looking to increase its stock of temporary housing and other London boroughs faced similar problems. London Councils had a pan-London initiative whereby the daily rates for B&B accommodation were capped.'

28. Public Questions, Petitions and References

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

RESOLVED ITEMS

29. Revenue and Capital Monitoring

The Sub-Committee received a report of the Director of Finance and Assurance, which had previously been considered by Cabinet on 11 December 2014.

Following a brief overview of the report by the Director of Finance and Assurance, Members asked the following questions and received responses from the officers:

- Where was the underspend on the Emergency Relief Scheme (ERS) from? (para 4)

The Director advised that this pertained to Council Tax Support and was allocated to Environment and Enterprise to aid people to find employment. He undertook to circulate information as to the success of this initiative.

Q - Could more detail be provided on the unspent grant carried forward from 2013/14 for Public Health within the Council's ring-fenced reserve? (para 29)

A - The aim was to allocate the sums transferred from central government in accordance with the grant conditions to further public health outcomes. The previous year grant had met some leisure costs to improve health. Although certain health objectives such as in connection with drugs and sexual health were appropriate, others were less prescribed.

Q - What was the allocation for Headstone Manor in the capital programme for? (para 59)

A - The officer undertook to flag this up for the Lead member when meeting with the Corporate Director.

Q - What was the delay in charging for parking at Harrow Leisure Centre and when would the consultation with users take place? (para 9)

A - The responsible officer was no longer employed by Harrow Council. The aspiration was for 1 April and it was thought to be on the consultation website.

Q - The shortfall in salaries for the Public Realm Integrated Service Model (PRISM) had been met through vacancies. What was the impact on service provision of the Divisional Director vacancy and, if there was not an impact, was the post required? Was the post at the correct level and was the restructure correctly specified? (page 32, items nos 0.11, 0.12 and 0.13)

A - As the starting budget had been understated, savings from a reduction in posts had enabled management to balance the bottom line. The officer stated that he was unaware of any diminished service. The post might have been subsequently deleted, it could be a vacant post which competent officers had absorbed and achieved savings for the Council.

Q - The information suggested a continuing overspend on Continuing Care and Ordinary Resident cases. (para 13)

A - The responsibility for payment of the Continuing Care bill between the Council and the NHS was unresolved and work was being undertaken to determine the issue. There was the view that the remainder of the business risk reserve would need to be appropriately drawn down by the end of the financial year.

Q - Would the large increase in the use of interims in Targeted Services be offset by staff vacancies and had market factor supplements been necessary? (para 31)

A - Due to an increase in demand, some caseloads were larger than the Council would wish. Recruitment was problematic and, due to the duty to young people to create interims, it was offset elsewhere. It was

thought that the staff vacancies were at a more senior level and use was made of the Adoption Reform Grant which was ringfenced. The Sub-Committee was advised that it was a national issue and MFS had been successful. Recent successful recruitment campaigns and work across London on recruitment of newly qualified staff had resulted in the difficulty now being mainly at senior practitioner level and above. Work was also being undertaken at regional and national levels.

- Q - How does the Housing General Fund and B&B costs compare to a year ago? Was there an increase in numbers and, despite the introduction of rent capping, were incentives to let bidding up rents and having implications for private tenants?
- A - There were difficulties in containing costs due to the increase in the number of people presenting for B&B. The budget had assumed a reduction of two families a week but in general up to two additional families a week had applied. The Council was working in a challenging situation and trying to be flexible and inventive.
- Q - What was the position regarding Capita on the re-profile of the Mobile and Flex project payments and was the list of slippage complete? (para 61)
- A - There were a number of significant projects being delivered by Capita where payments were being withheld as work had not been done or was not to the Council's satisfaction. It was noted that the Capita financial year finished on 31 December 2014. The officer undertook to confirm how many projects were not being implemented and to identify which ones were the responsibility of Capita, an example being the Public Realm scheme for £100k re litter bins which were on hold. It was agreed that the delays had a severe impact on services which needed to be managed as efficiencies through technology would have been factored into savings. The items detailed in paragraph 61 were in addition to those in paragraphs 65 and 66.
- Q - The Chairman referred to previous statements regarding a culture of allowing slippages in capital expenditure whereby only 60% of the original budget was spent. Was there a drive in the organisation to make the capital programme more meaningful as the public had expectations that projects would proceed?
- A - The planning process was now 6 years instead of 4 and changes in procedure to start expenditure in April were under consideration. The largest element was the School Expansion Programme and issues could arise to delay from one financial year to the next. The situation was improving from 73% in September to 60% currently and the forecast for, the 31 December report was 30%. The Corporate Director of Environment and Enterprise had an appraisal objective of 85%. With regard to schools, the position was clearer and agreed prices for contractor meant that price and delivery were known.
- Q - What is the status of the pay award? (paragraphs 35 and 42)
- It was advised that all negotiating boards had concluded except for Chief Executives and Chief Officers and with Soulbury in September.

