OVERVIEW AND SCRUTINY COMMITTEE (SPECIAL)

MINUTES

23 JANUARY 2018

Chair:	* Councillor Phillip O'Dell	
Councillors:	* Jo Dooley	* Barry Macleod-Cullinane
	* Ms Pamela Fitzpatrick	* Jerry Miles
	* Nitesh Hirani	* Chris Mote
	† Barry Kendler	* Norman Stevenson (3)
Voting Co-opted:	(Voluntary Aided)	(Parent Governors)
	† Mr N Ransley	
	Reverend P Reece	
Non-voting Co-opted:	* Harrow Youth Parliament Representative	
In attendance: (Councillors)	Councillor Sachin Shah	Minute 253
	Councillor Adam Swersky	Minute 253

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

251. Attendance by Reserve Members

RESOLVED: To note the attendance at this meeting of the following duly appointed Reserve Member:-

Ordinary Member	Reserve Member
Councillor Jean Lammiman	Councillor Norman Stevenson

252. Declarations of Interest

In connection with Agenda Item 3 (Budget and Corporate Plan Question and Answer Session), Councillor Chris Mote declared a non-pecuniary interest in that he has a Freedom Pass for subsidised public transport. He would remain in the room whilst the matter was considered and voted upon.

In connection with Agenda Item 3 (Budget and Corporate Plan Question and Answer Session), Councillor Macleod-Cullinane declared a non-pecuniary interest in that he has a son attending a school in the Borough. He would remain in the room whilst the matter was considered and voted upon.

RESOLVED ITEMS

253. Question and Answer Session with the Leader of the Council and Interim Chief Executive on the Budget 2018/19

The Chair welcomed the Leader of the Council, the Portfolio Holder for Finance and Commercialisation, the interim Chief Executive and the Director of Finance to the meeting. The Leader of the Council gave an introduction, underlining the severe pressures on the Council's finances as a result of 8 years of austerity; Harrow had the third lowest Government grant among all the London Borough councils. He referred to the draft Corporate Plan which had been circulated as background for the discussion; it largely reflected priorities carried forward from the previous year.

Members asked a series of questions to the Leader and Chief Executive and received responses as follows:

Would the holders of "Blue Badge" parking permits be entitled to the Freedom Pass for public transport as well?

The Leader explained that central Government had indicated it would compensate local authorities for the financial impact of "new burdens" arising from national policy changes; further detail was awaited from them on how this would be implemented.

What were the likely implications of the changes to the structure of the Metropolitan Police Service (MPS)?

The Leader confirmed that he had some concerns over the move to Police Commanders having responsibilities across three boroughs and he would prefer a model more closely focused on individual authorities. However, he recognised the severe budget pressures on the MPS, with a third of their budget having been cut. He looked forward to the introduction of a dedicated officer in each ward as he considered local neighbourhood policing to be vital to community safety.

The Corporate Director, Community added that officers continued to work closely with the Borough Commander to try to protect resources allocated to the Borough.

What was being done to address the implications of the £3m overspend on the children's services budget?

The Leader pointed to the enormous pressures arising from the increased number of children requiring care services and confirmed that he and the Portfolio Holder were focused on the resource requirements of this most important of service areas. The Corporate Director, People reported that there was increasing demand in respect of child protection, care plans and the needs of Looked After children. The Council's funding per child in care was lower than the average for comparable authorities, so the service had achieve greater efficiency than in many other boroughs. He emphasised that this was a complex service area with frequent decisions about serious, challenging family circumstances, and in this sense, it was qualitatively different to other Council responsibilities. Budgets could be volatile as a result of demands which were very difficult to predict, yet the department had applied a rigorous approach to ensure that savings were delivered where this was possible; one example of this had been the response to young people without recourse to public funds. The Corporate Director advised that care placements were closely scrutinised so that costs could be controlled; this was always very difficult given the significant risks associated with making the wrong decisions in this area.

What was the approach to supporting young people without recourse to public funds? How did the Council ensure that they were not put at risk, eg. when there were issues related to age assessment?

