

Overview and Scrutiny Committee Agenda

Date: Tuesday 20 April 2021

Time: 6.30 pm

Venue: Virtual Meeting - Online

Membership (Quorum 4)

Chair: Councillor Sachin Shah

Labour Councillors: Dan Anderson
Jeff Anderson
Sarah Butterworth
Honey Jamie

Conservative Councillors: Stephen Greek (VC)
Jean Lammiman
Chris Mote
Kanti Rabadia

Representatives of Voluntary Aided Sector: Mr N Ransley / Reverend P Reece

Representatives of Parent Governors: Mr M Chandran / Ms M Trivedi

(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

Labour Reserve Members:

1. Jerry Miles
2. Chloe Smith
3. Angella Murphy-Strachan
4. Sasi Suresh

Conservative Reserve Members:

1. Philip Benjamin
2. Stephen Wright
3. Norman Stevenson
4. Ramji Chauhan

Contact: Andrew Seaman, Senior Democratic & Electoral Services Officer
E-mail: andrew.seaman@harrow.gov.uk

Scan this code for the electronic agenda:



Useful Information

Meeting details

This meeting is open to the press and public and can be viewed on www.harrow.gov.uk/virtualmeeting

Filming / recording of meetings

Please note that proceedings at this meeting may be recorded or filmed. If you choose to attend, you will be deemed to have consented to being recorded and/or filmed.

The recording will be made available on the Council website following the meeting.

Agenda publication date: Monday 12 April 2021

Agenda - Part I

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.

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 7 - 18)

That the minutes of the meeting held on 12 January 2021 be taken as read and signed as a correct record.

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 in which they were received. There will be a time limit of 15 minutes for the asking and answering of public questions.

[The deadline for receipt of public questions is 3.00 pm, <DATE>. 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. Scrutiny Annual Report 2020-2021 (Pages 19 - 40)

8. Scrutiny Work Programme 2021-2022 (Pages 41 - 54)

9. Shared Services Scrutiny Review Report (Pages 55 - 80)

10. Any Other Business

Which 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 15 April 2021
------------------------	--------------------------------------

This page is intentionally left blank

147. Declarations of Interest

RESOLVED: To note that the declarations of interests had been published on the Council's website and the following interests were also declared:

Agenda Item 148 – Question and Answer Session with the Leader of the Council and Chief Executive

Councillor Butterworth declared a non-pecuniary interest in that she was a high school teacher in Harrow and Governor at Whitmore High School. She also declared a pecuniary interest in Appendix 3 to the Draft Revenue Budget 2021/22 report and stated that should the matter of teachers' pensions be raised she would leave the virtual meeting.

Councillor Greek declared a non-pecuniary interest in that he was a Governor at Weald Rise Primary School. He would remain in the room whilst the matter was considered.

Councillor Lammiman declared a non-pecuniary interest in that she was Chair of Governors at Shaftesbury High School. She would remain in the room whilst the matter was considered.

Resolved Items

148. Question and Answer Session with the Leader of the Council and the Chief Executive

The Chair opened the Question and Answer session, explaining that it was part of the Council's general annual consultation process on the budget. He outlined the order of the session, stating that that the Committee would first receive a Covid-19 update from the Chief Executive, before moving on to opening statements from the Director of Finance and Portfolio Holder for Finance and Resources. The Committee will then move on to a question and answer session, focusing on the following priority areas:

In his opening statement, the Chief Executive provided a brief update on the latest Covid-19 position, outlining a number of key points:

- Covid-19 cases remained very high across all London boroughs, including Harrow, although there was some early evidence that the national lockdown was starting to have an impact in slowing the rate of transmission;
- pressure on the NHS and hospitals was expected to remain significant for at least a fortnight, with Harrow's Northwick Park Hospital already at capacity with Covid-19 patients; however, significant amount of work and resources were being invested in supporting the situation;
- work around enforcement and ensuring public compliance with lockdown rules continued, with an overall good level of response and cooperation from Harrow residents and businesses observed.;
- significant economic impact across the borough remained but the Council continued to work towards supporting local businesses through the provision of grants;

- good cooperation and response from schools. However, concerns over increased risk of transmission remained due to the higher number of schools were had remained open compared to previous lockdown;
- Council was investing in a number of key areas including:
 - lateral flow testing continued and extra funding from government had been extended until end of March 2021.
 - enforcement of rules and directing resources toward employment of Covid-19 marshals as well as ongoing communication and community engagement in order to break chain of infection.
 - vaccination programme – two primary care centres and one mass vaccination site (Byron Hall) had been set up. Social care staff expected to be invited for vaccination in due course. A further mass vaccination site at Wembley was also going to open and would be available to Harrow residents. However, Council facing challenges around large scale availability of vaccines.

By way of conclusion, the Chief Executive acknowledged the challenge the pandemic had had on the council's workforce. He thanked all staff for continuing to work tirelessly throughout the pandemic and paid tribute to their ongoing dedication.

The Committee then heard a statement from the Portfolio Holder for Finance and Resources on the Council's budget for 2021/22. A number of key points were outlined:

- despite the challenges posed by the substantial financial loss and expenditure, the scale of uncertainty and pressure due to Covid-19 and the insufficient government funding which had led a significant budget gap, the Council had succeeded in producing a balanced budget for 2021/22, with no proposed front line service cuts;
- Government's spending review in November 2020 was changed from a 3 to 1-year period, which further underlined the level of financial uncertainty the Council was facing. This included several areas such as availability of funding, wider impact of Covid-19 on the Council's income and volatility due to fees and charges;
- following a recent government announcement on the adult social care precept, council tax across all of England had been levied at 5% on all council taxpayers;
- majority of business grants were being paid out automatically or using discretion in an effort to support businesses, with the Council exploring further opportunities to support local residents and business.

Members thanked the Chief Executive and the Portfolio Holder for Finance and Resources for their statements. In the session which followed, questions centred around several key areas as set out below.

Q1: What was the cost to the Council for dealing with Covid-19 and how much of that cost had been refunded by the government so far?

The Portfolio Holder for Finance and Resources explained that the estimated cost for dealing with Covid-19 was constantly changing. Acknowledging the significant gap between the total impact on income and costs and the amount of support received, he stated that some detail had already been provided through the Quarter 2 financial report, which was included in the published agenda pack for the meeting, with more up to date information expected over the coming weeks as part of the Quarter 3 report.

The Director of Finance added that a total of £18.1 million in general emergency funding and £4.3 million in compensation from income loss funding had been received from the government to date. The funding was expected to increase and would be spent on essential services required for tackling the pandemic.

Q2: Taking into consideration that the total amount of direct government grant, not including business grants, is £27 million and the additional costs to the Council due to Covid-19 equate to £23 million, why is the Council still in a position where it claims that its costs had not been covered?

In response to the question, the Director of Finance stated that the amount of £27 million was money the Council had in grants. She continued by explaining that the government funding was split into two categories – general expenditure funding (including general emergency funding and compensation of loss) and a number of grants (e.g. business grants). Those grants were allocated for very specific areas of expenditure, which sat outside of the authority and did not replace money which had been lost in the budget for the year.

The total cost to the Council for dealing with the pandemic equated to £23 million, which did not include any new activities or projects the Council was currently undertaking. The information set out in Appendix 3 to the budget report showed the areas where the Council could spend money on and therefore put against the total budget. The money that the Council had spent so far and had an actual impact on its budget were covered in the emergency funding.

The Portfolio Holder for Finance and Resources added that the most recent update on the Council's costs was set out in the Medium Term Financial Strategy (MTFS) Update report, presented to Cabinet in October 2020, according to which the total financial impact prior to any government funding being received was £36 million. Subsequently the Council received £50 million in emergency funding and £4.7 million in compensation payments bringing the net impact of the pandemic to £60.7 million.

Noting the Member's concerns over tracking and understanding the exact impact of Covid-19 on the Council's budget gap, the Chair requested that officers undertake to prepare an analysis of an "alternative universe" including a comparison of what the Council would have spent in 2021 had it not been for Covid-19 versus what its current expenses were; what had the Council spent so far and the what proportion of that spending was from government funding and what from other areas; and impact of Covid-19 in current financial year versus total impact of Covid-19.

Q2 – With the Covid-19 crisis going on for over 10 months, what contingency plans does the Council have in place should the crisis continue?

The Chief Executive said that from a policy perspective it was difficult to know how the pandemic would unfold. The longer the crisis continued, the more resources would be required from the government to enable councils to respond adequately.

The Portfolio for Finance and Resources assured the Committee that Harrow Council was in a good position compared to other local authorities. However, he added that it was important to be prudent when setting the budget and focus on recovering some of the lost income as well as addressing the uncertainty over additional funding. He emphasised that the emergency reserves remained intact and the Council was determined to minimise use of any additional reserves.

Q3 – How do we know that key workers are genuinely "key"? What is the Council's human resources "forward plan"?

The Chief Executive acknowledged the significant debate on the topic. In terms of support to schools and parents, who were key workers, latest government guidance included a clear definition on what constituted a "key worker" and was seen as a step forward. However, the guidance had also posed a further strain on schools particularly around requirements over online learning and schools were much busier now than during the previous national lockdown with key worker parents more likely to send their children to school. He added that even though children were less likely to contract the virus, they were still able to transmit it to older people. Overall public compliance with the lockdown rules was good and majority of the people were acting responsibly.

In terms of the human resources aspect, the Chief Executive stated that there was no large-scale funding reductions or job loss envisioned in the budget proposals, except for some budgets in the Community Directorate where council's income projections did not match what had been delivered. As a result, there may be a need to change how some services were delivered and instigate a restructure, affecting only a small proportion of council staff, in order to better match income with expenditure budgets.

The Committee Member thanked the Chief Executive for his response and emphasised the importance of not losing sight of the human aspect/staffing issues.

The Committee also expressed their appreciation to the officers responsible for managing the business grants processes and acknowledged the improvement and positive feedback received.

Q4 – Comment on the importance of having consistency in figures and availability of the most up to date information for scrutiny.

The Director of Finance explained that some of the reserves mentioned in the report was money the Council had to have on its balance sheets but was not available for the Council to spend and therefore could not be considered as part of the general fund budget. Other general reserves were factored into the total figure which were available to use instead.

The Portfolio Holder for Finance and Resources noted that papers presented before the Committee were prepared back in October 2020 as part of the Council's regular reporting schedule. More up to date figures would be produced in the next few weeks as part of the Quarter 3 monitoring and final budget reports.

In terms of reserves, he added that some came from specific areas (e.g. CIL fund) and other were built through surpluses (e.g. budget planning reserve). He reminded the Committee that the Council had set balanced budget for the next financial year without the need for service cuts or using emergency funds and defended the approach.

The Chief Executive stated that in most councils, the biggest impact of Covid-19 had been on additional costs and having to operate with less funds due to loss of income. Although the government did provide the Council with some funds by way of compensation, the total amount of resources in income replacement and grants did not match the amount of additional expenditure/loss income the Council had received. Whilst more emergency funding was expected to be provided for the next financial year, it was unlikely to be sufficient to balance the budget, so it was important for the Council to be prepared and set aside as much reserves as possible.

Q5 – Can separate tables for each of the different reserves be prepared to give better reflection of the actual reserves the Council has?

The Portfolio Holder for Finance and Resources noted the suggestion but stated that the Council needed to be careful in how it categorised its reserves.

Q6 – Why did the Council decide to use reserves in order to deliver a balanced budget, what reserves is it going to use and how would that impact on the overall budget stability?

The Portfolio Holder for Finance and Resources explained that having to use reserves was not unique to this year's budget and whilst the preference remained to retain as much of the reserves as possible, the Council was comfortable with its decision to use them if necessary. He explained to the Committee that a structural problem in local government existed and assured Members that Harrow was not an outlier in trying to bridge budget gaps every

year. A contributing factor in the budget gaps was also adult social care (ASC). Although the government had promised a plan to address issues with ASC funding, it remained to be delivered.

The Director of Finance added that a major challenge for the Council in setting the budget for 2021/22 was doing so before the indicative government settlement had been received. This meant that the Council was forced to set a budget before knowing what funds it was going to get for the following year. As a result of this uncertainty, a decision was made to put some reserves in the budget with the intention to use the minimum amount possible.

The Chief Executive also noted the issues of practicality and complexity of dealing with Covid -19, as a result of which it was unlikely for the Council to achieve any savings in its budget. Acknowledging the gravity of taking such decision, he explained that using reserves instead of taking the cost out of the Council was agreed because of the uncertainty around future government funding but also because of the pressures arising from dealing with the pandemic.

Q7 – How much of the income had been lost from parking and how much of that was down to on-street parking bays taken out of action, particularly due to schemes such as StreetSpace?

The Portfolio Holder for Finance and Resources said that the StreetSpace scheme had had a minimum impact on parking income. Transport for London data showed significant reduction in number of journeys people made due to the pandemic, which resulted in limited use of council car parks and fewer penalty notices being issued.

Q8 – The Budget assumes a £2 million underspend for this financial year but the report refers to an overspend - can you give an confirm which is correct?

The Director of Finance confirmed that upcoming Quarter 3 figures were expected to report an achievable £2 million underspend in the Council's budget.

Q9 – The budget shortfall exceeds balance of remaining non-earmarked reserves – if this happens, is the Council effectively going to be bankrupt?

The Director of Finance acknowledged the challenges arising from the significant budget gap between guaranteed income and predicted expenditure coupled with the uncertainty over future funding but assured the Committee there was no risk in the Council going bankrupt. The Council was taking a proactive stance with the budget planning process playing a key role in managing potential shortfalls and plans were already being put in place in anticipation for the 2022/23 budget. If the gap exceeded the available reserves and action needed to be taken, the Council had several options at its disposal including an increase in Council Tax as well as taking a number of decisions on funding including Adult Social Care.

The Chief Executive said that the information set out in report was representative of what local authorities had been facing over the past decade. He noted that other factors such as change in political control and more recently Covid-19, could also have an impact on a council's budget. Current decision to use reserves was based on the assumption that more funding would be provided and that there would be an increase in income, but it was possible that further calibrations may need to be made later in the year. He assured the Committee that the Council was prepared to take difficult decisions in order to balance the budget if it thought that a bankruptcy situation could occur.

Q10 – What is the Council going to do about the budget shortfall and when, so it is not put in a position where it has to made drastic decisions?

The Portfolio Holder for Finance and Resources explained that the Council ended up in a similar position every year in order to achieve a balanced budget. The reason for this was prudent budgeting with projections of a slightly larger budget gap being made. He also acknowledged increasing amount of revenue coming from the government and said that additional funding would be available. He said that it was too early to make any decisions on the budget gap. More detailed proposals were expected by the summer when the Council would have a better understand of the financial situation as well as a better indication of the government's policy agenda and be able to act accordingly.

Q11 – Does the Council have sufficient capacity to bring forward proposals in good time to carry out the required consultations? What discussions has the Council had with the trade unions and other partners to deal with the budget gap in the coming years?

The Portfolio Holder for Finance and Resources and Director of Finance acknowledged that capacity across the Council was strained and any consultations had to be targeted. He noted that some consultations were already ongoing and expressed willingness to involve trade unions and other partners on any future major changes as early as possible. The Council was in the process of planning how to address financial challenges including targeting extra capacity.