- Q - What is the pay increment increase?
A - About 40% of staff were at the top of their grade. Increments, as a rough percentage, were 2.5 – 3% of salary. New starters commenced at the bottom of the grade. Further information was requested on increments paid for the last couple of years and that expected for the following year.
- Q - Was the deletion of the support for community festivals of £48k one post? (page 38)
A - Yes, including national insurance and pension contributions.
- Q - Is the budget for the cost of tree root claims against the Council steady from year to year?
A - This could vary as one claim could be significant and was influenced by prolonged drought or wet weather. The Council had invested in more proactive pruning and provided a robust defence of the Council's position.
- Q - How would the saving for library volunteers be realised? (page 38)
A - The officer undertook to provide information.
- Q - The affect of Council Tax bad debt on housing provision. (page 43)
A - The officer undertook to provide information.
- Q - A comment on the £88k underspend on revenue was requested.
A - The officer advised that this was expected to be significantly less in 2014/15.

RESOLVED: That the report be noted.

30. Staff Survey Results and Sickness Absence

The Sub-Committee received a report from the Divisional Director of HRD and Shared Services on the latest staff survey and sickness absence monitoring results and action plan.

Members received a brief overview of the staff survey and agreed that discussion on the detail take place at the Scrutiny Leads meeting. The officer undertook to circulate colour copies of the diagrams contained in the report to members of the Sub-Committee and Scrutiny Leads.

It was noted that the survey took place every two years with a 'light touch' survey in between. In response to a question as to whether sufficient support had been available to the Children and Families Group to finalise their plan to respond to staff feedback, it was reported that good support had been received and the action plan had been concluded. With regard to questions as to a lack of progress in undertaking appraisals in some areas, it was noted that, whilst there were no specific penalties, 100% compliance was sought and measured by line management. Support was provided to those being appraised to address workload problems or performance measures taken where appropriate. The officer estimated that 85% appraisals had been undertaken, the aim being 90%.

A Member asked whether the feedback had shown a significant impact on protected groups. The officer advised that there were differences in responses from some groups and there were lower levels of satisfaction from staff with disabilities and some BAME groups, who were also proportionally less represented at senior levels. The officers examined service areas to drill deeper in order to identify issues and take action.

The Sub-Committee discussed the sickness absence and the following questions were asked by Members and responded to:

Q - Does the frequency of sickness absence of manual workers increase with age?

A - Harrow Council had an aging manual workforce and although sickness absence was not reported by age, it was known that chronic illness and disability increased with age. This was potentially a factor in the Council's relatively high levels of sickness which was exacerbated by the withdrawal of a normal retirement age and a sick pay scheme with relatively long term benefits. Long term absence constituted approximately 60% of the sickness absence across the Council. Occupational Health referrals for muscular skeletal problems were relatively high and referrals for mental health relatively low.

Q - Is there an analysis with private sector comparables?

A - Detailed comparisons are not undertaken, only headline figures.

In response to a suggestion that the data on sickness absence distribution from 1 October 2013 be differentiated between long and short term absence in order to focus on the short term to show percentages for each day to highlight problem areas, the Portfolio Holder for Performance, Corporate Resources & Policy Development stated that the sickness absence distribution information in the report was historical data. He commented that the return to work interviews were designed to identify patterns of absence and it was important that the processes were undertaken correctly, for example, if an employee was absent on Wednesdays the line manager should pursue it. Absence statistics were monitored quarterly through improvement boards. 60% of the cost was medical severance, with the withdrawal of the retirement age there was a tendency to wait to be retired on medical grounds. A member suggested that the average number of staff off sick by weekday graph should be used to check if procedures were undertaken correctly.

Q - Do the action plans address the problems?

A - The SAP system provides individual detail for managers to manage absence and provides teams and directorates with the bigger picture to identify where closer examination was required. Individual details was not reported at the higher level as it was for managers to monitor and manage individual employee absence. Analysis did not take into account leave as this was not recorded in SAP.

Q - Sickness by calendar day of just under 5% affected service and was higher than private companies. The Chair referred to the sum of £2.5m for sickness absence in 2013/14.

