

# PERFORMANCE AND FINANCE SCRUTINY SUB-COMMITTEE MINUTES

## 6 JANUARY 2015

<b>Chair:</b>	* Councillor Phillip O'Dell	
<b>Councillors:</b>	* Richard Almond	* Kiran Ramchandani
	* Barry Macleod-Cullinane	* Adam Swersky
<b>In attendance: (Councillors)</b>	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