Q12 – A Committee Member sought clarification on the following issues: 1) new homes bonus reversal and putting money back into the budget; 2) how much of the £100m approved for the investment income programme had been borrowed; and 3) is Harrow in line to benefit from the projected reduction in public works loan interest rates?

With regards to the new homes' bonus, the Director of Finance said that the grant would not be phased out as previously advised but would continue in some form.

With regards to the £100 million investment income, the Committee was informed that it had been removed from the budget due to challenges around securing investments which meet the criteria. The amount of £100 million

was not borrowed by the Council and only one property had been purchased so far.

In response to the query on Public Works loans, the Committee was informed that the Council had not borrowed any money over the last twelve months. However, when it received its financial forecast and was in a position to take on new borrowings, it would ensure that it makes best use of the lower rates.

Q13 – How does the budget gap compare to other London boroughs? What is the Council doing to prioritise the government fair funding review?

The Portfolio Holder for Finance and Resources said that compared to other London boroughs Harrow sat on the lower end of the scale when it came to its reserves (circa £10m). However, its overall financial position was fairly strong not just because of its consistently prudent budgeting approach but also because it did not have to take large loans.

He noted the delays with regards to the Fair Funding Review and the London Council's concerns over its impact. He added that a balanced multi-year funding settlement was the most desirable outcome for all London boroughs but sub-division of the funds remained a major challenge as it depended not only on the total funds available but also on the specific needs of each borough. Harrow was closely engaged in the process and was in regular contact with London Councils and other London boroughs.

Q14 – Considering the size of the capital costs and the amount of spending on servicing the capital debt, what is the Council doing to bring down the level of debt in order to reduce its spending financing it?

In response, the Director of Finance said that the current Council's debt stood at £421 million. She assured the Committee that it was being managed carefully and the Council had not borrowed any money during the pandemic in order to keep capital financing costs down. Although the overall aim was to reduce the level of debt as much as possible, managing it was ultimately a balancing act between having sufficient funds for essential services provision but also keeping debt levels to a minimum through careful cash flow management.

Q15 – Can the Committee have an indication of how the Council's debt compares to other local authorities and when are the Council's projections for repaying it? Why 25% of the budget is going for re-servicing debt instead of providing services to residents?

The Director of Finance explained that it was common for local authorities to have a level of debt. In theory, for a Council to pay its debt off completely it would need to set a clear repayment strategy and make contributions over an agreed period of time. In reality, this was much more challenging, making it likely that a Council would retain a level of debt for the foreseeable future. Instead local authorities such as Harrow were focusing on maintaining an achievable level of debt that could be contained within the revenue account.

With regards to the amount of money going towards re-servicing the Council's debt, the Director of Finance stated that this was about £ 7 million and did not impact on the revenue accounts. She explained that the minimum revenue provision was an oddity in local government finance, with Councils required to set a notional amount within their budgets aside for loan repayment. Those funds were used to fund the debt, so the Council did not have to take up additional capital financing to fund that expenditure.

Q16 – What is the Council's position on the regeneration programme, how much of the original cost had been written off and what happens to that expenditure? Will there be any costs sharing and money coming back to Council?

The Director of Finance explained that the Council had been working on the abortive revenue costs from the old regeneration programme which were not relevant or viable within the new regeneration programme in order to ensure that the final level of write off was correct. Cost sharing on costs already incurred was unlikely, with any money previously charged to capital being transferred to the Council's revenue account.

While no specifics could be given on the exact level of write off at this stage, the Director of Finance said that more details were expected to be included as part of the Council's Financial Outturn report in June 2021.

Q17 – Noting the issues that London Borough of Croydon had experienced in managing its the regeneration scheme, what is the Council doing to prevent the same problem happening in Harrow?

The Director of Finance explained that Harrow's situation was different from Croydon in that it did not have its own trading entity to which to lend a huge amount of money to. She assured Members that the only loan Harrow had was made to the LLP Consortium, which managed a housing property on behalf of the Council. The loan given was just over £1 million and had already been paid off in full.

Q18 – Is the Council still expecting a level of income from the Depot's redevelopment? Why hasn't that income been kept in the budget? The Council didn't obtain planning permission for commercial use of the Depot, so can it still receive an income from it?

The Director of Finance explained that when the draft budget for 2021/22 was set, the income from the original depot target of £631 million had been removed on account that some income had been achieved from the Depot. The amount of money remaining in the budget that related to the Depot was approximately half a million. She added that part of the Depot would continue to be operational building and as such would generate some income to the Council.

The Director of Finance acknowledged the planning permission issues from the letting of the Depot for commercial purposes but confirmed that it related specifically to the recent two storey extension of the Depot.

Q19 - Can you confirm that the regeneration project will not cause a strain on the Council's budget and what kind of contingencies are planned should anything go wrong? With Council Tax going up again, what reassurance can you give to residents that core services will not be adversely affected?

The Director for Finance explained that whilst there was no guarantee that no pressures will arise, the new regeneration project was set up very differently from the previous. Under the new programme, the Council had formed a development partnership and would be working alongside a preferred bidder (Wates), with a strong focus on cost neutrality for some of the elements of the regeneration programme.

The Portfolio Holder for Finance and Resources stated that despite the challenging circumstances complaints on the provision of services were low and the Council was committed to maintaining its core services to the highest possible standard.

Q20 – How would you justify the decision to move some of the helplines online and doesn't that discriminate against those people who are less technologically competent or have no access to the internet? What is the Council doing to ensure that no one falls through the net?

The Portfolio Holder for Finance and Resources said the decision to move some services online had been largely welcomed. Significant energy and investment were being put into ensuring the Council was as easy as possible to transact with online (e.g launching a new more user friendly website) but also that the Digital Cohesion Strategy recognised the needs of those residents who couldn't use online services and offered sufficient alternative support through the use of libraries, one stop shop and advice services.

Q21 – Has any consideration been given to how Council Tax would be collected in a different environment, one which reflects rising levels of unemployment?

The Portfolio Holder for Finance and Resources acknowledged the impact of unemployment on council tax collection and the significant number of people who were now in receipt of council tax support. However, he reminded the Committee that since April 2020 the Council had taken a proactive stance and had been encouraging residents to pay their council tax, fully or partially or get in touch with the Council if requiring help. As a result, the overall council tax collection rate in Harrow was relatively good, with a number of residents benefiting from a discount.

He assured the Committee that the Council was committed to supporting council tax recipients and avoid the use of bailiffs whenever possible. A local strategy focusing on local investment and council tax recipients was being developed with more details to be provided over the coming months. A further positive development had also been the recent government increase in Universal Credit allowance which had been a lifeline for many people and the Council was determined to ensure the support was extended beyond end of March 2021.

Q22 – What does the Council do to steer people towards debt management where required?

The Portfolio Holder for Finance and Resources said that people who needed help were signposted to specialist local charities. Residents struggling with council tax payments were also being encouraged to contact the Council and arrange a personalised payment plan that best suited their circumstances.

Q23 – Does the Council Tax figure in the budget report include precepts expected from the Greater London Authority (GLA)? Does the furlough scheme affect council tax collection?

The Portfolio Holder for Finance and Resources said that GLA precepts were not included in the budget.

In terms of the impact of the furlough scheme, he stated that the scheme had made a significant difference to a number of groups, particularly to those who had experienced biggest changes in their financial circumstances.

Q24 – A Committee Member expressed their concerns about the health of residents and suggested that it be prioritised as part of the Council's overall health strategy across the borough.

The Portfolio Holder for Finance and Resources noted the Member's comments.

At the end of the question session the Chair thanked the Chief Executive, Director of Finance and Portfolio Holder for Finance and Resources for their attendance and responses. On behalf of the Committee, the Chair also expressed his gratitude to all council staff for their hard work throughout the pandemic.

RESOLVED: That the reports and responses received on the Council budget during the Question and Answer session, be noted.

The Chair announced that the next meeting of the Overview and Scrutiny Committee, having previously been scheduled for 9 February 2021, had been brought forward to 4 February 2021 from 9 February to allow the Committee sufficient time to scrutinise the final budget reports before the February Cabinet meeting. Members were also reminded of the informal private session on the Council's Accommodation Strategy, scheduled for 25 January 2021.

(Note: The meeting, having commenced at 6.30 pm, closed at 8.55 pm).

(Signed) Councillor Sachin Shah
Chair



Report for: Overview and Scrutiny Committee

Date of Meeting:	20 April 2021
Subject:	Scrutiny Annual Report 2020-2021
Responsible Officer:	Alex Dewsnap, Director of Strategy & Partnerships
Scrutiny Lead Member area:	All
Exempt:	No
Wards affected:	All
Enclosures:	Scrutiny Annual Report 2020-2021

Section 1 – Summary and Recommendations

This report provides the Scrutiny Annual Report for 2020-2021, as developed by the Scrutiny Leadership Group which comprises the chairs and vice-chairs of the Overview and Scrutiny Committee and its sub-committees, and the Scrutiny Lead members.

Recommendations:

The Overview and Scrutiny Committee is asked to:

- a) Consider and agree the Scrutiny Annual Report 2020-2021
- b) Submit the Scrutiny Annual Report 2020-2021 to Full Council for endorsement

Section 2 – Report

The council's constitution requires the Overview and Scrutiny Committee to report annually on its activities to Full Council. The attached Scrutiny Annual Report is the draft final report. This has been developed by the Scrutiny Leadership Group, which comprises the chairs and vice-chairs of the Overview and Scrutiny Committee and its sub-committees, and the Scrutiny Lead members. The Scrutiny Annual Report outlines the activities of the Overview and Scrutiny Committee, the scrutiny sub-committees and the scrutiny lead councillors during the 2020-2021 municipal year.

Scrutiny's focus has been dominated by the Covid-19 pandemic which saw the scrutiny function being suspended for a couple of months from March 2020 and organisational resource and capacity being diverted to respond to the emergency. The scrutiny work programme for 2020-2021 has reflected this change in priorities.

Ward Councillors' comments

Not applicable as report relates to all wards.

Financial Implications

There are no financial issues associated with this report.

Performance Issues

There are no performance issues associated with this report.

Environmental Impact

There is no environmental impact associated with this report.

Risk Management Implications

There are no risk management implications associated with this report.

Equalities implications / Public Sector Equality Duty

An Equalities Impact Assessment has not been undertaken for this report as it summarises the activities of scrutiny and does not propose any changes to service delivery.

Council Priorities

All

Section 3 - Statutory Officer Clearance

Not required for this report.

Mandatory Checks

Ward Councillors notified: No, as it impacts on all wards

Section 4 - Contact Details and Background Papers

Contact: Nahreen Matlib, Senior Policy Officer, 07874 891499,
nahreen.matlib@harrow.gov.uk

Background Papers: None

This page is intentionally left blank

SCRUTINY ANNUAL REPORT 2020-2021

Report by the Scrutiny Leadership Group

CONTENTS

Foreword	3
Overview and Scrutiny Committee	5
Performance and Finance Scrutiny Sub-Committee	8
Health and Social Care Scrutiny Sub-Committee	10
People Scrutiny Leads	12
Community Scrutiny Leads	13
Resources Scrutiny Leads	15
Appendix: Scrutiny Committee Business and Attendance 2020-2021	16

Report by the Scrutiny Leadership Group¹, supported by the Policy Team. Please note that all councillor photographs included in this report were taken before the Covid-19 pandemic and therefore before Covid-19 restrictions, for example social distancing and wearing masks.

¹ The Scrutiny Leadership Group comprises the following members: Councillors Sachin Shah (Chair), Stephen Greek (Vice-Chair), Ghazanfar Ali, Michael Borio, Honey Jamie, Jean Lammiman, Jerry Miles, Vina Mithani, Janet Mote, Pritesh Patel, Kantilal Rabadia, Kiran Ramchandani, Rekha Shah

FOREWORD

As always, our vision for scrutiny in Harrow is **‘cross-party investigation of issues and decisions that are important to residents’**. This guides the development of our work programme and ensure a balance between holding the council administration and health partners to account, as well as investigating and influencing the council and partners’ approaches to issues of concern to residents.

The council’s scrutiny function is driven forward by the Scrutiny Leadership Group, made up of the chairs and vice-chairs of the committees and the scrutiny leads who you will meet in the coming pages. The Scrutiny Leadership Group continues to provide strategic direction to the scrutiny function and helps to ensure we maintain an effective focus for our work. It meets every two months and brings together the feedback from scrutiny leads on progress in their different service areas. The Appendix lists all the issues we have considered through our committee work.

We want to thank all our scrutiny colleagues on the Scrutiny Leadership Group and committees, as well as the members, officers, partners and members of the public who have contributed to our work. Their time and effort are always appreciated.

This year has been like no other as the world has been rocked by the Covid-19 pandemic and the devastating effect this had on the lives of so many - individuals, families and communities. This has seen everyone having to deal with unprecedented times and challenges over a sustained period of time.

Because of the council’s emergency response to the pandemic, we paused scrutiny for several months from March 2020 and this explains the delay in completing some of our work and reporting back, but more importantly it has impacted on scrutiny’s priorities over the year. To reflect changes in priorities for the council, partners and residents’ lives, we designed a flexible 18-month work programme to take us to the end of the 2021- 22 municipal year. This sees us prioritise:

- Covid-19 – impact of the pandemic, emergency response, recovery and resilience.
- Regeneration - as the council embarks on a massive joint venture partnership that will progress many of the borough’s regeneration plans, at each stage we have scrutinised, and will continue to scrutinise, progress and influence the decisions made.
- Tackling inequalities - an underlying priority in the Borough Plan is tackling inequalities. Inequalities have been particularly exacerbated by the pandemic, for example in the disproportionate impact on BAME communities, digital exclusion and escalating poverty. We have also seen the impact of the death of George Floyd and how it highlights the need to continue challenging racism and discrimination more generally. The council has commissioned an independent race review and scrutiny will monitor the actions arising from this and the development of the council’s strategy for Equality, Diversity and Inclusion.
- Budget – financial challenges for councils remain and scrutiny has a role in ensuring that stretched budgets are allocated where they are most needed.

Over the past year, our work has been dominated by the impact of and response to the pandemic. We have focussed on ‘essential scrutiny’, in recognition of the stretch in organisational capacity being felt by the council and its partners, especially the NHS. In the year ahead, we hope that a sense of normality can resume and that scrutiny can recalibrate more to ‘business as usual’.

While the challenges have been immense over the last year for everybody, it has nonetheless highlighted that in Harrow, there is a real strength in our communities and with partnerships, in working together in times of need and crisis. Harrow has one of the best Covid-19 vaccination programmes in London. This is promising and something to be proud of.



Councillor Sachin Shah
Chair, Overview and Scrutiny



Councillor Stephen Greek
Vice-Chair, Overview and Scrutiny

OVERVIEW AND SCRUTINY COMMITTEE

Councillor Sachin Shah – Chair, Overview and Scrutiny Committee

Councillor Stephen Greek – Vice-Chair, Overview and Scrutiny Committee

Our role

We continue to strive to make sure that Harrow's scrutiny function is at the centre of decision-making at the council, always in the minds of officers and councillors to help facilitate improved decision-making and being involved in policy formation. We continue to influence the issues that matter most to residents and ask that the Executive use us constructively and proactively as a 'critical friend' and sounding board.

