

PERFORMANCE AND FINANCE SCRUTINY SUB-COMMITTEE MINUTES

21 MARCH 2016

Chair: * Councillor Phillip O'Dell

Councillors: * Richard Almond * Barry Macleod-Cullinane
* Jeff Anderson * Primesh Patel

In attendance: Sachin Shah Minutes 61 and 62
(Councillors)

* Denotes Member present

56. Attendance by Reserve Members

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

57. Late and Urgent Items

Members commented that some reports for this meeting had been circulated after the main agenda, and there had been insufficient time to read some of the reports in depth. Due to the length of time until the next meeting, it was agreed to consider the items at the meeting.

58. Declarations of Interest

RESOLVED: To note that the following interest was declared:

Agenda Item 10 – Libraries Challenge Panel – Six Month Review

Councillor Jeff Anderson declared a non-pecuniary interest in that his wife was the Portfolio Holder with responsibility for the Library Service. He would remain in the room whilst the matter was considered and voted upon.

59. Minutes

RESOLVED: That the minutes of the meeting held on 9 December 2015, be taken as read and signed as a correct record, subject to the insertion of 'Female Genital Mutilation was wrong regardless of time and place.' in the penultimate sentence of the fourth paragraph of minute 53.

60. Public Questions, Petitions and References from Council and Other Committees/Panels

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

RESOLVED ITEMS

61. Revenue and Capital Monitoring

The Sub-Committee received a report of the Director of Finance on the revenue and capital monitoring for quarter 3 as at 31 December 2015, which had been considered by Cabinet on 18 February 2016.

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

Q – How much of the mitigating actions for the overspend on Directorate budgets were reserve/contingency or trimming revenue budgets and would the budget be brought under control? What would the reserves be at end of year compared to the previous year?

A – £1m welfare reform reserve, £866k social care reserve, £1m corporate items budget and £858k corporate contingency. The cost of homelessness was a growing concern and whilst funding for welfare reform had been set aside it was not an original budget. After mitigating action the budget was on line and a balanced budget was anticipated. Table 4 to the report detailed the contingencies and earmarked reserves excluding £10m general reserves and the officers did not anticipate many drawdowns. Reserves would be examined as the outturn progressed.

Q – What is the updated position on the end of contract commercial exit negotiations with Capita?

A – No final agreement had been reached but offers had been made and the aim was to conclude the matter for the end of the financial year. The Corporate Director Resources would be able to provide an update.

Q – What action is to be taken to reduce the £535k with a red RAG rating on table 5?

- A – Actions taken included compensatory savings for: car parking charges not being increased, contract renegotiation for gritting not to be undertaken until 2016, and postponed implementation of the £50k occupational health proposals due to delay in the Government Fit for Work Scheme.
- Q – What was the impact on services of the unachieved savings of £353k on the PRISM project and how does this relate to the original saving anticipated in previous MTFs of £0.6m?
- A – The officer would ensure consistency of the saving to be achieved in the following financial year. The Portfolio Holder stated that the RAGs were part of the overall report and the aim was to come in on budget.
- Q – At what point did the Portfolio Holder become aware of unachievable savings and what steps have been taken?
- A – Quarterly monitoring enabled focus on saving targets, whether savings were being achieved and, if not, what action could be taken. Each department was to come in on budget.
- Q – Why was the decision taken to postpone the introduction of charges for garden waste for six months and what have been the implementation costs so far? Was the projected participation rate in the scheme of 35% still valid? What monitoring was taking place and how confident that the 2016/17 budget savings would be realised?
- A – The Portfolio Holder stated that it had been important to ensure that the scheme was implemented at the most appropriate time and he was in regular discussion with the Portfolio Holder for Environment, Crime and Community Safety with regard to promoting participation. Discussions on the budget situation had commenced approximately late summer and he was satisfied that the Council's overall budget was on target. The expansion of the available budget through commercialisation was being implemented. The officer would inform Members of the implementation costs of the waste collection proposals and the take up of the garden waste collection.
- Q – What was the position with regard to MyCEP Commercialisation?
- A – There was an ongoing procurement process and the business plan, together with an analysis of bids received, would be submitted to Cabinet.
- Q – How likely was it that all the zeros in the forecast and variance for the Environment capital programme at 31 December 2015 would be achieved? Was there slippage due to Wards not taking up funding for the Neighbourhood Investment Scheme?
- A – Environment had performed very well in the delivery of the capital programme. The officer would check the position on spend regarding

the Neighbourhood Investment Scheme and inform the Sub-Committee.