The Corporate Director, People reported that the Council worked closely with the UK Border Agency to check the ages of those young people presenting in this category. While the Council would ideally wish to extend support to these young people, its funding position made it important to ensure that they were referred to other agencies as appropriate. These cases were often complicated by issues related to immigration status which could cause these young people to wish to stay "below the radar". The Portfolio Holder for Finance and Commercialisation confirmed that the Council applied an appropriate "toughness" to protect its financial position, but staff were always aware of the risks of young people getting lost in the system.

The Leader stated that he had always supported local authorities taking on services for unaccompanied asylum-seeking children on the basis of a fair allocation across local authorities. The Corporate Director paid tribute to the superb team of staff working with children and young people requiring support; they had been successful in two funding bids for this area of work. He confirmed that, should any individual present as a child, then the Council was under an obligation to treat them as such unless and until an age assessment had been carried out. The Council had even challenged some headteachers about this in the case of the exclusion of children from schools.

In response to Councillor Fitzpatrick's request, it was agreed that information on these cases would be sent to members of the Committee.

Why had the Administration proposed to allocate only £2.9m additional funding for services to children and young people when the overspend had been at a higher level and there was clear evidence of further need in this area? How could this be justified when the Council was funding a senior management structure consisting of a Chief Executive and three Corporate Directors? Why did the Council not save money by dispensing with the Chief Executive post?

The Leader confirmed that he would like to invest more heavily in these services, but the reality was that the Council's finances were severely constrained and was under a duty to achieve a balanced and sustainable budget. The proposed investment demonstrated that the Council recognised the overspend as reflecting the genuine demands on the service arising from children's needs. With respect to the senior management structure, the Leader reported that the Council had significantly reduced its management tiers and the associated costs. Good senior managers were required to run a large and complex organisation such as the Council, and the Administration were convinced that there was value in having a Chief Executive to coordinate and steer the authority effectively; this was still by far the most common model among the country's councils.

In the light of the recent Cabinet discussion surrounding the collapse of Carillion, was the Council confident that its Members and officers had the necessary skills and knowledge to develop and manage large contracts?

The Leader confirmed that the Council would learn from the Carillion experience as it had done from previous cases of having to take services back in-house following the struggles of a private contractor; he referred to the Sancroft PFI as an example. The Council was developing its skills and knowledge in this field as was evidences in initiatives such as Project Minerva and the growth of the shared services in legal work, HR and occupational health. The Leader's own preference was to provide services in-house, but the financial climate in local government made it necessary to consider other options. He acknowledged that councillors could bring their own professional skills and experience to improve the Council's effectiveness in this area, for example through the scrutiny of proposals and performance; a skills audit of councillors could take place following the election to promote better use of this resource.

While recognising that there had been some problematic cases, the Interim Chief Executive considered that the Council had a strong set of skills in contract specification and management; where necessary, the work of officers and councillors was supplemented by specialist consultants where necessary; for example, both HB Law and Bevan Brittan were advising on the Carillion issues, and Eversheds had advised on the IT contract. He considered that, in some instances, the Council had displayed more effective contract management skills and knowledge than some of the private companies it dealt with. The Corporate Director, People gave the example of the Keepmoat contract for school expansion projects in which there had been problems with the first two phases of the specification, provided by consultants, while the third phase specified by the his department's staff with assistance from the Procurement Team, had been delivered on time and on

budget. The Interim Chief Executive added that the Council had moved on from the use of rudimentary standard form contracts to more sophisticated and effective approaches.

Did the Council recognise the risks of becoming involved in large, long-term contracts in terms of the possible implications for costs, service quality and resident satisfaction? What was being done to share learning about contract specification and management across the authority?

The Interim Chief Executive suggested that there should be cross-party discussions about long-term contracts as these could straddle different Administrations. The Council prepared "gateway plans" for such contracts and these could be geared to the electoral cycle. He agreed that the Council could to more share relevant learning, though there was considerable strength in the in-house legal team, supported by Bevan Brittan, and the Procurement Team.