In 2018, we agreed a broad programme of work for scrutiny over four years. Obviously things change over such a span of time, as the current pandemic has highlighted on such a large scale, and so we felt it appropriate to review our priorities for scrutiny and recalibrate our programme of work accordingly, so that we continue to concentrate our time more and more on the big issues for the council and Harrow more widely. We are proud that we remain on track to deliver robust scrutiny of the major issues detailed in our work programme until 2022.

The focus of our work over the past year

As to be expected, our work this year has been dominated by the Covid-19 pandemic, the local response and related issues. This has involved regular discussions at O&S with the Council Leader and Chief Executive about the council's response to the pandemic and ongoing challenges. In addition, O&S invited the Police to discussions in response to both the pandemic and the Black Lives Matter movement. Indeed, both of these events have asked many questions of our communities and partner organisations and we continue to be involved in ensuring appropriate responses are found.

Beyond this we have done a lot of work scrutinising the development of the Harrow Strategic Development Partnership (HSDP), Harrow's massive regeneration programme, which has included a number of informal briefings and formal consideration of reports before they are presented to the Executive. In such a complicated area, it has been important for us as councillors to ensure we have the right background knowledge and skills to appropriately scrutinise and therefore, as a team, we have undertaken training on the HSDP.

In addition, we have also monitored progress on implementing new IT arrangements at the council and also the council's budget.

The impact and value of our scrutiny

With the different year, given the pandemic, there has been a significant focus in our activity and that has curtailed other things. Some areas where scrutiny has led to positive change include firstly business grants – the council, as part of the Covid-19 response, was given access to grant funding by government to distribute to businesses. There were, especially in the first lockdown, issues with the timing to get these administered. Reasons for this were either intrinsic to Harrow's business environment, and therefore could not be changed, or like IT, were already in the process of being improved. Scrutiny was not the only ones to raise this but added a significant voice to those concerns. As councillors, many of us had been contacted by people waiting weeks for grants and Harrow, then, was one of the slowest in the country. The situation was eventually resolved and turned around significantly once all qualifying grants had finally been paid. The council had learned from

the concerns raised previously, in spite of further lockdowns, restrictions and further aid available - part of the impact of us raising issues, was helping to avoid them the next time round. By raising the issues during the first lockdown, scrutiny helped to make sure that residents and businesses received a better process in future funding rounds. A lot of work on recovery will be in earnest once things open more. And obviously we will want to keep an eye on that as scrutineers.

Secondly around the budget, we have been very keen to scrutinise the council's overall financial position to make sure that we avoid the issues that Croydon Council have encountered and we have particularly questioned officers on that.

Thirdly, on the HSDP, the council's joint venture partnership for redevelopment, of various council sites including a new Civic Centre, has been ongoing throughout the past year. One of the things we ensured, as scrutiny, was that we were properly factored into all decision-making timetables. This asked officers to take a step back and make a specific timetable that factored in time for scrutiny before Cabinet – including formal and informal scrutiny sessions. It has been important to make sure that such major decisions are not being rushed through Cabinet and that a proper scrutiny process is being committed to – we have very much pushed for that this year. That ensures we can do the important work on behalf of residents – to scrutinise these plans before they get signed off. One of the things we are particularly keen to ensure is that these plans, which started pre-Covid, are still fit for purpose post-Covid.

A consequence of the pandemic has also been that the council has had to start virtual committee meetings. O&S was the third meeting held that way (in early June 2020), so we were one of the guinea pigs from that point of view. We have still managed to engage residents and bring together the right colleagues into important discussions. We had 13 members of public watch that O&S meeting live and of course others may have watched the recording later.

Looking ahead

As reflected in our work programme for next year, a large focus of our work will be on the recovery from Covid-19. In addition to this we will need to look at the ongoing challenge of balancing the council budget as well as continuing our scrutiny of the regeneration plans under the HSDP and considering the Council's response to the Black Lives Matter movement, especially the outcomes of the review by Patrick Vernon OBE. We hope, like so many other people, that we can return to some form of normality as soon as possible, and it will be scrutiny's responsibility to know what that means for the council and Harrow residents.

“It's a privilege to Chair the Overview and Scrutiny Committee, a major committee with a responsibility to hold the Council's executive to account. In a year that has been one of the most challenging the Council has ever faced; the work of the committee has helped the Council in its response to the Coronavirus Pandemic and the response to the Black Lives Matter movement. I want to thank everyone that has played a part in making the work of a committee a success, from the officers behind the scenes, to the cabinet members and officers that have answered our questions.”

Cllr Sachin Shah, O&S Chair

“My first year on scrutiny has been very much a baptism of fire: thrown in at the deep end! I think that also makes it more rewarding – it really demonstrates the difference and value our work can make. It also demonstrates how important it is for us to really be on top of the detail and of what’s coming up in terms of council activity so we can make as early an intervention as possible. I’m very grateful to my committee colleagues and to the officers supporting us, for all their invaluable help and support, especially in this very difficult year. I’m looking forward to getting stuck into the work next year!”

Cllr Stephen Greek, O&S Vice-Chair

PERFORMANCE AND FINANCE SCRUTINY SUB-COMMITTEE



**Councillor Kiran Ramchandani –
Chair, Performance and Finance Sub-
Committee**

**Councillor Pritesh Patel – Vice-Chair,
Performance and Finance Sub-
Committee**

“P&F is a team: less about politics and more of a concerted effort to improve things in the Council. P&F do this very well! We don’t play party politics.”

Our role

As members of the P&F Scrutiny Sub-Committee, it is our role to challenge and scrutinise the council and its partners’ performance against priorities in terms of finance, operational delivery and service provision. It is imperative that the scrutiny is performed in a constructive manner, that is apolitical and should be focussed on improving the council’s performance and more importantly ensure the provision of efficient services that are considered value for money for the tax payer.

The focus of our work over the past year

Our focus has been on the council’s finances and how it is coping financially in the pandemic. In normal times our attention is split between performance and finance, however usual performance monitoring has had to be suspended for a while and the organisational effort shifted to deal with the pandemic. Whilst our priority therefore has been to scrutinise finance, this is starting to shift a little bit and we anticipate examining performance more closely after this pandemic period.

Thinking back to Spring 2020, the focus was very much about the business grants. There were some teething problems with processes and systems, and these were subject to a lot of scrutiny – through formal processes and outside. We would like to think that the council has learned from that. At the start of the pandemic, we had a joint scrutiny meeting bringing together O&S and its sub-committees to consider the council’s response to the pandemic – that was incredibly useful. It focused on the council’s response, looking at the pandemic through different lenses but in every aspect, for example business grants, how we look after residents. It was helpful to have that holistic view!

The impact and value of our scrutiny

Through P&F, with the Director of Finance and Cabinet member for Finance regularly coming to report progress and be held accountable, this means they are much more likely to have robust processes in place. When we as scrutiny home in on some of the questions around capital and revenue spend and plans, we ensure that the administration is held to account on financial matters and keep up the pressure on ensuring robust

processes govern how budgets are set and monitored. We have maintained pressure on the Executive to take that advice on board and apply more scrutiny on how budgets come about but there remains a lot more work to come. Our questioning of budget reports has highlighted changes in the way that the organisation looks and the Director of Finance is under a lot of pressure to meet the council's forecasted targets. One of our lines of questioning has been around paying our staff and contractors the London Living wage – we feel that this has contributed to its inclusion in the budget this year.

Recently we came together with the O&S Chair and Vice-Chair, in an informal briefing, to look at our finances in the light of another local authority's financial position – Croydon. It was useful to look at their experience and the problems they got into, and to reassure ourselves that we are not in the same position financially as a local authority.

We recognise that this year's work has concentrated most on internal improvements around finance, rather than from a community perspective. We can seek to redress this balance next year.

Looking ahead

In the coming year, we will continue to robustly challenge financial and budgetary aspects of the regeneration scheme and the commercialisation projects – we need to focus on these and scrutinise more thoroughly. In the past year, quite understandably, we have had to focus on Covid-19. As we come out of the pandemic, we need to get back to a balance of looking at performance as well as finance – we need to look across the board and deep dive into areas of specific concern / interest.

There has been an impact on council services due to the pandemic. Now, we have to ask questions about how do we get back to the new normal; what will be the impact on our different services; what have we learned that means that we can do things differently and better? One example is our contact centre has been more proactively contacting residents, making phone calls to check their welfare. We need to build on this work.

In terms of Harrow more widely, as a community, how do we get back to normality? Businesses are feeling the pinch and we will look at how the council can support individuals and businesses. There are a lot of things we can do but many depend on finances.

Harrow's planning system is problematic and we feel there is a need to interrogate and scrutinise the whole of the planning regime.

As scrutiny councillors we very much appreciate the support from officers and the transparency of information that they share with us. It is good to really get under the skin of issues and be able to hold the council accountable. There is a lot to learn from that process – rewarding especially when your advice is taken on board.

HEALTH AND SOCIAL CARE SCRUTINY SUB-COMMITTEE



Councillor Michael Borio – Health Scrutiny Lead

Councillor Rekha Shah – Chair, Health and Social Care Sub-Committee

Councillor Vina Mithani – Vice-Chair, Health and Social Care Sub-Committee and Health Scrutiny Lead

Our role

Together, with the Health and Social Care Scrutiny Sub-Committee, we consider health, social care and wellbeing issues key to Harrow residents on a local, London-wide and national level. The aim of our work has been to provide strategic support and a resident's perspective to the local CCG and NHS who strategically plan local services around access to primary and acute care. We also seek to identify what we councillors, as community leaders, can do to encourage residents to make best and most appropriate use of the healthcare resources available to them in Harrow.

We have pursued this by scrutinising the main health stakeholders in Harrow through our Health and Social Care Sub-Committee which meets three times a year as well as additional meetings with stakeholders in private sessions, including NHS colleagues and senior council directors, and also with our scrutiny councillor colleagues through the Scrutiny Leadership Group. Further, we represent Harrow's interests on the NW London Joint Overview and Scrutiny Committee, which has oversight of health services on a sub-regional level.

The focus of our work over the past year

Covid-19 has obviously dominated the work of the Health and Social Care Scrutiny Sub-Committee in 2020/21 as we assessed the situation in care homes and hospitals, community infection rates and testing, and the rollout of the vaccination programme. However we have also continued to monitor the reorganisation of CCGs in North West London into a single CCG, the Mount Vernon Cancer Centre Review, progress on the Out of Hospital Plan, the council's Adult Social Care Strategy, the Mental Health Strategy / Mental Health Review and regular updates on the work of the NW London JHOSC. Equally, as scrutiny leads, we have continued to meet with relevant stakeholders through our quarterly meetings with the Director of People's Services and the Director of Public Health at Harrow Council.

The impact and value of our scrutiny

Although operating remotely in 2020/21, through scrutiny we have ensured that the council's response and effectiveness of responding to the Covid-19 pandemic in Harrow has continued to be monitored as well as ensuring that other important areas of health in Harrow continued to be scrutinised.

We believe that this will lead to improved outcomes for Harrow residents and lessons learned as we continue to deal with Covid-19 for the foreseeable future. We have also used the messages highlighted to us by NHS colleagues in our own role as community leaders, for example around measures to prevent the transmission of coronavirus and challenging some myths about vaccination.

Looking ahead

Covid-19 will continue to dominate our work in the year ahead as we monitor the continuation of community testing and the completion of the vaccination programme in Harrow as well as assess the lessons learned from the pandemic. We will also continue to monitor the reorganisation of CCGs in North West London, the completion of the Mount Vernon Cancer Centre Review and impact on Harrow residents following the arrival of the long anticipated White Paper on Social Care. Equally, as scrutiny leads we will continue to meet with relevant stakeholders.

“I have a long standing interest in health and social care issues, both through my previous policy work in the charity sector, and through my own personal family experience in recent years dealing with navigating the complexities of the social care system and related hospital admissions. So I welcome the opportunity to be able to scrutinise these decisions locally here in Harrow – working on behalf of our residents to hold key local stakeholders to account and to improve health outcomes for our residents.”

Cllr Michael Borio, Health Scrutiny Lead

PEOPLE SCRUTINY LEADS



Councillor Janet Mote, People Scrutiny Lead

Councillor Jerry Miles, People Scrutiny Lead

Our role

As scrutiny lead members for the People Directorate, we have a huge role in looking after everybody – from birth to old age. Our role is to be a critical friend to the organisation and to help the residents of Harrow. One of the best things about scrutiny is that it is cross-party – not political at all: we all work together.

In our role, it is so important to go out and meet the people, but that has not been possible over the last year with Covid-19 restrictions. We have had to find out what people are doing through other ways and get to know all the good things being done on the ground. We talk to the Corporate Director Paul Hewitt on a quarterly basis to chart progress in the directorate's work and better understand the challenges.

The focus of our work over the past year

Many of the challenges have been Covid-related and its significant impact on adult social care, the elderly in care homes and the community, schools, children and their families. The staff supporting these groups have been truly amazing over the last year.

We also want to highlight the superb roll out of the Covid-19 vaccination programme in Harrow and thank all those involved in protecting our most vulnerable residents and wider communities.

The impact and value of our scrutiny

We have continued to check that safeguarding is in place, as well as the health and wellbeing of families and schools, and monitoring care homes as well. We continue to exercise scrutiny's role of being a critical friend, trying to make sure all possible was done.

Looking ahead

Looking ahead, we need to keep check of the aftermath and consequences of Covid-19 and make sure the council makes best use of the lessons learnt in continuing to do the best for our residents.

COMMUNITY SCRUTINY LEADS



Councillor Jean Lammiman, Community Scrutiny Lead

Councillor Ghazanfar Ali, Community Scrutiny Lead

“This is a positive and rewarding area to work in! You can see the benefits of how you can make a difference - it’s not about you, it’s about the community. It is also so important to build community messaging, so people feel part of it. We enjoy working together and with officers. It’s been good working on this brief - informative and we’ve been able to help - and we’re proud of being community representatives.”

Our role

In Community, we look at a wide range of issues from environment, libraries and homelessness to cleanliness, fly-tipping and bins - things that affect residents directly.

The focus of our work over the past year

Our brief is a wide brief with things heightened due to Covid-19. A good part of our attention this year has been on homelessness and housing, and it is very important for us to identify with officers where to focus. The Homelessness Reduction Act is two years old now. Covid-19 has increased rough sleeping and made it worse for low income families – landlords are after them with eviction notices and making life hard. There’s a stop on eviction at the moment but we know that people are acting against the law.

We have also focused on the development of an economic recovery strategy for the borough, concentrating on the immediate impacts of Covid-19, resulting pressures, homelessness and safeguarding implications. The stress of home-schooling during lockdowns is a pressure cooker, financial issues and homelessness all lead to other concerns, for example mental health issues, as picked up by the Health and Social Care Scrutiny Sub-Committee. The economic recovery work has been slowed due to Covid-19 related limitations on businesses, although business grants and the furlough scheme are available.

Harrow’s housing stock is very low and has historically been so. We are doing what we can to develop new stock and scrutiny scrutinises that! It is really about attempting to enhance people’s lives when they are at their wits end. Another issue, high on the agenda especially now, is community messaging. We need to work together as a community and councillors’ cross-party working is key to getting messages across.