The Chair suggested that due to time constraints, Members take up any further points at the Scrutiny Leads meeting or as appropriate.

RESOLVED: That the report be noted.

62. Revenue Challenge Panel - Six Month Review

The Sub-Committee received a report which reviewed the progress of those recommendations agreed for implementation from the Revenue Budget Scrutiny Challenge Panel which was reported to Cabinet on 23 April 2015.

The Director of Finance introduced the report and responded to comments and questions raised by Members of the Sub-Committee as follows:

Reference 1 – The work being undertaken does not represent a three year budget as the 2017/18 draft budget referred to in reference 5 is no different to previous budgets in its composition as it is not locked in and lacks business cases. For example, as the My Community e-purse has no business case and has not been worked through, it is an aspiration and not a budget

A – It is a three year detailed line by line budget and is a substantial improvement to previous annual budgets with only small MTFS gaps and clear analysis. All Commissioning Panels were made available to the opposition.

References 2 and 3 – The Corporate Plan was changing year on year and was imprecise without a business case and with no mention of income or expenditure. How does the Portfolio Holder envisage public accountability of performance of budget against the plan and how will the Council communicate expenditure against budget items and details of unmet savings?

A – The corporate plan provided a clear basis of the Council's intentions. Actual spend against budget, variances and the ambition plan, would be monitored and communicated. The Sub-Committee would receive information on unmet savings during the next financial year and would have the opportunity to ask questions.

Reference 4 – How would Project Infinity be reflected in years 3 and 4 of the budgeting process?

A – The prerequisite of a three year budget is to be outcome based and the Administration has set out what it wants to achieve.

References 8 and 9 – What are the appropriate tools for collaborative work and when would the training for Members be available?

A – The Chair requested that a report be submitted to the Scrutiny Leads on the timetable, with a report to the Sub-Committee if appropriate.

Reference 11 – How would funding be freed up to resource early intervention and prevention services?

A – Early Intervention and Prevention were considered as part of the overall budget. The Commissioning Panels had received saving proposals on early intervention initiatives such as the reablement service, but these were not taken forward.

References 13 and 14 – Would the officers seek information on the budget-simulation consultation tools developed by London Borough of Redbridge?

A – The Director of Finance was liaising with her colleagues across London on the use of such tools, information would be sought from the London Borough of Redbridge and the initiative would be included in the Scrutiny Leads programme.

Reference 16 – How could the Harrow Business Consultative Panel seek more meaningful input from various businesses?

A – The Sub-Committee commented that consultation on business rates required consideration.

Reference 17 – The Sub-Committee was informed that, as requested by the Leader of the Council, Councillor Barry Kendler had reviewed the concerns raised by the Voluntary and Community Sector representatives when giving evidence to the Challenge Panel for submission to the March Cabinet meeting. The review report was currently with the voluntary sector representatives and an update would be circulated to Members of the Sub-Committee.

Reference 18 – It could be useful to obtain information from the London Boroughs of Wandsworth and Westminster regarding their arrangements for pre-decision scrutiny. Scrutiny prior to final documents is a useful tool for example the lack of penalty clauses in contracts as in the Capita contract.

A – The officers undertook to contact the London Boroughs of Wandsworth and Westminster regarding their arrangements for pre-decision scrutiny.

The practicalities of incorporating a six month notification of decisions into the Key Decision Schedule was under discussion and the outcome would be reported to the Sub-Committee.

RESOLVED: That the report be noted.

63. Capital Challenge Panel - Six Month Review

The Sub-Committee reviewed the progress of those recommendations agreed for implementation from the Scrutiny Challenge Panel on Capital Expenditure which were reported to Cabinet on 23 April 2015.

The Director of Finance updated the Sub-Committee on the position as at January 2016 and responded to questions raised by Members as follows:

Reference 2 – How much detail was provided regarding criteria and programme management and what lessons could be learned, including those at completion?