- A - The action plans in the report indicated how Directorates were dealing with information. Council wide triggers had been agreed for short term sickness and as a prompt for management to make a decision. There was an option to reduce the triggers or introduce formal capability action earlier in the procedural approach. However this would potentially affect staff morale and bring Harrow into conflict with the Trades Unions. The Unions at national level had made it clear that they would not support any change to the national sick pay scheme
- Q - Should we tighten up on sick pay?
- A - The Portfolio Holder for Performance, Corporate Resources & Policy stated that he did not think that there should be a change in the sick pay scheme and that not to pay for first day of sickness absence caused complications to manage.
- Q - 8.5 days sickness absence in an office environment was high?
- A - It was agreed that it was high but that addressing short term sickness should be managed by the directorate.
- Q - Has the opportunity been taken to work with the Fit for Work Service with regard to mental illness.
- A - The officer advised that as and when the Scheme was launched the Council would consider accessing the scheme which was free and would work in conjunction with GPs.
- Q - Were there any incentives to manage sickness?
- A - A trial of additional leave for good attendance was undertaken but the impact was short lived. Management needed support in making hard decisions. The Council considered the circumstances for paying for medical certificates, the cost of which could be waived.
- Q - Is CBT provided?
- A - An employee assistance programme provided up to 6 free counselling sessions and 3 CBT.
- Q - In occupations with high stress levels, would it be appropriate to break up the five day week, for example social workers?
- A - The Council was promoting remote and mobile working, for example to enable caring responsibilities. The professional view was that there were benefits to maintaining the same social worker for a case but we would consider flexibility around that.

The Chairman stated that the Members would continue to monitor sickness absence, particularly through the Watch List and Scrutiny Leads. Officers undertook to ensure that the appropriate plans were made available to the Scrutiny Leads.

RESOLVED: That the report be noted.

31. Corporate Equality Objectives - Annual Monitoring and Refresh

The Sub-Committee received an update of progress against the Council's Equality Objectives which were adopted by Cabinet in April 2012. The Chairs of the Equalities Committees for the Resources and Children and Families Directorates were in attendance.

An officer advised that the objectives were being reviewed a year earlier than normal in order to align the review with the electoral cycle. The objectives would be incorporated into the Corporate Plan and through monitoring to Scrutiny and Cabinet. The half yearly information will be reported to the Sub-Committee.

In response to a question as to how the objectives had made Harrow a happier place, the Portfolio Holder for Public Health, Equality and Wellbeing stated that she was confident that those most impacted by inequality had been well served by the objectives and that the protected characteristics had helped to address the issues. An officer advised that the Equality Act 2010 brought together existing legislation and that Harrow Council's systems were robust and in place.

With reference to the target in the Annual Progress report objective 4 regarding job seekers allowance which had a red 'rag', a member questioned whether the correct targets were being used and whether the equality objectives were always of relevance. The Portfolio Holder stated that it was important to strive to meet targets even if difficult to achieve and that if it was considered that a target was inappropriate then it was necessary to consider whether a different approach would be beneficial.

Following a question as to whether the fear of disclosure was a factor in the continued fall in the proportion of disabled employees, it was noted that disclosure had recently been discussed by officers. The Portfolio Holder for Performance, Corporate Resources & Policy Development referred to a report that had been considered recently by the Employees Consultative Forum which identified adjustments to be made to ensure employees were dealt with fairly. The number of disabled employees was a lot higher in the staff survey than in equality monitoring forms. It was noted that the workforce programme had eight priorities for action and one of these was addressing disclosure and this action plan would be reported back to the sub-committee.

A Member suggested that the target for increasing the top 5% of earners who were Black and Asian Minority Ethnic appeared low given the diversity of the borough. It was reported that a reasonable target was required which could be increased year on year

RESOLVED: That

- (1) the progress against the Council's Corporate Equality Objectives for 2013/14 be noted;
- (2) the revised performance measures to support the Equality Objectives for 2014/15 be noted.

32. Performance at Quarter 2, 2014/15

The Sub-Committee received an update on the Chair's review of the Watch List and Corporate Scorecard in relation to Quarter 2 performance.

RESOLVED: That the report be noted.

33. Termination of Meeting

In accordance with the Committee Procedure Rules, it was

RESOLVED: At 9.59 pm to continue until 10.15 pm.

(Note: The meeting, having commenced at 7.30 pm, closed at 10.10 pm).

(Signed) COUNCILLOR PHILLIP O'DELL
Chair

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