The impact and value of our scrutiny

We are going through a difficult time because of Covid-19 and it has highlighted impacts and areas of difficulty, including:

- Homelessness – a Homelessness Action Board has been set up this year and we received regular updates from this.
- Bin collections.
- Fly tipping – we have kept a watching brief on this for some time. It is unfortunately not just a few bags! It can be indicative of Housing of Multiple Occupancies, and further there is the issue of alleyways being blocked by fly tipping.
- Highways maintenance – building on our review in 2019, we focus on communications so complaints that come in are properly responded to – and as priority, if a priority. Our review highlighted that communications between the Highways Team and residents is important and we have asked that residents are informed in good time of street works. The other side is ensuring consultation with residents not imposing things on them, and that timely consultation is part of the communications process.

We are doing well with our watching brief – it has given us a focus and we work collaboratively with the Corporate Director for Community and Portfolio Holders who understand that we are watching progress. As scrutiny leads, we have a plan agreed for the briefings we receive throughout the year. We are also in discussion with officers all the time - regular meetings with officers, on environment and highways, has helped solve many issues!

Accountability is a really strong message: we both want to feel that the council is properly aware and is held accountable. For us, taking issues that are affecting our diverse communities, to officers means that accountability comes through a proper scrutiny process.

Looking ahead

Taking a quarterly approach, in the first quarter (April to June), we want to examine fly tipping, garden waste and the Environment department's restructure – in addition to our brief on homelessness and economic strategy. Fly tipping remains key throughout. For the following quarter (July to September), we want to focus on enforcement and planning – to address contraventions of any rules we need enough people to support and enforce during Covid-19.

“Enforcement in the second lockdown has been very good – we are genuinely a learning organisation and should be congratulated for it.”

RESOURCES SCRUTINY LEADS



Councillor Honey Jamie, Resources Scrutiny Lead

Councillor Kantilal Rabadia, Resources Scrutiny Lead

Our role

Our scrutiny role enables us, in chosen areas, to review the work undertaken by council officers as part of the council's strategic plans and objectives for a better and effective service to residents. Reviewing performance against the desired outcomes enables us to hold the council to account. By working with officers around policy changes and service improvements we can help shape the future offer to residents.

The focus of our work over the past year

We are involved in shaping the scrutiny work programme as part of the Scrutiny Leadership Group. Our focus is to ensure that services and programmes within the Resources directorate are reflected in scrutiny's work. We work with the Resources corporate director to understand the improvements made by the directorate as part of the modernisation and transformation programme. This year, however, has been different and we recognise that a lot of the organisation's capacity has gone into responding to the emergencies posed by the pandemic and supporting residents and businesses to deal with the impact. This has needed Harrow's technology to move with the times and also placed emphasis on how the council interacts with residents – face to face is no longer an option in most cases – the council has had to adapt to new ways of working due to the challenges thrown at it by the pandemic. So, we are pleased that the Overview and Scrutiny Committee has considered the implementation of the council's new IT services and channel migration, for example.

The impact and value of our scrutiny

We started a review of shared services in 2019 and held a challenge panel just before the pandemic started. This review examined several Harrow case studies of existing and past shared services with a view to determining the success and learnings from such arrangements. Unfortunately, we had to pause the review as the pandemic meant stretched organisational capacity. Nevertheless, we reported back our findings to date and initial conclusions to the Overview and Scrutiny in April 2021 and have asked that Cabinet consider the recommendations when Executive capacity allows.

Looking ahead

We anticipate that our work next year to concentrate on the longer-term impact of Covid-19 and how the council's services can continue to help residents and businesses recover from the pandemic. As services have adapted and transformed, we need to make sure this does not leave some in society behind, for example due to digital exclusion.

APPENDIX: SCRUTINY COMMITTEE BUSINESS AND ATTENDANCE 2020-2021

Overview and Scrutiny Committee		
<p>Chair: Councillor Sachin Shah Vice-Chair: Councillor Stephen Greek</p> <p>Other members: Councillors Dan Anderson; Jeff Anderson; Sarah Butterworth; Honey Jamie; Jean Lam-miman; Chris Mote; Kantilal Rabadia</p> <p>Co-optees: Mr N Ransley, Reverend P Reece, Mr M Chandran, Ms M Trivedi, Harrow Youth Parliament representative</p> <p>Committee details and agenda papers for meetings available on Harrow Council website</p>		
Meetings	Attendance	Main Items
2 June 2020	<p>Portfolio Holders: Councillor Graham Henson Councillor Adam Swersky</p> <p>From outside agencies: None</p>	<p>Establishment of Sub-Committees 2020/21</p> <p>Appointment of Scrutiny Leads 2020/21</p> <p>The Council's Response to Covid-19 - Question and Answer Session with the Leader of the Council and the Chief Executive</p>
7 July 2020	<p>Portfolio Holders: Councillor Graham Henson Councillor Krishna Suresh Councillor Adam Swersky</p> <p>From outside agencies: Acting Chief Inspector of the Metropolitan Police (NW London Command Unit)</p>	<p>Covid-19 - Impact on Policing - Question and Answer Session</p> <p>Covid-19 - Economic Recovery and Update - Question and Answer Session</p>
1 September 2020	<p>Portfolio Holders: Councillor Keith Ferry</p> <p>From outside agencies: Pinsent Masons LLP – council's external legal advisor Avison Young – council's external commercial advisors</p>	<p>Harrow Strategic Development Partnership - Appointment of Preferred Bidder</p>
20 October 2020	<p>Portfolio Holders: Councillor Graham Henson Councillor Varsha Parmar Councillor Adam Swersky</p> <p>From outside agencies: None</p>	<p>Question and Answer Session with the Chief Executive and Leader of the Council on the Council's ongoing Emergency Response to the Covid-19 Pandemic</p> <p>Borough Plan Update</p> <p>Equalities, Diversity and Inclusion Strategic Framework</p> <p>Refreshed Scrutiny Work Programme 2020/21</p> <p>Scrutiny Annual Report 2019-20</p>
8 December 2020	<p>Portfolio Holders: Councillor Adam Swersky</p>	<p>Update on the Implementation of New IT services</p>

Scrutiny Annual Report 2020-2021

	Councillor Krishna Suresh From outside agencies: None	Quarterly Crime Report December 2020
12 January 2021	Portfolio Holders: Councillor Adam Swersky From outside agencies: None	Question and Answer Session with the Leader of the Council and the Chief Executive (part of the Council's general annual consultation process on the budget).
20 April 2021	Portfolio Holders: From outside agencies:	To be completed following meeting

Performance and Finance Scrutiny Sub-Committee		
<p>Chair: Councillor Kiran Ramchandani Vice-Chair: Councillor Pritesh Patel</p> <p>Other members: Councillors Ghazanfar Ali, Honey Jamie, Nitesh Hirani</p> <p>Committee details and agenda papers for meetings available on Harrow Council website</p>		
Meetings	Attendance	Main Items
27 July 2020	Portfolio Holders: Councillor Adam Swersky From outside agencies: None	Revenue and Capital Outturn 2019-2020 Coronavirus (Covid-19) Report - Economic Recovery and Update
14 December 2020	Portfolio Holders: Councillor Adam Swersky Councillor Simon Brown Councillor Christine Robson From outside agencies: None	Children and Adult Social Care Complaints Annual Reports 2019/2020 Reports from the Director of Finance: 1) Revenue and Capital Monitoring 2020/21 - as at Quarter 2 (30 September 2020) 2) Draft Revenue Budget 2021/2022 and Draft Medium Term Financial Strategy 2021/2022 to 2023/2024; and 3) Draft Capital Programme 2020/2021 to 2023/2024.
22 March 2021	Portfolio Holders: Councillor Adam Swersky From outside agencies: None	Responding to the Recommendations from the Universal Credit Commission Channel Migration Presentation Revenue and Capital Monitoring 2020/21 – as at Quarter 3 (December 2020) Final Revenue budget 2021/22 and Final Medium Term Financial Strategy 2021/22 to 2023/24

Health and Social Care Scrutiny Sub-Committee		
Chair: Councillor Rekha Shah Vice-Chair: Councillor Vina Mithani		
Other members: Councillors Michael Borio, Dr Lesline Lewinson, Natasha Proctor		
Co-optees: Julian Maw (Healthwatch Harrow), Dr N Merali (Harrow Local Medical Committee)		
Committee details and agenda papers for meetings available on Harrow Council website		
Meetings	Attendance	Main Items
24 June 2020	Portfolio Holders: Councillor Simon Brown From outside agencies: Harrow CCG NWLH NHS Trust Mind in Harrow CNWL	Covid-19 - Recovery Plan for the Harrow, Health and Care Partnership (Integrated Care Partnership)
19 November 2020	Portfolio Holders: Councillor Simon Brown Councillor Christine Robson From outside agencies: Harrow CCG NWLH NHS Trust CNWL NHS England and NHS Improvement	Mental Health Strategy / Mental Health Review Mount Vernon Cancer Services Review - Update Progress on Out of Hospital Plan Response to Covid-19 Update Adult Social Care Strategy Update from NW London Joint Health Overview & Scrutiny Committee
23 February 2021	Portfolio Holders: Councillor Simon Brown Councillor Christine Robson From outside agencies: Harrow CCG NWLH NHS Trust NHS England and NHS Improvement	Mount Vernon Cancer Services Review - Update Update on Health and Social Care Response to Covid-19 Update from NW London Joint Health Overview & Scrutiny Committee



Report for: Overview and Scrutiny Committee

Date of Meeting:	20 April 2021
Subject:	Scrutiny Work Programme 2021-2022
Responsible Officer:	Alex Dewsnap, Director of Strategy & Partnerships
Scrutiny Lead Member area:	All
Exempt:	No
Wards affected:	All
Enclosures:	Scrutiny Work Programme 2021-2022

Section 1 – Summary and Recommendations

This report provides the Scrutiny Work Programme for 2021-2022, as developed by the Scrutiny Leadership Group which comprises the chairs and vice-chairs of the Overview and Scrutiny Committee and its sub-committees, and the Scrutiny Lead members.

Recommendations:

The Overview and Scrutiny Committee is asked to:

- a) Consider and approve the Scrutiny Work Programme to guide Harrow scrutiny's work for 2021-2022.
- b) Submit the Scrutiny Work Programme 2021-2022 to Full Council for endorsement.

Section 2 – Report

The four-year Scrutiny Work Programme for 2018-2022 was developed after the last local elections in Harrow, agreed by O&S in September 2018 and presented to Council for consideration in November 2018.

The Scrutiny Leadership Group which comprises the chairs and vice-chairs of the Overview and Scrutiny Committee and its sub-committees, and the Scrutiny Lead members, are the guardians of the scrutiny work programme and use it to support their role in providing the strategic direction of scrutiny in Harrow. The Scrutiny Leadership Group meets bi-monthly to review and assess progress on the work programme. The items in the work programme form the in-year forward plan for the Overview and Scrutiny Committee and its sub-committees.

Given changing priorities, especially in light of the unprecedented situation presented by the Covid-19 pandemic and the need to respond to this as a council and community, the Scrutiny Leadership Group refreshed the scrutiny work programme for 2020-2022 to reflect the change in priorities and focus for scrutiny. The refreshed work programme was agreed by the Overview and Scrutiny Committee in October 2020 and endorsed by Council in November 2020.

The attached work programme provides the updated work programme for 2021-2022 (Year 4 of the administrative cycle) and progress for 2018-21 (Years 1 to 3), shaded in grey, by way of reference.

Ward Councillors' comments

Not applicable as report relates to all wards.

Financial Implications

There are no financial issues associated with this report.

Performance Issues

There are no performance issues associated with this report.

Environmental Impact

There is no environmental impact associated with this report.

Risk Management Implications

There are no risk management implications associated with this report.

Equalities implications / Public Sector Equality Duty

An Equalities Impact Assessment has not been undertaken for this report as it summarises the activities of scrutiny and does not propose any changes to service delivery.

Council Priorities

All

Section 3 - Statutory Officer Clearance

Not required for this report.

Mandatory Checks

Ward Councillors notified: No, as it impacts on all wards

Section 4 - Contact Details and Background Papers

Contact: Nahreen Matlib, Senior Policy Officer, 07874 891499,
nahreen.matlib@harrow.gov.uk

Background Papers: None

This page is intentionally left blank

Scrutiny Work Programme 2021 – 2022

Background

In 2018, the Overview and Scrutiny Committee agreed a 4-year scrutiny work programme (2018-2022). The Scrutiny Leadership Group are the custodians of the Scrutiny Work Programme and meet bi-monthly to ensure the work programme remains current, is delivering and to agree the escalation of any issues from Scrutiny Leads or committees. Routine and standing items such as statutory reports, follow up to scrutiny reviews, health consultations and Q&A sessions are added to the in-year forward plans for each of the scrutiny committees. In addition, performance indicators from the P&F ‘watchlist’ are added to the Leads’ remits. This allows the work programme to be flexible and respond to developing and emerging need. Work that scrutiny launches in year one may carry on into subsequent years.

Given changing priorities, especially in light of the unprecedented situation presented by the Covid-19 pandemic and the need to respond to this as a council and community, the Scrutiny Leadership Group decided to refresh the scrutiny work programme for 2020-2022 to reflect the change in priorities and focus for scrutiny. This was agreed by O&S in October 2020 and endorsed by Full Council in November 2020.

Given below the proposed Scrutiny Work Programme for 2021-2022 (Year 4), with the work programme for 2018-2021 (Years 1 to 3) shaded and provided by way of reference.