A – The Capital Forum meets monthly. There has been a real push to bring schemes to the Capital Forum in February/March for the forthcoming year to prevent any hold ups. Whilst the aim was to look at lessons learned, resource implications resulted in only some schemes being chosen. Reports would be run at various stages

Reference 3 – The Sub-Committee was informed that training had taken place and officers were encouraged to use the VERTO system.

Reference 4 – The Chair clarified that this recommendation was with regard to virements and slippage and not the capital programme. In view of this, the officer undertook to examine the matter.

Reference 5 – It was noted that the review of the centralised scanning of invoices was expected to take place during the first quarter audit plan. A Member expressed concern that this was outstanding almost a year after the Challenge Panel.

Reference 8 - The large slippage Q3 and a four year framework for the housing revenue account required an understanding of a month by month expenditure report.

A – The VERTO and SAP systems did not enable monthly profiling and, although enquiries would be made as to the availability of an upgrade for profiling, the cost might not be justified. The focus needed to be in getting the forecast correct and a systems analyst ensured full use of SAP capabilities.

Reference 9 – Slippage/underspend of capital programmes not only had a revenue impact but also an impact on service.

A – Attempts were being made to quantify the key capital expenditure which generated an efficiency saving for quarter 1 and this would be submitted to the Sub-Committee. It was agreed that for the larger capital schemes, any service impact would be addressed in the monitoring reports which are received by GARMS.

Reference 13 – The Sub-Committee was informed that the Forum would undertake a lessons learned review of a completed large project when this was considered to be of benefit.

Reference 15 – Members were informed that there would be a service impact should more stringent detailed information on reasons for project slippage become required.

RESOLVED: That the report be noted.

64. Libraries Challenge Panel - Six Month Review

The Sub-Committee received a report on an update following the review of libraries by the Scrutiny Challenge Panel in April 2015.

An officer introduced the report and updated Members on the Harrow Library Strategy. Particular attention was drawn to the introduction of Open+ technology to extend opening hours at Wealdstone Library which was working well. It was noted that the North Harrow Community Library was due to open in April 2016, subject to confirmation of the sublease details which were currently under consideration by the community group. In response to a question, the Sub-Committee was informed that the memorandum of agreement and subleases had been completed subject to the insertion of dates. The community group was keen to have the opportunity to extend the sub-lease after the initial three years as this provided continuity.

A Member expressed disappointment that the Harrow library service was now ranked about fifth from bottom across London. The officer concurred that the 2014/15 figures were disappointing compared to 2013/14 and highlighted that these statistics included the period when a library consultation with the public, which included library closures, was being undertaken. Ongoing monitoring had taken place and usage figures for July 2015 to January 2016 showed an increase in usage at the six remaining libraries compared to the same period in 2014-15. The February 2016 statistics were also encouraging as they indicated an increase in use.

In response to a question, the officer undertook to investigate whether there was any evidence that the significant increase in the use of Pinner library was by people who had previously used other libraries. It was noted that an increase in use would be expected due to the closure of other libraries in the vicinity.

Members asked the following questions and received responses from the officers as follows:

- the introduction of initiatives such as Amazon Click and Collect lockers had had a positive impact on usage. The development of a new library at Stanmore was also hoped to address the decrease in library visits;
- the GIS team had been requested to map cross-usage to ascertain the use of Harrow libraries by Harrow residents as part of the library consultation;
- regarding the impact of the £46k reduction in the book fund in 2015-16, Members were informed of the consortium buying and stock sharing in conjunction with Carillion. Stock was transferred across the Borough libraries as required and consideration could be given to extending this across the other Carillion library authorities. More online resources were now being purchased which was an efficient use of the stock fund

and could be accessed by library users both inside and outside of the libraries;

- with regard to the impact of cuts in the forthcoming financial year, the aim was to make the best use of the resources available and to be smart and innovative. There were now 6 libraries instead of 10, and with the limited space particular care was taken to ensure that the stock that was purchased met customer needs.

RESOLVED: That the report be noted.

(Note: The meeting, having commenced at 7.30 pm, closed at 9.40 pm).

(Signed) COUNCILLOR PHILLIP O'DELL
Chair