Given the Harrow Ambition Plan's reference to the engagement of residents, how many schools and youth centres had been visited to discuss the Council's regeneration plans?

The Corporate Director, Community reported that while there had not been visits to particular schools and youth centres, the intensive consultation programme had attracted good turnouts to meetings based around the key development sites. It was typical for there to be 5 to 7 such events before the submission of a planning application.

Was the Council prepared to commit to consultation with young people about the plans for Poet's Corner and the new Civic Centre, as it appeared that there was no proposal to include a new youth centre in the development?

The Corporate Director, Community confirmed that the arrangements for this consultation process were being made and he would be pleased to involve representatives of the Harrow Youth Parliament in the discussions.

To what extent had the Council avoided the clawback of Right-to-Buy receipts in Quarters 3 and 3 of 2017-18, and what would be the impact on the budget? Why had the Council not yet brought forward savings proposals to address impact on the Housing Revenue Account and could its viability be in jeopardy?

The Director of Finance would check the exact figures in respect of Quarters 2 and 3 and inform the members of the Committee; she confirmed that the Council continued to lobby the Department for Communities and Local Government on the issue. The Leader expressed his wish to see cross-party lobbying for the benefit of the Borough. The Corporate Director, Community reported that service reviews were in hand and efficiency options were being examined; the aim was to secure savings amounting to £1.9m. The impact cap on Housing Revenue Account borrowing and the 1% rent reduction had to be built into the business plan, and he was hopeful that the Grange Farm project would help address the budget position. The Corporate Director would write to members of the Committee on the viability of individual schemes.

Was the Council trying to secure funding for the Harrow Arts Centre? Why did the Council not dispense with its Chief Executive post and use the money saved to fund the Arts Centre?

The Corporate Director, Community reported that Council was working closely with the passionate and energetic staff of the Arts Centre to identify opportunities for savings and income-generation. As it was not a large theatre and the Council was new to this market, this was quite a challenging exercise, but progress was being made, as evidenced by a successful Christmas season pantomime. A feasibility study would take place over the next few months to explore other options, including a possible development scheme. The Corporate Director recognised the value of cultural activity both to the quality of life in the Borough and to economic regeneration. The Leader underlined that the previous experiment to run the Council without a Chief executive had not been a success. The organisation was massive and complex, with many diverse services provided to over 250,000 over an area of 20 square miles; it also owned more than 5,000 properties. In his view, such an organisation required appropriate senior management arrangements, including a Chief Executive.

Was the Council carefully assessing the performance and profitability of its commercial services to determine whether it would be wise not to proceed with some of them?

The Portfolio Holder for Finance and Commercialisation stated that the Council had been appropriately transparent about costs and revenues from these services and had decided in some instances not to invest in certain projects. A scrutiny review of commercialisation had taken place in the Autumn and this was the best source of relevant information for Members. He considered that it might prejudice the market position of these services to provide great detail.

Was the Council satisfied with progress to date on the regeneration programme? As a report to Cabinet in December 2017 had referred to a development of a lobbying strategy, why had this option not been pursued before as it could have unlocked greater value for the Council?

The Interim Chief Executive referred to the review which had commenced in the Spring of 2017, an important exercise carried out at the right stage of the life cycle of the regeneration programme. There was now a greater focus on the profiling and viability of schemes before entering into the planning process and major contracts, and an officer board was charged with assessing progress against key milestones. As a consequence of these mechanisms, the headline borrowing figure for the regeneration programme as a whole had now been reduced.

RESOLVED: That comments made at the meeting be forwarded to Cabinet for consideration.

254. Termination of Meeting

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

RESOLVED: At 9.59 pm to continue to 10.05 pm

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

RESOLVED: At 10.05 pm to continue to 10.09 pm.

(Note: The meeting, having commenced at 8.51 pm, closed at 10.09 pm).

(Signed) COUNCILLOR PHILLIP O'DELL
Chair