Proposed Scrutiny Work Programme Year 4: 2021-22

Scrutiny Method	Priority	Objective	Cabinet Member/Partner	Comments
Year 4 2021/2022				
Overview & Scrutiny	Impact of Covid-19 pandemic on the organisation and local communities <ul style="list-style-type: none"> • The ‘new normal’ 	Recovery, resilience and longer term implications	Cllr Graham Henson / Cllr Adam Swersky	

45

	<ul style="list-style-type: none"> Lessons learnt 			
	<p>Regeneration</p> <ul style="list-style-type: none"> Progress of the HSDP (joint venture) Developing strategy for delivering HSDP and HNC 	Policy development of regeneration plans	Cllr Graham Henson	
	<p>Equalities</p> <ul style="list-style-type: none"> Council's action plan in response to Patrick Vernon's independent race review Development of council's EDI strategy 	<p>Policy development on Equality, Diversity & Inclusion.</p> <p>Tackling inequalities, as prioritised in Borough Plan and highlighted by disproportionate impacts of Covid on individuals and communities.</p>	Cllr Varsha Parmar	
Performance and Finance	Budget – financial impact of Covid-19 pandemic	Recovery, resilience and longer term implications	Cllr Adam Swersky	
	Performance – TBC		Cllr Adam Swersky	Pending re-establishment of performance reporting cycles.
Health Sub	Covid-19 – impact on Harrow communities and health inequalities (link to public health strategies)	<p>Recovery, resilience and longer term implications</p> <p>Addressing inequalities, especially in BAME communities</p>	<p>Cllr Simon Brown</p> <p>Harrow CCG</p> <p>LNWHT</p>	
	Mount Vernon Cancer Centre Review	Reconfiguration and re-location of cancer services at	NHS England & NHS Improvement	Public consultation currently planned for Autumn 2021 - this

		Mount Vernon Hospital	Harrow CCG	may ask affected local authorities to establish a JHOSC.
Scrutiny Reviews	TBC – possible review of council’s consultation and engagement processes	.	Cllr Sue Anderson	
	TBC – possible review of council’s enforcement regimes (e.g. community safety, planning)		Cllr Krishna Suresh Cllr Keith Ferry	

Scrutiny Work Programme Years 1 to 3: 2018-2021

47

Scrutiny Method	Priority	Objective	Cabinet Member/Partner	Comments
Year 1 2018/2019				
Overview & Scrutiny	ASB & Youth Crime	Contribute to the development of the Community Safety Violence, Vulnerability and Exploitation Strategy and Youth Offending Plan.	Cllr Krishna Suresh	Green Programmed into O&S forward plan for April and June 2019
	Waste, Recycling and Fly-tipping	How might we ensure the councils waste strategy and enforcement activity have a positive impact on increasing recycling levels and reducing flytipping. How might we ensure the depot redevelopment plans have a positive impact on increasing recycling levels and reducing flytipping. How might we use technology so that we can improve the bin collection system	Cllr Varsha Parmar	Green A series of three reports agreed and programmed into O&S agenda: <ul style="list-style-type: none">- Waste strategy and recycling performance- Flytipping- Use of technology Need to think about how scrutiny can make recommendations in committee as well as in reviews.
	Adult Social Care	How is the council responding to the Government	Cllr Simon Brown	Green

		consultation on care and support for older people		Delayed as Government consultation has been delayed Report on Resilient Harrow (adults social care programme) presented to O&S in January 2020.
Performance and Finance	Children's services demand pressures & budget	Focus on understanding the children's services budget pressures, forecasts and savings proposals and the impact these are having on performance.	Cllr Christine Robson	Amber No specific agenda items scheduled on this topic for P&F, discussed in the context of the whole council budget. Budget report scheduled for December.
	Adult Social care demand pressures & budget	Focus on understanding the adult social care budget pressures, forecasts and savings proposals and the impact the these and the new 'resilient communities' vision are having on performance.	Cllr Simon Brown	Green A report on the Impower review was scheduled into the P&F agenda for March 2019 but was pulled because rather than a report, officers are now taking the findings from Impower and using them to set up a new programme board. The projects that will sit underneath this are still being worked out and will be wider than just the Impower work. Officers are happy to bring a paper on the programme board to a future committee meeting. Report on Resilient Harrow (adults social care programme) presented to O&S in January 2020.
Health Sub	Mental Health	How might we work together to improve young people's mental health in the borough Follow up on progress to date on the scrutiny review into maternity services at Northwick Park Hospital. Part of CQC inspection report and action plan.	CNWL Barnardo's Young Harrow Foundation NWLHT	Red Not been a part of the Health sub's agenda this year due to the priority given the CQC inspection of Northwick Park hospital and changes to Alexandra Avenue walk-in services. Mental health strategy programmed in for Summer/Autumn 2020. Green The Committee has had regular reports on the CQC inspection and subsequent improvement plan.

Scrutiny Reviews	ASB and youth crime (Resources & Children's Leads)	How might we use all the council's policies (especially planning, licensing and regeneration) to contribute to reducing ASB and youth crime.	Cllr Krishna Suresh,	Green Review completed
	Road Maintenance (Communities Leads)	How might we better inform, engage and consult with residents so that the agreed work schedule addresses the concerns of residents as raised in the 2017 residents' survey.	Cllr Varsha Parmar	Green Review completed
Scrutiny Leads	People's	Children's demand pressures and budget Adult demand pressures and budget	Paul Hewitt, Visva Sathasivam	
	Communities	Waste, Recycling & Flytipping In-work Poverty	Paul Walker	
	Resources	Capital programme Customer services and access to services/digital exclusion Strategic Community Safety	Alex Dewsnap	
	Health	Life expectancy Health and Social Care Integration (STP, Accountable Care, Better Care Fund)	Paul Hewitt, Carole Furlong	
Scrutiny Method	Priority	Objective	Cabinet Member/Partner	Comments
Year 2 – 2019/2020				
Overview & Scrutiny	Regeneration Strategy	Infrastructure Review Lobbying Strategy The Strategic Delivery Partnership Emerging Wealdstone Plan (building on previous scrutiny reviews)	Cllr Keith Ferry	Green Report came to Sept O&S following up the scrutiny review of regen finance. Further reports, activity to be agreed Report on implementation of review's recommendations came to O&S in January 2020.
	Adult Social Care	How is the new 'Resilient Communities' vision and transformation programme contributing to reducing	Cllr Simon Brown	Green

		<p>spend and demand pressures and supporting the growing ageing population in the borough.</p> <p>How is the council responding to the Government consultation on care and support for older people – subject to any government announcement during the year.</p>		<p>A report on the Impower review was scheduled into the P&F agenda for March 2019 but was pulled because rather than a report, officers are now taking the findings from Impower and using them to set up a new programme board. The projects that will sit underneath this are still being worked out and will be wider than just the Impower work. Officers are happy to bring a paper on the programme board to a future committee meeting.</p> <p>This was scheduled for O&S November 2019, which was subsequently re-scheduled due to the general election. Report on Resilient Harrow (adults social care programme) presented to O&S in January 2020.</p>
	Shared Services	How might we learn from six years of shared services initiatives so that any future shared service ventures benefit Harrow residents.	Cllr Adam Swersky	<p>Amber</p> <p>The review held a challenge panel in March 2019. Members requested further information from officers and discussion with the Portfolio Holder before the final report and recommendations can be completed. Work on this project was suspended due to the Covid emergency and therefore did not report back to O&S as planned. A report is now due to O&S in April 2021.</p>
	ASB and Youth Crime	Explore our understanding of the drivers of Youth crime to that the Community Safety Violence, Vulnerability and Exploitation Strategy and Youth Offending Plan are responding effectively.	<p>Cllr Krishna Suresh</p> <p>Borough Commander</p>	<p>Green</p> <p>VVE strategy, YOT plan and Scrutiny review into youth violence all considered at for June O&S</p>
Performance and Finance	Budget	<p>Adult social care budget – what is replacing project Infinity?</p> <p>MTFS budget strategy</p>	Cllr Adam Swersky	<p>Green</p> <p>MTFS and draft budget considered by P&F in December, feeding into O&S Q&A on budget in January.</p>
	Performance	<p>Digitisation of customer services - What impact is the move to digital and online services/customer contact having on residents' ability to access services.</p> <p>Innovation</p>	Cllr Adam Swersky	<p>Amber</p> <p>Scheduled for P&F March 2021.</p>
Health Sub	Public Health Need and Health Inequalities			<p>Green</p> <p>Public health report came to Health Sub in June.</p>

	Patient Transport NHS Long-Term Plan Performance at Northwick Park Hospital			Patient transport and NHS long term plan is being considered at regional level through the JHOSC LNWHT's quality account considered by Health Sub in June.
Scrutiny Reviews	Shared Services	Lessons learnt, other councils' experiences, impact on savings and improving quality	Cllr Adam Swersky	Amber Cllr Kantilal Rabadia as Chair. The review held a challenge panel in March 2019. Members requested further information from officers and discussion with the Portfolio Holder before the final report and recommendations can be completed. Work on this project was suspended due to the Covid emergency and therefore did not report back to O&S as planned. A report is now due to O&S in April 2021.
	Annual Report Review	Sub-group to meet and review format and structure of annual report		Green Cllr Richard Almond and Cllr Jean Lammiman met and report back progress through SLG. Comms Team have agreed helped pull together annual report for 2019-20. Work on the Scrutiny Annual Report was suspended due to the Covid emergency. Reported back to O&S in October 2020 and Council thereafter.
	TBC			
Scrutiny Method	Priority	Objective	Cabinet Member/Partner	Comments
Year 3 2020/2021				
Overview & Scrutiny	Impact of Covid-19 pandemic on the organisation and local communities <ul style="list-style-type: none"> Council response to the emergency The 'new normal' 	Emergency response Recovery and longer term implications	Cllr Graham Henson / Cllr Adam Swersky	Green O&S has continuing discussions with the Leader and Chief Executive on the response to and impact of the Covid-19 pandemic. Covid updates have been presented to O&S in June, July, October and January meetings. Much of the council's work going forward will focus on the impact of Covid and therefore scrutiny will reflect this in its work programme.

	<p>Regeneration</p> <ul style="list-style-type: none"> Progress of the HSDP (joint venture) Developing strategy for delivering HSDP and HNC 	<p>Pre-decision scrutiny</p> <p>Policy development of regeneration plans</p>	<p>Cllr Keith Ferry</p>	<p>Green</p> <p>Scrutiny receives an informal briefing from officers whilst the Cabinet report is being drafted. This is then considered formally at O&S ahead of the Cabinet meeting which receives a revised report including scrutiny's comments. This process was adopted for the Stage 1 report in September and will be replicated for Stage 2 reporting on the accommodation strategy in April.</p>
	<p>Policing</p> <ul style="list-style-type: none"> Response to and impact of Covid-19 pandemic and lockdown Issues relating to BAME communities in light of Black Lives Matter 	<p>Emergency response</p> <p>Recovery and longer term implications</p> <p>Addressing inequalities and unfairness</p>	<p>Cllr Krishna Suresh</p> <p>Borough Commander</p>	<p>Green</p> <p>O&S invited the Borough Commander to O&S in July to discuss policing in Harrow and subsequently community safety performance was considered by O&S in December.</p>
Performance and Finance	<p>Budget – financial impact of Covid-19 pandemic</p>	<p>Recovery and longer term implications</p>	<p>Cllr Adam Swersky</p>	<p>Green</p> <p>P&F considered the 2019/20 outturn in July, including the impact of Covid. In December, it looked at the draft budget papers, to inform the O&S Q&A in January.</p>
	<p>Performance – digital inclusion</p>	<p>Council's approach to digital inclusion and impact on different communities</p>	<p>Cllr Adam Swersky</p>	<p>Amber</p> <p>Scheduled for P&F in March.</p>
Health Sub	<p>Covid-19 – impact on health and social care services in Harrow</p>	<p>Emergency response</p> <p>Recovery and longer term implications</p>	<p>Cllr Simon Brown</p> <p>Harrow CCG</p> <p>LNWHT</p>	<p>Green</p> <p>Regular discussion at Health Sub – June, November and February meetings.</p>
	<p>Covid-19 – impact on Harrow communities and health inequalities (link to public health strategies)</p>	<p>Emergency response</p> <p>Recovery and longer term implications</p> <p>Addressing inequalities</p>	<p>Cllr Simon Brown</p> <p>Harrow CCG</p>	<p>Green</p> <p>Regular discussion at Health Sub – June, November and February meetings. Use of Healthwatch quarterly trends report (survey of 300+ residents) to identify disproportionate impact on communities.</p>

	Mental health and wellbeing		Cllr Simon Brown	Amber Discussion started at November Health Sub, to be followed up at subsequent meeting. MIND Harrow and CNWL involved in discussions.
Scrutiny Reviews	Delivering the Borough Plan	Engagement on themes Reducing inequalities	Cllr Graham Henson	Amber Work on the Borough Plan is paused due to stretched organisational capacity.
	Council actions to address equalities	Developing and delivering an equalities action plan Scrutiny's role in cross-party member working group		Green An update on corporate equalities work was presented to O&S in October. Scrutiny involvement in the cross-party members' group continues.
	Adult social care reform	White paper (expected soon) – analysis of implication on Harrow and council response to consultation	Cllr Simon Brown	Amber White paper yet to be published.
	Policy development in council strategies – how to engage scrutiny	Scrutiny's role in policy development and pre-decision scrutiny	Cllr Graham Henson	Amber No formal consideration yet, however progress of HSDP scrutiny demonstrates a good working approach to scrutiny's role in policy development?
Outstanding from Year 2 2019/2020	O&S/Review – Shared Services			Amber Scheduled to report back to April O&S, with relaxation of expectations on timing of Executive response given current organisational capacity stretch.
	P&F – MTFS Budget Strategy			Green Considered at P&F in December
	P&F – Digitisation on customer services			Amber Scheduled for March P&F.
	Scrutiny Annual Report 2019/20			Green Presented to Council in November.



**Report for: Overview and Scrutiny
Committee**

Date of Meeting:	20 April 2021
Subject:	Shared Services Scrutiny Review Report
Responsible Officer:	Alex Dewsnap, Director of Strategy & Partnerships
Scrutiny Lead Member area:	Resources: Councillor Kantilal Rabadia Councillor Honey Jamie
Exempt:	No
Wards affected:	All
Enclosures:	Shared Services Scrutiny Review Report

Section 1 – Summary and Recommendations

This report presents the findings and recommendations from the Shared Services Scrutiny Review. The review started work in late 2019 but had to conclude early in March 2020, as the Covid-19 pandemic diverted resources and continues to stretch organisational capacity.

Recommendations:

The Overview and Scrutiny Committee is asked to:

- a) Consider and endorse the report from the Shared Services Scrutiny Review
- b) Forward the review's report and recommendations to Cabinet, for consideration and response.
- c) In line with Rule 25.1.1 of the Committee Procedure Rules in the Constitution, suspend Rule 36.5, to allow the Executive a longer timeframe within which to respond, in recognition of current stretch in organisational capacity. A revised deadline of September 2021 by which to respond is provided.

Section 2 – Report

The Overview and Scrutiny Committee commissioned a review of shared services in its work programme for 2019/20 and agreed the review's scope in September 2019 outlining the following aim and objectives for the review:

The purpose of this review is to better understand and influence how shared services can be part of the Council's future commissioning decisions, to deliver better outcomes for residents as well as making efficiencies for the Council.

The objectives of the review as set out in the scope are:

1. To understand what a shared service is and the protocol the Council follows to enter into a shared service; how this can be improved in terms of the criteria including financial, risk management, quality of service and efficiency.
2. To understand the history of Harrow's shared services and the lessons learnt, especially with regards to efficiency savings for the Council.
3. Use the intel and lessons learnt to guide future shared service ventures.
4. To research and understand best practice, lessons learnt on sharing services and how these can be adopted and implemented at Harrow Council.

The review group held a challenge panel in March 2020, shortly after which scrutiny work was paused for a couple of months in light of the Covid-19 pandemic.

When scrutiny re-started, its priorities and work programme was refreshed to reflect the new and emerging priorities for Harrow. It is against this backdrop that this report is delayed and incomplete as council resources and capacity continue to be diverted to respond to the pandemic and mitigating its adverse impact. It is important to note that although the report is published in April 2021, the review work concluded in March 2020 and conclusions/ recommendations are framed accordingly.

The review makes the following recommendations:

- Recommendation 1: that every decision that the council takes around future shared service arrangements should be supported by robust feasibility studies, options appraisals and business case, which have been considered by CSB and had the opportunity to be critically and constructively challenged by members.
- Recommendation 2: that the council develops a checklist of considerations that any future shared services agreement process must take account in order to be confident that the shared service is beneficial to Harrow Council and that any risks identified can be mitigated. This can build on the checklist suggested by the review group.
- Recommendation 3: that the outstanding information identified by the Review Group following the Challenge Panel is followed up by O&S as and when appropriate, and as scrutiny work programme and resources allow.

Ward Councillors' comments

Not applicable as report relates to all wards.

Financial Implications

There are no financial issues associated with this report.

Performance Issues

There are no performance issues associated with this report.

Environmental Impact

There is no environmental impact associated with this report.

Risk Management Implications

There are no risk management implications associated with this report.

Equalities implications / Public Sector Equality Duty

An Equalities Impact Assessment has not been undertaken for this report as it summarises the activities of scrutiny and does not propose any direct changes to service delivery.

Council Priorities

All – as shared service arrangements can be applied to most service areas of the council.

Section 3 - Statutory Officer Clearance

Not required for this report.

Mandatory Checks

Ward Councillors notified: No, as it impacts on all wards

Section 4 - Contact Details and Background Papers

Contact: Nahreen Matlib, Senior Policy Officer, 07874 891499,
nahreen.matlib@harrow.gov.uk

Background Papers: None

April 2021

Overview and Scrutiny Committee

Shared Services

Report from Scrutiny Review Group

Review Group Members

Councillor Kantilal Rabadia (Chair)

Councillor Honey Jamie

Councillor Richard Almond

Councillor Jeff Anderson

Councillor Maxine Henson

Councillor Kairul Marikar

Councillor Anjana Patel

CONTENTS

	Page
RECOMMENDATIONS	3
BACKGROUND	3
OUR APPROACH	4
WHAT THE INTELLIGENCE IS TELLING US	5
OUTSTANDING ENQUIRIES	22

Version History:

11 March 2020 – first draft

13 July 2020 – second draft

1 April 2021 – final draft for publication

Report produced by the Policy Team – for further information, contact the Policy Team at corporate.policy@harrow.gov.uk

RECOMMENDATIONS

Our recommendations, as contained in the body of our report, are summarised below:

RECOMMENDATION 1: that every decision that the council takes around future shared service arrangements should be supported by robust feasibility studies, options appraisals and business case, which have been considered by CSB and had the opportunity to be critically and constructively challenged by members.

RECOMMENDATION 2: that the council develops a checklist of considerations that any future shared services agreement process must take account in order to be confident that the shared service is beneficial to Harrow Council and that any risks identified can be mitigated. This can build on the checklist suggested by the review group.

RECOMMENDATION 3: that the outstanding information identified by the Review Group following the Challenge Panel is followed up by O&S as and when appropriate, and as scrutiny work programme and resources allow.

BACKGROUND

The economic climate and growing pressures on public services have had a marked impact on attitudes to service transformation. CIPFA reports that 63% of senior local government executives now strongly agree the front-line will suffer if authorities do not radically change how they structure and deliver their core functions. This is manifest in figures collated by the LGA, which shows local government is leading the public sector in implementing shared services. At least 98% of councils across the country currently share services with other councils, amounting to savings of £657m across 486 shared services to date (April 2018). As well as sharing with other local authorities, there are examples of councils sharing with other public sector agencies, private sector bodies and with community and voluntary sector organisations. These arrangements can bring financial benefits to councils through the reduction of duplication and improve customer services. There are also risks associated with entering a shared service and this type of service model is not suitable for specific needs at specific times.

Harrow Council already shares some services. HB Public Law was established in 2012 on the merging of Harrow and Barnet's legal teams, which has allowed both councils to enjoy improved services at a reduced cost. It has since expanded and is now one of the leading public sector legal practices in the UK providing legal expertise to local authorities, schools, academies, housing organisations and others in the public and not-for-profit sectors. Harrow had also partnered with Buckingham County Council to deliver HR shared services, although this partnership has now been dissolved. Conversely, Harrow has also been through a disaggregation of shared services, for example with public health (formerly shared with LB Barnet) and procurement (formerly shared with LB Brent).

OUR APPROACH

The Overview and Scrutiny Committee commissioned a review of shared services in its work programme for 2019/20 and agreed this review's scope in September 2019 outlining the following aim and objectives for the scrutiny review:

The purpose of this review is to better understand and influence how shared services can be part of the Council's future commissioning decisions, to deliver better outcomes for residents as well as making efficiencies for the Council.

The objectives of the review as set out in the scope are:

1. To understand what a shared service is and the protocol the Council follows to enter into a shared service; how this can be improved in terms of the criteria including financial, risk management, quality of service and efficiency.
2. To understand the history of Harrow's shared services and the lessons learnt, especially with regards to efficiency savings for the Council.
3. Use the intel and lessons learnt to guide future shared service ventures.
4. To research and understand best practice, lessons learnt on sharing services and how these can be adopted and implemented at Harrow Council.

For our review we started by carrying out desktop research and a literature review of the relevant background documents which was pulled together into a briefing paper and used to inform our discussions. We subsequently held a challenge panel with Charlie Stewart, the council's Corporate Director of Resources and Alex Dewsnap, the council's Director of Strategy and Partnerships, to further investigate generic issues around shared services as well as explore the detail within each Harrow shared service case study.

Just after we held our challenge panel and before we had completed our work, the Covid-19 pandemic rocked the world and has had a devastating effect on many individuals, families and communities across the world. It has also significantly impacted upon public services, not least local councils who have supported communities and the vulnerable to deal with unprecedented times and challenges.

Because of the council's response to the emergency, scrutiny was halted from late March 2020 and when re-established, its priorities and work programme was refreshed to reflect the new and emerging priorities for Harrow. It is against this backdrop that this report is delayed and, we recognise, incomplete as council resources and capacity continue to be diverted to respond to the pandemic and mitigating its adverse impact. It is important to note that although the report is published in April 2021, the review work concluded in March 2020 and conclusions/recommendations are framed accordingly.

However, we are keen that the work that has gone into this review to date is not wasted and offers value to the organisation going forward. To this end, we present a report with findings to date, flagging up further enquiries that O&S may wish to pick up at a later date. The report also includes recommendations that should inform decisions around any future shared services arrangements for the organisation. We have provided the start of a 'checklist' of considerations for the organisation to take into account if thinking to embark on new shared services.

WHAT THE INTELLIGENCE IS TELLING US

For ease of reading, we outline our findings by review objective.

Objective 1 – To understand what a shared service is and the protocol the Council follows to enter into a shared service; how this can be improved in terms of the criteria including financial, risk management, quality of service and efficiency.

What is a Shared Service?

A Shared Service is essentially the distribution of services across local authorities. Initially, the practice of shared services was limited to IT functions, finance and legal services. It has now spread to even more frontline and visible services.

The Local Government Association's recent 2018 data shows that councils were involved in 559 partnerships, saving an estimated £971million. This is a significant rise compared to the first year of the survey in 2011, where around 219 councils were involved in 143 partnerships saving around an estimated £157million. The main reason given for their increased use was that they are considered to cost-effective.

LGA research shows local government is leading the public sector in implementing shared services. At least 98% of councils across the country currently share services with other councils, amounting to savings of £657m across 486 shared services to date (April 2018). As well as sharing with other local authorities, there are examples of councils sharing with other public sector agencies, private sector bodies and with community and voluntary sector organisations. These arrangements can bring financial benefits to councils through the reduction of duplication, and improve customer services.

The National Oversight and Audit Commission (NOAC's) first report on best practice in Shared Services in Ireland describes five types of shared services have developed:

- **Transactional shared services** - Streamlines repetitive back office transactions.
- **ICT enablers shared service projects** - Common ICT systems developed to allow local authorities to optimise support of best practice technology enablers
- **Collaborative shared services** - Requires cooperation in illustrating the local government's ability to share approaches and benefits from best practice
- **Policy implementation shared services**
- **Changing direction shared services** - Shared services that did not proceed according to proposals in their business cases.

Shared services should be viewed as form of service delivery. Shared services and outsourcing are on a continuum and different parts of the model. Outsourcing is backed up by contractual arrangements. Both are delivery arrangements but the backbone is how well the partners work together to provide a service. It is a partnership and relationship as one party is giving another the role of providing the services that the other has the responsibility or duty to do so. Shared services is another model of delivery, as it is backed by a 'gentleman's agreement' to share people, resources and services – not a contractual agreement. When two authorities are involved, usually one of the authorities would take responsibility to lead and employ the staff etc.

Another model which should be considered as an alternative to shared services and outsourcing is contractual or arms-length models. For arms-length, there is someone who knows how to run a company and has the ability to make an income and innovate (market, package, and profit). This recognises that architects of services are not necessarily the right people to run the operations.

Advantages & Disadvantages of Shared Services

Below is given some of the advantages and disadvantages of shared services. Some of these will be elaborated in the real Harrow case studies that follow under our exploration of Objective 2.

Advantages of shared services

- Cost effectiveness – therefore it is a popular option for councils
- Staff opportunities – recruitment of more experienced staff, creation of new roles. Merging also creates opportunities that are attractive to those who are keen on a broader challenge or more unique opportunities such as working in rural and urban areas.
- Innovation – ability to redesign services with more experienced staff, as well as creating new services and programmes for the workplace.

Disadvantages of shared services

- Lack of sufficient evidence of cost-effectiveness – The University of Oxford has refuted the long standing belief that shared services reduce costs.
- Geographical challenges – staff having to work further away. Though, travelling to different locations can help reinforce work culture and can have a positive effect on staff morale.
- Strain on staff – leaders and chief executives who lead two bodies could find the responsibility challenging, which may put a strain on staff.
- Lack of evidence of improved services – integration of two councils even in a modest way may prove to be a challenge. Councillors are keen to please their own constituency and efficiency rather than taking care in the success of a neighbouring authority. This may prove to be an obstacle in improving services.

In discussions with officers, we were assured that cost-effectiveness alone cannot be the reason for entering shared services arrangements. Deleting posts at management level takes out the strategic direction that would have been to that organisation. Furthermore, merging posts across two organisations can make it difficult to drive forward the strategies for both organisations. Getting rid of the ability to think strategically and drive forward the organisation is a particular loss for areas such as HR and IT. Having compatible political desire and general views on how to take organisation forward works best in management layers. By way of example, the shared HR service with Bucks became a transactional relationship, at the expense of lost strategic drive. Therefore, cost effectiveness should not be a key driver in deciding upon a shared services model.

Mass makes a difference - where smaller councils do not have the size/mass to have specialist expertise or functions, sharing services can mean that resources across organisations can be pooled and two councils can share a specialist resource e.g. employment lawyer. This may be one reason why Bucks came to Harrow for legal

services. Bringing in expertise where it does not currently exist is definitely an advantage of the model.

Outsourcing the organisation’s problems elsewhere is advised against. It is better to resolve issues first and then outsource. There are a wide range of management techniques and transformational techniques available to improve a service.

There is a need for a robust shared understanding from the outset of the shared services arrangement. This includes understanding the real pros/cons of the model before entering into arrangements.

At Harrow, proposals to enter a shared service are developed and presented to the Corporate Strategic Board (CSB) a number of times, before a report is prepared and presented to Cabinet for approval. Proposals are backed by feasibility studies, options appraisals and business cases.

Objective 2 – To understand the history of Harrow’s shared services and the lessons learnt, especially with regards to efficiency savings for the Council.

To better understand the history of Harrow’s shared services arrangements we selected a number of case studies to investigate:

- HB Law
- HR Service
- Procurement
- Trading Standards
- Special Needs Transport

These case studies are outlined as the information provided to us in autumn 2019 in compiling our desktop research.

Shared Service	HB Law
Duration of agreement (and if still ongoing)	<p>Harrow and Barnet</p> <p>1 September 2012 – 31 August 2022 (was extended)</p>
Aims & objectives of agreement	<p>Aim: To facilitate development of resilient and cost-effective legal practice, to provide improved support to both councils at a reduced cost. The transfer of staff from Barnet Council Legal Services to provide more efficient combined services to both councils. In turn, reduce overall cost of legal services (including use of external lawyers)</p> <p>Objectives:</p> <ul style="list-style-type: none"> • To reduce reliance on outsourcing work to external suppliers, maximise utilisation of staff and address issues demand, staff availability, workload peaks, service delivery, pressure on budgets, greater complexity of work • Offer staff improved career opportunities • Avoid duplication • Greater range and depth of services, with less need for onward referral • Increase viability of employing specialists, reducing cost of external services • Faster and more flexible reactions to Council’s demands • Access other potential income streams to offset the cost base • Establish new ways of working to establish the potential of the model

Set-up costs	<p>The set-up costs include the transfer of data, people and archives and setting up operations in Harrow. Integration and training costs are also included. Barnet's share of these costs is £200,289, subject to confirmation of the Capita initial costs. These would be paid in equal instalments over 5 years.</p> <p>Barnet: £200,239</p> <p>Hounslow: £338,757</p> <p>Bucks: £349,969</p>
Anticipated savings/actual savings	<p>Anticipated: April 2012 forecast: 36% over the 5 years, projected to save £300,000 by 2013/14.</p>
Outcome (its success, pros & cons, lessons learnt)	<p>Benefits:</p> <ul style="list-style-type: none"> • Unified practice – training and merge would ensure a cohesive and effective unit. • Staff and union representatives from Harrow and Barnet were briefed on the proposal and initial staff views were positive. • Minimising environmental impact by implementing agile working practices, increasing video conferencing and reducing the need to travel between Harrow and Barnet. • Knowledgeable and motivated staff • Innovation – exploit technology to enable efficiencies in practices <p>Reduce costs by delivering services in-house where appropriate e.g. in-house advocacy and training</p> <ul style="list-style-type: none"> • The HB merge was not perceived as the end goal, further growth and expansion would be pursued (Cabinet Report 2015) <p>Initial concerns (risk management):</p> <ul style="list-style-type: none"> • Channelling of new work through the new practice • Staff support and buy in for the new practice • IT and data transfer issues as files are moved to Harrow <p>Lessons learnt:</p> <ul style="list-style-type: none"> • It was important to have due regard for promoting equality of opportunity, and fostering good relations between Harrow's existing and merged employees. It was also important to consider an appropriate employment model which minimised management, pay and reporting complications. • Other lessons learnt included improving coherence and conversation: for example clarifying and agreeing overheads which Barnet would pay, set up costs, pension liabilities and number of chargeable legal hours.

Observations

The model of the HB Law service is an agreement that each council buys a certain number of hours of specific specialist legal work from the shared service. The final bill depends on the rigours of the demand, which may vary during the year. In expanding to cover other local authorities HB Law would need to ensure equity with existing shared services partners, so that is included in the shared services agreement. There is a different set of rules of procurement if a council goes out to procurement or if they enter into a shared services arrangement with another local authority.

Bucks may have withdrawn from the Harrow arrangement for Legal services because when it becomes an unitary authority in April 2020 it will have the critical mass within the districts it now oversees to run the specialist legal aspects it needs as singular services.

HB Law has been a beneficial venture for Harrow in terms of income and also critical mass. However the downside is cultural in that managers go to Legal colleagues impromptu because they are on site. This may also be exacerbated by a HR service that has not been functioning to optimal levels. Set procedures for people to follow about who is the most appropriate to go to is one area that is being improved, standardised and made easier to use. We were told that the organisation should be able to demonstrate in a year's time how a better functioning HR service has relieved some demands on legal advice.

When we probed about the lessons learnt from the HB Law experience, officers suggested that hidden costs and management costs are often in this - Legal staff are all Harrow employees. Also reiterated was that it is a two-way relationship - Harrow has the benefit of being the provider, whilst the other authorities have the demand that they need to have management and governance to oversee the relationship.

DRAFT

Shared Service	HR Service
Duration of agreement (and if still ongoing)	Harrow and Buckinghamshire County Councils 1 August 2016 (OD Service) & 1 April 2017 (Rest of HR Service) - 01 October 2019 (intended to end 26 July 2020, but BCC gave notice period on 1 October 2018)
Aims & objectives of agreement	<p>Aim: To enable the councils to run with more efficiency, deliver long-term savings and benefits to both councils. Transfer of Harrow staff to be incorporated with Bucks HR provision. The creation of a shared HR service will support the Council in meeting MTFS savings targets.</p> <p>Objectives:</p> <ul style="list-style-type: none"> • Improve budgetary pressures, capacity and expertise • Pool skills and resources, optimise use of IT systems • Develop a business case which proposes co-location of teams to promote an efficient service and drive out inefficiencies. • Establishing a good working relationship with teams that have a direct impact on the HR Shared Service, with a view to creating a one-team perception for customers, minimise need to reduce front-line service to residents. • Ensure affected staff are kept well-informed, engaged and reassured. • Improve career opportunities for colleagues. • Bucks to strengthen commercial function, enhancing customer experience, income generation and commercial growth. Longer term – maximise return on commercial work, enable better use of technology and self-service opportunities
Set-up costs	<p>The upfront costs for phase 1: £10,962.17.</p> <p>According to the charging provisions, Harrow's HR contributions were:</p> <p>Year 1 (1 August 2016 – 31 March 2017): £254,346 (the OD Service)</p> <p>Year 2 (1 April 2017 – 31 March 2018): £691,494 (full HR and OD Service)</p> <p>Year 3 (1 April 2018 – 31 March 2019): £605,616</p> <p>Year 4 (1 April 2019 – 30 September 2019): £302,808</p> <p>NB: The HR Service and Payroll have SLAs with local schools. As part of the arrangements of the Shared Service the baseline position of the 2016/17 year was taken as the level of income that the Shared Services needed to maintain from Harrow Schools. Within the Inter Authority Agreement any potential drop in income from Harrow schools was to be fully at BCC risk, and therefore the service level that Harrow Council received was not to be impacted by this loss of income. Conversely, a rise in income was to be split as per the agreement on a 36:64 Harrow:BCC split.</p>
Anticipated savings/actual savings	<p>Total anticipated savings: £250,000 (2016/17: £140,000, 2018/19 - £110,000) (Cabinet Report 18 February 2016)</p> <p>The cost schedule as indicated above was predicated on this savings schedule being delivered.</p>
Outcome (its success, pros & cons, lessons learnt)	<p>Benefits:</p> <ul style="list-style-type: none"> • Suitable alternative to outsourcing to an external provider. (Project Minerva (Cabinet report, 15 January 2014) suggested that outsourcing would not generate the savings needed for both councils – shared services would). • Implementing a shared service managed by Bucks was considered the best option to deliver savings and align with meeting objectives. • The proposed shared service would facilitate delivery of MTFS savings targets for 2017/18 and 2018/19. <p>Lessons learnt:</p> <ul style="list-style-type: none"> • In transferring the strategic HR function, then although a shared service, the Council was reliant on a wholly different organisation to give such advice to senior stakeholders. With the HR Service coming back, a key lesson is to consider whether in any future shared service model the Council can clearly split the strategic from operational/transactional roles.

- Staff engagement is essential to have full buy-in to any new endeavour. This was made more difficult after the first full year as BCC had a different pay policy and therefore the 2% NJC pay award was not awarded to those staff that were still on Harrow Terms and Conditions, i.e all the HR staff that TUPE'd across to BCC from Harrow.
- Cannot ignore LGPS implications of entering and exiting a shared service. If staff move their pension rights, there is a transfer between schemes based on the GAD standard valuation. With regards to staff transfers, Harrow must 'top up' the fund if the liabilities exceed the assets. For the HR shared service, the potential impact to the pension fund was £100k (approx.). Therefore, when entering into and ending a shared service, it is important to consider all of this as a bearing to part of any deal or financial consideration.
- Institute for Government Report: "What has worked and what needs reform?" Government should not outsource services that are integral to its own purpose without oversight. Since HR is an integral strategic function, it should be kept in-house and free from a shared service agreement. It would otherwise be unable to maintain stability in its core function. Outsource for the right reasons, e.g. Expertise, economies of scale or new technologies that allow for better/cheaper delivery of services rather than where there is little reason to think it will work, or where the focus is on unrealistic cost savings.

Observations

The HR shared service arrangement with Bucks was based on a memorandum of understanding and there were self-imposed conditions in the agreement. The arrangement meant that Harrow did not need to go through the procurement regulations of procuring a service provider. In the Bucks HR service, Harrow was looking for a cost reduction and that did reduce costs through achieving savings. However, this is to be juxtaposed against the HR service not delivering the council's needs, so there needs to be questions raised about value achieved. A £426k re-investment in HR was agreed in the council budget for 2020/21. We heard that the value of the service was not priced properly in the first agreement with Bucks. The shared services arrangement with Bucks saw them leading HR and Harrow leading Legal services.

One point of learning around shared services that the HR case study highlighted to us was that when one side feels the other is getting a much better deal, it can lead to problems. Also the arrangement felt as if Harrow had outsourced HR to Bucks and that Harrow no longer retained any control over the strategic aspects of the service. The arrangement did not see any IT integration undertaken, so in effect the strategic ambition was very low. All it saw was a transfer of staff. Furthermore it was suggested that Bucks may have found Harrow 'noisy' especially with regard to industrial relations and that Bucks staff were not accustomed to the level of scrutiny on decisions that Harrow's trade unions gave them. Political control and politics of officers and trade unions are all in the mix when it comes to running a shared service between two authorities.

With regard to savings, all the savings as part of the MTFs were achieved. However it was not economically viable to run the service on this and therefore not good value for Bucks – this may be one reason why Bucks exited the agreement. Harrow lost strategic focus at its expense.

With regard to monitoring, performance management and identifying improvements, there were quarterly meetings with the relevant portfolio holders in Harrow and Bucks with the senior officers responsible, to monitor performance. It helped that the portfolio holders

also had Legal services within their remit so the whole Bucks/Harrow arrangement could be considered in the round.

Shared Service	Procurement
Duration of agreement (and if still ongoing)	<p>Harrow and Brent</p> <p>01 September 2016 – 31 March 2018</p>
Aims & objectives of agreement	<p>Aim: Develop a resilient and cost-effective procurement and commercialisation service which can provide improved support to Harrow Council and Brent Council, at a reduced cost. To permit the delivery of savings in the procurement budget for both councils.</p> <p>Objectives:</p> <ul style="list-style-type: none"> • Improve budgetary pressures, capacity, expertise for both councils • Pooling knowledge, skills and resources • Improve career opportunities of staff • Identify collaborative procurement opportunities and implementing best practice systems and processes
Set-up costs	<p>No upfront cost apart from officer time. LBH contribution into the Shared Service budget year 1: £586,644.</p> <p>The aspiration for the Procurement Shared Service was to be able to provide Commercialisation and Procurement services to the founding partners at no cost within 5 years.</p>
Anticipated savings/actual savings	<p>2016/17: £108,000</p> <p>2017/18: £182,000</p> <p>2018/19: £180,000</p> <p>Revenue and Capital Outturn 2018/19: Within the resources directorate, saving reference RES15 for £0.151m for restructure of commercial, contracts and procurement function. The saving was unachieved due to the ending of the procurement shared service with Brent. However the budget has been realigned across the division to mitigate this. (Cabinet Report 20 June 2019)</p>
Outcome (its success, pros & cons, lessons learnt)	<p>Benefits:</p> <ul style="list-style-type: none"> • To provide a platform to undertake work for other agencies and greater influence to deliver collective aspirations with regard to Small and Medium Size Enterprises (SME) engagement, apprenticeships and social value • Allowed the Council to avoid making 54% budget cuts, and instead retain a well-functioning workforce • Harrow-led shared service would reassure both councils that critical activities would not fail as there would still be resilience in the new structure (clear two stages – 1) Brent delegated their procurement functions to Harrow supported by an Inter Authority Agreement, 2) created a shared service new target operating model) • Shared service more appropriate option than joint working, which would not have improved resilience • Collectively become a significant customer for a number of areas of major spend. The aggregated spend on specific categories give way to opportunities to deliver savings, value for money and social value for the councils by increasing attractiveness to third parties. <p>Initial concerns/ lessons learnt:</p> <ul style="list-style-type: none"> • Potential political issues about governance and control of the shared service, opposition from staff. (Cabinet Report 2016) • Shared service relationships are inherently fragile and it is only possible to mitigate (not eliminate) risks associated with entering into a Shared Service. However, the work prior to agreeing a shared service across both organisations has to focus on bringing the hearts and minds of officers on the ground with us and not just the leadership.

Observations

Officers told us that there was a memorandum of understanding between Brent and Harrow. Some economies of scale were sought by building up a mass of skills, capability and expertise, to apply pressure on suppliers. The arrangement operated for 18 months but was not necessarily well functioning. Essentially, Harrow was running Brent's procurement service from Harrow, but without integrating any systems. A key lesson learnt from this experience rested on how invested both parties are in making the arrangement work - culturally are both local authorities up for going on the same journey to improve contracts and regulations etc? From the Harrow perspective, most of the anticipated savings were achieved however the risk that was not understood was what happens if one authority's words or intentions are not met by their actions.

We noted that in the 2015 commercialisation paper, procurement was identified as a real opportunity, however we were told that Harrow did not do any joint procurement exercises with Brent as a consequence but rather Harrow advised Brent on its procurements. There were opportunities to share skills and expertise, rather than achieve economies of scale.

Shared Service	Trading Standards
Duration of agreement (and if still ongoing)	Harrow and Brent 1 April 2015 (partnering since 1970s) – ongoing
Aims & objectives of agreement	<p>Aim: To continue to promote and maintain an equitable trading environment for consumers and businesses, creating a fair and level marketplace, in which consumers can transact, (and businesses can trade), with confidence. The arrangement to continue being led by Brent Council. The combined service is of a significant size and so must serve its purpose and meet both boroughs' needs. New delegations are needed to support new initiatives into the arrangement.</p> <p>Objectives:</p> <ul style="list-style-type: none"> • For the service to continue to effectively respond to consumer complaints, give advice and information to residents and business owners, ensure consumers are more empowered to resolve their disputes and businesses are confident to invest and trade. • Agree delegations for further elements of the service, including the Illegal Money Lending project (for which there are no costs as it is a BIS-funded scheme) and the charging for the Primary Authority Partnership. • Delegate authority to the Corporate Director Environment and Enterprise in alignment with Brent Council's Strategic Director of Environment and Neighbourhood Services and in consultation with the Portfolio Holder for Community Safety and Environment. This will conclude the year-on-year changes to the SLA to reflect the council's operational needs and to do so, it is necessary to delegate. • Introduce a charge base regulatory advice service for businesses – up to seven hours free advice, after which an economic rate would be charged. Brent proposes PAP scheme in Brent to reduce regulatory burden on businesses and reflect consistency with approaches between local enforcement agencies. Harrow would be able to determine number of hours free service and the charge, after delegation to Brent and inclusion to SLA. • Proposed changes to improve illegal money lending and business regulatory advice aspects of service and to contribute to improving community safety.
Set-up costs	<p>Cabinet report 15 January 2014: The current cost of the service is £625k The MTFS reductions mean that the net budget available is £485k in 2013/14. The 2014/15 available budget and service level is to be discussed as part of the SLA.</p> <p>No additional costs for Illegal Money Lending project and charging for regulatory advice.</p>

	2018/19 budget: £380k.
Anticipated savings/actual savings	Current income target £20k (approx.) – to charge for business advice
Outcome (its success, pros & cons, lessons learnt)	<p>Benefits:</p> <ul style="list-style-type: none"> • A dedicated team who work well delivering days of action and other joint work. • There is a consistent approach across the two boroughs. • Reduced overheads and support costs, as there isn't a need to employ a dedicated Chief Trading Standards Officer, or put facilities in place (e.g. TS lab). • Brent Trading Standards recognised as some of the best in London. • In 2013/14 additional income and further efficiencies have resulted in £190k reductions to Harrow residents without affecting the quality of service. • The Trading Standards team cost each resident 78p for the year across both boroughs, which is below the national average of £1.69 as reported by the Trading Standards Institute in 2017. • The Service continues to respond to consumer complaints, gives advice and information to residents and business owners, to ensure consumers are more empowered to resolve their disputes and businesses are confident to invest and trade. <p>Lessons Learnt:</p> <ul style="list-style-type: none"> • The day-to-day business can be improved as sometimes the Trading Standards actions in Borough not always clear. • A much reduced service due to year-on-year cuts / savings. • Due to limited staff resources and depending on national priorities, new work plan would be reactive, rather than proactive, thus allowing the Trading Standards Team to mainly focus on statutory responsibilities/to balance statutory functions. Any service requests which fall outside of this scope would need to be risk assessed before further investigation is commissioned.

Observations

We understand that the statutory responsibilities of Trading Standards is minimal, and in the current public sector climate that may explain why services are diminishing – the scope and amount of work can be reduced whilst maintaining statutory duties.

Shared Service	Special Needs Transport
Duration of agreement (and if still ongoing)	<p>Harrow and Brent</p> <p>1 September 2016 – 31 July 2019 (Extended by another 3 years to July 2022).</p>
Aims & objectives of agreement	<p>Aim: To merge Harrow and Brent's SEN transport services to provide high quality service in accordance with the service standards, and commitment to people including staff and users, while delivering long-term savings and benefits to all parties. Harrow Council to deliver the necessary procurement of special needs transport, labour supply and taxi contracts to meet the shared service needs.</p> <p>Objectives:</p> <ul style="list-style-type: none"> • Implement the service within the core budget agreed by SNT advisory board • Achieve solutions for the benefit of users and achieve best value, equally for each party • All parties being equal stakeholders • Balance demand and budget to address the increase of pupils requiring transport assistance from the service. • Address financial pressures due to need for new routes and larger vehicle sizes. • Develop consistency around drivers and escorts via training and improve vehicle standards. • Improve efficiency to address increase in user demand.

Set-up costs	<p>Mob iSOFT licence extension to cover Brent operations: £16,000</p> <p>Training for Brent staff: £2,000</p> <p>Total set up costs: £18,000</p>
Anticipated savings/actual savings	<p>Cabinet report 21 April 2016:</p> <p>Combined anticipated savings: £1.17m over 3 years</p> <p>Harrow's anticipated savings: £571k.</p> <p>MTFS 2016/17 People Directorate savings: £514k over 2 years (ref PC33).</p> <p>Actual savings:</p> <p>2017/18: £309,765</p> <p>2018/19: £270,492</p>
Outcome (its success, pros & cons, lessons learnt)	<p>Benefits:</p> <ul style="list-style-type: none"> • Combined database of clients made it possible to set up route share between both boroughs and generate income/savings as a result. • The larger merged office staff team is better resourced to handle the shift work required to adequately manage the service. • The main qualitative service improvement is that prior to the joint service neither council had a Quality Assurance function. The shared service has created such a function and that did not cost Harrow any more money as the merger created the capacity to make this happen. • Harrow has benefitted from a management fee income and a parking space rental income. • The shared arrangements provided greater economic buying power and this has benefitted both councils. Agency drivers and passenger assistants - Harrow receives these at rates lower than the Pertemps contract. The service was given approval to use this external provider. • Encourage greater efficiencies in operational front line staffing (drivers and escorts), shared policies from cross working with seconded staff, systems and processes (use of single routing and scheduling IT system). • Better use of Harrow's physical premises assets to reduce operational cost of shared service. Harrow is able to provide shared parking, office facilities at the Central Depot. • Helping to alleviate budget pressure of £1m. • Alleviated strain on financial challenges faced while instead of looking to budget cuts, the arrangement still strived to protect vulnerable residents and was a suitable solution. <p>Drawbacks:</p> <ul style="list-style-type: none"> • Increased number of clients has meant an increase in the number of incidents and issues to deal with, making the service more complex. • Brent Council has a higher number of complex needs clients, adding to the workload of the service. • The initial secondment arrangement where Brent staff transferred to Harrow offices was a major challenge and took a long time to bed in. • The unification of policies and processes of both Boroughs was a significant challenge. • The geographical distance of Brent clients from the Harrow office and depot added to the overall operational costs as vehicles and drivers had to do extra miles. This is a key consideration in any future merger considerations. <p>Lessons learnt:</p> <ul style="list-style-type: none"> • While increasing client base, take care to ensure service quality does not weaken. • When transferring staff, ensure well-integrated workforce via strong communication and engagement. • Operating two vehicle fleets has been possible as the vehicles are parked at close proximity to the workshop and morning dispatch staff. It would not be efficient for the fleet to be operated from a remote site which would require a separate management set up, workshop and dispatch staff.

Observations

Given that there is a SNT review ongoing at the moment, addressing demand and supply rather than the shared service with Brent, we decided to wait for the outcomes of committee discussion on this report to inform our conclusions about the shared service. The first phase of this review has reported and was due to be presented to P&F on 26 March. However, given the Covid-19 pandemic, this meeting was cancelled.

Objective 3 – Use the intel and lessons learnt to guide future shared service ventures.

In the background research for the review, the following emerged as some lessons from shared services in other local authorities to take into consideration when starting to explore possible shared service ventures:

- Recognise politics: Political drive to implement shared arrangements is essential to overcome issues such as individual councils appearing to lose their political sovereignty. It is an advantage when both councils have the same political party in power, however there are examples of successful shared services run by councils of different political persuasions.
- Have an 'exit strategy' as part of the formal agreement between partners. For example, although North and North East Lincolnshire have a shared procurement arrangement, each continues to employ half of the staff making it easy for them to revert to their previous separate teams if things did not work out.
- The process takes time. The development of shared services can take three years to work through the legal and financial implications of the establishment of a jointly owned shared service company. They are not an overnight solution to service delivery.
- Visiting other sites to discuss their experience and to understand the problems other councils have had is valuable.

Looking specifically at the shared services experiences in Harrow, as outlined in the previous section, the following lessons can be drawn upon by the organisation:

- In a world trying to make significant savings, often we overestimate the savings and underestimate the impact on governance, cultural fit, organisational design etc. In Harrow's HR experience, the integration did not work. Liquidity in the system is important – there needs to be something in it for everyone and when this falls apart so does the relationship.
- There needs to be a level of sophistication in developing a checklist of things to consider before the organisation enters into any future shared services relationships. The planning cycle is for a 3-year MTFS but every time funding reductions are delivered by central government the funding model needs to change quicker than the shared service agreements can allow. For example, the Bucks agreement was a 5-year deal struck in 2017 however it is difficult to foretell the funding window for 2022.
- Shared services work for some at certain times. All types of organisations have learnt from the model of choice a while ago and since had a lot of learning about what works and what does not. Officers gave the advice to not go into shared service agreements with the primary reason of making money or achieving savings.

- The HB Law case study demonstrates a success and providing quality of legal advice, that would not have been available had it been kept as a single service. HB Law has helped build capacity and professional skills which should be placed above cost savings.
- Knowing your exit strategy is important.
- The procurement shared service has brought about professionalisation of the service but highlighted the importance of bringing like-minded councils together – with similarity and continuity of aim.
- HR case study - do not outsource strategy. Operational facets of a service are better to relinquish to another council, rather than strategy.
- Broader learning shows that there is increased savviness of local authorities which has been a good by-product of outsourcing. Councils have learnt about different models through trial and error, and are still learning by error. Comparing and contrasting with the private sector is good but needs to recognise that they are not the same sector and come with different perspectives.

Developing a checklist of considerations

In taking learning from this review forward, we believe that all future decisions around shared service arrangements should be supported by a robust business case. This business case, in its development, should take account of the following factors relating to sharing services with another organisation:

- Financial
- Quality of service
- Risk management
- Efficiency
- Workforce
- Organisational strategic direction
- Cultural

A protocol/checklist for any future shared services agreement process should be developed by the council and outline what needs to be considered in the organisation to be confident that the shared service is beneficial to Harrow Council and that any risks identified can be mitigated. We provide in the table below, drawing on what we have learnt from this review, a suggested checklist that could be built upon by the organisation to support this goal.

<p>Financial</p> <ul style="list-style-type: none"> • Knowing all costs at the outset so there are no surprises or 'hidden costs' - what is and is not included in the costs? • Will it generate income and allow commercial growth, if expanded to other organisations? This should recognise that the architects of services are not always the best to run operations. 	<p>Quality of service</p> <ul style="list-style-type: none"> • Will it improve the customer journey/experience? • Does it harness the benefits of best practice?
<p>Risk management</p> <ul style="list-style-type: none"> • Who is leading the shared service and is there a mutual understanding of roles and responsibilities? • The fragility of shared services arrangements when treading the uncharted waters considered – mitigation not elimination of risks is more likely. Need leadership to change hearts and minds of all involved. • Are robust exit strategies in place? 	<p>Efficiency</p> <ul style="list-style-type: none"> • Will it lead to reduction in duplication of processes? Economies of scale. • Will it enable innovation? Enabling service re-design to suit the changing needs of customers and organisational direction of travel. • Opportunities to explore further collaboration further down the line.
<p>Workforce</p> <ul style="list-style-type: none"> • Allows building up of critical mass of specialist expertise and/or functions. Bring in expertise where it currently does not exist. • Readiness to share people, resources and services. • Staff opportunities for development. • Engagement with staff, politicians and trade unions. • Factor in capacity in the short-term, especially at senior level, to deliver change required to adopt the shared service. 	<p>Organisational strategic direction</p> <ul style="list-style-type: none"> • Allows maintenance of control over the strategic direction of the organisation – retain the ability, capacity and resource for strategic thinking to drive the organisation forward so that strategic focus and ambition is not lost. • Is the new arrangement greater or less responsiveness to organisation's needs? • Does it offer enhanced organisational resilience and future proof against changing government and local policy? • Does it enable strategic growth for example in adoption of technology?
<p>Culture</p> <ul style="list-style-type: none"> • Politics and direction of the organisations involved – how well will the partners work together to provide a coherent service? • Mechanisms for governance and control. • Culturally are both organisations signed up this journey both in terms of human investment as well as financial investment? Can both organisations back up their words with actions? • Are the equalities and diversity responsibilities of the organisations as employers, community leaders and service providers aligned and compatible? 	

RECOMMENDATION 1: that every decision that the council takes around future shared service arrangements should be supported by robust feasibility studies, options appraisals and business case, which have been considered by CSB and had the opportunity to be critically and constructively challenged by members.

RECOMMENDATION 2: that the council develops a checklist of considerations that any future shared services agreement process must take account in order to be

confident that the shared service is beneficial to Harrow Council and that any risks identified can be mitigated. This can build on the checklist suggested by the review group.

Objective 4 – To research and understand best practice, lessons learnt on sharing services and how these can be adopted and implemented at Harrow Council.

Best practice and lessons learnt on sharing services and how these can be adopted and implemented at Harrow Council

When thinking about sharing services, the Local Government Association (LGA) recommends that councils consider what benefits sharing will bring to the service, and if sharing is the best way to achieve those benefits. According to recent University of Oxford research, shared costs do not always reduce costs or improve performance. There is little evidence on whether the arrangement's intention (i.e. cost savings) was achieved without adverse impact on service quality. In the current financial climate, the primary rationale for sharing in many cases is the opportunity to achieve economies of scale. There are differing views on whether such benefits are achievable. Some commentators disagree that sharing services to increase the volume of activity will bring economies of scale. They argue that a common result of higher-volume processing is an increase in the number of errors which then create additional work in resolving them. Other approaches to process improvement argue that economies can better be achieved by improving the flow of work rather than increasing the quantity of it. For example, eradicating unproductive activities in the processing of revenues and benefits claims will lead to shorter processing times and enable additional work to be taken on without additional cost. In a number of cases, the move to shared services has occurred in tandem with efforts to re-engineer business processes and transform service delivery.

While the move to shared services presents an opportunity to redesign services and implement new, more cost-effective ways of working, there may be some work that councils need to do ahead of the change, for example to align policies or work practices, or to move to common IT platforms. Councils also need to consider whether there are any existing contracts relating to a service that would prevent them from moving to a shared service arrangement until a specific date.

Some of the most commonly cited barriers to sharing are cultural or behavioural. These can include political concerns over losing sovereignty and control over council services. Many of these cultural issues depend on the maturity of the partnership. They can be overcome where there is strong and effective leadership which builds political support across the organisations and attention to cultural change to bring staff on board.

In 2008 the Office of Government Commerce published lessons learned from more than 20 Gateway Reviews of shared services programmes and projects. These offer some useful advice around establishing shared services:

1. Develop a sound business case to support the decision and keep this under regular review.
2. Develop a realistic benefits realisation plan with unequivocal buy-in from the stakeholders.

3. Ensure the organisation has the capacity, capability and resources to deliver the shared services solution. Timescales also need to be realistic.
4. Ensure stakeholder buy-in is obtained from the outset and sustained throughout the development and implementation of the shared services solution.
5. Develop service level agreements which are practical and realistic.
6. Develop sound migration and transition plans – including data migration and cleansing.
7. Anticipate and manage staff sensitivities through effective communication.
8. Develop a contingency plan as part of the wider risk management strategy.

Support from the LGA

Each council will need to decide its own strategy, direction and destination for shared services and management. These will not be the same. To be a provider or commissioner of services, to adopt incremental or transformational change, to share a wide range of services or a few – are all valid approaches. The LGA has produced an interactive map detailing shared services examples from councils across England. It indicates who is sharing what and the savings and benefits achieved or expected. The LGA has also launched a shared services match making service to provide assistance to support councils who wish to share services and / or management teams with other councils. This would be a good first port of call to connect Harrow with other councils wishing to start a new shared service and / or assist in enlarging existing arrangements. The offer includes access to funding for a dedicated shared service expert and / or paid for external mediation advice and support.

LGA research in 2017/18 found:

- Number of councils engaging in shared services is on the rise.
- In 2017, 486 partnerships had £657m estimated savings, a large increase from 2011, during which 143 agreements led to £157m savings.
- In 2018, councils involved in 599 partnerships, with £971m anticipated savings.
- From 2007 to 2010 there were only 74 arrangements, but from 2015 to 2018 there were 182 arrangements.
- Agreements vary from region to region in the UK. In 2018, the largest number of partnerships involved councils in Southeast England (117), followed by the East Midlands (85). By comparison, just 19 were reported in North East England. Also, in large urban areas they are uncommon.
- Partnering appears to be uncommon in Scotland and Wales. In Scotland, sharing usually focuses on individual services, including cooperation between councils, private firms and other public sector bodies and third sector organisations.

Some of the lessons learned are listed as:

- Retaining sovereignty of each council – keep politics to a minimum. Shared management must support both sets of staff, with a reflection of a shared approach and culture.
- Working with elected members – need to acknowledge that each council may differ in the way they do things.
- Developing new style of leadership – Chief execs encouraged to adopt shared leadership style. An adaptive style, which may be challenging when recruiting staff from councils that have little engagement in partnership function.

- Barriers to sharing include lack of willingness, fear of losing control over services, concern about reduced accountability to service users and taxpayers, lack of trust, staff impact, service quality.
- To support the sharing, ensure: good working relations between leaders/senior managers, trust extends to wider council and staff through informal briefings to create shared understanding, take managed risks, compromise
- Right partners: party politics/ organisational politics need to be overcome, otherwise choose participant council carefully.

Outsourcing

Outsourcing in the public sector has evolved steadily during the past 30 years under governments of all political colours. In 2017, government spent £292bn (equivalent to more than one third of total public expenditure) on procuring goods, works and services from external suppliers – up from £112bn in 1987.

Outsourcing of public services by local and central government has delivered mixed results with the public sector no longer likely to save as much money from using private contractors as in previous decades.

An in depth study by the Institute for Government compared savings and improvements in quality across a range of services during the past 30 years. Each service is awarded a light – green, amber or red – depending on how successful outsourcing has been. While only one, probation, is judged an outright failure, the report warns that others have not always been as successful as first envisaged. This includes the collapse in 2018 of Carillion, which led to some construction contracts involving local authorities being terminated.

Outsourcing has generally worked best in support services that are relatively simple to contract for and deliver, such as waste collection, cleaning, and catering. Among the reasons it may fail are unrealistic pricing, unrealistic transfer of risk to contractors and weak management of contracts by councils or government departments. The report also warns of the danger of local and central government becoming too dependent on large suppliers or contractors where there is lack of competition from the private sector.

The success or failure of a service depends on management, funding, staff and other factors – regardless of whether a service is outsourced. But government departments and local authorities should understand where outsourcing works, what benefits it can deliver, and why different outsourcing projects succeed or fail.

OUTSTANDING ENQUIRIES

Questions that remain following our Challenge Panel

As noted previously, due to the Covid-19 pandemic and the need to halt scrutiny and re-assess priorities, the work of this review remains incomplete. Detailed below are the question areas to which we would have further probed in a subsequent challenge panel session:

For all case studies:

- Memorandum of Understanding (MoU) or background document that underlies each arrangement – to help determine whether the arrangement is a shared service.
- Final savings achieved – to assess against the anticipated savings given to us in the members' briefing paper. Did they achieve overall budget savings or surplus? How is this reflected in the MTFS?
- Who carries the TUPE burden for all employees of the shared service
- Mechanisms for exiting arrangements

For HB Law specifically:

- Is HB Law a legal entity and a registered company in its own right? Examining the MoU that other councils enter into will identify whether it is a shared service or more a client/provider relationship.
- Savings/profits achieved since inception of arrangements.
- The exact process for the operation of the Legal shared service set up:
 - how authorities get billed and the role of HB Public Law in this
 - income from sold services to other entities - how much does this generate and how is this income shared or utilised?

For Procurement specifically:

- Financial outcome of closing the arrangements with Brent and how this was reflected in the MTFS.

For Trading Standards specifically:

- Income targets against the cost of the service and how this is reflected in the MTFS

We flag these up as a request that the Overview and Scrutiny Committee picks them up as and when it sees fit in the remainder of its work programme.

RECOMMENDATION 3: that the outstanding information identified by the Review Group following the Challenge Panel is followed up by O&S as and when appropriate, and as scrutiny work programme and resources allow.